HOUSE OF COMMONS
DEBATES

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HOUSE OF COMMONS

Friday, March 23, 1984

The House met at 11 a.m.

• (1105)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

AIRPORTS

PLEA FOR RESALE OF EXPROPRIATED MIRABEL LANDS

Mr. Scott Fennell (Ontario): Mr. Speaker, in the Montreal *Gazette* today another example of injustice to the people of Quebec has been brought to my attention. Farmers in the area surrounding Mirabel, whose land was taken away from them at ridiculous prices, are fighting to regain their rights under our Constitution and under their privilege as Canadian citizens. The Government has to be condemned for the attitude it took toward those people at Mirabel. Those people had excess land expropriated, taken away from them. The Government did not do the same thing in Pickering, because it knows the people in Pickering would battle for their rights.

I request the Government to reconsider its hard stand against these fine people from the area around Mirabel who had their homes taken away from them, homes which go back many generations. This land should be returned to the original owners or their heirs in order to retain the identity of that community. The area of Mirabel is a disaster, Mr. Speaker. It has not provided any benefit to the people there. It has only been hurtful to those citizens.

I request that this House bring forward an act to permit the original owners to repurchase the 50,000 acres—

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

* * *

MEDICAL CARE

REGULATION OF NUMBERS OF PRACTISING PHYSICIANS

Mr. Stanley Hudecki (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, the Canadian Association of Interns and Residents has brought to the attention of the Standing Committee on Health, Welfare and Social Affairs that a practice exists under the existing Medical Care Act and, according to CAIR, will continue to exist under the Canada Health Act, whereby a Province can regulate the number of qualified practising physicians by denying them a medicare billing number. Such a practice is now occurring in the Province of British Columbia.

It must be remembered that these doctors have been declared fully qualified by an appropriate College of Physicians and Surgeons which is responsible for assessing their training and awarding licences to practise. Although this practice is at present restricted to one Province, it is conceivable that it could be adopted by all the Provinces in Canada, thus denying the right to practise to qualified physicians who are Canadian born and Canadian trained.

In all Provinces but Quebec they can opt out of the system and be paid under the insurance scheme providing that they set fees within the accepted level of pay in the fee schedule. This problem, I feel, has not been solved in the deliberations of the Standing Committee. It is a principle of fundamental fairness that duly qualified doctors be assured that they will have an opportunity to practise within medicare, otherwise they may be deprived of an opportunity to earn a livelihood in the practice of their profession unless a second tier outside medicare is established.

* * *

AGRICULTURE

FUNDING OF MANITOBA EXHIBITION ORGANIZATION

Mr. Lee Clark (Brandon-Souris): Mr. Speaker, for years the Department of Agriculture has underfunded the Provincial Exhibition of Manitoba, and it is time for a change. The Exhibition organization puts on three fairs each year, including the Royal Manitoba Winter Fair in Brandon, which begins this coming Monday. It is the largest spring fair of its kind in western Canada, and it has a tremendous economic impact on the entire Brandon-Souris region.

Thanks to a dedicated organizing group, all three fairs have prospered and grown. Unfortunately, federal funding has not kept pace. Last year the federal Government contributed less than $22,000, which covered only a fraction of the Exhibition organization's three-quarters-of-a-million-dollar budget. In fact, over the past eight years there has been only a paltry increase in federal funding.

Other exhibitions elsewhere in the country are not underfunded to this degree and there is no excuse for the lack of adequate funding in Manitoba. Although the three fairs put on by the Provincial Exhibition in Manitoba are top notch, the organizers know that in order to keep on attracting top competitors and exhibitors, they must offer adequate prize money. That may not continue to be possible unless federal funding is improved.

S.O. 21

I strongly urge the Minister of Agriculture (Mr. Whelan) to adjust his Department's funding arrangements in such a way as to give the Provincial Exhibition of Manitoba the support it deserves and, indeed, the support it has earned.

* * *

THE LEADER OF THE OPPOSITION

Hon. Bud Cullen (Sarnia-Lambton): Mr. Speaker, I would like to call to the attention of the House that the Leader of the Opposition (Mr. Mulroney) is once again breaking new ground. He has agreed to appear on open line shows across the country, but on one condition, that no one can call in. It will be an open line show, but will be open from one end only. Yesterday, his press assistant confirmed that this was in fact the case but refused to say why the Hon. Leader of the Opposition would not allow people to phone in and talk to him. Today, fortunately, Bill Fox, his press secretary, has been more forthcoming. He said that the Leader of the Opposition has made it a policy not to appear on any open line shows because they are too volatile and can be manipulated by rival political organizations.

People of Canada, do not call in to the Leader of the Opposition, because the line will be busy.

* * *

• (1110)

INDIAN AFFAIRS

VALLEY RIVER INDIAN BAND—PURCHASE OF GRAVEL PIT

Mr. Laverne Lewycky (Dauphin-Swan River): Mr. Speaker, the Valley River Indian Band in my constituency has been after the Department of Indian Affairs to assist in the purchase of a ballast pit within their reserve. This pit could be compared to the hole in a doughnut relative to its location in the reserve. An offer to sell the land to the Band was made in 1981, but no meaningful action was undertaken by the Department. The sum of $15,000 was asked for but not accepted. This represents a pittance when one takes into account the fact that the Department spent $30,000 over the last two years to supply gravel to this reserve.

This historically legitimate land claim should have been settled years ago, had the Minister heeded my representations. The social and economic value of this land to the Bank is far greater than the amount requested. I call upon the Minister and the Department to act immediately to secure this piece of land for the Valley River Indian Band under their land claims programs and projects.

[*Translation*]

BANK OF CANADA

ALLEGED STATEMENT BY GOVERNOR

Mr. Jean-Claude Malépart (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, I rise under the provisions of S.O. 21 to protest against a statement by the Governor of the Bank of Canada, Mr. Bouey, who said yesterday that workers are partially responsible for high interest rates in this country, because they are getting higher wage increases than their American counterparts.

Mr. Speaker, I think Mr. Bouey is being unfair to Canadian workers. He should not forget that last year, most workers in Canada took cuts in wages, and others were obliged, as in Quebec by the provincial Government, to forgo scheduled wage increases. Furthermore, most workers have had to accept the work sharing concept.

Mr. Speaker, I think Mr. Bouey ought to set an example and take a cut in salary or simply offer his resignation.

* * *

[*English*]

POLITICAL PARTIES

LIBERAL PARTY LEADERSHIP CAMPAIGN

Mr. Doug Lewis (Simcoe North): Mr. Speaker, I want to share with the House a letter I recently received. It starts out: "Dear John: It was so nice to see you on TV after all those years. It seems like only yesterday that you quit while I was in the middle of the Ontario election campaign in September, 1975. Like many Canadians I wondered where you had been for the past nine years. Some said you were making films. Some said you were writing a pricy newsletter based on your experience as Finance Minister. Some said you were working in a fancy restaurant.

I didn't think you would be returning to politics when I heard you were practicing law on Bay Street. But you have quit that, too, although you have not quit the bank directorship. By the way, John, now that you are 'fresh' to politics, you should practice your one-on-one TV interviews. Shifty eyes, swivel chairs, a tense expression and evasive answers may have been OK in the days of radio when you were Finance Minister, but we are using television now and your lack of experience shows."

It is signed, Mr. Speaker, "Affectionately yours, Bob Nixon, former leader, Ontario Liberal Party".

* * *

EXTERNAL AFFAIRS

RECOGNITION OF HONORARY BALTIC CONSULS

Mr. Jesse P. Flis (Parkdale-High Park): Mr. Speaker, Canadians from all three Baltic states, Latvia, Lithuania, and

Estonia, continue to be concerned over the fact that the federal Government's publication *Diplomatic Corps And Consular And Other Representatives In Canada* does not include the names of the honorary consul generals representing each of these states in Canada. In light of the fact that this publication includes names of representatives from agencies such as the International Labour Organization, the International Atomic Energy Agency, and the Northwest Atlantic Fisheries Organization, to name but a few, I urge the Government and the Secretary of State for External Affairs (Mr. MacEachen) to include the names of the above three honorary consuls general under this special category of "Other Representatives".

On behalf of all Canadians of Baltic descent, I urge the Canadian Government to give some recognition to the representatives of these three important areas of the world by including their names in the above directory.

* * *

INDIAN ACT

CALL FOR REPEAL OF SECTION DISCRIMINATING AGAINST WOMEN

Mr. John McDermid (Brampton-Georgetown): Mr. Speaker, it is a shame that I have to rise in the House today—

Some Hon. Members: Agreed.

Mr. McDermid: Wait for it—and again make a plea to the Government to bring forward legislation immediately to remove a Section in our Indian Act which discriminates against Indian women in our country.

Some Hon. Members: Hear, hear!

• (1115)

Mr. McDermid: Section 12.(1)(b) is the offending Section. It has been promised by this Government year after year in the Speech from the Throne, by the Minister responsible for the status of women (Mrs. Erola), by the Prime Minister (Mr. Trudeau), and by the Minister of Indian Affairs (Mr. Munro). Yet we have no legislation. It is a black mark on the country. It is a black mark on the Government of the country. A Bill must be introduced in the House immediately so we can remove that discrimination in the Indian Act. It is a shame, and it must be done right now.

* * *

CRIMINAL CODE

DEFINITION OF CHILD—CALL FOR AMENDMENT

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, recently in Winnipeg a father was aquitted on a technicality after admitting that he had sexual intercourse with his adopted daughter. Apparently he could not be charged with having sex with his adopted daughter because the child was born out of wedlock and is not therefore a child according to the law as it now exists. The charge was changed to having sex with a foster daughter, and the man got off when the judge ruled that an adopted daughter does not fall within the definition of a foster child.

Clearly this is one of those cases in which the law is an ass. Action must be taken to amend the Criminal Code to provide better protection for illegitimate and adopted children. The Attorney General of Manitoba and others have called upon the federal Government to amend the Criminal Code to close this loophole. I would certainly urge it to do so as quickly as possible. I am confident there would be co-operation from all Members of the House.

ORAL QUESTION PERIOD

[*English*]

LABOUR CONDITIONS

UNEMPLOYMENT—COMPARISON WITH UNITED STATES

Mr. Doug Lewis (Simcoe North): Mr. Speaker, my question is for the Minister of Finance. The Minister has said that when interest rates rise in the United States they must also rise in Canada. Can the Minister explain to 1.5 million unemployed Canadians why unemployment in the United States has been falling in the past few months, and rising in Canada? Why can we not share in some of the gains if we have to share in the pains?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, very simply, employment has risen in the United States and also in Canada. The reason that our unemployment figure has not gone down faster is the significant difference between the participation rates, that is, the number of people coming into the work force in Canada and in the United States. I will give my friend a figure. The increase in participation in Canada last year was 40 per cent larger than it was in the United States. We have had a much larger number of entrants into the labour force in Canada than there has been in the United States. This is part of the explanation.

The cycles of recession and recovery are not identical in Canada and the United States. Over time those cycles tend to be similar, but in the short term they have never coincided in the past. One should expect there to be lags in either direction between the two countries. However, fundamentally the same general direction applies.

Mr. Lewis: Mr. Speaker, Canadians who are unemployed will have a lot of difficulty with that economic gobbledegook which can only be understood by some economists.

REQUEST FOR ACTION TO REDUCE UNEMPLOYMENT

Mr. Doug Lewis (Simcoe North): Mr. Speaker, let us talk to the 1.5 million Canadians who do not have jobs. Why can

we not tell them we are going to try some of the things they have tried in the United States which have cut down unemployment? Forget about entrants into the work force. Why can we not have some of those events in Canada which cut down on unemployment in the United States, so that we can put Canadians back to work?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I cannot help the Hon. Member very much on the first question if he refuses to use his brain and examine reality. The statistics are there. They indicate that we had a much larger growth in the labour force in Canada than the United States had last year. I ask the Hon. Member to look at the figures. He should be able to understand them, even if he refuses to make the effort of exercising his mind by analysing the consequences of having a larger growth in the labour force in Canada than in the United States.

• (1120)

As to the second point he raised, I want to stress to him that indeed we have taken steps in this country to stimulate the economy. In effect the deficit itself indicates how much more the Government is injecting into the economy compared to what it has taken out of the economy.

We have announced a number of measures, particularly last year, that are now in operation, whereby we are stimulating the private sector with about $2.4 billion in tax incentives. We are also adding significantly to government infrastructure capital expenditures, in order to stimulate construction and activity in the housing industry.

I remind him that under the Special Capital Recovery Projects we will spend over $1 billion in federal funds this year. We have also set up a fund of $1.3 billion for this year that will come to the help of young people in this country who are experiencing the largest percentage of unemployment at the present time.

* * *

HOUSING

MORTGAGE RATE PROTECTION PLAN

Mr. Doug Lewis (Simcoe North): No matter how the Minister of Finance slices it, unemployment in Canada is 11.3 per cent and rising, and unemployment in the U.S. is 7.8 per cent and going down.

Mr. Speaker, I want to return to a question I asked the Minister earlier this week with respect to mortgage interest rates. He stated that the Mortgage Rate Protection Plan will protect home owners against excessive increases in interest rates. As the House and the country will know, but the Minister of Finance does not know, that plan protects Canadians when the mortgages are renewed three and four years from now. What is he doing today to address the rise in mortgage interest rates which will cripple the building industry and prevent Canadians from buying homes?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the Hon. Member says that unemployment is at 11.3 per cent and rising. He must have statistics that no one else in Canada has. I suggest that he should wait for the Statistics Canada figures for next month. He might be surprised. What will he say if unemployment comes down next month? I regret that the figure is high at 11.3 per cent and I am concerned about it, but I do not think the Hon. Member helps the situation or shows that he is looking at it with any particular degree of fairness when he says it is rising. There is no evidence to that effect. Indeed, I suspect that we may have contrary results when the figures come out next time.

As far as the Mortgage Rate Protection Plan is concerned, as the Hon. Member knows it will be effective at the time of renewal of mortgages, but it will be a very effective program. It has the support of all the agents concerned, including the housing industry, the construction industry in this country, and the Canadian Consumers' Association. I hope my hon. friend will support that measure when it comes before the House.

With respect to the immediate situation, it is regrettable that mortgage rates have gone up by half a point. However, I do not think that my friend can conclude that this will cripple the housing industry, any more than a decline by half a point would have suddenly led to a huge boom in the housing industry. These movements are rather small and I am confident that we will not see them become larger.

* * *

LABOUR CONDITIONS

PLIGHT OF JOBLESS OLDER WORKERS

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is directed to the Minister of Finance. He will have received a letter from the Canadian Council on Social Development pointing out that older workers, particularly adult men who are heads of families, are the people most severely hit by long term unemployment, that is, people who have been without jobs for more than a year. In fact the number of jobless in that group has more than doubled in the last couple of years.

Since most of the Government's job-creation programs are directed toward younger workers, and therefore the group I am talking about does not qualify because of age, and because their unemployment insurance benefits have been exhausted and they are literally living in despair, why is the Government not paying more attention to the plight of jobless older workers particularly when their numbers have increased so dramatically in the last couple of years?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, now the Hon. Member is complaining about too much assistance for young workers compared to what is being done for older workers. I wish the Hon. Member's Party would get its act together. First, they attack us for not doing enough for

young people, and today the Hon. Member is saying we are doing too much, compared to what is being done for older workers. I may remind her that the Government has direct job creation programs some of which are mainly aimed at young workers, but there is also a substantial number aimed at all workers, including the older workers.

I may also remind her that the Department of Employment and Immigration has special programs for the people to which the Hon. Member is referring. These include the program based on Section 38 of the Unemployment Insurance Act as well as the labour adjustment programs, some of which are being used to help the textile and footwear industry. We have set up programs specifically aimed at older workers who have not yet reached retirement age but are facing a difficult situation in industries that are in a relative decline. We have adjustment programs for these workers to help them cope with these very difficult circumstances.

I should be happy to send the Hon. Member a list of these programs if she does not yet have that information.

• (1125)

[*English*]

LONG-TERM IMPACT OF UNEMPLOYMENT

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, the Minister says he wishes I would be consistent. I wish he would not attempt to deceive people.

Has the Minister read this letter from the Canadian Council of Social Development which points out so dramatically the plight of the older worker? We know the great difficulty with younger workers, but the Government also has to realize that there are real problems for those people who are older. They point specifically to the age group between 55 and 65 who are living in real difficulty. The Council also asks the Minister whether he would put more study into the long term problems arising from unemployment.

In light of the studies being done in the United States, which I raised with the Minister last week, will he not take this recommendation of the Canadian Council on Social Development and look into the long-term impact of unemployment and what it is doing to the people of this country? It is really having disastrous effects on their lives.

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, I have read the letter thoroughly to which the Hon. Member refers.

Miss MacDonald: Your colleague has not.

Mr. Roberts: I had some discussions with the people serving on the Committee on Social Development. I have also raised these questions, to which the Hon. Member has referred, with my provincial counterparts at the meeting held in Saint John a few days ago. Yes, we are concerned about both the short-term and the longer-term implications.

Miss MacDonald: I am glad you are. The Minister of Finance is not.

Mr. Roberts: It was as a result of that, that the provincial Ministers at that conference agreed with me that we would try to hold a special conference of employment ministers on this subject and on, for instance, skills development and literacy problems, sometime before this summer. We are working on that conference. It may not prove to be possible to have it as quickly as we would like, but the employment ministers in Saint John agreed with me that we would try to organize such a conference before the summer.

Miss MacDonald: Thank God. You are more humane than the Minister of Finance.

* * *

FINANCE

INCREASE IN INTEREST RATES

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is for the Minister of Finance. Yesterday the chartered banks, following the direction of the Bank of Canada, raised their interest rates again for mortgages and consumer loans. For the past number of weeks the Minister of Finance has been repeating that the Government does not have a high interest rate policy, yet every week we see the bank interest rates sneak and creep up to a higher and higher level.

The course of action being followed by the banks now is the same course that was followed in 1981 when we saw interest rates go from 18 per cent in May to 19 per cent in June, to 20 per cent in July, and to 21 per cent in August. If the systematic increase in interest rates that we now see occurring is not part of a high interest policy, would the Minister care to tell the House and the Canadian public what is a high interest rate policy?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I would like to use the expression of the Hon. Member and ask him what the NDP was saying when the interest rate in Canada was sneaking and creeping down from 21 per cent to 11 per cent? Were members of the DNP claiming that the federal Government had a low interest policy and that this was terrible? They were not, obviously. They were realizing that the economy was evolving in a situation both in Canada and the United States where we were able to have a situation in which interest rates were coming down.

• (1130)

At the present time, as I have indicated, we have a situation where we have practically eliminated the difference between the U.S. and Canadian rates. We have been able to bring interest rates in this country down to the levels of the United States whereas, before the six and five program, for instance, we had a spread of up to 4 per cent and 5 per cent above United States rates. If the United States rates go up, as they have been creeping up since January, it is unrealistic to expect

that we can have a situation in Canada where we have lower interest rates than the United States over an extended period. We may be able to do it for a few days or a few weeks, but as I have repeated over and over again in the House to my friends, they should realize that if Canadians can get 11.5 per cent for their money in the United States, they will not keep their money in Canada at 9 per cent or 10 per cent. It is as simple as that.

Mr. Deans: In effect the Minister is saying that there is nothing we can to independently, that those people who are now unemployed can continue to look forward to years of unemployment, and that those who have jobs can look forward to further unemployment. In effect, that is what the Minister is saying, that nothing can be done in Canada. Surely he knows that there is a large body of opinion that high interest rates in Canada can do nothing but hinder investment in the country and stall the economic recovery, if in fact there is an economic recovery taking place.

UNEMPLOYMENT LEVELS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, is it really necessary for the Government of Canada to replay the disasters of 1981, 1982, and part of 1983, and to allow unemployment to go from 1.5 million to 2 million or 2.5 million people? Is that the only answer with which the Government can come forward to deal with the economic problems facing many people in the country today?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, of course not; of course not. Our policy is not a policy of impotence.

Some Hon. Members: Oh, oh!

Mr. Lalonde: I have indicated to the Hon. Member repeatedly that indeed we have achieved a lot in bringing down the inflation rate in the country, that we have achieved a lot by increasing productivity, that we have achieved a lot by having the largest trade surplus in our history, and that indeed we have achieved a lot by reducing the difference between U.S. interest rates and Canadian interest rates. This has allowed us to be more competitive, more productive, and more efficient, and has prevented us from having even higher unemployment than we have at the present time.

We do not have a high interest rate policy. Our policy is one of having the lowest possible rates of interest that we can achieve in this country. That is what we are working at and trying to achieve. This is the aim of our policy—the lowest possible rate of interest with the highest possible rate of growth in the economy.

Mr. Deans: Surely the Minister recognizes that high interest rates in the years 1981, 1982 and 1983 directly resulted in higher unemployment, higher levels of bankruptcies, both personal and business, and in what virtually turned out to be chaos in the lives of almost two million Canadian families. Surely the Minister also recognizes that to deny those people and others the opportunity to fend for themselves and create a life for themselves, is to deny that the Government has any responsibility.

GOVERNMENT POLICY

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, surely it is not unreasonable to suggest that if the result of high interest rates will be, without exception, higher unemployment, higher levels of bankruptcy, higher levels of mortgage foreclosures, and more chaos in the economy, the Government must then take it upon itself to pursue a different policy, a policy of lower interest rates, a policy of government responsibility, a policy which says that the Government of Canada will set an interest rate that will satisfy the best interests of Canadians living in Canada, rather than follow an interest rate made in the United States which works havoc with Canadian workers, manufacturers, and employers?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I have listened to the tirade of the Hon. Member with a great deal of interest. I have to repeat what I have just told him, that our policy is to have the lowest possible interest rate. That is the Government's policy. I cannot say it in more or in better words. That is our objective. This is what we are trying to achieve at all costs. Once more, the notion that somehow the Government could dictate interest rates here well below those in the United States is living in fairyland. Once more, even NDP supporters would be the first ones to ship their money to the United States if they could get more than in Canada for it. It is as simple as that.

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AGRICULTURE

PLIGHT OF FARMERS PAYING HIGH INTEREST RATES

Mr. Lee Clark (Brandon-Souris): Mr. Speaker, my question is directed to the Minister of Agriculture. Hopefully he will know that there is a very serious agricultural crisis which is worsening day by day. At least 50 farmers in my constituency of Brandon-Souris will not be able to put in their crops this spring, at least in part due to high interest rates. Those high interest rates are partly due to the fact that many farmers in Manitoba and elsewhere in Canada are locked into Farm Credit Corporation loans at 16 per cent or higher. Are the Minister and his Government incapable of doing something to help these farmers, many of them are in their thirties, some of whom are in their forties and sixties, who are being forced off the land by policies of the Government for which it should forever feel ashamed?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I am sure the Hon. Member is aware that the Province of Manitoba has some responsibility. Those farmers did not reach the position they are in overnight. Agriculture is a joint responsibility in Canada.

We subsidized the interest rates of some of those farmers about whom he is talking, down to 12 per cent. Some of them have not made any payments during the two years they were subsidized down to 12 per cent. It has cost the Government millions of dollars to subsidize those interest rates. We were lending at 16 per cent and 16.75 per cent, whereas private lending institutions were providing money at 20 per cent to 23 per cent.

When he says that we did not do anything, I would gently remind him that the marketing system which his Party seems to support is very sick and does not give farmers a decent return. Then he wants the Government to come along and assist that sick marketing system under which they are operating. I want them to make up their minds on just what they want. He knows as well as I do that many farmers in the Province of Manitoba who are in some kind of marketing system are looking after the market themselves, running it for themselves, and are paying bills too.

ASSISTANCE FOR FARMERS

Mr. Lee Clark (Brandon-Souris): Mr. Speaker, I would like to direct my supplementary question to the Minister of Finance. On behalf of farmers in my constituency who are being forced into bankruptcy, either by creditors or voluntarily as a result of high interest rates, why are the Minister and his Government prepared to liquidate the debts of Canadair and yet do nothing to help average, ordinary farmers?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I may remind the Hon. Member that every year, the Government makes it possible for the Farm Credit Corporation to lend hundreds of millions of dollars to the agricultural sector in this country, and that every year, the Department of Agriculture spends hundreds of millions of dollars to help the industry and ensure it will be productive and able to compete on world markets. The fact is that agriculture in Canada has proved to be one of the most dynamic sectors in our economy and in the world, for that matter. With the support of the Government of Canada and the policies this Government has implemented, the agricultural industry in Canada has proved to be extremely productive, but there have been difficult times where high interest rates have caused problems for a number of farmers, and as the Hon. Member is aware, we have implemented a number of measures to help farmers facing particular problems.

• (1140)

[*English*]

SMALL BUSINESS

SMALL BUSINESS DEVELOPMENT BANK

Mr. Scott Fennell (Ontario): Mr. Speaker, my question is directed to the Minister of Finance. His description is very appropriate. Incompetent is a very appropriate definition of the Minister of Finance. There are thousands of people who are worrying about jobs. Small businesses are panicking because of the new trend of interest rates going up. Will the Minister of Finance put in a contingency plan to protect the small businesses of this country by means of reintroducing the SBDB in its original form, which was intended not only to help bankrupt companies but to help those strong small Canadian companies that were so damaged by the previous rise in interest rates?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I am pleased to receive the Hon. Member's suggestion.

[*English*]

MINISTER'S POSITION

Mr. Scott Fennell (Ontario): Mr. Speaker, we have heard this Minister give long, macro economic dialogues in this House over the last week.

An Hon. Member: You have learned a new word.

Mr. Fennell: I have learned a great deal. The Minister has failed to tell the Canadian public what he is going to do to get people back to work, to save small businesses and get this country moving again.

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I do not understand how this fits into Question Period. The Hon. Member has made a speech. I have not heard a question. He complains about long answers. I gave him a short one. He should be satisfied with that. I could go on to explain to him—

Mr. McDermid: No, no.

Mr. Lalonde: You are afraid of getting longer answers? You will get one. In the last budget I introduced measures to produce—

Mr. Speaker: Order. The Minister of Finance has made a point. Questions of a general nature are hardly suited for Question Period. We are now entering a period of mini debates, not questions and answers. This is an evolution of this period upon which Hon. Members might care to reflect.

Oral Questions

BANK OF CANADA

GOVERNOR'S STATEMENT ON WORKERS' WAGES

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have a short and very specific question for the Minister of Finance. Yesterday Gerald Bouey, the Governor of the Bank of Canada, stated that Canadian workers are partly to blame for high interest rates in this country because their wage increases are higher than in the United States. According to the United States Labour Department figures, the 1983 wages of Canadian workers were only 93 per cent of those of workers in the United States. Does the Minister agree with the Governor of the Bank of Canada that Canadian workers are partly to blame for high interest rates? If not, will he tell Governor Bouey to go take a walk in a storm?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the question is not only in terms of Canadian workers, but all Canadians. Over a period of several years settlements regarding wage and salary increases in various forms, not only of the ordinary worker, but of senior officials and so on, have been more than in the United States. To give my friend some idea, in 1981 non-COLA commercial wage settlements in Canada were 5.1 per cent higher than in the United States; in 1982 they were 3 per cent higher, and in 1983 they were 1.7 per cent higher than in the United States. If we go back before 1981, we find similar figures over a number of years.

When 60 per cent to 70 per cent of our Gross National Product is composed of salaries and wages for all Canadians, it is clear that the wage component is a significant factor in our economy. If our increases in wages, salaries and remuneration generally are larger than in the United States, we will not be able to compete with the United States, which is our main client and one of our main competitors. I am sure the Member knows that. This is a reality that this country has to face. We have to remain competitive.

The only way we will be able to have relatively higher settlements than in the United States and still remain competitive is if we can have a higher rate of productivity in this country than in the United States. My friend knows that in the last few years the rate of productivity in Canada was not as high as in the United States. I am happy that in the last year we have improved our rate of productivity. I hope that all Canadians will ensure that our economy will be even more efficient than in the future.

Mr. Nystrom: Mr. Speaker, the fact remains that the average manufacturing wage in this country is only 93 per cent of that in the United States, $11.44 an hour compared to $12.31 an hour.

REQUEST THAT GOVERNOR'S SALARY BE REDUCED

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my supplementary question is directed to the Minister of Finance. I believe he is aware that Governor Bouey's salary last year was $104,000. His American counterpart, Federal Reserve Board Chairman Paul Volcker, was paid the equivalent of $85,000 in Canadian funds. If the Minister will not fire Governor Bouey, will he at least take the next logical step and reduce his salary to $79,000, which would be 93 per cent of the salary of Mr. Volcker?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I remind my hon. friend that the salary of Governor Bouey has not been increased in the last few years. In fact he has turned down an increase in salary to which he would have been entitled under the six and five program.

* * *

PENITENTIARIES

MILLHAVEN—HIRING OF PART-TIME CONTRACT WORKERS

Mr. Bill Vankoughnet (Hastings-Frontenac-Lennox and Addington): Mr. Speaker, my question is for the Solicitor General. Considerable pressure has been building among employees as well as inmates at Millhaven Penitentiary over the recent number of stabbings and murders, a situation worsened by inmates' access to drugs and alcohol. Employees have brought their concerns to the attention of the Commissioner of Correctional Services. In view of this situation, and the decision by your Ministry to hire commissionaires for part-time—

Mr. Speaker: Order. The Hon. Member should address his remarks to the Chair.

Mr. Vankoughnet: Mr. Speaker, is the Solicitor General aware that part-time contract people are being hired for positions in control towers on the inside of these prisons? I wish to refer to comments that have been made that these people are not of a qualified background so that situations which arise, such as that at Archambault—

Mr. Speaker: The Hon. Member is making a representation. He really should ask the question.

Mr. Vankoughnet: Mr. Speaker, is the Minister aware of this situation? If so, what is he prepared to do to address the situation which has been brought to the attention of the Commissioner, especially considering the recent coroner's report in eastern Ontario that drug abuse and alcohol are rampant in that institution?

Hon. Bob Kaplan (Solicitor General of Canada): Mr. Speaker, I met with the union. In fact I meet with them

periodically, almost every three months, and go over an agenda of items of concern. That particular matter was not on our most recent agenda. However, I am certainly willing to discuss it with the representatives of the union.

I approved a policy of replacing professional members of the CSC with part-time people in areas where no threat at all is to be presented to the security of the institution. I challenge the Hon. Member to relate the kinds of jobs replacements he has referred to with the kinds of problems that exist in the institution. The manning of a tower by any person who is qualified to do that, does not bear on the possibility of excessive drugs in the institution.

I am very concerned about the escalating costs in the past of the Correctional Service of Canada. During this period of restraint I have taken special steps in the institution to try to bring costs down. Using commissionaires who are well qualified to do the job they are given, rather than using highly trained professionals of the CSC to do jobs which do not require professional training particularly, is a very important way of saving money for the taxpayer.

• (1150)

PERIMETER SECURITY

Mr. Bill Vankoughnet (Hastings-Frontenac-Lennox and Addington): Mr. Speaker, what we are dealing with is not economics; we are talking about human lives. For the Minister to suggest that we have people in penitentiaries who are not fully qualified is incomprehensible. Everyone who works in a penitentiary, such as Millhaven especially, should be well qualified. That is very important, whether they are back-up people or whatever they are. We are not just talking about economics; we should be talking about the security of the inmates and the people with families who work there.

My supplementary question concerns perimeter security, Mr. Speaker. There have been suggestions that there will be fewer people in guard towers on perimeter security because of the new electronic surveillance equipment. I have been told by people who work there that this equipment is not functioning very well at all because of weather conditions in that area. I should like to know what the Minister is doing to make sure that the perimeter area is secure, and if he has plans for further reducing the number of people in these towers.

Hon. Bob Kaplan (Solicitor General of Canada): Mr. Speaker, if the Hon. Member is genuinely concerned about this, I do not know why he does not show up at the meetings of the Justice Committee where such matters are discussed. I took the case for perimeter intrusion detection electronic devices to that Committee and I think I was able to satisfy a great many of the reasonable Members who attended that, in a lot of cases, electronic surveillance is more effective than surveillance only by people, without electronic surveillance, as has been done in the past. I think the Hon. Member could learn a lot by attending that Committee. One thing he would find is that no measures have been introduced, even to save money—absolutely no measures—that would increase the risk to a community or to the staff who work in an institution, or even to the inmates.

* * *

INDUSTRY

PETROCHEMICAL TASK FORCE REPORT

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, my question is directed to the Minister of Finance. There is a need to create jobs, and the petrochemical industry has that potential. Is the Government prepared to consider the recommendations of the task force on petrochemicals in a favourable way? Will he announce whether he is prepared to forgo the up-front taxation on the feedstock, especially to allow a more market responsive taxation system to be put into place?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, not long ago we received a report from a task force on petrochemicals that was set up by the Government. This report was received by the Minister of Regional Industrial Expansion and the Minister of Energy, Mines and Resources. Our officials are examining the report and its implications, and we shall be happy to inform the Hon. Member as soon as we have finished studying the report and Cabinet has made a decision.

[*English*]

Mr. McGrath: Supplementary. A short supplementary.

Mr. Speaker: A short supplementary. The Hon. Member for St. John's East.

Hon. James A. McGrath (St. John's East): Mr. Speaker, I have a short supplementary question for the Minister of Employment and Immigration who is sitting next to the Minister of Finance. Perhaps he might be able to explain to the House why, more than five weeks after the Budget, he has not yet been able to utilize the $150 million made available to him by his colleague in the last Budget for—

Mr. Speaker: That has nothing to do with the original question. This is not a supplementary. It has nothing to do with it. The Hon. Member for Portage-Marquette.

Mr. Trudeau: Learn the rules.

* * *

AGRICULTURE

RED BEEF STABILIZATION PROGRAM

Mr. Charles Mayer (Portage-Marquette): Mr. Speaker, I have a question for the Minister of Agriculture about the red

meat situation. There have been discussions recently with provincial Ministers and four of them agreed in principle to a so-called tripartite red beef stabilization program. The Minister is on record as saying two years ago that something could be done. I wonder if he would be prepared to tell us what stage the discussions are at now, and when we can look forward to the introduction of legislation in the House that will facilitate matters.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I am sure the Hon. Member is aware of the meeting held here in Ottawa on February 9 with some Ministers. In fact every province was represented. They are not in unaminous agreement about how the plan should work, put there was enough feeling of support there that I have instructed my officials to go ahead with the legislation. We had a meeting about it this morning and they are proceeding with the draft legislation at the present time. The date they have set for approval and, hopefully, for a signing function by the provincial Ministers and myself, is in July of this year.

STATUS OF DISCUSSIONS

Mr. Charles Mayer (Portage-Marquette): Mr. Speaker, if I understand the Minister correctly, that means that a plan will be in place by July 1. If that is the case, when will it take effect? Will it be in effect in time for the fall crop of calves? Could the Minister bring us up to date on the state of the discussions with the various sectors involved? We are talking about a hog plan and two separate plans in the beef industry, one for the calf operation and one for slaughter calves. Could the Minister bring us up to date on those discussions?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, it seems that the pork producers are almost unanimous across Canada; sheep people are as well; cow-calf people are, but the big problem is in the finished cattle sector, whether it would be for this year. It is a tripartite type of agreement. It has not been agreed whether it would be for this year or not, but we hope it would be paying for the calendar year 1984.

* * *

HEALTH

RESEARCH INTO LONG-RANGE AIR POLLUTION

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. The Minister recently agreed to an amendment to the preamble to the Canadian Health Act which included the insight that we will only bring about improvements in the wellbeing of Canadians if we address the environmental causes of disease, as well as other causes of disease. I wonder if the Minister could tell the House how she reconciles that legitimate perception with the fact that a request for $1.2 million to continue studies on the health effects of long-range air pollution has been rejected by her Department? Is she aware of this rejection and, if so, did she support it? If she is not aware of it, what will she do to make sure that this kind of important research continues?

Hon. Monique Bégin (Minister of National Health and Welfare): Mr. Speaker, the problem of limited resources is well known, particularly in fields like the one for which I have responsibility. It is true that at the last banking date we could not find that sum of money. It means competition with programs such as the creation of the first native health professionals career program, which I thought must have top priority for the health status of Canadians. You simply have to weigh priority. There is an interdepartmental committee on an acid rain program, to fight air pollution, that is now working with my officials to try to find, through other public and even private sources, funds for the continuation of this study. My Department will analyse the data collected in the first four years of the program.

IMPORTANCE OF RESEARCH

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, it would appear that, along with others, the Minister is trying to find money to continue this research. That is a good thing and I hope she is successful. May I say to her that it is not a question of trading off a program that she suggested, with the one that I mentioned. This kind of research is very important and ought to be structured into the long-range plans of the Department of National Health and Welfare. When she gets around to doing that we will be completely satisfied.

Hon. Monique Bégin (Minister of National Health and Welfare): Mr. Speaker, I am not sure what the question was, exactly, in the second representation made by the Hon. Member. The fact is that the data collected up to now will be analysed by my Department and we hope that other stages of the program of research will take place. I think it is better to consider this as a temporary disruption of funding more than the cutting off of funds forever.

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INDIAN AFFAIRS

NATIVE BUSINESS DEVELOPMENT FUND

Mr. John McDermid (Brampton-Georgetown): Mr. Speaker, my question is for the Minister of Finance. His predecessor, who is now the Secretary of State for External Affairs, with great fanfare in 1981 announced that he was creating a $345 million fund to develop Indian businesses. May I ask the Minister how many loans have been given from that fund since 1981?

• (1200)

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, this question should more properly be addressed to the Minister of Indian Affairs and Northern Development. I am not responsible for the administration of the loans and of the fund.

Mr. McDermid: Mr. Speaker, that is not where the loan responsibility rests, just to give the information to the Minister of Finance. It rests with the Department of Trade, but there is not a soul from that Department over there and it was the Minister of Finance who announced it.

ACTIVATION OF FUND

Mr. John McDermid (Brampton-Georgetown): Will the Minister make a commitment to encourage his colleagues to activate that fund so that Indians can start small businesses, and have proper funding which would help the unemployment situation which is tragic with the Indian people?

Mr. Speaker: The Chair has difficulty accepting a supplementary in view of the responsibility of another Minister for the program, according to the rules and practices of the House.

* * *

PETITIONS

MR. CROSBY—MARITIME COMMAND UNIFORM

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Halifax West (Mr. Crosby) on Thursday, March 22, 1984, meets the requirements of the Standing Orders as to form.

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POINT OF ORDER

MR. McGRATH—RELEVANCY OF SUPPLEMENTARY QUESTION

Hon. James A. McGrath (St. John's East): Mr. Speaker, I rise on a point of order arising out of your ruling during Question Period as to the relevancy of my supplementary question. I do not often challenge the Chair. Indeed, under the rules we cannot challenge the Speaker's rulings. However, clearly, Mr. Speaker, I think in this particular case you were wrong, and I say that with great respect—

Some Hon. Members: Oh, oh!

Mr. McGrath: My question was clearly supplementary.

Mr. Speaker: The Hon. Member for St. John's East is an experienced parliamentarian for whom I have personally a great deal of respect. I am sure the Hon. Member knows that supplementaries are in the discretion of the Chair. I believe an examination of today's *Hansard* will indicate that this Question Period was not the finest hour. With all due respect, the Hon. Member for Wetaskiwin (Mr. Schellenberger) asked a very specific question relating to incentives with regard to the petroleum industry in his area, and a very specific—

An Hon. Member: Order.

Mr. Speaker: With all due respect, in the interpretation of the Chair, this was an incentive for investment. The Chair had great difficulty relating the supplementary as posed by the Hon. Member—and this was a discretion of the Chair in an attempt to accommodate Hon. Members—to an investment incentive program announced in the Budget. In the circumstances, the Chair determined it was not a relevant supplementary.

The Hon. Member will note that the Chair had one or two other difficult decisions to make today. With all due respect, the Chair would be delighted to meet with the Hon. Member afterwards. If there is a true feeling there has been an injustice done, the Chair is always willing to look at the record and try to be as fair as possible in the circumstances in granting supplementaries.

Mr. Bill Yurko (Edmonton East): Mr. Speaker, I rise on the same point of order. I have noticed that the Speaker during the last several weeks has been recognizing Hon. Members to ask questions without supplementaries during the last five or ten minutes of each Question Period. I would like to commend the Speaker and ask him to continue the practice.

Mr. Speaker: The Hon. Member, however well intentioned, is out of order at this point.

* * *

Mr. Lorne Greenaway (Cariboo-Chilcotin): Mr. Speaker, I have been away from the House for several weeks. When I opened my desk drawer I found that someone had left a "weapon" in my desk. I believe, actually, it is the kind of thing which someone should use on the Minister of National Revenue, but you are welcome to have it!

Some Hon. Members: Oh, oh!

Mr. Speaker: The Chair will bring this to the attention of the Sergeant-at-Arms and wishes to assure the Hon. Member that it is inconceivable that any Hon. Member of this House would bear any ill will toward him!

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

MS. MITCHELL—PROTECTION OF CHILDREN

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I have the honour to present a petition from over 900 parents of school children who live throughout the Cities of Vancouver, Coquitlam, Surrey, Langley, Richmond, North Vancouver, Burnaby, Port Moody, Delta and West Vancouver in British Columbia. These parents ask that an error in the federal Criminal Code of 1976 be corrected so that growing children can be protected in parks and playgrounds from convicted

sexual offenders. They ask that this law be changed now to protect our children as humanely as possible. I fully support this petition, Mr. Speaker.

MR. BLENKARN—LAW ON ABORTION

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I have the honour to present a petition signed largely by a great number of women with respect to the terrible conditions which exist in Canada concerning abortion. They urge that the Criminal Code be amended so that abortion be available only for the absolute protection of human life.

MR. WENMAN—CANADIAN ARAB HORSE REGISTRY

Mr. Robert Wenman (Fraser Valley West): Mr. Speaker, I have the duty and responsibility to present a petition on behalf of Arab horse breeders in my constituency of Fraser Valley West and elsewhere. The nature of the petition is to protest the arbitrary and undemocratic activities of the Canadian Arab Horse Registry which proposes to introduce mandatory blood-type tests of questionable value, and charge importation fees for horses already registered in America.

The purpose of this petition is to ask the federal Government to order CAHR to change its constitution to allow proxy voting and require that all directors be persons who have bred and registered foals successfully over the last five years in the Canadian and/or American registry.

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QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Leonard Hopkins (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, the following questions will be answered today: Nos. 382, 420, 424, 597, 633, 639 and 648.

[*Text*]

CANADA-PRINCE EDWARD ISLAND DEVELOPMENT PLAN

Question No. 382—**Mr. Howie:**

1. Will the Canada-Prince Edward Island Development plan expire and, if so, on what date?

2. Are there any negotiations to replace or renew it and, if so, what is their status?

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of Regional Industrial Expansion and the Ministry of State for Economic and Regional Development as follows:

1. Yes, March 31, 1984.

2. Yes. Discussions with the Province are well under way, with the objective of arriving at a new federal-provincial agreement by March 31, 1984.

CEIC—EMPLOYMENT DEVELOPMENT BRANCH

Question No. 420—**Mr. St. Germain:**

What programs fall within the mandate of the Employment Development Branch of the Department of Employment and Immigration and, since January 1, 1983, what amount has been allocated to each province for each program?

Mr. Jean-Guy Dubois (Parliamentary Secretary to Minister of Employment and Immigration): There are four consolidated employment development programs administered by the Employment Development Branch. They are: Canada Works; Local Employment Assistance and Development (LEAD); Career-Access; and Job Corps. The Branch also administers employment creation grants and contributions funds but these funds are not allotted by region.

Allocations for the four main programs are made on a fiscal year basis. The allocations for fiscal year 1983/84 are:

1983/84
Estimated Allocations ($'000)

	Canada Works	LEAD	Career-Access	Job Corps
Newfoundland	45,167	9,305	2,926	1,238
Prince Edward Island	7,907	7,582	1,039	198
Nova Scotia	32,775	8,875	4,026	457
New Brunswick	36,513	4,726	3,234	232
Quebec	192,231	35,598	29,540	5,006
Ontario	184,276	8,694	34,109	6,294
Manitoba	23,245	7,005	4,858	3,751
Saskatchewan	14,041	3,772	4,792	2,157
Alberta/Northwest Territories	24,528	3,148	6,935	6,117
British Columbia/Yukon	127,357	7,862	11,747	3,170

OLD AGE SECURITY BENEFITS

Question No. 424—**Mr. Howie:**

As of January 1, 1984 how many people were receiving old age security benefits?

Hon. Monique Bégin (Minister of National Health and Welfare): As of January 1, 1984, there were a total of 2,750,104 persons receiving Old Age Security benefits. The breakdown is as follows:

Recipients of Old Age Security only	1,239,406
Recipients of Old Age Security and guaranteed income supplement	1,243,060
Recipients of spouse's allowance	87,638
	2,570,104

ROOSEVELT CAMPOBELLO INTERNATIONAL PARK COMMISSION

Question No. 597—**Mr. Howie:**

What are the (a) names (b) positions of the persons who occupy positions on the Executive and Board of Directors of the Roosevelt Campobello International Park Commission and, in each case, what amount was he/she paid in respect of that position in the fiscal year ended March 31, 1983?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): The Roosevelt Campobello International Park Commission consists of six members and six alternates. They are: the Hon. Hedard J. Robi-

chaud, P.C., Chairman; the Hon. Edmund S. Muskie, Vice Chairman; Mr. Robert A. Tweedie; the Hon. Franklin D. Roosevelt, Jr.; Mr. David H. Walker; and Mr. Curtis M. Hutchins; Miss Grace Tully; Mr. Stuart D. Trueman; Mr. James H. Rowe Jr.; Mrs. John Norris; Mr. Lawrence Stuart; and Mr. Rowland Frazee.

The Commissioners receive no remuneration from the Commission; however, they may be paid reasonable per diem and travel expenses by the Commission.

FEDERAL BUSINESS DEVELOPMENT BANK

Question No. 633—**Mr. Mazankowski:**

Does the Federal Business Development Bank perform a merchant-banking role and, if so, in 1983 (a) how many (i) small businesses utilized the bank's services (ii) financial packages did the bank arrange and what was the dollar value of those packages (b) what amount, if any, did the bank collect in fees for its services and what was the cost of providing those services (c) in how many companies did the bank participate as an equity partner or short-term holder of stock options and what was the net profit or loss on these equity transactions?

Hon. David Smith (Minister of State (Small Businesses and Tourism)): Yes, the Federal Business Development Bank (FBDB) does perform a merchant banking role, pursuant to its new mandate and, in 1983:

(a) (i) 51 small businesses utilized its services. (ii) 18 financial packages were arranged and the dollar value of these packages was $6,165,000; 19 were under consideration; 14 were abandoned after investigation found that financing was not required or the bank was not able to arrange financing.

(b) $70,055 in fees was collected and the cost of providing those services was $55,958.

(c) The bank participated in 10 companies as an equity partner or short-term holder of stock options. No net profit or loss can be reported because none of these equity transactions were sold during the year.

ENTERPRISE DEVELOPMENT PROGRAM

Question No. 639—**Mr. Stewart:**

In the fiscal year 1983-84, what amount was budgeted for the Enterprise Development Program (EDP)—Part 1?

Hon. Ed Lumley (Minister of Regional Industrial Expansion): For the fiscal year 1983-84, an amount of $85,103,000 was budgeted. However, since the Enterprise Development Program (EDP) is one of the programs which has been subsumed by the new Industrial and Regional Development Program (IRDP), project applications could no longer be accepted under the Enterprise Development Program (EDP) as of September 15, 1983.

LAWYERS EMPLOYED BY DEPARTMENT OF JUSTICE

Question No. 648—**Mr. Howie:**

In each of the last two preceding fiscal years, were any lawyers employed by the Department of Justice and, if so, how many and in each case what was the total expenditure related to their remuneration?

Financial Administration Act

Hon. Mark MacGuigan (Minister of Justice): The number of lawyers employed by the Department of Justice in fiscal years 1981-82 and 1982-83 and their total remuneration were as follows:

	Number of Lawyers	Total Salary
1981-82	538	$22,005,000
1982-83	577	$25,380,000

[*English*]

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

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

FINANCIAL ADMINISTRATION ACT

MEASURE TO AMEND

Hon. André Ouellet (for the President of the Treasury Board) moved that Bill C-24, An Act to amend the Financial Administration Act in relation to Crown corporations and to amend other Acts in consequence thereof, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

He said: Mr. Speaker, I am pleased to have this opportunity to introduce on behalf of the President of the Treasury Board (Mr. Gray), a Bill which, needless to say, is an important piece of legislation. We hope that this Bill will provide the new and comprehensive framework we need to provide for authority, control and accountability with respect to federal Crown corporations.

As the House is aware, the need for such a framework was mentioned in 1977 in the Blue Book of the Privy Council Office, which, at the time, suggested a number of legislative measures, as did the Bill on Crown corporations tabled in 1979 by the Government then in power, and finally, the policy statement and Bill presented by our Government in 1982, and again in 1983 in Bill C-153.

In establishing the formula provided in the present Bill, the Government was able to use to good advantage the views expressed by all Hon. Members on the subject, and especially the reports presented by the Public Accounts Committee, by the Auditor General and by the Lambert Commission, the

Royal Commission on Financial Management and Accountability.

• (1210)

[*English*]

The essence of the legislation now before the House, Mr. Speaker, is that the control and accountability of Crown corporations can best be strengthened by clarifying the roles and responsibilities of Parliament, the Government, boards of directors, and corporation managers. The result is that Parliament's role is enhanced, the ability of the Government to act as a vigilant and effective shareholder is improved, the audit system is reinforced and expanded, and the corporations themselves retain the necessary freedom to operate in accordance with sound management practices. The House will take special note of the fact that the Auditor General has expressed general support for this legislation and, at the end of my remarks, with the consent of the House I will gladly table appropriate correspondence in this regard between the Auditor General, the Prime Minister (Mr. Trudeau) and the President of the Treasury Board (Mr. Gray).

It is useful to note, Mr. Speaker, that the public and parliamentary debate on this matter has focused on questions of control and accountability. The discussion has not centered primarily on the more fundamental political or philosophical question of whether Crown corporations should exist. This is, I believe, a testament to the justifiable pride and satisfaction with which the public over many years has viewed this characteristically Canadian enterprise. Governments, at both the federal and provincial levels, have frequently in our history chosen the corporate structure for achievement of specific roles and specific policy objectives, opting for the advantages of an arm's length relationship with the Government. This corporate instrument of public policy has been employed in areas of transportation and energy, in broadcasting, and in a wide range of activities ranging from support for agriculture and fisheries to the financing of exports, the administration of ports, and the minting of coins. It is interesting to observe, Mr. Speaker, that the corporate holdings of the provincial governments, which include, of course, the large power utilities, exceed those of the federal Government on the basis of total assets represented.

[*Translation*]

I assume our Progressive Conservative friends opposite will bear this observation in mind. It is true that the provinces—which unfortunately, I must say, are almost all being run by Progressive Conservative Governments—are much more involved and have much broader powers through their provincial Crown corporations than the Government of Canada does.

That is why I fail to understand why in some areas, our Progressive Conservative friends are against federal Crown corporations, while they do not seem to have any objections to provincial Crown corporations—

[*English*]

At the federal level I want to say that it has now been more than 30 years since a general legislative framework governing the operation of Crown corporations was put in place. In bringing the legislation up to date, Mr. Speaker, it is necessary to recognize that there has been substantial growth and change in that period and that federal Crown corporations vary in many ways. Some have thousands of employees while others have fewer than 25. Some operate in a competitive environment, others do not. Some are financially self-sufficient while others depend in whole or in part on parliamentary appropriations. Some Crown corporations have rather broad mandates while others have been created for very specific purposes. Measures are therefore necessary as a beginning to clarify the manner in which these diverse Crown corporations are classified for legislative purposes.

At present, most Crown corporations are listed in Schedule B, C or D of the Financial Administration Act, but in a manner which is, I have to admit, not consistent. Through legislation under Bill C-24, all present Crown corporations will be either listed in the schedules or exempted by statute from the provisions of the Act. Each year the President of the Treasury Board will table in Parliament the names of the subsidiary Crown corporations. Through this legislation three parent Crown corporations will be exempted from the provisions of the Financial Administration Act; The Bank of Canada, the Canadian Wheat Board and the International Development Research Centre.

Mr. Mazankowski: Hear, hear!

Mr. Ouellet: The Government has concluded that in these three cases the new policy could result in inappropriate relationships given the special nature of these corporations and the provisions of their existing Acts of incorporation. I am glad to see the former Minister of Transport, who is a defender of the Wheat Board, approve this decision of the Government.

Mr. Mazankowski: Very much so.

Mr. Ouellet: The Bill has also provided that those Crown corporations of a governmental nature would be henceforth grouped in Schedule B of the Financial Administration Act and be referred to in future as departmental corporations. They would be subject to provisions of the Act that now apply to Government Departments.

All parent Crown corporations of a commercial nature will, under the Bill, be listed on a new Schedule C of the Financial Administration Act. This schedule will have two parts: parent Crown corporations operating in a competitive environment and not normally dependent on operating subsidies, such as Air Canada or PetroCan, will be listed in Part II of Schedule C; the other, more numerous corporations which are dependent upon parliamentary appropriations, such as the CBC, or that operate in an environment where competition is less severe, would be listed in Part I of Schedule C.

It is important to emphasize, Mr. Speaker, that the framework for control and accountability in this legislation also

specifically addresses subsidiary Crown corporations. For the first time, therefore, the relevant provisions of the Financial Administration Act include requirements with respect to the subsidiary Crown corporations, providing a rigorous system of reporting and control for them which has been absent to this point.

• (1220)

Hon. Members will observe that the provisions of the Bill distinguish between parent and subsidiary Crown corporations. Primary control by the Government and Parliament will be exercised through the parent companies. I direct attention, Mr. Speaker, to the fact that the Bill provides that subsidiaries will not be able to engage in activities denied to the parent corporations. The Bill provides, moreover, that the Government may extend the controls directly to subsidiaries if it considers such action necessary. The legislation applies as well to the Canada Development Investment Corporation, despite some preliminary suggestions to the contrary. I am sure all Members in the House will be pleased by this decision of the Government.

The Government's ability to direct and influence the activities of corporations in which it has less than 100 per cent ownership is, of course, limited because the rights of the other shareholders must be respected. Where such investments are held by Crown corporations the proposed legislation does, however, require that the Crown corporations be held accountable for their investments. For example, if a Crown corporation holds a minority interest in another corporation, it would be inappropriate for the Government to impose its public policy objective on that enterprise. The Crown corporation would be obliged to account for that investment interest in the corporate plans submitted for government approval.

While the main elements of control are embodied in the legislation, some flexibility will be essential in matters concerning government approval of specific corporate decisions. A single set of controls, as specified in the legislation, applicable to Crown corporations irrespective of their degree of commercial involvement, simply will not work. The necessary flexibility will be achieved through the use of regulations covering such matters as the timing, form and content of corporate plans. I would like to say immediately that the Government is prepared to table the regulations when the Bill goes to committee. When the Bill goes to committee we will immediately give the members of the committee the regulations.

It will thus be apparent, Mr. Speaker, that nothing in the use of such regulations will weaken the statutory role of Parliament. It is important to stress this. The regulations will be there to give flexibility. In no way should this be construed as a reduction in the role and responsibility of Parliament. The regulations are designed primarily to expedite relations between Crown corporations and the Government as a shareholder.

It is fundamental to the Government's position on Crown corporations that the role of Parliament in these matters be clarified. Explicit parliamentary approval will be required for the establishment of any new parent Crown corporations, for the mandates of these new corporations, and for any subsequent change to their mandates.

This approval could be sought in one of two ways. One approach would be through a special Act. The Bill also provides, however, that in the case of corporations created under general companies legislation, parliamentary approval would be sought through a motion that would enable substantial discussion in the appropriate standing committee. Parliament will continue, of course, to have authority to approve the financing of Crown corporations' activities where appropriations are required.

Parliamentary approval would be required as well for the disposal of any ownership of a parent Crown corporation. Here again the Bill proposes parliamentary consideration of either special legislation or a motion which would be studied in a standing committee. Parliament has the right to expect a systematic flow of timely, pertinent information on the management of Crown corporations.

This would be achieved in the following manner, Mr. Speaker. First, Parliament would be made aware of the objective of Crown corporations for each planning period through the annual tabling of corporate plan summaries.

Second, in their annual reports the parent Crown corporations would be required to report on the extent to which they and their subsidiaries met their objectives for the financial year. These reports as well will be tabled in Parliament.

Third, the approved operating budgets of all parent Crown corporations requiring parliamentary appropriations would be tabled, as would all appropriate capital budgets.

Fourth, all government directives would be tabled.

Fifth, the President of the Treasury Board would table an annual consolidated report on all Crown corporations listing all government corporate holdings and including employment and financial data. Finally, Mr. Speaker, all reports tabled in Parliament would be referred to the appropriate standing committee or committees.

The Government would be responsible for the major strategic decisions of Crown corporations and must, threfore, be in a position to review their plans and requirements. The Bill will give the Government the authority to require that the necessary information be supplied in advance to allow the Government to make proper revisions. This does not mean, however, that the Government should create a parallel management structure which would serve only to diffuse managerial responsibility. It is certainly not in the mind of the Government to do such a thing. Parallel systems are not contemplated and should not take place.

Responsibility for the appointment of the boards of directors of parent Crown corporations will rest exclusively with the Government. It will also appoint the chairmen of the boards and the chief executive officers in all cases where the Act of incorporation does not provide otherwise. It is the Government's view, Mr. Speaker, that the Government, as the single shareholder, must retain this right of appointment. In this

position it is supported by the Auditor General and by similar actions in those provinces where Crown corporation legislation has recently been reviewed.

The Government will be required by legislation to approve any extension of the activities within the mandates of Crown corporations, whether through the creation of new corporate entities or the acquisition of shares or assets. Government approval will also be required for the disposal of wholly-owned subsidiaries or of major businesses or activities of parent Crown corporations. Specific government approval may be required as well for the disposal of property. Prior government approval will also be required for corporate borrowing and for operating and capital budgets. The Government's responsibility is to ensure that parent Crown corporations have specific objectives against which their performance, including that of their wholly-owned subsidiaries, would be measured.

• (1230)

For this reason, parent Crown corporations will be required to obtain annual government approval of their corporate plans in which the Government will expect a statement of clear objectives for the planning period. Hon. Members may wish to be reassured that in cases where corporations with subsidiary or holding interests submit consolidated plans—the CDIC would be the typical example—there are provisions that each of the separate businesses and activities must be identified.

The government approval procedure which I have outlined does not mean that Crown corporations would be faced with major change in their strategy each year. However, it would be the means whereby the Government would have an opportunity to review corporate objectives and, from time to time, require new policy directions where appropriate.

Situations will undoubtedly arise where the Government will want particular parent Crown corporations to take on specific assignments that are in line with both corporate mandates and broad public policy but which may not, in the board of directors' view, be in the mainstream of the corporation's activities. The legislation therefore gives the Government the ability to issue directives requiring corporations to implement such assignments but only after consultations with the board of directors. The proposed legislation specifically provides, however, that where the Government issues a directive it is the Government, not the board of directors, that would be accountable for the consequences arising from the implementation of such directives.

Nevertheless, it is quite clear in the legislation that the board's duty to implement the directive has to be observed promptly and efficiently. Government directives would be tabled in Parliament and responsibility for them would clearly rest with the Government. It is expected that such directives would be few in number and infrequent.

The corporate plan will provide the primary vehicle through which the Government and the parent Crown corporation agree on the broad objectives for the total corporate entity. The Government considers it inappropriate to issue directives that could be construed as interference in cultural activities that Parliament has entrusted to certain Crown corporations. The Bill therefore provides that no directive could be issued to the Canada Council, the Canadian Broadcasting Corporation, the Canadian Film Development Corporation and the National Arts Centre Corporation, dealing with the form or content of a project, production or broadcasting program. The same prohibitions will apply to directives concerning the provision of financial assistance by these corporations to any person or group. Any other directive issued to these corporations would be tabled in Parliament and the Bill provides that no action on the directive could be taken until 30 days after the tabling occurred.

In summary, the Government's involvement is reserved for major strategic issues, for matters of public policy, for approval of corporate plans and budgets, and finally, for appointments of the chief executive officers and the board of directors of the parent Crown corporations. For these purposes, the Government will be prepared to deal quickly with matters that often will be of critical importance to the successful operation of the corporation. The Government will be expected to give the parent Crown corporations and, through them, their wholly-owned subsidiaries, clear guidance on policy matters and the Government's requirements for information.

I would like now to turn to the provisions of the Bill relating to the role of directors and managers. Given a clear parliamentary mandate and government concurrence in strategic directives, Crown corporations are responsible for the efficient and effective management of their affairs. Bill C-24 makes it clear that direct responsibility for such management rests with the board of directors. In order that this pivotal role of the board will be beyond question, the Government has restated in this legislation the duty, the responsibilities and conflict of interest provisions applying to directives as they are set out for private sector companies in the Canada Business Corporations Act.

Mr. Blenkarn: Except they don't get indemnity by the Government.

Mr. Ouellet: In short, the responsibilities of the directors of Crown corporations will be those that apply in the private sector.

Mr. Blenkarn: Except for indemnity.

Mr. Ouellet: The Hon. Member talks about indemnity. In many cases the members of boards in the private sector are much better paid than what we are paying in government.

Mr. Blenkarn: Are they, now? How would you like to table the directors' fees in the CNR?

Mr. Deputy Speaker: Order. I would invite Hon. Members to reserve that type of exchange for the committee stage. The Hon. Minister has the floor.

Mr. Ouellet: I want to say that, indeed, a lot of competent and great citizens have agreed to serve on boards of many Crown corporations out of a sense of duty and responsibility to do their share for their country.

Mr. Nystrom: Like Jack Horner.

Mr. Ouellet: In fact, they are doing so at personal expense in many cases.

Mr. Blenkarn: A thousand dollars a day salary.

Mr. Ouellet: I think the Hon. Member is wrong in his assumption.

Anyway, I want to say that it is to the board of directors that the Government will look for the integrity and soundness of plans, recommendations and proposals concerning the direction of the Crown corporation, and for judgments and guidance on operational issues. It is the board that the Government will hold primarily responsible for performance. It is to the board that the legislation provides specific responsibilities related to the audit function, including overseeing effective internal audits and ensuring that proper, thorough external examinations are conducted for the annual audit report and periodic report on the corporation's management systems.

I would like to conclude my remarks by briefly reviewing those aspects of the Bill relating to the auditing of Crown corporations. Hon. Members will agree that a good audit system is essential if management is to be alert to possible weaknesses in the corporation's control systems and if the shareholder is to have a reliability check on the corporation's activities. Properly structured, precisely defined as to role, and carefully organized as to reporting relationship, good audit systems form an invaluable check on the comprehensiveness and soundness of a corporation's management system. It is the fundamental objective of this legislation to ensure that the sound and comprehensive management system is put in place as soon as possible.

Because Crown corporations often have goals that are not purely financial, the auditor will be asked to attest to the accuracy and consistency of non-financial performance indicators which the Government has indicated it wants verified.

The management systems that most Crown corporations now employ to ensure that assets and operations are managed efficiently will henceforth explicitly be required by statute. The proposed legislation will also generally require Crown corporations to have an internal audit activity which will be under the general direction of an audit committee of the board of directors.

Audit works best when it is regarded by management as a tool to improve the performance of the corporation. At the same time, the auditors work for the shareholder, in this case the Government of Canada, and the shareholder has a right to be assured that the corporations have established proper management systems. The new proposals include an external special examination of the management systems, structured in a way that should provide the shareholder with the necessary confidence while helping management improve its performance.

• (1240)

At least every five years, all Crown corporations will have an external examination to provide reasonable assurance that there are no significant deficiencies in the management systems and practices of the corporation. This examination at least every five years will normally be carried out by the auditor performing the annual audit, but in certain circumstances it may be appropriate to have another qualified person undertake the examination. The legislation provides the flexibility.

For corporations in Part II of Schedule C, those operating in a highly competitive environment the examiner's report will be made only to the board of directors, in order not to expose the corporation to public scrutiny of a kind that its competitors would not face. We have to be realistic in this regard and make sure those who are in competition cannot give information that would be detrimental to the good operations of the corporations. Indeed, there would be many ways for companies competing with Crown corporations to seek information to their advantage, which is not really in the public interest. Therefore it will be important, in order not to expose corporations to public scrutiny of that kind, to make sure that does not take place. However, this implies a very special responsibility on the part of the board to protect the interests of the shareholder. We will rely on the good judgment and good sense of responsibility of the shareholder as well as the people sitting on the board on behalf of the shareholder.

For corporations in Part I of Schedule C, the examiner will have the right to bring significant deficiencies to the attention of the appropriate Minister and, if in the examiner's opinion the circumstances warrant, to the attention of Parliament, though only after consultation with the board of directors, the appropriate Minister and the auditor general.

Audits and special examinations are designed to provide an independent, objective assessment, for management and the shareholder, of the adequacy of financial and management controls. Auditors and examiners may not, however, question the merits of particular policy or business decisions, or the objectives of the corporation.

The legislation also proposes a clear and strengthened role for the Auditor General. On or after January 1, 1989, the Auditor General would be appointed by the Government as the auditor or joint auditor of each Crown corporation listed in Part I of Schedule C, unless the Auditor General waives the requirement that he be so appointed. A phasing in of this new role has been proposed so as to avoid disruption of the work now done by private sector auditors. I will be possible under certain circumstances for private sector firms to undertake the special examination of corporations in Part I of Schedule C.

For those Crown corporations listed in Part II of Schedule C, an auditor would be appointed by the Government after consultation with the board of directors. As is the case with those corporations in Part I of Schedule C, the special examination would be carried out either by the auditor or another qualified person.

I referred at the outset of my remarks, Mr. Speaker, to the general support of this legislation given by the Auditor General, who was frequently consulted by the Government and its advisers in the course of preparation of the Bill. As Hon. Members who have followed this matter closely will undoubtedly surmise, this was not a simple exercise in legislative draftsmanship. Many views have been expressed, and the number and variety of Crown corporations meant that many individual situations had to be taken into account in developing a single, comprehensive approach that would commend itself to Parliament.

I want to say—

[*Translation*]

—and I will say it in French, as one who is responsible for one of our major Crown corporations, that I wish to congratulate the Treasury Board officials who helped prepare this legislation on their concern for consultation, their insight and the excellent job they have done. Personally, I am very pleased that these consultations took place, I am very pleased with the insights I received from Treasury Board officials, and I must congratulate them publicly for their excellent work, all of which has made it possible to introduce this Bill before the Parliament of Canada today.

[*English*]

I want to say in my concluding remarks that after reviewing the final draft of the Bill, the Auditor General wrote to the Prime Minister to say:

> I am entirely supportive of this version of the proposed legislation . . . . I recollect that last June I wrote you, expressing my concerns about the need for a more effective accountability framework for Crown-owned corporations. I think it therefore only appropriate that I write again now when there is such tangible evidence of action that will help alleviate my concerns.

The Auditor General has written to the President of the Treasury Board and again I quote:

> I sincerely appreciate the opportunity to be consulted where the office has expertise in matters such as the proposed Bill to amend the Financial Administration Act regarding Crown corporations. I hope that this sort of cordial and constructive relationship with your office will continue in the future.
>
> I think the version I have discussed with Mr. Clark who is the Associate Secretary of the Treasury Board, goes a long way towards responding to our major concerns as outlined, for example, in Chapter 2 of our 1982 Annual Report. With respect to the auditing regime, I am supportive and hope this Bill finds favour with other Members.

I think Members of the House will share the Government's view that the support of the Auditor General for this Bill is an important reason for its support by all Members of this House. I look forward to it in order that it can go to the committee soon where my colleague, the President of the Treasury Board, can provide more detailed explanations of the Bill and discuss in more detail with all Members of Parliament the fine points of this good legislation.

Mr. John Thomson (Calgary South): Mr. Speaker, it is very sad that the Government has chosen to ignore one of the most serious problems that face Canadians today. Crown corporations are a very serious problem. They are insidious and they represent a huge subgovernment. Crown corporations employ more people than the Government itself. They lose $4 billion a year. It is not easy to come to grips with this problem and it will never be solved if the Government wants to go through a façade of motions and legislation. It knows as well as anyone that this legislation fails to come to grips with the questions of accountability and control.

• (1250)

An extensive book could be written on accountability and control, all the audit provisions in the world could be introduced and the roles of the directors and officers could be specified, but the problems of Crown corporations will never be solved if there is a lack of political will and intent on the part of the Government to bring the corporations under control. Intent is at the heart of the issue. As long as the Government wants to play games with Crown corporations through political appointments and to create a regime in which no one is responsible, as long as it wants Crown corporations to be responsible to Cabinet, it will never come to grips with the problems because no one is responsible. The Cabinet is collectively responsible, and everyone's responsibility is no one's responsibility.

On behalf of the Conservative Party let me say that we would dearly love to support this piece of legislation. We think it is a serious problem. If the legislation came to grips with only a smattering of the problems, we would support it. The Minister's words were fine-sounding ones. If we could implement what he said in his speech and if the legislation addressed what he said, he would have my blessing and the blessing of the Conservative Party. But the Minister knows full well that his words are empty and are not reflected in the legislation. He knows full well that it is just another smoke and mirrors job, which is so typical of the Government. Why will it not come to grips with the problems? The Government does not have the political courage to come to grips with them; that is the truth.

Time does not allow me to go through the Bill clause by clause to demonstrate its numerous and manifest defects, but we will take it apart in committee. We will deal with it clause by clause in committee. Perhaps we will be able to make enough amendments to give the Bill some substance so that it will come to grips with the problems. Instead, today I will focus on a few general points. In so doing, I hope to demonstrate, first, that the Bill is not what the President of the Treasury Board (Mr. Gray) said in his statement following first reading; and second, when closely examined, the Bill is so full of defects that it represents no improvement whatsoever to the current situation.

The legislation offends me as it should every Member of the House. I should like to indicate why. I will begin with the regulations, or should I say lack thereof because the Government has not even produced any such regulations. It has the utter audacity to present the Bill but it did not bother to present the regulations. We are buying a pig in a poke. The legislation indicates that certain matters will be spelled out in the regulations, but we do not know what the regulations indicate. The Government wants opposition Parties to support

the legislation but it is not prepared to tell us what it says. That is typical of an arrogant government.

This Bill gives huge regulatory-making powers to the Government. As such, it is typical of the Government's excessive desire for secrecy and unbounded administrative discretion in running the affairs of government, insulated from any parliamentary or public scrutiny and control. Government Members say: "Keep them in the dark; let us not open up the process so that Parliament knows what is going on".

I refer Hon. Members to the wide discretionary powers given to Ministers under the National Energy Program as an example of how the Government operates. In earlier times, such legislation would have been rejected out of hand by the House. I regret to say that we have reached the point where the Government blithely tables this legislation and feigns shock when Hon. Members express honest and heartfelt dismay at the extent of regulatory decision-making powers within it. Government Members say: "Oh, we would not dream of doing anything like that", but we have come to know otherwise. The Bill itself says one thing. When the regulations are presented, the Government does quite another.

There are three fundamental problems with the extent and nature of the regulating powers in Bill C-24. First, every section of substance has attached to it a regulation-making power by which the Government in effect defines how the section will operate or by which Crown corporations can be exempted from the requirements imposed by the section. As one example, I refer to Section 100 which appears to indicate that the Minister of Finance must approve the terms, conditions and timing of any and all borrowing by a Crown corporation. However, Subsection 135(4) authorizes the Governor in Council, by regulation, to exempt a specified Crown corporation or a Crown corporation of a specified class from the application of this section. What the Lord giveth, the Lord taketh away. The Government is asking Parliament to buy a pig in a poke. Without seeing the regulations, how can we possibly know how the Government intends to use the Bill?

Second, even if we were to see the regulations, how would we know that the Government would not change them the day after the Bill is passed or use them over the years to subvert completely Parliament's intention or understanding when it approved the Bill? The answer to the question is that we would not know. We have no assurance; there is no guarantee whatsoever in the legislation.

Third, there are few if any criteria in Bill C-24 that constrain or establish a framework within which the Governor in Council may make regulations. There are no criteria limiting the Government's power to move corporations from one schedule to another, from one classification of Crown corporation to another. The form and content of corporate plans, operating and capital budget and corporate by-laws are set by regulation, but we do not know what are the regulations. How do we know whether it will be a one-line operating plan? Is that what the operating plan is—a one-line capital budget? Bill C-24 does not specify the circumstances under which the Government may exempt corporations from any requirement in the Bill.

The Minister indicated that he intends to table the regulations before committee review. We thank him for that small mercy.

Perhaps I could call it one o'clock at this particular point.

[*Translation*]

The Deputy Speaker: Order. It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

[*English*]

Mr. Deputy Speaker: When the House rose at one o'clock, the Hon. Member for Calgary South (Mr. Thomson) had the floor.

Mr. Thomson: Mr. Speaker, if it is permissible, I understand that the Minister of Labour (Mr. Ouellet) would like to table the correspondence with the Auditor General.

Mr. Deputy Speaker: Before recognizing the Minister, I should inform the House that this can only be done with the unanimous consent of the House.

Some Hon. Members: Agreed.

[*Translation*]

Hon. André Ouellet (Minister of Labour): Mr. Speaker, in my speech I referred to correspondence exchanged between the Auditor General of Canada, the Right Hon. Prime Minister (Mr. Trudeau) and the President of the Treasury Board (Mr. Gray). I therefore wish to table this correspondence in both official languages and I would like to thank my hon. colleagues for giving their unanimous consent.

[*English*]

Mr. Deputy Speaker: The House has heard the Minister of Labour. Is it agreed?

Some Hon. Members: Agreed.

Mr. Thomson: Mr. Speaker, just before we adjourned for lunch, I had concluded that there are no criteria contained in Bill C-24 by which the Government is limited in its power to move corporations from one schedule to the other. There is no form in content with respect to corporate plans operating in capital budgets. Corporate by-laws are also set by the regulations. Bill C-24 does not specify the circumstances under which the Government may exempt corporations from the requirements of the Bill. I went on to say that it was reassuring

to at least note that the Minister had offered to table the regulations before or when the Bill goes to committee.

One of the contentions that the Minister put forward in his remarks that is crucial in so far as Parliament is concerned is the role that Parliament should play in the control of Crown corporations. In his statement of March 15, the President of the Treasury Board said that Bill C-24 would clarify the roles and responsibilities of Parliament. This morning the Minister expounded at great length on how Parliament was going to control Crown corporations in the future.

● (1410)

Bill C-24 entails a clear and major erosion of parliament's existing control over Crown corporations. This is the latest manifestation of the Government's contempt and disregard for the House. The Minister's statement said that by statute Parliament will be required to approve the creation, mandate and financing of Crown corporations. But that is just nonsense, Mr. Speaker; it is not true at all.

Let us examine Parliament's control over the creation of Crown corporations. First of all, Parliament will have no control whatsoever over the creation of subsidiaries of Crown corporations. I contend that this has been the major cause of the problem. It has been the creation of subsidiaries of Crown corporations that has caused the greatest proliferation over the last 15 or 20 years. There are really only seven what may be called commercial Crown corporations but they have over 150 subsidiaries. They have bred like rabbits. Parliament does not have any control over the creation of these beasts at all. In effect, the Government is letting Parliament guard the front door of the stable while all the horses run out of a wide open back door.

Second, Bill C-24 says that a Minister does not need parliamentary approval for the creation of a Crown corporation if he or she already has the power to do so through an existing Act of Parliament. As Hon. Members know, there are any number of Acts of Parliament which give Ministers the right to create a parent Crown corporation. For example, under the energy resources legislation the Government could create a new Petro-Canada at will; under the Atomic Energy Control Act the Government could create any number of new parent Crown corporations. In the short time that we have had this Bill before us we have counted a dozen pieces of legislation that give Ministers such power. Parliament does not really have any control over the creation of Crown corporations; they can be created under the existing legislation. I hope the Government would consider an amendment that would preclude this. Surely that is not too much to ask.

Third, in a few instances a Minister might deem it appropriate to table a special Bill. This is very offensive, Mr. Speaker, and I say it is not in the spirit of parliamentary democracy. It is a flagrant, arrogant statement. If a Minister does table a special Bill to create a Crown corporation and Parliament is given the opportunity to review it, that review will be limited to 30 days in committee and seven hours of debate in the House, maximum. Is the Government kidding? Is this some kind of practical joke? Does the Government really expect Members on this side to accept legislation that would limit our time to review something of the magnitude of the Petro-Canada Act or the Air Canada Act to 30 days in committee and seven hours of debate in the House? The Government is putting closure in the Act. I say that is arrogant and we will fight this Bill until the cows come home before we allow it. It is unprecedented; it is automatic legislative closure and is contrary to what I thought Parliament was all about.

Fourth, we have an opinion that suggests that Bill C-24 does not bind the Crown under Section 16 of the Interpretation Act and, therefore, does not remove the Governor in Council's current prerogative to incorporate new Crown corporations without parliamentary approval. In other words, the words in the Act and the words of the Minister belie any kind of parliamentary control of the creation of Crown corporations. The Minister should know that when any legislation is placed before the House, the first thing that is asked is whether it is meant to bind the Crown. That is the first question the draftsman will ask. In the case of Bill C-24 one has to ask why the Government chose to ignore that question. As we read it, the Bill gives the Governor in Council the prerogative to incorporate new Crown corporations at will, without parliamentary approval.

I want to return to the Minister's assertion that I referred to earlier, Mr. Speaker. Just how does Bill C-24 do anything that requires Parliament to approve the creation of every parent Crown corporation? Those are the Minister's words, not mine. He said that Parliament must approve the creation of every parent corporation. I have given four examples of ways the Government can escape that obligation. If it can escape the provision to come before Parliament, then I have to ask myself if there is any sincerity behind the legislation. It belies what the Minister has said.

The Minister went on to say quite a bit about the role of the board of directors. It will exercise greater control over Crown corporations. I am dismayed, but not surprised, to see that the Government has learned nothing from the fiascos at Canadair and de Havilland, from Atomic Energy of Canada Limited or Air Canada, from Polysar or the Cape Breton Development Corporation. The Government has chosen to ignore the recommendations of the Auditor General of Canada, the Lambert Commission and many of the Crown corporations themselves with respect to the role and responsibility of the boards of directors.

In effect, Bill C-24 would convert boards of directors into advisory boards with little or no power. If we are to come to grips with the control and accountability of Crown corporations, it is absolutely crucial to have ministerial accountability, not collective accountability. Everyone's responsibility is no one's responsibility, Mr. Speaker. The pillar of control and accountability must be ministerial accountability. You have to tie the can to someone and hold him accountable. That is a problem which occurred with Canadair, de Havilland and Atomic Energy of Canada Limited, as well as a number of other Crown corporations. No one assumed responsibility.

● (1420)

A regime of accountability and control lies with an effective board of directors. If all the responsibility is taken away from a board of directors, how can one expect them to act as a responsible body? That is what Bill C-24 has done. The Governor in Council and the Cabinet are all things under this legislation. In the private sector, the principal role of the board of directors is to recruit the chief executive officer and supervise his stewardship of the corporation. That is the essential role of a board of directors. It must pick that chief executive officer and hold him accountable for the operations of that corporation. Under Bill C-24 the Cabinet appoints the chief executive officer, sets his tenure and remuneration. The board of directors has nothing to do with the selection of the chief executive officer. The Cabinet picks its political appointee.

The Cabinet also appoints the chairman of the board. The board does not even have to be consulted. In some cases like Canada Post and Canada Mortgage and Housing Corporation and other Crown corporations, the Cabinet even appoints vice-presidents and other various lesser management posts beneath the chief executive officer. How in the world can the chief executive officer hold management accountable if the Cabinet appoints the management for him? It is a great system of accountability and control when the Cabinet decides who is going to be the vice-president of marketing for such and such a corporation! In that case, the chief executive officer of some Crown corporation could say to one of his vice-presidents: "We have a problem and this is the way we should be dealing with it. Would you please address the problem and bring your recommendations forward to me?" The vice-president could then say: "I will think about it. I am not accountable to you; I was chosen by the Cabinet. How can you tell me what I should or should not do?" That is just crazy. You cannot have a regime of accountability under those circumstances, Mr. Speaker.

Not only does the Cabinet appoint the vice-presidents, or can, but it is also going to appoint the auditor. In most corporations where one wants a responsible board of directors, that responsibility is assigned to the boards. If you make that the board's responsibility, then that auditor is responsible to report to that board of directors. When you deny the directors that responsibility, they can ask what they are there for. We know what the Government wants them there for. It wants them for window dressing. It needs a spot for political appointments. That is what this Bill does, and does deliberately. This legislation has made the board of directors valueless to the accountability process.

The Cabinet will even approve the by-laws on behalf of the board of directors. The board of directors is supposed to approve the by-laws. This Bill does not even give it the right to approve the by-laws of the corporation. Cabinet is going to set the dividend policy. Cabinet can direct the board on the conduct of the corporation's business and its affairs. What on earth are the directors supposed to do? This Bill completely emasculates the board of directors as far as its responsibility is concerned. I say to this House and to you, Mr. Speaker, that if we are going to have accountability in Crown corporations, not only do we have to have ministerial accountability but we have to have a board of directors which acts in a responsible way in so far as management is concerned. But no, this legislation denies the board those responsibilities. It is just a window dressing operation.

I will tell you, Mr. Speaker, what Bill C-24 expects these directors to do. It expects them to be good Liberal appointees, to go to board meetings and collect their per diem.

Mr. Ouellet: No, no.

Mr. Thomson: That is exactly what the legislation does. Read it. The Minister said it himself. It expects them to be good Liberal appointees, to go to board meetings, to collect their per diems and to do what the Government tells them to do. That is exactly what Bill C-24 says.

Mr. Ouellet: Show me the word "Liberal" in the legislation.

Mr. Thomson: The Minister said he wants the board to do more than that, but that is not what this legislation says. Has the Government learned nothing? Have we gone through the fiasco of Canadair and de Havilland only to perpetuate the system which caused the problem in the first place?

As you know, Mr. Speaker, I am co-chairman of our Party's task force on Crown corporations. Our task force has spoken to many chief executive officers and directors of Crown corporations. One theme dominates. Crown corporations do not know who they are accountable to. We have been told the tale of a chief executive officer of a major Crown corporation who comes to Ottawa at the invitation of the Minister of Finance (Mr. Lalonde). The Minister of Finance tells him: "You do this". The chief executive officer replies: "I thought I was responsible to the Minister of Transport". He is told that he may very well be responsible to the Minister of Transport (Mr. Axworthy), but the matter has been discussed with him and this is what he is supposed to do. The chief executive officer is told it is not necessary to talk to the Minister of Transport. "You do what I tell you and everything will be just fine".

The next day the chief executive officer speaks to the Minister of Transport and tells him the situation. The Minister of Transport says: "I beg your pardon? I have never discussed this matter with the Minister of Finance". The chief executive officer replies: "Do you want me to carry out this policy or not?" The Minister of Transport says: "No, I do not want you to carry out that policy".

That story is just typical of the types of operations and problems we have with Crown corporations today. It is the major problem which Members opposite cannot seem to get through their heads. How can you have a system of accountability when chief executive officers have to account to more than one person? How can they be expected to know which way to go? It is a hopeless mess and this legislation does not even attempt to address that problem.

My view is that we will never solve the problems of Crown corporations until they come under an effective regime of

individual ministerial accountability. That is the core of the problem, Mr. Speaker. Bill C-24 goes in the opposite direction. The individual Minister is nothing but a post box. And, of course, that is the way Government wants the system to run.

• (1430)

Let us look at the question of Canadair. Who was responsible? Was it the board of directors? The chief executive officer? The Minister? We did not have a Minister we could hold accountable for Canadair. No, Sir; the thinking of the Government is that if we had a Minister accountable for the losses in Canadair, he would have to resign, or he would have to think about it. If he was accountable for the loss of $1.4 billion of taxpayers' money, do you not think that the Minister might have to give a moment's thought to his responsibility and hold himself accountable and resign?

Mr. Cullen: You lost the Avro Arrow.

Mr. Thomson: Mr. Speaker, that is typical. They do not want to address the problem so they throw the Avro Arrow at us after 25 years. What does that have to do with what I am talking about here this afternoon concerning ministerial accountability?

Mr. Cullen: It has everything to do with it.

Mr. Thomson: If someone lost $1.4 billion of taxpayers' money, he should darn well resign. But under this Government's system no, Sir, we are not going to make any Minister accountable. We will have collective Cabinet responsibility and in that way no one will be responsible or accountable. A great way to run a railroad!

The real authority is, of course, exercised by Cabinet or Treasury Board; groups of Ministers rather than individuals. In being accountable to so many Ministers, corporations will continue to be accountable to no one.

It is interesting to look back at Canadair because you cannot help but use it as an example of everything that is wrong with Crown corporations. One of the most extraordinary things about Canadair, and I find it absolutely incredible, is that here we have a government trying to tell us that there is a new regime of accountability and control as far as Crown corporations are concerned. They want us to believe that. However, the board of directors of Canadair was reappointed in its entirety. Who was responsible in Canadair for the fiasco? It could not have been the board of directors because the Government chose to reappoint every single one of them. They had no responsibility. Was it the Minister? No, it was not the Minister, because there was no Minister accountable. It was the Cabinet, so what really should have happened is that the whole Cabinet should have resigned. No one is accountable except for an amorphous collectivity called the Cabinet which, in the end, ducked the responsibility.

What have they done, Mr. Speaker? They have put all the problems off on the new super Crown corporation, the granddaddy of them all, the Canada Development Investment Corporation, the CDIC. Bill C-24 does nothing but perpetuate this lack of real accountability. That covers my four general points, Mr. Speaker, and there is much more I intend to cover in committee.

In closing, Mr. Speaker, please allow me to make these two brief points. If Bill C-24 is such a good piece of legislation, why is it not good enough for CDIC? Why does Bill C-25, the CDIC Bill, differ in so many ways from Bill C-24? For example, Bill C-24 authorizes Cabinet to appoint chairmen and chief executive officers. Bill C-25 allows the board of directors of CDIC to appoint the chairman and chief executive officer. Which is the right way? Obviously the Government does not know.

The Government says the Auditor General supports this Bill. Well, I met with the Auditor General on Wednesday for three and a half hours and I found that he had not even seen the final draft of the Bill. Nor had he seen the regulations. Even at that he expressed many reservations about the Bill. I shall leave it to him to make his case at the appropriate time.

The Government will say that I am being paranoid. Trust us, they will say, because we know what is best. We would not dream of doing all those nasty things Bill C-24 would allow us to do. Oh, no? The Canadian Ownership Account was approved by Parliament, over our objections, on the grounds that it could be used only to finance new energy companies. The revenues in the account are now going into the general revenues of the Government. On that evidence alone, why should we trust the word of the Government on anything as important as Crown corporations?

Finally, Mr. Speaker, we can do better. The Government has been studying Crown corporations since 1972 and has been promising reforms since 1977. Is Bill C-24, this almost incomprehensible piece of legislative mish-mash and gobbledegook, the best they can manage after all that time? Well, when our chance comes we will show the other side not only what can be done with Crown corporations but what must be done. Bill C-24 will go where it belongs, in the trash can.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I wish only to say a few words on the Bill before the House today. The Member of my Party responsible had to be in his constituency and I will try and substitute for a minute or two. The main detailed criticism, suggestions and comments on this Bill will be made, of course, by our people at committee stage.

I am very pleased to say that in general we are pleased to have a Bill like this before Parliament. I do not think it goes far enough on the accountability of Crown corporations, which are a very important aspect of Canadian economic life, one which is often ignored by parliamentarians and not scrutinized closely enough by those of us in this place.

[*Translation*]

We have many Crown corporations in this country, and if I remember correctly, there are now about 300 or 310 federal Crown corporations. These corporations administer very substantial amounts of money, and in fact, the 300 federal Crown corporations have a total budget of about $67 billion. That is a

lot of money, and that is why I think we should have more control over the accounts and books of these Crown corporations.

As far as employment is concerned, today, about 265,000 people work for federal Crown corporations. That is about the same number as are working in the Public Service today. And there are not only federal Crown corporations—

[*English*]

—we also have many provincial Crown corporations. In my own Province of Saskatchewan we have a very proud and honourable tradition and heritage of having many Crown corporations which have made a tremendous impact and played a tremendously valuable role for the people of Saskatchewan. In fact, you will find that historically all three Parties in this House, and when they have been the Government in various provinces, have created Crown corporations, supported them and nursed them along the way. That, of course, includes the Conservative Party, who are often very critical of Crown corporations in this country today. I think sometimes they are being a bit hypocritical when they speak against Crown corporations. One need only look at Bill Davis in Ontario and the Crown corporations in that province, or at Peter Lougheed in the Province of Alberta with PWA and many Crown corporations like that, plus their involvement in the oil industry. That shows the Conservative Party historically and currently believes that Crown corporations have a major role to play in our country and society.

As I said, in our province we have seen the contributions of many Crown corporations. I am thinking now, for example, of the Saskatchewan Power Corporation, the Saskatchewan Government telephones, and more recently the establishment of the Saskatchewan Potash Corporation which now controls about 40 per cent of the potash in our province. That is the largest potash corporation outside the Soviet Union. These Crown corporations have made a tremendous contribution to our country and our society.

• (1440)

As I was saying before, hundreds of thousands of Canadians work in the various Crown corporations throughout the land. Some of these corporations are very big. Hydro-Québec is a very large Crown corporation that has made a tremendous contribution.

I and many people in my Party are concerned that often Crown corporations are not as accountable as they should be to Parliament, the legislatures and the average citizen across the country. In the 1940s the then Premier of Saskatchewan, Tommy Douglas, decided that if Crown corporations were going to play such an important role in the province they should be more accountable. In Saskatchewan a special Crown corporations committee was established. The reports and activities of all the Crown corporations in Saskatchewan must now be referred automatically each year to this particular Crown corporations committee. Therefore there must be accountability. The officers, presidents and chairmen of the Crown corporations must appear before that particular legislative committee. They must be accountable. They must explain what their plans are and be available for cross-examination.

I believe that is the direction we should be taking in this Parliament as well. My friend, the Hon. Member for Regina West (Mr. Benjamin), has often said that the annual reports of CNR, Air Canada and all the other Crown corporations should be automatically referred to the relevant parliamentary committee. In that way we, as elected representatives, will have a chance to make our point of view known and to say what our constituents want us to say about the direction of these particular Crown corporations.

I can speak from experience of the problems we had with the CNR in my constituency. In Melville we have approximately 700 CNR employees. They have had many frustrations with that particular Crown corporation. Many of the workers in the CNR feel it is time that that Crown corporation was socialized or re-nationalized to make it more responsible to the ordinary Canadian citizen. That is one of the frustrations I have with the system we have today. Communities are affected by the insensitivity of a large Crown corporation like the CNR. In many communities in my constituency rail lines have been abandoned and elevators have been pulled down because we could not persuade the CPR to continue service to these communities on these branch lines. We have had many fights about retaining branch lines. We have won some and lost some. It would be much easier to win these battles if the CNR were more accountable to this Parliament and to the people of Canada. That must be one of the objectives of Bill C-24 which is before the House today. Hopefully, Members of Parliament can amend the Bill at committee stage to provide more accountability to Members of Parliament.

The important thing is to make sure that Crown corporations are more accountable to the ordinary citizens of the country. Canadair, de Havilland and other Crown corporations have been in trouble recently and have been aided and assisted by the federal Government, rightfully so in some cases. However, in some cases I wonder very seriously. When I think of these corporations I get angry because there is not more accountability, we cannot have the officers appear before parliamentary committees and we cannot have more input into the decisions made by these Crown corporations.

While we have this type of Bill before Parliament we must discuss attempting to democratize Crown corporations a lot more than they are today. In this country we must have a lot more economic democracy and a lot more decentralization of decision making and power to give more power to the ordinary citizen. There is no reason why workers in Crown corporations should not have members on the boards of directors. There is no reason why the workers should not be more directly involved in the management and control of the Crown corporations on an ongoing, day to day basis. That is the kind of step we must take.

Our country is a federation and therefore the provinces must be more involved in some of the national Crown corporations and national institutions which we have in the country. I am thinking, for example, of the Bank of Canada and the impor-

tance of monetary policy. I do not believe it is wise to have so much control resting solely with the Minister of Finance. I believe the provinces should have the right to appoint people as directors of the Bank of Canada so that there is some input from the provinces. Provinces have a tremendous impact on monetary and fiscal policy. The actions of Hydro-Québec are very important in terms of our monetary and fiscal policy. The actions of the Saskatchewan Power Corporation, Saskatchewan Potash Corporation or some of the bigger corporations in Ontario and British Columbia are very important in terms of monetary and fiscal policy.

We must democratize Crown corporations, making sure the provinces have some input into who sits on the boards of directors. The time has come when producers, farmers and fishermen must have more say about who becomes a member of the boards of directors of such Crown corporations as Canagrex. They must have more say about the management of our Crown corporations. In the economic sense we must democratize these institutions and make them truly national and truly Canadian institutions.

One of the problems in the country today is that we are much too centralized. There is too much power in and too many decisions being imposed from Ottawa. We must recognize regional differences and try to build a national partnership. If we did this I believe we would be much better off. For example, Mr. Speaker, we are the only democratic federation in the world that I know of in which the most populous regions dominate both Houses of Parliament. The two central provinces dominate the House of Commons because of representation by population. The two central provinces also dominate the Senate. I do not know of any other democratic federation in the world where the most populous regions will dominate those Houses. We do not have a balance between population and regionalism in the country. I believe that is one of the problems with some of our national institutions as well. They do not reflect the country as a whole.

When the Hon. Member for Ottawa-Carleton (Mr. Pepin) was the co-chairman of the task force on the Constitution with the late John Robarts, he and his colleague tried to address some of the problems of regionalism and how more national, representative institutions could be created in the country. They suggested some changes and amendments which could be made.

I believe that the 300-odd federal Crown corporations could be more reflective of the country if we had more parliamentary accountability and more input from the provinces. Many of these Crown corporations operate in areas which are co-jurisdictional, such as agriculture. We should have workers on the boards of directors. They should be more involved in the management decisions. We should have ordinary citizens elected as directors as well.

These are just some of the things I believe we should be doing. The Bill before the House gives us that opportunity. As I said at the beginning of my remarks, I hope this debate does not degenerate into a debate about Crown corporations being negative, bad and the bogeyman of our society. I hope that in this debate we will try to improve the role of Crown corporations, try to integrate them more carefully with the nation as a whole and try to make them more accountable to Parliament and the people of the land. If that is done I believe this will be a much better country for each and every citizen.

• (1450)

Mr. Maurice Foster (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I am pleased to have an opportunity to say a few words in this debate on Bill C-24, the Crown corporation Bill, and amendments to the Financial Administration Act. This Bill is essentially a response to a great deal of concern that has been expressed by the Auditor General and the relevant committee of the House of Commons. As well, it draws on the Lambert Commission report on financial management and accountability and indeed in many way goes further than that report.

The Bill also takes into account information received by the Government in its 1977 Privy Council Office white paper on Crown corporations. It is also based on reports of the Public Accounts Committee going back to the Polysar report of 1977. We particularly studied the recent Public Accounts report on control and accountability of Crown corporations. We believe that we have addressed many of the principal concerns while also taking into account the comments we have heard from business and professional associations.

In trying to strike a delicate balance, we feel that it just makes no sense to overly restrict these Crown corporations. By doing so we would unnecessarily put at risk their financial viability in the marketplace and jeopardize the considerable investment which the taxpayers have made in these Crown corporations.

This morning, the Hon. Member for Calgary South (Mr. Thomson) talked about these Crown corporations losing $4 billion per year. I suggest that he is using a certain amount of licence to say that these Crown corporations lost $4 billion a year because many Crown corporations are those which will be included in Schedule I of the Act when it is adopted by Parliament. These include agencies like Canada Mortgage and Housing Corporation which receives $1.5 billion to assist in providing Canadians housing and shelter; the CBC which receives approximately $744 million a year; groups like the Canadian Wheat Board which receives $118 million a year; the Federal Business Development Bank which receives $118 million a year; the Farm Credit Corporation, and VIA Rail. They are all Crown corporations but they are agencies that really provide a way of delivering a government service to the people. I believe the Hon. Member is inadequately explaining the real situation when he says that these Crown corporations lose $4 billion a year.

I have the impression that the Hon. Member is very opposed to Crown corporations. It is his right to be so. I recall when I was working with the Minister of Energy, Mines and Resources a few years ago that his Party was very opposed to the Bill establishing Petro-Canada. That is a free choice for his Party to make. Our Party supported the establishment of

Petro-Canada and did so. We believe it was beneficial to Canadians at large and it certainly carries broad support throughout the country.

However, I notice that most Hon. Members on the other side are not opposed to provincial Crown corporations, such as the Alberta Energy Corporation or Ontario Hydro, which certainly is much larger than any federal Crown corporation. It is a way for a government to provide services.

This Bill sets out a regime for dividing these Crown corporations into those which receive appropriations from Parliament and those which are competitive and capable of operating without parliamentary appropriations. They are organized on a reasonably rational basis.

The Member suggested that there is really no political will to put this Bill through Parliament. I suggest that the fact it was introduced exactly a week ago yesterday and is before the House today certainly indicates that we want to proceed with this Bill. I believe he made an excellent suggestion to have this Bill go to committee for a vigorous discussion, as usually takes place in committee.

It has also been suggested that this regime does not make anyone responsible for particular Crown corporations. However, I think the legislation follows the recommendation of the Auditor General that the responsibility for these corporations should go back to the Government and the responsible Minister. The appropriate Minister will make recommendations to the Governor in Council with regard to directives, the operating budget and the corporate plan which will be tabled in Parliament. Obviously, the appropriate Minister for each Crown corporation will not only be legally responsible but politically responsible during Question Period every day in the House of Commons. There cannot be much more responsibility to Parliament than having to answer questions daily during Question Period or defending the directives, corporate plans and operating budgets before the appropriate parliamentary committee. I cannot imagine any more direct way of putting responsibility on the individual Minister.

The Hon. Member suggested at the beginning of his remarks that the Government had produced no regulations. This is not surprising since regulations often are not tabled at the time of second reading because we are dealing with the purpose of the Bill. Clearly, the Minister, acting on behalf of the President of the Treasury Board, has indicated that those regulations will be made available at the committee stage. While this is not done very often, the Minister has given the commitment in this case that the regulations will be put before the committee dealing with this Bill.

The Member also suggested that the regulations give too much power to the Government. Obviously, regulations can be enforced only to the extent provided for in the Act. It is important to note that the regulations as passed by the Government must be contained in *The Canada Gazette* and are subject to review by the Committee on Regulations and Other Statutory Instruments.

He suggested that Section 135(1) gives power to the Minister of Finance for the financial control of Crown corporations but there is an exemption in subsection (4). The reasoning behind that is that the over-all financial budget of a corporation, such as the Export Development Corporation, is approved but when such a corporation must go to the market for a particular borrowing a regulation could be applied for it to be exempt from that individual need for financial resources. Of course, all regulations are published in *The Canada Gazette* and are subject to scrutiny by Members of Parliament through questions in the House and in the Committee on Regulations and Other Statutory Instruments. It has also been suggested that regulations can be changed. Sure, any regulation can be changed, but the Government has to be able to defend the change when it is published in *The Canada Gazette* either here in the Chamber or in the appropriate committee.

• (1500)

The Hon. Member talked about the regulations relating to the moving of a Crown corporation from Schedule C Part I to Schedule C Part II, and said that this can be done without any constraint. If this is done by the Government, it has to be reported in the House of Commons and the move becomes effective 31 days after tabling in the House. I think the idea was that we are trying to provide some flexibility in this legislation. I think there is a provision now that Crown corporations can be put on existing schedules by an Order in Council, but they can only be removed by an Act of Parliament. There are some Crown corporations on the list which the Government no longer has. The flexibility provided in this provision would be beneficial in that regard.

The Hon. Member also talked about Clause 130 which covers corporate plans and budgets. He mentioned that there might be a one line plan. If we look at Clause 130 in the Bill, we see the heading "Corporate Plans and Budgets". These items must not only be recommended by the responsible Minister but must be approved by Cabinet and placed before Parliament. The corporate plan must cover all the activities of the corporation and its subsidiaries. The corporation must under its mandate state its objectives over the plan period as well as its expected performance for the current year relative to the previous stated objectives. The plan must set out information according to the corporation's major lines of business. New corporations would have to outline what their objectives and main lines of business or plans would be. As a result, much more detailed information will be made available to Parliament. The idea is to improve management control and to have a constant flow of information to Parliament from the Crown corporations so that Parliament may be able to maintain its control over Crown corporations.

It is suggested that Parliament is really losing its power to control Crown corporations. I would argue the other way, that Crown corporations can only be set up now under the Canada Business Corporations Act without regard to Parliament. When this Bill is passed it will be paramount over every other Crown corporation with the exception I believe, of the Bank of Canada, the International Research Institute and the Wheat Board.

Mr. Benjamin: Tell us what you know about the Wheat Board.

Mr. Foster: This Bill will be paramount. The Hon. Member has expressed a great deal of concern that certain corporations can be set up without regard to Parliament. I recall that when we put the Petro-Canada Bill through it gave the Minister of Energy, Mines and Resources (Mr. Chrétien) the power to establish energy corporations to hold the Crown's share. As well, there was such a provision under the Atomic Energy Control Board. Those powers, Mr. Speaker, have been removed from those two pieces of legislation. There may be other agencies which have some power. I think that needs to be discussed in committee. I think it is clearly the intention of the legislation to make it so that all Crown corporations will have to be set up under the two routes which are established by this Bill, namely, through the Business Corporations Act which requires the tabling of a motion here, referral to the standing committee and debate in the House or by a special Act. I think any major parent corporation will be established by an Act of Parliament in the future, just as CDIC has had a Bill put before the House in recent days to establish it by an Act of Parliament.

I want to mention a couple of other points which the Hon. Member outlined. He complained about parliamentary control over the board of directors. It is proposed that the board of directors be appointed by the Governor in Council, but in the Bill the responsibility of the boards of directors is taken directly from the Canada Business Corporations Act. That responsibility is spelled out as being to exercise skill, care and diligence. It seems to me that the Bill is a balance between having a good board of directors to operate Crown corporations but having control through the Government and the Minister to Parliament, so that Crown corporations ultimately will be following the will of Parliament and the will of Government.

The Hon. Member suggested that chief executive officers should not be appointed by the board of directors.

Mr. Blenkarn: That is normal.

Mr. Foster: I think the Government's position on that was that chief executive officers should be appointed by the shareholder, which is the Government of Canada—

Mr. Blenkarn: That is not normal.

Mr. Foster: —that we ultimately have the responsibility, namely, the Government.

Mr. Dick: Why have a board?

Mr. Foster: In the consultations which the Department had with the Auditor General I think that that was his view, that likewise the chief executive officers should be appointed by the Governor in Council.

I was interested in the suggestion made by the Member for Calgary South that the board of directors does not have to approve the by-laws. I was not very clear on that. Clearly the by-laws are passed by the board of directors of the corporation. Under the Conservative Bill of 1979, each one of those by-laws, as I understood that Bill, had to be approved by the Governor in Council, the Cabinet. There is no such approval suggested in this Bill. It is suggested clearly that where the Government wishes to override a by-law, it would be able to do that, but it would not have to do it in normal circumstances.

I wanted to mention those few items, Mr. Speaker. I think we really want to see this Bill passed. We want to see accounting by Crown corporations and control over them by the Parliament of Canada approved. I hope there will be co-operation to see the Bill moved reasonably soon to the standing committee so that we can discuss its many details. It is a very complicated Bill, but I think it will meet many of the needs of Canadians which Hon. Members on both sides of the House have suggested. I hope this matter will be referred to committee after a thorough discussion at second reading.

• (1510)

Mr. Blenkarn: Mr. Speaker, would the Parliamentary Secretary to the President of the Treasury Board (Mr. Foster) advise us of the criteria which the Government used to place some Crown corporations in Schedule C, Part I and in Schedule C, Part II? When the representative on our side was talking to the Minister and his special assistant, Mr. Ed Clark, formerly of National Energy Board fame and lately of Paris, he was told that they could not really explain it. Does the Parliamentary Secretary think that perhaps it has something to do with audits, that they wanted to ensure, for example, that the Canada Ports Corporations would have the auditor the Minister of Transport (Mr. Axworthy) wanted appointed from Winnipeg? Was that the reason Canada Ports came under Part II? Was the reason for CNR being in Part II that Jack Horner, lately of Crowfoot, wanted to ensure that the CNR was in no way subject to a government audit? Could he explain the real rationale and at the same time explain why VIA Rail and Loto Canada are in Part I but other corporations like the Canada Ports Corporation do not qualify?

Mr. Foster: Mr. Speaker, the rationale for placing Crown corporations in Schedule C, Part I and Part II is that generally Part II corporations are those which are in competition in the marketplace and do not regularly receive or depend mainly upon parliamentary appropriations for funding. Those in Part I are corporations which tend to be less in competition with private sector companies and are dependent mainly upon parliamentary appropriations for their funding.

Mr. Blenkarn: Perhaps the Parliamentary Secretary could give us the rationale for St. Anthony Fisheries Limited, which is in competition with private fisheries companies, being in Part I, whereas the Canada Ports Corporation, which is an absolute monopoly institution—no one else can operate a port except the owner of the port facility which happens to be the Crown—is somehow in competition and is included in Part II? The other corporations in Part I are clearly in the business of being competitive. That does not fly, and the Parliamentary Secretary knows it. Is it really the audit?

Mr. Foster: Mr. Speaker, the reason is as I have outlined. Corporations like Air Canada which are in competition with CP and other world-wide airways and CNR which is in competiton with CPR—

Mr. Blenkarn: What about Loto Canada?

Mr. Foster: Loto Canada is not operational yet.

Mr. Blenkarn: It used to be.

Mr. Pepin: You killed it.

Mr. Blenkarn: If we killed it, why is it there?

Mr. Foster: For instance, VIA Rail is not in direct competition with other railroad companies in Canada.

Mr. Fennell: What about with buses?

Mr. Foster: Of course it is with buses. However, I have indicated the general rationale. As Hon. Members can appreciate, it is impossible to draw a completely fine line between those which are and those which are not in commercial competition. The general rationale is that those which usually operate without parliamentary appropriations or in competition are in Part II and the other ones, the majority of Crown corporations, are in Schedule C, Part I.

Mr. Blenkarn: Could he explain why Canadair, de Havilland and Eldorado are suddenly missing? Is it because the Government intends to pass the CDIC Bill? If that is the case, why is Teleglobe Canada in Part II? As the Parliamentary Secretary knows, if the CDIC Bill passes, Teleglobe suddenly becomes a subsidiary of CDIC. He knows that CDIC does not own shares in Canadair, de Havilland or Eldorado at the present time, until the CDIC Bill passes. Why do we have such a ball-up? At this stage of the game, because this Bill comes before the CDIC Bill, why are Canadair, de Havilland and Eldorado totally left out?

Mr. Foster: As a matter of interest, I am told that St. Anthony Fisheries is no longer an active Crown corporation. That is one of the difficulties the legislation is trying to overcome. We had the anomaly of the Governor in Council being able to put Crown corporations on a schedule but not being able to remove them from a schedule without an Act of Parliament, so it was not possible to remove a corporation like St. Anthony Fisheries.

With regard to the Hon. Member's question concerning Eldorado, last year the Government published a statement indicating that corporations being held by CDIC were corporations of which the Crown under certain circumstances would consider disposing. However, they are mostly corporations which are in active competition. Eldorado Nuclear is in competition with uranium mining operations in Saskatchewan, with Rio Algom and Denison Mines. The shares of Massey-Ferguson and so on are in competition with those of other farm implement companies. All these companies are held by CDIC.

Mr. Blenkarn: I know most of the companies in the schedule, but not Mingan Associates, Ltd. I was wondering if the Parliamentary Secretary, whose job it is to understand this Bill, could tell us what is Mingan Associates, Ltd.?

Mr. Foster: If the Hon. Member will hold off for a little while, I will try to determine just exactly what Mingan is. I have not mastered all the names on the list.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, it is obvious from the questions I have asked and the questions which Hon. Members on this side will be asking that the Government has given very little thought to Bill C-24. The schedules cannot properly be explained, not only by the Parliamentary Secretary but by the public servant responsible for the Bill, Ed Clark of Paris. We have a Bill which is difficult for us to support. Indeed, it should be difficult for the Government to support. One wonders why the Bill was brought forward in the first place. It is certainly a Bill which accomplishes little in terms of parliamentary control over Crown corporations, indeed government control over Crown corporations.

We have difficulty with the Bill. Until we have received a great deal more explanation from the Government, we will not be very co-operative. We suggest that in committee, if indeed the Bill goes that far, the Bill should be sent for redrafting and be re-presented to Parliament on another appropriate occasion.

• (1520)

The question of Crown corporations is not new in this country. Indeed, this Party has been responsible for creating Crown corporations on a number of occasions. We want to make it very clear that we do not oppose the use of the Crown corporation technique to handle those obligations of Government that cannot be handled appropriately in a country like Canada in any other way than a corporate set-up following the concept of a Crown corporation. Looking over the history, I note that the first Crown corporation in this country was the Royal Canadian Mint, incorporated in 1870, certainly a long time ago, under the auspices of Sir John A. Macdonald.

The major Crown corporation incorporated federally was the Canadian National Railways. Prior to that, Ontario really broke the ice with the creation of Ontario Hydro in 1902. When governments created these Crown corporations in the beginning, they created them because there was no other way to accomplish a national goal. A Crown corporation was created to build a seaway. A Crown corporation was created to look after the sale and dispersal of hydroelectric power. Those Crown corporations were used as a main asset of the falling water in our many rivers.

Crown corporations were used to put together a rail system when our rail system was likely to fall apart through bankruptcy, insolvency and the rest. Because this is a large country, we needed that transportation badly. It was also on that basis that we incorporated Air Canada, or TransCanada Airlines as it was then called. On that basis we brought forward the Canadi-

an Broadcasting Corporation when there were no radios and no communication.

What the federal Government and indeed every government must do is to review from time to time our use of Crown corporations to see whether they are still valid and needed, whether the purpose for which they were originally created is still a valid purpose. I think of the CBC, for example. It is now only one of the communications companies in Canada using radio and television. I wonder, perhaps the Hon. Member for Algoma (Mr. Foster) ought to wonder, why we have to spend $900 million this year to keep the CBC alive when the late Lord Thomson of Fleet said that to own a television licence was a licence to print money.

When we look at these corporations we have to look at them in that cold, hard light. Canadian National Railways was necessary in order to have a national transportation system, but is it necessary to have whirling restaurants in the sky in CN Tower Limited? Is it necessary to have hotels spread across the country? Is it necessary to have a hotel organization which, according to my calculations, produces a profit of 1.36 per cent on money invested? The Minister says you have to add certain interest attributable to that investment and so on. He thinks he can get it up to a 5.5 per cent return on investment. He says further that some of those investments are managed by the Hilton Hotel chain. Without the hotels managed by Hilton, the return on an investment of $137,812,-000—which is the book value, not the real value and land and premises—is $93,000. That is what we make, except for the help of the Hilton. We must have a review of this. This Bill on that issue deliberately prevents Parliament, indeed prevents the Minister, from getting down to brass tacks on where we are going.

Let us look at some of the purposes for which the Crown corporations have recently been created. In the past they were created to fulfil needed government services. That is not entirely the case today. Crown corporations now seem to be incorporated because this Government wants more interference in the private economy, it and its bureaucrats want to be businessmen.

Parliament was forced to incorporate Canagrex. Parliament has seen the Export Development Corporation grow from an organization designed to insure and act as a re-insurer for accounts receivable for exporters of Canadian goods into a monster-lending organization. It looks after its friends only. We see the same with the Northern Transportation Company. It uses its leverage in the north to put out of business or deprive from getting ahead private corporations in that field. Is this the purpose of a Crown corporation? If so, that purpose has to be questioned.

More dangerous perhaps is the nationalistic idea. "We are government and we can run things better than the businessmen". Therefore, the Government decided to get into the oil business. According to this year's estimates, we have to pay our oil company $520 million. Every other country with an interest in an oil company receives dividends; we get the bill. Only in Canada!

We have Teleglobe Canada in the communications business. Does it have to be a Crown corporation, or should it be in the private field? Is it only there because of nationalistic reasons, namely that Government civil servants want to own an active business? Is that the reason we have Canadair and de Havilland? For whom do we build executive jets? Is it for Ministers to toot around the country, former civil servants or former employees of Petro-Canada who have now become chief executive officers of the CDIC? Is it so that they can travel around the country in their own private jet? Is that the reason? Is it for the development of Canada or is it because these fellows want to run businesses? They could not get into business on their own, so they use the taxpayers' money to do it. A great deal of concern has to be expressed by all Members at all times about where we are going with these corporations.

We have a task force on Crown corporations that is working on the issue. It is trying to clarify where we, as a nation, should be going with this concept of Crown corporations and Crown-owned businesses. I want to go over some of the recommendations that have come out of that task force. I will read them into the record as they are and then go over them and point out how this Bill is so deficient that even on the preliminary recommendations of that task force, we could not support it. First of all, a Crown corporation should be there to rationalize and clarify the Government's relations with Crown corporations based on a return to a system of effective and individual ministerial responsibility. The key words are "individual ministerial responsibility".

• (1530)

The second principle is that there should be a classification system for Crown corporations based on the extent of a corporation's reliance on government financing and its role in implementing public policy objectives. There have to be different strokes for different folks. The schedule system in this Bill does not show that at all. A lottery company is mixed up with VIA Rail. Why we are in the lottery business God only knows! Where does the public purpose, public financing and the need for financing come in? Do we have to pour money into the lottery company?

Third, stringent measures must be there to restrict the incorporation of Crown corporations and the acquisition of Crown corporations and their subsidiaries, and new Crown corporations should only be created by a special Act of Parliament.

Fourth, there must be a requirement that three to five-year business plans be filed and tabled with Parliament and examined by Parliament and its committees.

Fifth, there must be a real clarification of the role of Auditor General in auditing Crown corporations and of his relationship with private sector auditors and the extent to which auditors are entitled to audit, explain and get into the meat and bones of a corporation to find out why it works in certain ways.

Sixth, there must be an improved accounting procedure so that the accounting procedure of a Crown corporation is

exactly the same kind of accounting procedure as in private business. In many of these corporations it is virtually impossible to figure out whether it made a profit or a loss. The financial statement filed by VIA Rail is an example. It almost indicates that VIA Rail is profitable, yet we know that it costs very close to $700 million per year to keep going. How a corporation's financial statement could indicate profitability when it costs money to operate, is beyond me. We must have financial systems that reflect the private system and what it costs to operate a corporation.

Seventh, there must be clarification of the roles and responsibilities of directors of Crown corporations. As my colleague pointed out, the Bill makes the directors of Crown corporations part of an advisory panel; they are not responsible for anything. If they make a mistake, the Government indemnifies them. If they are sued as directors, the Government bails them out. They cannot recommend the appointment of a president, a chief executive officer or a vice-president. They are well paid eunuchs.

Last, Mr. Speaker, it is essential that there be a joint Senate and House of Commons committee whose job it is to police Canada's investment in these myriad corporations. Members of both Houses must look at these corporations and their financial statements; they must examine their financial officers to make sure that the purposes of the corporation are being met.

Let me go through the various reasons for which we say this Bill is not satisfactory. With respect to rationalizing the relationship to an effective Minister, my colleague has said that we believe a Minister must be clearly on the line for what happens in a corporation. He pointed out the disaster that occurred in Canadair. There was no one Minister to take responsibility. When the buck can be passed around the Cabinet table or around a government Department, when not even the directors of the corporation are responsible, then this particular method of dealing with Crown corporations is faulty. For that reason only the Bill is faulty.

Let me go further, Mr. Speaker, and deal with implementing the policies of the corporation and the classification of them, whether a corporation is an A corporation or a B corporation and whether or not it is serving a government function. We cannot be sure whether all B corporations are serving a government function. For example, is the Economic Council of Canada a government Department? Is the Atomic Energy Control Board a Government Department, or is it part of Atomic Energy of Canada Limited? Where does it fit? More thought must be given to Schedule B corporations. For example, the Crown Assets Disposal Corporation is shown as a B corporation, yet in Schedule C there appears the Canadian Arsenals Limited and other corporations involved in defence. But where do they fit? It is important that the classification in the Bill be revised and that it be made on the basis of whether the corporation fulfils a government function, whether it needs the continual injection of money for certain functions, and whether the corporation is an ordinary commercial corporation out on its own.

To suggest that we could ever support a Bill that allows a government to create a Crown corporation on 30 days' notice with a seven days' debate to go into any field it wants, would bring disaster on any parliament. Surely even the New Democratic Party cannot support this Bill on that basis, even though it seems to enjoy Crown corporations. Crown corporations just go on and on with no control at all. For example, the examiners are not under control. Parliament must refuse to pass the Bill. It is not the kind of Bill that we can legitimately look at, as Members of Parliament responsible to our constituents.

Mr. Dick: Mr. Speaker, I should like to ask the Hon. Member if in his humble opinion, since the board of directors of a Crown corporation does not have the usual powers of a board of directors in the private sector or as set out in the Canada Corporations Act and is not liable like private sector directors, this is just a porkbarrel for Liberals at a high salary?

Mr. Blenkarn: Mr. Speaker, one begins to wonder what the functions of directors are in a corporation. A director's function is to receive the report of the operating office of the company; to give advice to make sure that the corporation is proceeding well; to hire and fire chief executives and senior personnel in a company. These directors do not have those powers, so really we are not quite sure what they are there to do. A number of small private corporations operate with little activity from the directors. The chief executive officers of these companies are all appointed by the Cabinet. In some cases vice-presidents are appointed by the Cabinet. The Chairman of the board—and I do not know why there is a chairman of the board if it has no power—is appointed by the Cabinet. At that point, Sir, these companies are under the direction of the Cabinet; they are not under the direction of the board of directors. In the traditional sense, really, there is a necessity for a board of directors. If one wants to have advisory panels or something of that nature, fine. Perhaps the Hon. Member is right that these are directorships only for the opportunity to appoint one's friends to some cushy job where there is more than a decent stipend.

• (1540)

Mr. Benjamin: Mr. Speaker, I would like to ask a question of my hon. friend in light of his remarks and the remarks of the lead off speaker for the Progressive Conservative Party. When that Party complains that these members of boards being appointed are nothing but Liberal hacks and are jobs created for Liberal friends, can I take it from that that if and when there is a Progressive Conservative Government, there is no way it would appoint Progressive Conservative hacks? In other words, could someone even like myself look forward to an appointment to a board of directors of a Crown corporation, or be appointed as chairman of the board? Who did the Hon. Member expect the Liberal Government to appoint, Conservatives, NDPers?

Mr. Blenkarn: Mr. Speaker, I thank the Hon. Member for the question. The essence of the problem, Sir, is not who is appointed but, rather, the job which has to be done. There is

no point in appointing a person to do a job unless there is, in fact, a job to be done. One should not create a corporate structure the board of directors of which is composed of eunuchs, and that is what we have in this Bill. I suppose that if we were going to appoint someone who would be a good eunuch, the Hon. Member for Regina West (Mr. Benjamin) would qualify.

We believe that the way this Bill should be structured is for the directors to have the responsibility to ensure that the corporation acts properly, and they should be responsible for the actions of the chief executive officer and the other officers of the company. They should have the job of selecting the chief executive officer and the other officers who are going to do the work in the company. That, Sir, is what directors are all about. If one is going to have directors, they had better do some work and they had better be responsible for their work. This Bill gives them no responsibility at all.

The Acting Speaker (Mr. Guilbault): We are resuming debate.

Mr. Benjamin: Question?

The Acting Speaker (Mr. Guilbault): I am sorry, I would like to give the floor to the Hon. Member for Regina West (Mr. Benjamin) on a question, but the time allowed for the question period has now expired and we are back into debate.

Mr. Manly: I rise on a point of order, Mr. Speaker. I believe that there is supposed to be a ten-minute question period and, from my observation of the clock, that ten minutes has not elapsed.

The Acting Speaker (Mr. Guilbault): I am advised by the Table officers who keep the time that I made a mistake. I will recognize the Hon. Member for Regina West for a question.

Mr. Benjamin: Mr. Speaker, to be a little more serious with my hon. friend, he mentioned government policy objectives and Crown corporation policy objectives. Does he differentiate on the assumption that a Crown corporation is there to serve public and social policies, in which case the Government would be responsible for the parameters of that public and social policy? Would he then agree that the board of directors would be responsible for Crown corporation policy only in terms of the operation of the corporation within the parameters of the social and public policy laid down by the Government of the day?

Mr. Blenkarn: Mr. Speaker, with respect to corporations which are in the social fields—and I would think the Hon. Member is looking at the Schedule B corporations in this Bill—these particular corporations, and some which are in Schedule C, Part 1, are corporations which are really boards under a corporate structure. There does not need to be, in my view, a board of directors for these corporations. There might have to be an advisory panel, but there does not need to be a board. These corporations are really departments of government, really doing a government function, so that the people involved are virtually part of the government department. For example, I point out to the Hon. Member the Canada Employment and Immigration Commission. That is a government department function—

Mr. Benjamin: What about CN and Air Canada?

Mr. Blenkarn: It is very difficult to judge why it should be a corporation in the first place. It is really, Sir, part of a government Department. I would think we would get rid of many of these and bring them back into government—

Mr. Benjamin: What about CN and Air Canada?

Mr. Blenkarn: —so that they would be directly managed and handled by people who are employees of the Government of Canada as civil servants. My friend screams out, "CNR". The CNR is a different matter. The CNR is not a social corporation. It is a business corporation. It is expected to make a profit. We would expect it to make a profit. We would hope it would pay dividends. If its functions were clearly of such a kind that we would begin to wonder why it should not make a really good profit, we might even sell it off. However, that would be an entirely different proposition. It is not a social corporation and directors of that type of corporation ought to be good, solid business people who take solid responsibility for the solid management of the corporation.

Mr. Benjamin: Mr. Speaker, may I ask the hon. gentleman this question: a government of the day, of whatever political stripe, lays out a public policy regarding a Crown corporation like CN or Air Canada. That may mean that it cannot make money, or can only break even, as a matter of public policy, otherwise it would have to decrease services. Would the Hon. Member then feel that the board of directors of Canadian National, for example, or Air Canada, or similar Crown corporations, would be able to overrule or ignore that public policy of the government of the day?

Mr. Blenkarn: Again, Mr. Speaker, I thank the Hon. Member for the question. The problem comes from mixing a business corporation with a social purpose. It is our view that the social purposes, or the necessity purposes of those types of corporations, should be paid for separately by the Government. In other words, if it is a government concept that, for national unity purposes or some other purpose of that nature, it is essential that Air Canada, for example, run a regular service into Baker Lake in the Northwest Territories, then we think that the Government of Canada should pay the cost of that service directly to Air Canada as a fee for asking the corporation to perform that service. That particular service should not be cost subsidized, because when you do that, you allow management to duck away from its responsibility. They can always say, "Well, you know, we didn't make any money because we had to run this unprofitable service". You never get down to how unprofitable that service was or why they did not make a profit. That type of service ought to be charged for and paid for as if it were a commercial service run by the commercial operation that the Crown corporation should be.

• (1550)

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, before I start I want to commend the Hon. Member for Calgary South (Mr. Thomson) and the Hon. Member for Mississauga South (Mr. Blenkarn) for expertly putting forward some concerns we have regarding this Bill. These are things that the Government should take very seriously and I will put on the record some reasons for that.

In the time available I want to deal with two concerns regarding this Bill. The first has to do with conflict of interest guidelines in the legislation and how they are inadequate to determine whether or not the chief executive officer is carrying them out. The second concern is that of accountability.

Conflict of interest is most important in the private sector. You simply cannot have employees, directors or chief executive officers owning shares in competing companies. There cannot even be the appearance of a conflict of interest. Because of that, the Government, through legislation and within the Public Service, and even in Cabinet, has laid out directives regarding conflict of interest. Yet when we look at this legislation, especially Schedule C, Part I and Part II, the conflict of interest guidelines are not clearly outlined. The responsibilities of senior managers, appointed by the board to critical positions and who perform essential duties related to the overall well-being of the company, are not adequately or clearly defined.

I have taken some interest over the last number of months in northern transportation, and I have had responsibilities over the last number of years in the area of Indian Affairs and Northern Development. In looking at the Crown corporation which operates in Alberta, Saskatchewan and the Northwest Territories, the Northern Transportation Company Limited, I have found a number of interesting situations which are the result of improper guidelines concerning the operation of Crown corporations. I specifically refer to conflict of interest, Mr. Speaker.

In 1969, Arctic Cruise Lines Ltd. began as a private company and was then incorporated in 1974. Four of the eight directors were shareholders. Twelve of the original 30 shareholders were Northern Transportation Company Ltd. employees. Two of the three applicants, who were in the corporation in 1974 and were listed as the first directors of the company, were NTCL employees. There is no problem with that because Arctic Cruise Lines was set up to be a passenger service company along the Mackenzie River system. NTCL distributed goods and services by barge along the Mackenzie and around the coast in the Beaufort Sea and Arctic Ocean. Therefore, in 1976, when NTCL requested all permanent employees to divulge any possible instances of a conflict of interest, there were none. I requested a copy of their conflict of interest guidelines and have found them to be good ones, drawn from instances which had been laid out here in the House of Commons. I will describe them briefly.

They said, Mr. Speaker, that employees must not act in any manner which might result in or create the appearance of using a corporate office or company appointment for private gain; giving preferential treatment to any person; losing complete independence or impartiality; and affecting adversely the confidence of the public in the integrity of the company. Employees must not engage directly or indirectly in any personal transaction or private arrangement for personal profit which accrues from or is based upon their official position or authority or upon privileged information which is acquired by reason of such position or authority. Employees must not act in any official matter with respect to which there exists a personal interest incompatible with an unbiased exercise of official judgment, or have direct or indirect personal business or financial affairs which conflict or appear to conflict with official duties and responsibilities.

These employees submitted letters indicating to their respective shareholders that there was no apparent problem with employees of NTCL holding shares in a small passenger service company. Arctic Cruise Lines did not do well financially. Demand for passenger service along the river was not great. So in 1979 Arctic Cruise Lines changed its name to Arctic Offshore Limited and became active in the offshore market for the movement of goods. As a result, it came into competition with Arctic Transportation Limited, another private company in the area, and of course the NTCL Crown corporation.

Since 1980, that company has enjoyed great success. It has increased in size by 168 per cent while NTCL has decreased by 30 per cent. Both the president of NTCL and the president of Arctic Offshore deny there is competition in the area. However, their chief competitor, Arctic Transportation Limited, maintains that they compete with both Arctic Offshore and NTCL for the same contracts. There is, of course, some discrepancy there.

Now, Mr. Speaker, four employees of NTCL are shareholders of Arctic Offshore. One is in a key position which oversees contracts for marine maintenance, and the other was, until recently when I brought this matter up, a director on the board of Arctic Offshore.

What is the problem, Mr. Speaker? The problem is that there are unclear guidelines, uninformed board members and unattentive management. This situation has existed since 1979. During this period of time the manager of sales and contracts for NTCL was a shareholder in Arctic Offshore, a competing company, against which he had to bid. There is an appearance of conflict of interest here. Because of a lack of vigilance, nothing was done about this conflict of interest until a Member of Parliament inquired into the affairs of that company. Now, of course, the chief executive officer has requested that these people divest themselves of their shares, almost five years after the first appearance of a conflict of interest.

What does this say? This company has not been brought before a standing committee of this House for six years. Members of Parliament and the people who are supposed to be responsible for the direction of this company were not asked any questions regarding its operation. That is why it is essential to have a joint committee involved, as has been recommended by Members on this side of the House. It would have

the responsibilty of bringing that corporation and other Crown corporations before it each year with a proper audit requesting proper information so that the types of things I have just described would not be allowed to exist.

• (1600)

I have put questions on the Order Paper requesting information of this company. They have been on the Order Paper for over two months and have not been answered. If a Member of Parliament does not get proper information, it is impossible for him to even look into the company on behalf of the taxpayers of the nation. That is why one of the recommendations we are making is so important. That recommendation is for the establishment of a joint committee. I hope to continue my remarks on accountability when this Bill comes up again in the near future.

[*Translation*]

The Acting Speaker (Mr. Guilbault): Order, please. It being four o'clock, the House will now proceed with Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS— MOTIONS

[*Translation*]

The Acting Speaker (Mr. Guilbault): Shall all orders and items preceding No. 99 stand by unanimous consent?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Guilbault): Stand.

* * *

[*English*]

METRIC CONVERSION

IMPERIAL AND METRIC DUAL LABELLING OF AGRICULTURAL PRODUCTS

Hon. Don Mazankowski (Vegreville) moved:

That, in the opinion of this House, the government should permit, on a voluntary basis, the dual labelling in both the imperial and metric systems of all goods and products used in the production of agricultural commodities.

He said: Mr. Speaker, until the Clerk read the motion I had not realized this was Motion No. 99. That is a pretty significant number in Canada. It is the number which Wayne Gretzky, the very prominent hockey star of the Edmonton Oilers, wears. I hope I will be as successful in achieving the passage of this motion as he is in scoring goals.

I believe the motion before the House is logical, realistic, practical and makes a lot of common sense. There is a farmer from Montreal here who is sniggering. That is about the mentality of the Members across the way. It is the mentality of the people who disregard the agricultural community and shove these things down our throats without any consideration, knowledge or understanding of the facts. I suppose the Hon. Member will pose as an instant expert in the agricultural industry in a few moments. I appeal to all Hon. Members of the House to consider what the motion does and to support it.

We have had far too many costly experiences caused by confusions and complications which have arisen in the conversion from imperial to metric. They have resulted in the loss of crops and severe damage to production in the agricultural industry. This ought not to be ignored. I appeal to all Members of the House to consider this motion seriously, a motion which, I repeat, is realistic, practical and makes common sense.

The key word in the motion, Mr. Speaker, is "voluntary". In this Party we have never believed in the forced imposition of metric in the country. We do not believe that the imperial system should be outlawed. We believe there is room for both, particularly during the transformation from imperial to metric. We are really saying that there is room for freedom of choice, Mr. Speaker. In my view there is no justifiable reason for refusing dual labelling. It would be convenient, it would enhance safety, and it would be much more economical for the producers. As I have said, there have been some very huge crop losses as a result of confusion due to metric conversion. I will support this statement later on in my remarks.

With the exception of one Bill having to do with the conversion in the grain industry, there was never any legislation to bring about metric. It has all been done through Order in Council. As a result, many of the worst fears of Canadians have been borne out by the result of the forced implementation of metric. It has caused confusion, uncertainty and costly mistakes. Altogether it has imposed a very costly burden upon the economy of Canada.

This is particularly true in the agricultural sector and particularly in the use of agricultural chemicals. Withg today's farming methods producers have come to rely very heavily upon fertilizers, pesticides and herbicides to enhance crop yields. These chemicals are very expensive and complex. It is important that they be applied properly. There is simply no room for trial and error. If the chemical is applied too lightly, it will be ineffective. If it is applied too heavily, it will burn the crops. There is no room for error.

There have been many examples of the results of confusion in the conversion from the imperial to the metric system. The *Farm and Country* magazine of July 20, 1982 carried the headline, "Metric Goof Takes Toll". This article reads:

Stratford-based ministry crop specialist Pat Lynch says 200 acres of "dead alfalfa" resulted from farmers in his area using the recommendations. He estimates that there are about 50 to 100 mistakes in the book.

This was a result of the conversion. About 50 per cent of the year's barley crop in a particular area was damaged as a result of a miscalculation in the application of weed spray used on the crop. There are many other examples.

Another factor as well is that if these chemicals are handled improperly they present a very major safety hazard. Health and safety concerns are important from the farmers' point of view as well as from the point of view of the consumer and the public at large. If we can overcome the problems of safety and of jeopardizing one's health by using imperial, we should be allowed to use it in a voluntary way. We use two languages in this country. We have labelling which provides for two languages. I see nothing wrong with the application of dual labelling which would provide for both metric and imperial.

There is another thing which should not be forgotten in this debate, that is, that when the Bill converting the grains industry to metric was debated in the House, the matter of hectares was not included. It was deleted from the Bill. Therefore, acres are still the standard unit of measurement within a metric system. That complicates the issue further. At least in western Canada, farmers are still measuring their land in acres. It is really part and parcel of the way the land is surveyed out in western Canada. It has almost become part of the tradition and culture of the agricultural society of western Canada. While they still use acres, farmers must utilize metric to apply the weed spray. Therefore they are using acres, kilograms and grams, which generates massive confusion.

● (1610)

This motion would provide a very simple way of overcoming that confusion. When we talk about conversion from pounds, gallons and acres, it becomes a very complex procedure in which there is a high potential for error.

Here is another letter sent to the Red Deer *The Advocate* by a person named Donald Hansen who says:

> In the real world of basic production, you cannot start on a given day with all new metric tools and equipment.

That is another very valid point. Most of the equipment used by the farmer utilizes the imperial system. While the weed spray, chemicals and herbicides he buys is in metric, the machinery he has uses the imperial system. The seed drill machinery is based on acres and is not converted to hectares. The weed spray devices have tanks that are measured in gallons, not litres. The farmer has this equipment, but he must employ metric using that imperial equipment. The point is made when he says this:

> You must, for many years, convert fuel tanks, spray tanks, boom widths, nozzle spacing and size, pressures, flow rates, implement widths, depths and heights, speeds and distances, truck boxes, fertilizer spreaders, ammonia tanks, countless fields and fences, transit rods, natural gas meters, fuel meters, ammonia meters, nitrolators, grain tester charts and measuring vessels.

These are all in imperial. He goes on to say:

> Land measure must always be imperial since that is how this country was surveyed.

That is the point I was making earlier. He goes on to say:

> I learned that in order to convert my spraying operation completely to metric, I would have to do well in excess of 20 conversions.

It would require 20 conversions in order to make that application. I say that it is a real burden and that it is most unfair.

I have another comment from a person by the name of Gil Cyr of Prescott who said:

> —'farmers from across the country have been urging the federal and provincial governments to allow such instructions to be put in imperial measure as well as metric. Due to mixups caused by unfamiliarity with the metric system, crops have been chemically burned, ruined and sometimes the produce is even unsafe for human consumption, he said.
>
> 'You consumers in the city don't realize how dangerous some of these bad chemical mixes can be—all we've been asking for is to give us the freedom of choice in using either metric or imperial measure,' he said.

I think that really makes the point. We have many clear indicators from the agricultural community that they want the freedom of choice or dual measurement. I know the Minister of Agriculture (Mr. Whelan) has received many representations from Members of the House, including the Member for Moose Jaw (Mr. Neil) and the Member for Wetaskiwin (Mr. Schellenberger) on the need to address this very real problem. It could be addressed very easily by simply allowing dual labelling. However, we have seen no sensitivity at all from the Minister of Agriculture.

The Canadian Federation of Agriculture has called for dual labelling. As well, the Women for the Survival of Agriculture stated the following in very short and succinct terms:

> We want you to know that our group, Women for the Survival of Agriculture, fully endorses dual labelling—metric and imperial, on all farm sprays, chemicals and fertilizers. We feel that dual labelling is a necessity, not a luxury.

The livestock groups have balked at conversion to metric in their industry because of the concerns in other parts of the agricultural sector.

Therefore, this motion really deals with something that is very logical and practical and which makes common sense. If the metric system is so superior, as the Government suggests it is, why are so many farmers unwilling to use it? There may be a time, 10, 15 or 20 years from now, when new generations of farmers may be able to adapt to the metric system easily when the machinery will be adapted to the metric system, but that does not apply today. The fact of the matter is that we now have a program that has been developed that is very bureaucratic, difficult to deal with and the cause of confusion. It has cost farmers and the economy a lot of money.

I appeal to the House to give serious consideration to this motion, because this problem will continue for some time. If we cannot address this very fundamental and simple issue in the House, then I am not sure why we are here. This is where points of view should be debated and where decisions of this nature should be made.

I conclude by saying that beneath the confusion that surrounds this issue perhaps there is another more important underlying issue, that is, the issue of forced metrication without consideration of the rights and freedoms of individual Canadians. We all know that this program was really forced down the throats of Canadians without adequate consideration.

I thought that *The Financial Post* of July 31, 1982, put this whole issue into perspective, in the following words:

Metric Conversion

Forced metrication is an obvious violation of the rights of Canadians to freely transact with one another on any commercial basis they choose. Although the Canadian Civil Liberties Association has been silent about this issue, metrication is a clear and present danger to our civil liberties, which encompass far more than rights to speech, drugs, sex, criminal procedures, and so on. Our civil liberties include, as well, the right to engage in 'capitalist acts' between consenting adults, whether measured in pounds or grams, inches or centimetres. People should have the right to sell by the hatful, if they can attract any customers that way. In the words of Howard Bradfield, metric protester, 'Your freedom to measure is a measure of your freedom.'

I think this whole exercise demonstrates another classic example of the Government's penchant for intervening in the lives of Canadians. It is part and parcel of its whole approach that it alone knows what is best for Canadians, collectively and individually. It refuses to submit this issue to the proper legislative process and it refuses to be held accountable. I repeat that this situation is a product of the bureaucrats and politicians who have remained in their ivory towers and failed to recognize the difficulties and consequences that have arisen therefrom.

I say that we have an opportunity here to correct a wrong, to provide a mechanism that would ensure that the producers of food in this country would be blessed with some measure of convenience simply by allowing dual labelling on these very important commodities which they use in the production of agricultural products. It is practical, sensible and will give Canadian producers an opportunity to go through a transition period without facing the prospect of suffering losses.

Quite frankly, I think that this is a small issue but one that has a far reaching impact that could provide benefits to agriculture, individual farmers and indeed rewards to the Canadian economy.

Mr. Russell MacLellan (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I wish to rise on the motion but forward by the Hon. Member for Vegreville (Mr. Mazankowski) concerning the dual labelling of farm input products. The Hon. Member is certainly aware of the support given by all Parties to metric conversion in January, 1970, when the Government introduced its white paper on this subject. He is also aware that the Government met with more than 2,000 representatives from provincial governments, business and agricultural organizations to plan metric conversion in the agri-food sector. That program was unanimously supported by the provincial governments both in 1973 and again at the Federal-Provincial Conference on Metric Conversion on July 26, 1976.

• (1620)

I believe the metric question has been well explored and extensively debated both in this House and by Canadian society generally. Now the Hon. Member wishes to raise again the issue of dual labelling on all goods and products used in the production of agricultural commodities. I do not see how we can support this.

Metric amendments and conversion dates for feeds, seeds, fertilizers and agricultural chemicals were all established in consultation with the agri-food sector. Bulk grains were converted to metric in February 1977. Feeds, seeds and fertilizers were all converted during 1979-80. Agricultural chemicals were to be converted to metric measurements during 1978.

However, a review of the program showed extra time was required for farmers to become more familiar with metric measurements. So, Mr. Speaker, we agreed on a new date, that of January 1, 1981, for metric conversion in the agricultural chemicals industry. We have always been flexible in the matter of metric conversion.

At that time, there was also agreement that any form of dual labelling was inappropriate. That is because there are many calculations involved in the application of agricultural chemicals including not only package size, but tank capacity, nozzle rating, the speed of the spraying equipment and so on. The Hon. Member is well aware of the many calculations involved, I am sure.

I am sure he can appreciate also the dangers of switching, either intentionally or not, from one system of measurement to the other during these calculations. Consider, Mr. Speaker, the danger of attempting to switch to imperial units for spraying rates after making the correct dilution and mixing the required quantity for application in metric units. An error could destroy one's crop, and the chance of making such an error in this case is high.

Mr. Mazankowski: That is exactly what is happening now.

Mr. MacLellan: It was felt that this could lead to real and serious problems in this important sector.

Of course, the Government recognized there were risks in having metric-only labels. We concede that, but it was agreed that fewer risks were involved than with dual labelling.

I should also point out to the Hon. Member the results of a series of tests run at evening classes in Manitoba in February, 1981 to determine whether farmers were adapting to metric. It was found that the error rate was much higher when calculations were done in imperial units compared to calculations presently done in metric units.

Metric is a much easier system of measurement with much less chance of error if it is used throughout. And when it comes to agricultural chemicals, simple calculations are crucial to the safe use of pesticides.

Both the federal and provincial governments have been working with agricultural organizations and the Canadian Agricultural Chemicals Association in an ongoing educational and public awareness program for farmers and food processors to minimize calculation errors.

Safety must be the primary issue here and not convenience of the procedure. Certainly it would be convenient to have dual labelling.

Mr. Mazankowski: Let's do it then.

Mr. MacLellan: But it could lead to more cases of improper mixing and application that would threaten the health of the producers themselves and of our entire food industry.

There is another issue here, as I see it. How do we approach this whole question? Are we looking at it with the future in mind or simply in a reactionary way?

Mr. Mazankowski: In a realistic way.

Mr. MacLellan: In a realistic way. The Hon. Member referred to Wayne Gretzky and hoped to be able to score here today. I think the House would agree with me when I say that I think the Hon. Member has fanned his shot.

Mr. Mazankowski: He uses an imperial hockey stick.

Mr. MacLellan: We must remind ourselves that we are living in a metric world.

Today, 90 per cent of the world's population use metric measurements, and by the end of the decade 90 per cent of the world's standards will be metric only.

Mr. Flis: The Tories are back in the Dark Ages.

Mr. MacLellan: As a nation dependent on trade, we would be foolish to ignore this. Even now, 85 per cent of our agricultural exports are to countries using the metric system. As well, the U.S. is continuing its program of metric conversion, and metric conversion in our own agri-food industry now is 95 per cent completed.

This is the fourth spring that Canadian farmers will be buying agricultural chemicals with metric-only labels. It would be improper to turn back the clock with dual labelling and tempt some farmers to return to imperial calculations. It would only mean continued controversy and debate and another painful round of conversion sometime in the future.

Much of the pain of conversion is behind us. Experience has shown Canadian farmers have adapted to metric and, in fact, have found it simpler to understand and apply. Admittedly, most Canadians have grown up with the imperial system, but we cannot let this influence our ability to look to the future. A new generation of Canadians today are growing up with metric. Metric has been in our educational system for a decade now, and these young Canadians will soon be entering professions, including farming.

Such actions as dual labelling are not forward thinking. Farmers are accepting metric. Our young farmers have grown up with metric. The only responsible course for us as the Government to take is to use metric measurements only. It is in the best interests of our farmers and of all Canadians in general.

Mr. Les Benjamin (Regina West): Mr. Speaker I sympathize with the intent of the motion of the Hon. Member for Vegreville (Mr. Mazankowski). I suspect that he and I and others like us are of the age where it is pretty well too late for us to learn the intricacies of metric. I find that students, young small-businessmen and young farmers have learned metric well in school and at their places of work and can handle it very well. But I want to remind you, Sir, and other Members of this House that from 1969 to 1974 I sat on a committee on a number of occasions with a former colleague from Vancouver-Kingsway, Mrs. MacInnis, dealing with amendments to the Weights and Measures Act and other pieces of legislation. We heard from numerous witnesses. They were almost unanimous in supporting a systematic, intelligent conversion to metric over a period of years. At first, 5 years was talked about, then 10 years, and then 25 years, but then a consensus was reached that we would need a period of 15 years. That is about the time that it will take before it is all in place.

I think the Hon. Member for Vegreville is correct when he talks about dual labelling in the case of any product that is poisonous or hazardous and that in those circumstances extra precaution has to be taken so that the user of that product is fully aware of how to use it. If it requires an additional label or an additional pamphlet, whether it is a farmer or anyone else using the poisonous or hazardous product, it is better to be safe than sorry. In those circumstances it should be incumbent upon the packaging and labelling industry and upon the chemical industry to make certain that the extra information is available for every user of any dangerous, hazardous or poisonous product.

• (1630)

I was somewhat amused by some of the matters raised in the House by Hon. Members such as the hon. gas pumper from Peterborough. When metric legislation was introduced, I recall how the Hon. Member for Yukon (Mr. Nielsen) and the Hon. Member for Burlington (Mr. Kempling) castigated the Government for taking so long to do it. I appreciate that there is something of an intellectual and sometimes physical trauma when making a change in people's minds concerning measurement, but there is no turning back the clock. I think of what it would cost farmers and their organizations if we reverted to imperial. We must remember the millions of dollars which elevator companies have invested in scales alone.

Mr. Mazankowski: I am not saying that.

Mr. Benjamin: I appreciate that, but the Hon. Member for Vegreville has a point about the dual description of measurements, particularly in the case of hazardous and poisonous products.

In committee we heard from representatives of the Canadian Manufacturers' Association, the Food and Labelling Association, the Chamber of Commerce and all farm organizations. We heard from various transportation companies and all kinds of witnesses, from consumers to scores of individuals with expertise in the area of measurements, be they national or international. As I said earlier, there was overwhelming agreement to make the conversion.

The question is not whether or not we make the conversion. The question is how intelligently and how safely we do it. Surely that is a question any government of any political stripe has to be concerned about on a day to day basis. If the Government cannot accept totally what the Hon. Member for Vegreville wants, at least it could look at instructing the Metric Commission by Order in Council to ensure that those

who manufacture and distribute wholesale and retail hazardous and poisonous products accompany metric labels with imperial labels to reduce any possibility of misunderstanding or error. Surely that only makes sense in the process of converting completely to metric, something to which the next generation will be attuned. There are many hundreds of thousands of people today—and I am one of them—who are still struggling with the metric system. I do not have much trouble with kilometres, but I still have a little trouble with Celsius and I am totally lost with kilograms. My children know it 100 per cent; the next generation will have little or no difficulty.

The Standing Committee on Transport visited the Bombardier plant at La Pocatière, Quebec. It was proud that it had received three contracts with one State and two cities in the United States. The plant was successful in its tenders for transit equipment and railway equipment, and the tenders called for them to be submitted in metric, not imperial.

I noticed the other day when looking at the commodity exchange in Chicago that the U.S. Department of Agriculture announced some sales of specialty products all in metric, not in imperial. That is fine, but they were not dangerous, hazardous or poisonous products. It is part of the international picture. In reality, both the United States and Canada have no choice if they are to export and import internationally with other countries. The two of us cannot deal only with each other. That is the reality.

If the Government will not accept the Hon. Member's motion as is, I urge it to ensure, particularly in the case of agriculture but in the case of other industries as well, that dual labelling of hazardous and poisonous products continue for a few more years. Not only should there be dual labels, but there should be accompanying literature so that there can be no misunderstanding in the use and application of the products. Surely that makes good sense. It is better to be safe than sorry.

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, I rise to support the motion of the Hon. Member for Vegreville (Mr. Mazankowski) that the Government should permit dual labelling on a voluntary basis of farm sprays, chemicals and fertilizers in both the metric and imperial systems.

The constant argument of the Government is that back in 1970 there was an agreement that we would move to metric conversion. That was a couple of years before I arrived in the House, but in looking at the *Debates*, I find that that was not the case at all. At that time we agreed to allow the establishment of the Metric Commission to look into whether it was sound to move toward metric conversion.

In fact, the gentleman who responded for our Party, Mr. Ged Baldwin, stated some reservations at that time while agreeing to the establishment of the commission. He said:

> We should think particularly of our trading relations with the United States, which of course is and has for some years been examining its position with regard to adoption of the metric system. Whether we like it or not, what we must do to a considerable extent is keep pace with what is being done in the United States. I think it might well be suicidal for us to adopt the metric system without considering what is being done in the United States.

He had reservations at the time the commission was set up, but the Government then took that as its guiding light and said that there was no need to bring it back to the House of Commons for Members of Parliament to agree or disagree. From that point to this time, except for one piece of legislation from which Hon. Members in fact removed hectares and included acres, there has never been a bill dealing with metric in the House.

Therein lies the problem. People will accept a policy which is in their best interest, if they feel that they are a part of it. If they feel that it is in their interest and agree with it, they will take the time to learn the changes. However, if the best policy in the world is implemented improperly, people will reject it. That has been the case with metric. There is a feeling in the country that it is being shoved at people, particularly those who are beyond the educational system and do not understand it. We all know about mental blocks. It is very difficult, if one does not want to sit down and study, to learn it.

I know of many cases in my constituency where farmers have indicated—and I have the same difficulty—that they will not trade in their sprayers which are in gallons because they have many years of use left. In the last few years the label on chemical spray containers has indicated so many litres per hectare. I do not carry a calculator in my shirt pocket when I am measuring spray on the farm. It is impossible to do so. It would not last very long in the dust. Often you scratch in the dirt. Sometimes there is a layer of dirt on the machine. I have seen that done often. Calculations are being done on something of great significance to a farmer's livelihood, the number of ounces per acre or litres per hectare of chemical to be put on his or her crop.

● (1640)

Efforts have been made. Nothing is worse, and I know this from experience, than having put effort and your life savings into a crop only to find that you have made an error in spraying because the nation's Government will not allow the can of spray to have dual labelling. That is absolutely ridiculous. It does not cost the manufacturer anything more once the machinery is set up. Why are we doing this? Is it because the bureaucrats feel that everything has to be put on its convenient little shelf, or because it is not acceptable? Is that the reason?

Surely we as Members who are here to provide leadership and guidance ought to be able to suggest that in the areas of pesticide sprays and fertilizer, which are so important to the production of food, because the average age of our farmer is still over 50 years dual labelling should continue for a number of years. It should continue until younger farmers who are familiar with the measurement system take over or until the older farmers with computers are able to comprehend the changes in measurement. It does not cost this Government anything. It is not a matter of pride to say that we have metric and therefore no one will ever use the imperial system again. That is ridiculous. Members should seriously look at this motion going forward.

The livestock people of this country rejected the system for sales in metric. They put up such a lobby that the Government backed off on changing the measurement of beef in sales rings. According to the Department of Agriculture, the livestock industry is one of the Metric Commission's problem areas. Many more are starting. People are beginning to have second thoughts about a program which is being forced upon them. They are starting to reject it. They say that it is their right to accept something, but if it is to be forced on them, they want the right to reject it.

The trucking industry, in a letter to the then Leader of the Opposition, the Hon. Member for Yukon (Mr. Nielsen), said this:

> The Alberta Trucking Association has been opposed to metric since it was first introduced to Canada. It has led to a great deal of confusion in the marketplace and it has cost far more than ever contemplated.

The cost of forced conversion has been tremendous. If we had not been so rigid in the forcing of metric on our citizens, the cost could have been distributed over 20 or 30 years. Why the rush? I fail to comprehend why we have to rush into putting this system in place.

I support the Hon. Member's motion for reasons of convenience, rather than having to convert. I have seen farmers take a metric can and pour the spray into a gallon can so they have the correct level. Then they pour it in the sprayer. They often forget that the chemical is not the same as it was five, six or ten years ago. The number of parts per million of concentration in that spray may be higher or lower than previously. Hence, an error is made.

On the basis of safety, a very small indication on a can of pesticide, farm poison, chemicals, sprays or fertilizers should be put in place. Duel labelling should continue for a number of years until the people are used to the change to metric. That is not too much for the farmers of this nation to ask for.

Mr. David Berger (Laurier): Mr. Speaker, in dealing with this motion I want to refer to a couple of words mentioned by the Hon. Member for Vegreville (Mr. Mazankowski) in his opening statement. He suggested that the motion is realistic, practical and makes common sense. He also used the word "voluntary". One of the strong arguments made by Members opposite is that this process should be voluntary. I want to deal with those aspects.

First, I want to deal with the voluntary part of it. As we have heard on many occasions, the conversion to metric is being shoved down the throats of the Canadian people without adequate consideration. This argument was made by the Hon. Member for Vegreville and the Hon. Member for Wetaskiwin (Mr. Schellenberger). This is a compelling argument. The only problem is that it is not true.

Subsequent to the acceptance of the white paper by this Parliament and the establishment of the Canadian Metric Commission, many industries indicated their interest in forming voluntary committees to plan and manage the conversion of their industry to metric measurement. The number of such volunteer groups eventually reached 104 in every sector of the Canadian economy. One such group was formed to represent the chemicals and chemical products sector. This group held its first meeting on July 10, 1973 in Ottawa. In total, some 14 different associations maintain representation on this committee. Three groups in particular were responsible and highly supportive of conversion to the exclusive use of metric units in agricultural chemicals and pesticides. They were the Canadian Fertilizer Institute, the Canadian Agricultural Chemicals Association and the Canadian Chemical Producers Association.

In addition, it is important for people listening to this debate to know that each of these committees worked through an extensive program which included investigation, planning, scheduling and implementation. In the course of its work, the committees prepared their own timetables for implementation of their plans. This was not imposed by the Government. Members opposite always say that the scheduling of implementation was imposed on the affected sections of the economy, but that clearly is not true. With the few exceptions where ordinarily regulated items are involved or where the sector committee felt regulation was desirable for orderly and fair treatment of all concerned, the schedules were implemented by those sectors represented on these committees.

This process goes back to 1973, and before that to the white paper of 1970. We must understand that the white paper did not originate in the mind of the Government but in the fact that teachers, businessmen, farmers and representatives from all groups of the Canadian economy came to the Government and said that this process was important to them and that it must take place. It is a process in which thousands of Canadians have been involved for 15 years.

• (1650)

When Hon. Members opposite say that there is a mad rush to impose metric, that is a nice and compelling argument, but it is not true. The Hon. Member for Vegreville claimed that his proposal was realistic. How can we determine that? I suggest there are one or two factors that should be considered. The first factor is safety and the second is economic considerations. I should like to deal with safety first.

It is precisely because of safety that the chemicals and chemical products industry sector and its 14 associations insisted that labels should carry only one system of units and recommended against the use of dual units. I know that the Hon. Member for Vegreville is not listening to this because obviously the correct facts are of no concern to him. What is of concern to him is simply—

Mr. Mazankowski: Mr. Speaker, I rise on a point of order. The Hon. Member from wherever he is cannot impute motives. I hear what he is saying. I am in my seat and that should be recorded. It is not customary for any Member of the House to talk about another Member's presence or whether he is paying attention. I have heard every word the Hon. Member has said and it is not very enlightening.

The Acting Speaker (Mr. Guilbault): The point raised by the Hon. Member for Vegreville is well taken.

Mr. Berger: Mr. Speaker, if I misrepresented the presence of the Hon. Member in the House I did not presume to suggest that he was not here. If I could refer to the times when Hon. Members opposite argue that some of our Ministers are not in the House, this might just even things up a little bit.

It was precisely for safety considerations that the chemical and chemical products industry sector insisted that labels should have one system of untis and recommended against the use of dual units. It was clear that the farming community would have to be sufficiently familiar with metric units to be able to apply agricultural chemicals and pesticides effectively and safely. Such concerns were identified to both the federal and provincial Departments of Agriculture, which agreed to share the responsibility of ensuring that the user, the Canadian farmer, would be sufficiently conversant with metric units. I understand that many courses were conducted by provincial Departments of Agriculture in order to familiarize agricultural producers with the changes.

On the first item the Hon. Member said that what recommends his motion is that the labelling is to be voluntary, and then he argued that his suggestion is realistic. I have just proven that on grounds of safety it is not realistic at all.

I should like to deal with the other aspect of the matter, whether we can consider this motion to be realistic by some economic standard. That is the consideration that I find the most compelling. What are we concerned about day in and day out in this House if not with exporting products and creating jobs for the many thousands of Canadians who unfortunately cannot work because of some of the impediments in the economy?

I do not understand how the Hon. Member for Vegreville can come into the House and ignore the overwhelming economic considerations. I do not think he could have considered all of the issues. I do not think he has attended any information meetings on the subject before having made the arguments he presented today. I have had limited experience in this area, Mr. Speaker—

Mr. Mazankowski: You are certainly showing it now.

Mr. Berger: I have had enough, however, to understand the importance of the economic arguments.

Last April I attended a conference in Washington of the American National Metric Council. I should like to relate to the House some things that I learned at the conference. A letter was addressed to the conference by the President of the United States, who is not exactly known as a fanatic about things un-American. He wrote as follows:

> In the past year, the issue of metric transition has become increasingly important in the area of international trade and productivity. The National Productivity Advisory Committee has recommended that the Federal Government continue to support conversion to metric measurement to enhance U.S. international competitiveness and hence productivity in several industries.

I do not think anything could be clearer. The President of the United States is talking about international competitiveness and about productivity. These things are certainly of concern to the United States because, as we are all aware, it has a tremendous trade deficit. Perhaps we are one step ahead of the Americans in this area. I think it is incorrect to say, as the official Opposition always does, that we have to follow the Americans. When it comes to trade and international trade I do not think that we have any lessons to learn from them.

[*Translation*]

At that congress, the Under Secretary of the U.S. Department of Commerce stated that "the Reagan Administration favours conversion to the metric system for the same reasons that aroused the opposition of John Quincy Adams in 1821: international trade. In 1821, all international trade was between the United States and England, and both countries used inches and pounds. Today, 95 per cent of the world is metric". Someday, the conclusion will have to be that if we want to export products, we have to do so according to the metric system.

[*English*]

There is one thing about that conference that the Hon. Member might understand. A speaker who was arguing very persuasively in favour of conversion on the grounds of competitiveness and productivity told the story of a Japanese businessman and an American businessman. They were walking down the street and all of a sudden were confronted by a great, big grizzly bear comming at them at tremendous speed. The Japanese businessman, who happened to be a health nut, had his jogging shoes with him. He got down on his hands and knees and started to put his shoes on. The American businessmen asked, "What are you doing, my friend? You don't honestly think you can outrun that grizzly bear, do you?" The Japanese businessman stood up and said, "You perceive the question incorrectly, my friend. All I have to do is outrun you".

That is what this is all about—international competitiveness, exports and productivity. These are the factors that Hon. Members opposite are always crying about, yet these are the factors they are not willing to face. As the Prime Minister (Mr. Trudeau) has said on many occasions in this House, they are the coalition of the antis—they are the people who are always "against". They are always saying that now is not the right time, let us wait 20 years, whether that applies to the Constitution, the Crow rate or the metric system. I suggest that the Hon. Member for Vegreville wake up one of these days and start to consider some of these things.

[*Translation*]

The Acting Speaker (Mr. Guilbault): Order. The hour provided for the consideration of private members' business has now expired. It being five o'clock, this House stands adjourned until Monday next, at 11 a.m., pursuant to Standing Order 2(1).

At 5 p.m., the House adjourned, without question put, pursuant to Standing Order.

Metric Conversion

HOUSE OF COMMONS

Monday, March 26, 1984

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

CANADA HEALTH ACT

MEASURE TO AMEND

The House proceeded to the consideration of Bill C-3, an Act relating to cash contributions by Canada in respect of insured health services provided under provincial health care insurance plans and amounts payable by Canada in respect of extended health care services and to amend and repeal certain Acts in consequence thereof, as reported (with amendments) from the Standing Committee on Health, Welfare and Social Affairs.

Mr. Speaker: As Hon. Members are aware, there are seven motions standing on the Notice Paper at the report stage of Bill C-3. Motions Nos. 1, 2 and 3 should be grouped for debate and voted on as follows: Motion No. 1 by itself; a vote on Motion No. 2 will dispose of Motion No. 3. Motions Nos. 4, 5 and 6 will be debated separately and voted on separately. Motion No. 7 seeks to provide a means of disposing of the funds withheld from cash contributions to provinces found not to be in compliance with the Act. Nowhere in the Bill is there any mention of a proposal to dispose of such funds. As a result, the introduction of this kind of provision in the Bill would be entirely irrelevant to the Bill.

• (1110)

Should the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie), who is present in the House, wish to present procedural arguments on this motion, I will hear him now, if he wishes to be recognized for this purpose.

Mr. Blaikie: Mr. Speaker, I would like to make this perfectly clear. I take it you are ruling it out of order.

Mr. Speaker: The Chair is trying to indicate to the Hon. Member the thinking of the Chair. Before ruling, the Chair is inviting the Hon. Member to present his arguments. This is a practice we have developed in an attempt to accommodate Members. In fairness to the Hon. Member, I thought he should have an idea of what was in the Speaker's mind.

Mr. Blaikie: Mr. Speaker, I am not sure what bearing this will have on your decision, but this is an amendment which was regarded as being in order when it was presented in committee. It was debated at that time. It is because I feel strongly about the amendment that I took the opportunity to reintroduce it. We are talking about moneys which the federal Government proposes, through this Bill, to withhold from provinces. We are talking about an identifiable sum of money. That money will go to a particular place, that is to say it will go into the public accounts and stay there presumably, unless of course it is returned to a province, which is another provision in the Bill indicating where the money will go under certain circumstances. In this amendment we are saying that in a different set of circumstances, for example in the case of the federal Government withholding the money permanently, this is how the money shall be spent.

Mr. Speaker: The Chair is prepared to rule at this stage. May I refer Hon. Members to Beauchesne's Fifth Edition, Citation 773(1), which states in part:

An amendment is out of order if it is irrelevant to the bill, beyond its scope—

After hearing the argument of the Hon. Member, it still appears to the Chair that this amendment is irrelevant and beyond the scope of the Bill and, therefore, out of order. I must so rule.

Mr. Bill Blaikie (Winnipeg-Birds Hill) moved:

Motion No. 1

That Bill C-3 be amended in Clause 12 by striking out line 10 at page 9 and substituting the following therefor:

"of the cost of insured health services; and

(*e*) must, in accordance with the regulations of this Act, provide for an acceptable ratio of ward versus private and semi-private beds in hospitals, including hospitals owned or operated by Canada.

Mr. Bruce Halliday (Oxford) moved:

Motion No. 2

That Bill C-3 be amended in Clause 12 by striking out line 10 at page 9 and substituting the following therefor:

"of the cost of insured health services; and

(*e*) must provide that all medical practitioners or where applicable, dentists may participate in the plan."

Mr. Bill Blaikie (Winnipeg-Birds Hill) moved:

Motion No. 3

That Bill C-3 be amended in Clause 12 by striking out line 10 at page 9 and substituting the following therefor:

"of the cost of insured health services; and

(*e*) must provide that any duly qualified medical practitioner and, where applicable, dentist, who has been licensed by the province to practice in the province, may participate in the plan.

• (1115)

Mr. Blaikie: Mr. Speaker, I rise on a point of order. I would like to speak to my amendment and then to the amendment of the Hon. Member for Oxford (Mr. Halliday). Must I do that within the same time frame?

Mr. Speaker: The Chair decided that amendments Nos. 1, 2 and 3 would be lumped together for debate but voted on as indicated. No. 1 is voted on separately and No. 2 would dispose of No. 3. The Hon. Member is invited to make his remarks concerning the three amendments in this intervention.

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, the intent of our amendment with regard to providing for an acceptable ratio of ward versus private and semi-private beds in hospitals is to ensure that the overall goals of the Canada Health Act are indeed achieved throughout the country. One of our concerns is that if this is not specified in the Bill it is possible that a two-tier hospital care system could develop.

We have seen, particularly since 1977, and more specifically in the last couple of years, a trend on the part of certain provincial governments to encourage hospitals to find ways of generating revenue on their own. One way to achieve that, of course, is by turning more of their bed capacity over to the classification of private or semi-private rooms so that they generate revenue over and above that which would be generated through ordinary ward beds under the health insurance plan.

We wanted to ensure that this Act would provide a mandate to the Minister of National Health and Welfare to take action, should she or he in the future discern that a province is evading universality and accessibility, with respect to clause 12, by not making a suitable number of beds available under the plan. This is not a new idea and has been done before by regulation. We feel this should be made explicit in the Canada Health Act. If this is not done, a situation could arise where accessibility could be threatened by a lack of availability of ward beds. This would then create a situation in which Canadians would rightly want to insure themselves against the unavailability of those beds, if it were seen as something that is inevitable. Eventually Canadians would feel that they have to take out private health insurance to make sure that they could get a bed when they needed it because the hospitals in their area were following that kind of policy. Very soon, the very thing we are trying to prevent in this Bill, through elimination of extra billing and user fees, could take place with respect to the availability of beds. Therefore, this amendment seems to be self-evidently in keeping with the spirit of the Canada Health Act.

I did not see any reason in committee and I do not see any reason now why this amendment cannot be enshrined in the Bill.

The amendment proposed by the Hon. Member for Oxford is a reintroduction of an amendment many of us tried to move in committee in various forms which would meet what I consider to be the very legitimate concerns of the Canadian Association of Interns and Residents, which is that all people who graduate from medicine and are licensed to practice medicine should be able to do so in the plan wherever they so choose, so long as they want to meet the conditions of the plan.

• (1120)

I am not saying doctors who want to extra-bill in a province where extra billing has been outlawed should be able to operate within the plan. That is not the kind of right we are talking about. We are talking about the right of physicians to have geographical freedom within a particular province. This Bill is directed at what is going on in British Columbia and what could go on in many other provinces where we find provincial governments, through the limitation of billing numbers per area, restricting the right of physicians to practise in a particular area. I think this is something that should be addressed in another way. If provinces want to find ways of redistributing physician manpower, then there must be a way that is more acceptable than refusing the right to practise in this way, particularly when you consider that there are people now graduating from our medical colleges who are now interns and residents and who, if they want to practise in B.C., for instance, face the possibility of not being able to do so. Also, as was pointed out to me by people concerned, there is one case where a husband got a billing number and the wife did not. The wife is also a physician. The only way she could practise medicine was to move away from where her husband was living and practise somewhere else. That is completely unacceptable. We have an opportunity to do something about that in this Bill. This amendment is the result of many, many refinements. I see no reason, nor, I am sure, does the Hon. Member for Oxford why we could not meet in the Bill those very legitimate concerns of the Canadian Association of Interns and Residents.

[*Translation*]

Hon. Monique Bégin (Minister of National Health and Welfare): Mr. Speaker, if I understand correctly, the New Democratic Party Member, the party critic, has just spoken to motions No. 1, No. 2 and No. 3. Regarding motion No. 1, his Party is asking us to amend the Bill to include "an acceptable ratio of ward" (beds), which are usually four to a room, versus semi-private beds, which are two to a room, and private rooms.

We have already discussed the motion in Committee, where it was decided to drop the proposal. The point I raised at the time was, that by including a provision for ward beds in the Bill, we would be putting an additional and unnecessary constraint on the system, and that for the time being, the situation was not alarming anywhere in Canada, and that in any case, the federal Minister could use regulatory powers existing under the Act, if necessary, and without having to resort to an amendment, could pass regulations and discuss them with the provinces, as I said before.

I do not remember exactly what the statistics are, but in Ontario, for instance, which has the largest population of any province in Canada, two-thirds of hospital-days for all kinds of

patients are attributed to wards. In fact, public demand is for private or semi-private rooms rather than wards. Since I have been Minister of Health, there have never been, to my knowledge, any complaints from Canadians because they did not have access to a ward. If a patient wants to be on a ward, in other words, a room with four beds, the hospital is obliged to provide the bed free of charge, and if the hospital in question has no ward available, it must provide a semi-private or private room, without extra charge.

I believe this answers the question raised by motion No. 1.

• (1125)

[*English*]

We discussed Motion No. 2 a great deal because it causes concern to all members of the Standing Committee on Health, Welfare and Social Affairs. The spirit of the motion, if not the exact wording, was defeated.

The motion put forward by the Hon. Member for Oxford (Mr. Halliday) is well intentioned; it wants to overcome a new problem in the system which refers to procedures used by provinces to control the number and distribution of doctors when this applies. It applies in many parts of Canada as we have a great number of doctors in proportion to the population. If provinces had a special practice it was usually to provide positive, financial incentives. This technique has worked best in the experience that has been accumulated, coupled with other incentives such as refresher courses and material or professional incentives. One province tackled the problem by a disincentive, a reduction in salary. Another province started the practice of issuing billing numbers through a provincial mechanism and commission in a way that could be considered discriminatory.

After a study of the legislation by the Department of Justice, we think that medical practitioners are protected for practising within medicare through the concept of reasonable compensation. In other words, it is not for the federal Government to decide where doctors will settle, once they are licensed; this is purely a provincial matter. Through federal legislation regarding conditions for federal funding, however, reasonable compensation must be provided for all medical practitioners who practise within medicare and provide insured services. We think that medical practitioners who provide insured services must be reasonably compensated. They should have a billing number. Individuals or groups—although the latter must be verified—could take a provincial government to court if this were denied to a medical practitioner who provided insured health services.

Motion No. 3 was also presented by the health critic of the New Democratic Party and in a way has the same meaning as Motion No. 2. Unless Hon. Members have questions on it, therefore, I think I have made the point and should not take up more time of the House.

• (1130)

Mr. Bruce Halliday (Oxford): Mr. Speaker, we are debating Motions Nos. 1, 2 and 3 this morning. All three deal with Clause 12 of Bill C-3. Clause 12 defines the requirements that will be expected of the provinces with respect to accessibility to the health care plan in any province. It makes a lot of sense that there should be something in the Bill to provide for a uniform type of insured health service with uniform terms and conditions, as paragraph (a) of Clause 12 provides. Similarly, there should be a tariff payable to physicians and other health practitioners. We take no issue with that whatsoever.

As both the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) and the Minister have said, we are concerned that there are changes taking place in the administration of health care in the provinces. Because of the perceived over-supply of doctors and perhaps an under-supply of doctors in certain areas, attempts are being made at the provincial level to limit the number of physicians permitted to practise in a specific area of a province. British Columbia has found a method whereby it can do this by refusing a billing number to a physician.

The Canadian Association of Interns and Residents, as can be surmised from the name, represents the up and coming professionals. They realize that the way the Act is presently written, they have no protection whatsoever. After having spent many years in universities, medical schools and one to six years of interning, graduating and getting a licence to practice, having been granted a licence to practice in any given province—and we must remember the provinces control the education, training, admission to medical schools and the licensing of these physicians—they can then be told by the province that even though they have completed their course successfully and are licensed to practice, they are not going to receive a billing number.

The Canadian Association of Interns and Residents perceived this as a real threat to them after having spent up to ten years trying to learn their profession. For all practical purposes they may not be allowed to practise in their own province. They could practise outside the plan. Across this country, 95 per cent of the physicians want to be in a plan if it is a suitable plan.

The Canadian Association of Interns and Residents are to be commended on the effort they made during the committee stage of this Bill. They had representatives in attendance the whole time the Bill was before the committee. From time to time they supplied us with various amendments which would take care of their problem. They consulted with leading constitutional experts regarding the legality of such amendments. They were assured by the authorities that the amendment would not be in conflict in any constitutional way.

It was my impression as well as that of my colleagues from all Parties on the committee that there should be protection for these young graduate doctors. I believe it is fair to say that the Government feels the same way. For some reason, however, there is not an amendment in the Bill or a change to give the protection that these interns must have.

The Government raises the argument that possibly there will be some difficulty inasmuch as we are perceived as intruding into the provincial domain. The whole Bill is an intrusion into

the provincial domain in one way or another. The amendment of the Hon. Member for Winnipeg-Birds Hill and my amendment in no way take away the ability of the province to license and qualify physicians to practise in their province. All the amendments say is that if they are to be given that right and privilege, it should be extended a bit further to allow them the opportunity of having a billing number so that they can practise within the plan.

I suspect the Minister has received a lot of pressure from the provincial governments. I can understand why it will cause them difficulty. We have a broader obligation. Our main obligation is to protect the interest of all Canadians. We are not doing that by passing a Bill that is discriminatory. A province would not have to allow a physician who is duly qualified and licensed to practise within that plan. This is what concerns Opposition Members.

I hope that when government Members see the difficulty caused by this Bill to young graduates, they will be prepared to accept either my amendment or the amendment of the Hon. Member for Winnipeg-Birds Hill, which is more complete than my simplified amendment. I would say that when we last consulted with the Association of Interns and Residents on Friday, they found this simplified version that I proposed quite acceptable. I would be willing to vote for both those amendments.

With regard to Motion No. 1 in the name of the Hon. Member for Winnipeg-Birds Hill, we share his concern that there be a sufficient number of public and standard wards available in a hospital. As the Minister pointed out, if a person is admitted to a hospital on an emergency basis and requires hospital accommodation, if all standard ward beds are taken up, they automatically receive private room coverage at no extra cost. There is no extra charge to them.

Mr. Blaikie: What if the private rooms are all full?

Mr. Halliday: They will get a bed somewhere in the hospital. My concern is that this Bill does not provide what Mr. Blaikie is asking for, namely, enough hospital beds. Unfortunately, that part of the health care system is not addressed in this Bill. In spite of Mr. Blaikie's amendment, over the next number of years we will find people in dire straits because the Government has not provided in this Bill any mechanism to increase the availability of hospital beds. In my view, it is unimportant whether it is a private bed, a semi-private bed or a standard ward bed, because we need all three. If Mr. Blaikie is concerned about two-tiered—

Mr. Deputy Speaker: Order. I simply wish to draw to the Hon. Member's attention that he must refer to another Hon. Member by his riding.

Mr. Halliday: I was doing that, Mr. Speaker, until I was so taken up with my argument that I overlooked it. My apologies to you, Sir.

My point is that there will be a shortage of all three types of beds in the immediate future. Unfortunately, this Bill does not take care of that situation. The amendment of the Hon. Member for Winnipeg-Birds Hill will not take care of it either. It will take more than that kind of change to really look after the needs of the health care system.

In conclusion, I and my colleagues in this Party will oppose Motion No. 1. However, we are prepared to support either or both Motions Nos. 2 and 3.

Mr. Russell MacLellan (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I would like to speak to the motions before us at the present time. In his motion, the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) suggests that the Governor in Council should regulate an acceptable ratio of wards to semi-private and private rooms. He advances the argument that accessibility could be limited by the availability of ward beds, that a two-tiered system would develop, and that preferred access, particularly for elective services, could be gained by those carrying private insurance.

On the first point, there does not appear to be much evidence to support the fact that accessibility could be limited by the availability of ward beds. For example, over each of the past five years, approximately 36 per cent of the beds have consistently been designated as preferred accommodation throughout Canada, whereas only 25 per cent to 26 per cent of hospital days have involved preferred accommodation charges. The income derived from preferred accommodation has actually dropped as a proportion of the total expenses over the past five years. Furthermore, it should be understood that the provinces themselves regulate the proportion of beds that can be so designated and the practices of hospitals in regard to such charges.

● (1140)

The ratio of preferred to total beds ranges between zero per cent and 48 per cent from province to province. In some provinces, fewer than 20 per cent of the beds are designated as preferred accommodation. Invariably, a lower proportion of actual hospital days are charged preferred rates. For example, 19 per cent of British Columbia's beds are designated preferred beds, but only 10 per cent of the hospital days are charged at preferred rates. The point is that there does not appear to be much overwhelming evidence of a problem of reasonable access to an extent that would warrant the federal Government's directly regulating the matter specifically through this Act.

It might be argued that the situation could change in the future. In that event, there are sufficient grounds in law and prescribed processes laid out in the Act to permit the federal Government to intervene if it became necessary. The provisions in Bill C-3 clearly spell out what the insured services are, the conditions under which access to those services must be provided, and what the federal Government must do in the event those conditions are breached. The conditions and requirements under Clause 13 and subclause 22(c) provide the means to monitor the situation, and most assuredly would

signal the emergence of any problem in regard to persons being denied access to necessary hospital services.

Few provinces have demonstrated through their respective laws and practices any strong inclination to inhibit access through restricting the availability of standard ward beds. Surely this is a provincial administrative matter that does not require precise specification in federal regulations. As well, from the standpoint of federal-provincial relations, surely this is a matter that can be entrusted to the provinces in the proper exercise of their respective responsibilities.

I turn now to the amendments to Clause 12(e) proposed by the Hon. Member for Winnipeg-Birds Hill and the Hon. Member for Oxford (Mr. Halliday). I have listened to the Hon. Member for Oxford and can certainly understand his point of view. I can understand his concern in this regard and, as he said, all Parties including the governing Party are concerned about the situation of our young doctors. He said that health care is being regulated by the provinces to restrict the number of doctors who can practice in a particular region of a province. This is really a very serious situation, Mr. Speaker.

I think that the standing committee has given a good deal of attention to this matter and has discussed it quite thoroughly. As the Hon. Member for Oxford has stated, I think that there is a feeling of concern among the members of the committee, but I think that this matter does not fall completely within federal jurisdiction. Wording has been included in the Bill to create a framework for negotiations between the provinces and the interns and residents. It is hopefull that this framework will be satisfactory in solving what may be a potentially troublesome problem. However, it is our feeling that this is as far as we can possibly go in this regard.

Hon. Jake Epp (Provencher): Mr. Speaker, first, in responding to Motion No. 1 standing in the name of the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie), let me say that the point that is being made both by the Parliamentary Secretary and by my colleague, the Hon. Member for Oxford (Mr. Halliday), is that the manner in which beds are designated in given provinces is an area of provincial jurisdiction. However, the Hon. Member for Winnipeg-Birds Hill does not agree with that position which we took in committee and are taking in the House this morning.

The reason for our position is that while there is a national health care plan which, through block funding, provides for certain proportionate payments both for hospital care and/or medical services, the fact remains that there is no provincial health care plan or system that is identical in all respects. There are 10 individual provincial health care plans, plus another configuration which relates to the Yukon and the Northwest Territories because of federal responsibility. Perhaps I could use this moment to say that I hope this Bill might offer another opportunity for us to say that we feel that those health care services in the Territories should be transferred to the territorial governments at the earliest opportunity.

Complementing the 10 health care plans plus the ones in the Yukon and the Northwest Territories is the federal contribution. If certain conditions established by the Established Programs Financing Act and the hospital and medicare Acts now to be consolidated into the Canada Health Act are met, the provinces have the responsibility and the jurisdiction to administer and regulate the health care system.

It then must be asked whether the House has any authority to speak in favour of the position put forward by the Hon. Member for Winnipeg-Birds Hill. It is my view and that of our Party that this motion directly interferes with the provincial jurisdictions. Additionally, I think that one should be very careful when saying, from the vantage point of the House of Commons, that the individual health care systems across the country should be the same. I do not think that that is desirable and we are not in favour of that. However, this motion would dictate to the provinces a ratio of ward versus private and semi-private beds.

I think that this motion would affect not only the provinces but the hospital administrators as well. Hospital administrators are surely the professionals who work with these matters on a day-to-day basis and they should not only have the right but they should have the responsibility to determine what kind of configuration and arrangement is needed in given hospitals in order to serve best the needs of Canadians who are serviced by those hospitals. My argument against this motion is straightforward and is based upon the fact that I do not believe we would have a better system if in fact the motion of the Hon. Member for Winnipeg-Birds Hill were to be endorsed by the House today.

I will group Motions Nos. 2 and 3 as the Chair has done. I would like first to endorse the motion put forward by my colleague, the Hon. Member for Oxford. It has been said already in the House that there was an extensive debate on the manner in which medical doctors operate within the health care plan. The committee was confronted with a difficulty. If a national health care plan exists which is within the parameters described in Motion No. 1 and a person is accepted by a provincial medical school, attends that school and meets the academic and professional qualifications, then once the Canada Health Act is passed and the province has established the academic criteria under which it will license that person, a potential hitch arises before that person is able to practise his or her profession. If the Canada Health Act Bill is passed wherein a penalty is imposed for extra billing, or if the person operates outside the plan—and, to my knowledge, there are now approximately six doctors in Quebec who are operating that way—a person, having met all the provincial criteria, who wants to fulfil his or her professional training, must have a billing number. That person must have a number whereby he or she can bill the health care system of the province for services rendered. The difficulty which this amendment tries to address is that once a person has met all the qualifications, there should not then be a barrier, through an administrative technique of withholding a billing number for that medical

officer, preventing that person, having met all of those criteria, from practising.

• (1150)

I recall, Mr. Speaker, that during the First Ministers debate on the Constitution but, more important, in the committee of officials during that summer when various amendments were considered, one of the areas which was most thorny was the so-called mobility rights clause. While there was a strong argument that Canadians should have the right to move from one province to another, from a province to a territory or from a territory to a province, without impediment or internal barriers, there was a concern expressed as well that provinces which had a provincial unemployment rate greater than the national average should have some means whereby they could provide for employment or economic activity which, if not totally protecting their citizens, would give them some access to the jobs available. For example, in Atlantic Canada there is a recognized provision—although not in the Constitution—whereby contractors in one Province have a 10 per cent advantage over contractors from another Province.

In fact, Mr. Speaker, the federal Government did the same thing in the Territories. It is interesting to note, when one looks at some agreements in principle on Indian land claims, in what direction those kinds of provisions will go. That is not as yet a very clear concept. However, there was a general agreement in principle that Canadians, if they met the qualifications, should have the right, with no internal barriers, to practise their profession or trade in any province in Canada. What this amendment then addresses is that, having met the qualifications, those persons should not only have the right to practise within the plan but should not be barred from practising within any province if they have met the criteria.

If there is a problem of distribution of medical personnel, Mr. Speaker, and some people argue there is, I would think that the matter is better addressed through positive incentives. For example, the Province of Ontario, as well as other provinces, has had this kind of plan. In the Northwest Territories and the Yukon there has been a northern allowance. While some of us might argue that the northern allowance is not adequate, and there has been some argument in terms of whether it should be taxable—and we have fought the Minister of Finance (Mr. Lalonde) time after time on that—the fact remains that a positive incentive would bring more harmony into the profession and would attract people to practise in geographical areas in which otherwise they might not be as interested. This clause, Mr. Speaker, attempts to address that exact question, and I commend it to the House for approval.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I rise today to speak for a few moments in particular on Motion No. 2. I sat in the House and listened to the Parliamentary Secretary to the Minister of National Health and Welfare (Mr. MacLellan) indicate the Government's intention not to support Motion No. 2, and I was disturbed by it. The reason given by the Parliamentary Secretary seemed to centre on the issue of provincial jurisdiction. The tone of that intervention was such that the Liberal Government was trying to paint itself as a group which paid proper attention to provincial jurisdiction.

I believe that anyone who looks at the record of the Government in this Chamber over a four-year period of time would be inevitably drawn to the conclusion that if there has ever been a Government in the history of this nation which did not pay attention to the issue of provincial jurisdiction, surely it is the present Liberal Government. That kind of excuse for not supporting the motion rings particularly hollow on this day.

Motion No. 2 is a motion designed to ensure the equal right of all well trained medical practitioners to participate in the health insurance scheme of this country. Years ago, the provinces invited the federal Government into the manpower jurisdiction when they gave the federal Government the power to deal with unemployment insurance in this country. It is a responsibility of this Chamber and of the federal Government, and a legitimate one, to be concerned about manpower issues in this country. We must make sure that we have an adequately trained work force to do the kinds of things which need doing in this country.

When it comes to health care generally, Mr. Speaker, it is inconceivable that we can have a decent system of health care in this country without professionally trained people willing to provide that kind of service to their fellow Canadians. The health care system is composed of facilities, but what really makes it work is the people within them. We heard earlier this day, Mr. Speaker, that it takes between six and ten years education beyond high school before these medical practitioners are properly trained and ready to start their careers. As we look at this Canada Health Act, Mr. Speaker, and this amendment today, one of the questions every Hon. Member of this Chamber should ask himself about each and every clause in this Bill is, what is the impact of a particular clause on the mind-set of young people in this country who are trying to make a career decision? We should not have a clause or a set of words in this Act which says to the young people in this country that they should not really consider a career in the health care profession because it may turn out to be a bad career. In particular, without Motion No. 2, which was moved by the Hon. Member for Oxford (Mr. Halliday), we can see clearly that this Bill says to the eighteen-year-olds in this country that they should really stop to think about whether they want to invest ten years of their lives in a training process because it may happen that, at the end of ten years, some government somewhere in this country will say to them, "It is nice that you took those ten years of training, but we will not allow you to participate as a useful citizen in the health care of this country". In the absence of this amendment, Mr. Speaker, that is what we are saying to the brightest eighteen-year-olds in this country. We are saying, "Do not take a chance. Do not be willing to risk ten years of your time and your money to get yourself well trained, because somewhere, some day some group of politicians is going to say to you that you cannot make a living practising what you have learned".

• (1200)

The Government has a few more hours, Mr. Speaker, and I urge it to reconsider its decision. I urge the Government to think about the wisdom of supporting this amendment. As we look to the future, we can see jobs in manufacturing disappearing. We can see the disappearance of a lot of jobs in Canadian society. It is a little harder to look ahead to see where the jobs of the future are likely to be, but it is clear that one area of jobs will be that of human services. That will require generally more people in the future. We have in this country a gradually aging population and we can see that our health care system is going to have increased demands made upon it simply as a consequence of the demographics of the aging population. In the future we are going to require more people in the health care professions, not fewer.

We in this Chamber, Mr. Speaker, in the month of March, 1984, should be looking at every clause in this Bill from the viewpoint of whether or not it will encourage the best and the brightest to commit their lives to human service through the health care profession. Anything which goes in the opposite direction is just simply wrong. But anything which encourages young people to commit their talent, energy and humanity to the care of others is going in a positive direction.

We may look at this Bill as being designed to provide more publicity for the Government in trying to deal with a specific economic situation, but at the heart must lie our concern for those who are less fortunate healthwise than most Members of this Chamber. We can go to any hospital in this or any city in the country and see people concerned, scared and suffering. That can only be alleviated through treatment by people with skills, commitment and compassion. The lives of the sick are made a little better when people with those qualities have committed their lives to that kind of service.

Amendment No. 2 is an important amendment in that it indicates that Members of this Chamber, the highest court of the land, want to say to the young people of this nation that if they will commit their lives in this field, then we will enact the legislation which ensures that when they have completed their training, they can be a full partner and a full participant in our health care system, not a second-class partner.

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, this Bill is back in the House after two months of detailed study in committee, and there are certain amendments before us, as you have delineated. There have been some surprises along the road with this Bill, surprises to the Canadian Medical Association, the provincial Governments and the people of Canada generally. However, I do not think there was anything more surprising than, when one turned on the radio this morning, to hear a CBC report stating that this Bill had come out of committee with not very much argument, very little debate and very little controversy. The only thing I can say about that, Mr. Speaker, is that, as usual, the CBC was not present at any of the committee meetings and really did not have a clue as to what took place.

The reason I mention that, Mr. Speaker, is that during the course of debate in committee on this Bill we heard some very, very poignant and telling testimony from groups, organizations and individuals, experts in the field of health care. As a result, members of the Opposition were able to put forward amendments that we knew would improve the Bill. Not only were we prepared to put them forward and listen to such telling arguments as were presented by the Canadian Medical Association and the Canadian Nurses Association, but we were able finally to convince the Government that it would be in the interests of the health care delivery system of this country to make the amendments we had originally proposed in the name of the Government so that they would be incorporated in the Bill.

The reason I mention that, Mr. Speaker, is that after much protracted debate and argument in committee, there was one proposal which the Government refused to adopt even though it acknowledged, as the Minister has acknowledged here this morning, the merits of the argument. The arguments for the proposal were put forward primarily by witnesses from the Canadian Association of Interns and Residents, the young graduates coming out of medical school, the people who are still in training or who have just recently graduated. They are concerned about their future and whether or not they will be able to practise the profession for which they have spent so many years training. These people came before us and talked as individuals, made their presentations collectively, and there is no doubt that the strength of their argument made a major impression on the committee.

There is no question that we do not want to see any kind of restrictions, either in a professional or, as my colleagues, the Hon. Member for Oxford (Mr. Halliday) and the Hon. Member for Provencher (Mr. Epp) have said, any restriction on mobility even in moving from province to province. It is debatable, obviously, whether or not those restrictions will be put in place at the provincial level, although there is one case where perhaps that is already being done and it may happen in other cases. We have the opportunity here, Sir, to ensure that that kind of restriction is not unduly enforced upon people who have already shown their good intentions by meeting the criteria demanded of them in their performance.

Amendment No. 2 was put forward by the Hon. Member for Oxford, and amendment No. 3 by the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie). They have been grouped for debate. These amendments seek to ensure that these young people will be guaranteed the ability to practise their profession, that no impediment will be placed to prevent them from carrying out their profession because of some restriction or reluctance at the provincial level to provide them with a billing number. In this amendment we are asking that they be given the chance to prove themselves. I am sure the Government understands the worthiness of that argument.

• (1210)

I listened to the Minister in committee and I listened to her here this morning. The willingness which the Government exhibited in committee to accept amendments to improve the

Bill did not by any means satisfy all our objections to it. The Government willingly accepted amendments which would have made it possible for a mechanism to be built in so that doctors can be assured of a fee schedule in any province. It willingly accepted an amendment to make sure that the term "health care practitioner" is incorporated in the Act for future developments. We are asking that that same willingness be applied to the needs of interns and residents throughout the country. I do not think that should be a major hurdle for the Government. It should not be a major impediment which the Government is not prepared to take in its stride.

This is not an amendment which would unduly stretch the Act or bring into contention any great provincial responsibility. It is an amendment which is sensible and sensitive to the needs of the people to whom it is directed, and one which should not really cause the Minister any great trouble. In fact, Sir, I am pretty well assured she does not have any great trouble with it. Therefore, I ask her at this stage to consider incorporating this amendment into the Bill to make sure we have taken that one last step to make this a better Bill than it is at present.

Mr. Joe Reid (St. Catharines): Mr. Speaker, along with the Hon. Member for Kingston and the Islands (Miss MacDonald) I was somewhat surprised, after the hours of committee deliberations, to hear and read that there was not much controversy and not much input by the opposition Parties to the application of Bill C-3, the amendments now coming out of it, and those that were considered in committee. I was rather surprised as well, Mr. Speaker, that a limitation was going to be imposed on the discussions this morning with respect to the linking of Motions Nos. 1, 2 and 3.

This morning I would like to join my colleagues in addressing particular Motion No. 2, which perhaps created an undue concern on the part of the Government. We were told that Bill C-3 was introduced with the purpose of accessibility in mind to ensure that Canadians across the country had access to the greatest medicare system in the world. We were told that in order for Canadians to be assured of that accessibility there had to be protection against the possibility of erosion of medicare through user fees and extra billing.

When the original medicare Bill was tabled, not much consideration was given to medical practitioners. It was stated that they would not become functionaries of the state. Even now it has been said that our medical practitioners would not be and are not functionaries of the state. Yet, through a devious and roundabout way, they are being affected by Bill C-3, which may affect medicare, in a way we may not have properly and thoroughly considered.

Motion No. 2 as introduced by the Hon. Member for Oxford (Mr. Halliday) introduces a very plausible concern. Interns and residents say they are not interfering with the provincial right to license doctors. However, if they are going to spend many years going to medical school to become specialists in the field, surely there must be something in this legislation to prevent erosion and give Canadians the right of accessibility to the medical practitioners of the future. However, the Government does not see it that way because it has a fixation on the two potential erosionary capacities of user fees and extra billing. Unless we can assure the people of tomorrow that there will be sufficient practitioners skilled in the practice of medicine tomorrow, there will be a greater erosion of medicare than that which we have considered to date.

On the basis of consistency, I am wondering why the Government has refused to introduce amendments to ensure that doctors reaching this level of internship and medical practitioners who are residents within hospitals will be allowed to opt in as licensed doctors and participate in the medicare system which we have all grown to accept as part of our social structure, part of our way of life, and part of a system of which we have become so proud and which we consider to be the best medicare system in the land. To refuse to give that right to those students who have come this far and are now calling themselves doctors, is an injustice to the medical profession. They should be assured of this right through legislation. The thrust of Bill C-3 is accessibility. The greatest threat to accessibility and to the quality of medicine is the lack of medical practitioners with necessary skills.

Mr. Herb Breau (Gloucester): Mr. Speaker, I would like to say a few words on amendments Nos. 1, 2 and 3, and particularly on amendments Nos. 2 and 3. On listening to the debate at the present time the House could be led to believe that Members who support the Government have ignored the problem which was being raised by the Canadian Association of Interns and Residents and that we did nothing about it. The fact is, Mr. Speaker, that Members who are supporters of the Government did introduce an amendment to paragraph (c) Clause 12 adding the word "all" before the words "insured health services". Paragraph (c) now reads: "must provide for reasonable compensation for *all* insured health services rendered by medical practitioners or dentists;". There was disagreement as to the effectiveness of this amendment, but we believe that by adding the word "all" before the words "insured health services" the concerns of CAIR are being reasonably met.

● (1220)

I would like to point out that that is the same type of wording that exists in Clause 9 which deals with comprehensiveness. Clause 9, at line 15, reads:

—the health care insurance plan of a province must insure all insured health services provided by hospitals, medical practitioners—

I believe that the concerns that were being expressed by the interns and residents have reasonably been met by the amendment that we proposed to add the word "all" in paragraph (c) of Section 12. Since this Bill addresses health services and accessibility of patients to health services, rather than accessibility of professional groups to a public plan, I believe that that was the right way to approach this question.

At first glance, amendment No. 2 and amendment No. 3 do not seem to be offensive, but there is a slight difference between talking about the totality of insured services and providing, according to the amendment of the Member for

Oxford (Mr. Halliday), that a provincial plan must provide that all medical practitioners or, where applicable, dentists may participate in the plan. I do not believe it is the business of the Parliament of Canada or of the Canada Health Act to determine how medical practitioners in a province should or should not be in a plan. I do not think that is the intent of the legislation nor do I believe it is relevant to the legislation.

What is relevant to the legislation is that all insured health services be covered by a plan. We believe that this leads to the conclusion that if medical practitioners who are licensed in a province and licensed under the laws of the province, either by a college of physicians or the province itself, provide insured health services that are described in the Act, the plan must show that all insured health services are covered. I believe this is the best way to proceed.

We are talking about adding the word "all" before the words "insured health services" rather than prescribing to the provinces that they "must provide all medical practitioners or, where applicable, dentists may participate in the plan", as both amendments would do.

Amendment No. 3 of the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) also proposed that the plan "must provide" etc. I do not believe it is relevant to this Act that we should prescribe legally who should or should not be in a plan from the point of view of the medical profession.

My purpose in speaking this afternoon is simply to say that we did recognize that the Canadian Association of Interns and Residents has a legitimate problem and we tried to respond to it reasonably. We believe we have. I did not want the record to remain, as the debate has shown, that somehow we had neglected the problem that was raised by CAIR and were not sensitive to it. We are sensitive to it and we believe we have done what is reasonable by adding the word "all", before "insured health services" in Clause 12, which would do the same thing as we did in Clause 9 dealing with comprehensiveness.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I would like to speak on the question of accessibility as it concerns both the public and those who provide medical services. This includes nurses, who I believe have made an exceptionally good case for an extension of their jurisdiction and participation in a better health service system than exists presently.

I suggest that a bureaucratic cement has set in at the federal level which has made it rigid and incapable of accepting anything except power. Bureaucracy at the provincial level is now in the process of making those who supply medical services essentially civil servants. We have seen that union negotiations have forced nurses to go on strike. In some provinces they are now forbidden to strike and have become part of the Public Service. This affects accessibility.

With respect to accessibility, I wish to point out to the Minister that there are many doctors in this country who are prevented from practising medicine. We accepted many refugees, such as Vietnamese and Polish physicians, a great majority of whom must scrub floors and act as janitors because our bureaucracy has prevented them from practising. Somehow the bureaucracy believes that medicine was invented in some medical schools in Canada or the United States and that foreign doctors, although we know many have passed equivalent requirements and have the same qualifications as Canadian graduates, cannot qualify.

The bureaucratic boondogging over financing between the federal and provincial governments has meant that there is an artificial limitation imposed on the number of entrants into internship. In Ontario, even domestic graduates have been kept out of the practice of medicine by this budgetary limitation imposed on hospitals by the provincial and federal governments. This means that many young men and women have wasted years of study.

The Minister should pay particular attention to the Government's cynicism in accepting refugee doctors while denying them the right to practise even when they prove their qualifications. They cannot practise until they go through their internship, but they are at the bottom of the list for admittance. I ask the Minister if she has ever heard Dr. Nguyen here in Ottawa talk about the problems of Vietnamese doctors whose medical qualifications will expire after five years if they do not proceed to internship. Yet in my province there is a need for 30 doctors in rural areas in some of the small hospitals. Here again is the boondoggle of bureaucracy. For instance, there is the building of ten-bed hospitals.

• (1230)

Miss Bégin: Not today.

Mr. Lambert: I will agree, but they were fine. Why does the Minister not talk, with due respect to the Chair, to the people involved? There are many ten-bed hospitals functioning well. The Minister shakes her head. That is only because she is a prisoner of her bureaucrats on that point. There are many districts in which ten-bed hospitals work. But you need to have the doctors. Hospitals have been closed because one man or woman cannot maintain a ten-bed hospital. Doctors are not sentenced to a life of work seven days a week, 18 hours a day. But if you listen to the bureaucrats from their comfortable pews, doctors should accept that kind of role.

I am making a plea. For goodness' sake, let us get rid of this cynicism that we have exhibited as Canadians. We should start with the Government of Canada, the Department of Employment and Immigration first. What about the Department of Health and Welfare? Other people would suggest it is the Department of Wealth and Welfare. But what about Health and Welfare Canada? What about the refugee doctors? We have to get rid of this scandal of duly qualified medical graduates from universities in Poland being effectively barred from practising. I know of some particular cases. I speak out of sheer frustration against the obstacles being placed before highly qualified and dedicated people wanting to practise medicine that prevent them from doing so. This is simply because they cannot get an intern position. This is nonsense. The Minister would do far more for medical care in this

country if she went after that particular problem than does this whole Bill which does nothing but, in my mind, take a giant step toward total socialization of medical services. It is all under the guise of accessibility and universality but it still slices like bread. That bread is the total socialization of medical services in Canada.

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, I want to argue against Motion No. 1 in the name of the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie). But first I want to compliment the members of the Standing Committee on Health, Welfare and Social Affairs. During the past two months the actions of that committee have shown Parliament at its best and how this House should operate in the sense that dozens of amendments were accepted and incorporated into the Bill both in terms of word changes and whole new clauses which acted within the concept of federal-provincial relations. I know the members worked hard. They heard many witnesses and they made the changes. Nevertheless I was astounded this morning at the CBC coverage. It appeared as though Parliament had not been doing anything on this Bill. As has happened so often to us, we participate in debates here in the House but then when you watch the news at eleven o'clock at night and see what is reported, you wonder if is the same debate in which you have participated. I guess that is just the typical CBC pattern on things.

As far as Motion No. 1 is concerned, I submit it is too aggressive within federal-provincial relations. It is they who have to deal with health care. The amendment of the Hon. Member for Winnipeg-Birds Hill mentions federal dollars which, as you recall, Mr. Speaker, amount to some $5 billion which Canadians through Parliament are allocating to health care. We are simply saying to the provincial governments that for that $5 billion we think we are entitled to reasonable conditions. That is where these five conditions came from, portability, accessibility, and so on.

A very delicate balance has to be maintained between federal and provincial jurisdictions. In terms of the Constitution, the jurisdiction is purely provincial. That has been the case since 1867. During the 1950s and as a result of the Hospital Insurance and Diagnostic Services Act, which was passed by the Diefenbaker Government, and then the Medical Care Act passed by the Pearson Government, the federal Government allocated cash to provincial Governments and, as a result, we demanded some conditions.

Let us examine, Mr. Speaker, the wording of the amendment which reads:

(e) must, in accordance with the regulations of this Act, provide for an acceptable ratio of ward versus private and semi-private beds in hospitals, including hospitals owned or operated by Canada.

That mentions an acceptable ratio. But acceptable to whom? Presumably it is acceptable to someone in the Department of National Health and Welfare. That is what throws the whole process, this delicate balance between the federal and provincial governments, out of whack. Federal bureaucrats here in Ottawa will then have the power to make decisions as to what is an acceptable ratio of beds in hospitals in all the provinces. I think that is aggressive and unacceptable. That type of decision should be left with the provinces.

In support of that argument, I will read into the record the clause which was accepted by all Parties. We find it in the preamble. It reads:

Whereas the Parliament of Canada recognizes: that it is not the intention of the government of Canada that any of the powers, rights, privileges or authorities vested in Canada or the provinces under the provisions of the Constitution Act, 1867 (formerly named the British North America Act 1867), or any amendments thereto, or otherwise, be by reason of this Act abrogated or derogated—

And, therefore, as parliamentarians we are making the statement that we want to respect that original jurisdiction because the provinces are closer to the people and have much more flexibility to change things around.

I speak against Motion No. 1 and I hope the House will agree with me.

[*Translation*]

Mr. Claude-André Lachance (Rosemont): Mr. Speaker, I was not going to speak to motions Nos. 1, 2 and 3 which are now before the House, but after the comments of the previous speaker, I would like to continue in the same vein and say, although there are people who claim this does not happen often enough, that sometimes in the House of Commons, Members on both sides of the House do a good job. As a Member of the Standing Committee on Health, Welfare and Social Affairs, I wholeheartedly support what was said by the Member for Lethbridge-Foothills (Mr. Thacker), who expressed his appreciation for the thorough job done on the Committee by Members on both sides of the House. That the Bill was amended and improved the way it was, is certainly a good indication. I must say it was the result of efforts on the part of all members of the Committee, irrespective of party lines.

That being said, and since I have the floor, I would like to say a few words about motions 2 and 3. In Committee I had an opportunity to explain extensively my position with respect to the complaints aired by the Canadian Association of Interns and Residents and its Quebec counterpart.

Like my hon. friend, the Member for Gloucester (Mr. Breau), I would like to point out that I support the intent of the sponsors of the motions, since there are two that are similar, and this debate in Committee has brought out the very real problems facing young doctors in negotiations with provincial governments, that determine the geographic distribution of physicians in the provinces. I think few Canadians were aware of these problems, and the representatives of the Association of Interns and Residents very skillfully described the realities with which they had to cope.

The problem we had as Members of Parliament was to find a reasonable way of accepting the principle that these problems existed, without directly interfering with the direct contractual relationship between the provincial governments,

responsible for discussions or negotiations with the medical associations in general and physicians in particular, and those providing health services, which in the present case means doctors or young doctors.

My hon. friend from Gloucester pointed out that the amendment to Clause 12(1)(c), which links the concept of reasonable compensation to all insured services, would make it possible for the federal Minister of Health to intervene, if necessary, should a group of physicians be denied reasonable access by a given province to the health services system. It is a compromise. It is a compromise that does not go as far as the two amendments now before the House. It is a compromise, however, that recognizes a situation where provinces might prevent young doctors from earning a living by refusing to give them a billing number. Personally, I am convinced that the amendment that was made, linking the concept of reasonable compensation to all medical services, plus progressive penalties that may be imposed by the Minister of Health under the new health legislation, constitutes a last resort, but still a real recourse for these doctors, enabling them to use the new Health Act to oblige the federal Minister of Health to intervene in cases of manifest abuse.

For these reasons, and because the issue has been discussed at length in Committee, I personally am satisfied that we have gone as far as we could in responding to the problems put forward by the Canadian Association of Interns and Residents. In concluding, Mr. Speaker, I would like to again congratulate the representatives of the Association on their efforts to inform Canadians, and Members of Parliament in particular, of these problems which are now public knowledge and can no longer be ignored by the provincial Ministers.

• (1240)

[*English*]

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

Some Hon. Members: Question.

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

Some Hon. Members: Yea.

Mr. Deputy Speaker: All those opposed to the motion will please say nay.

Some Hon. Members: Nay.

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

And five Members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 79(11), the recorded division on the proposed motion stands deferred.

The next question is on Motion No. 2. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

Mr. Deputy Speaker: All those opposed to the motion will please say nay.

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 79(11), the recorded division on the proposed motion stands deferred.

The House will now proceed to Motion No. 4.

Mr. Bruce Halliday (Oxford) moved:

Motion No. 4

That Bill C-3 be amended in Clause 12 by striking out line 14 at page 9 and substituting the following therefor:

"only if the province has chosen to enter into, and".

He said: Mr. Speaker, I am pleased to usher in this motion before the House. I think it is a very important motion and should be considered. At first glance, the way the Bill was amended in committee might seem to indicate that it was not essential to consider adding the word "only" to a motion which has been debated to a considerable extent in the last two months.

We are still dealing with Clause 12 which has proved to be a fairly controversial clause. It contains some very important concepts and principles which need to be considered. Clause 12 deals with accessibility. The amended version of Bill C-3 provides in Clause 12(1) the criteria that have to be met by a province if it is going to provide the kind of accessibility that should be available to Canadians. It deals with the types of insured health services provided under uniform terms and conditions, and requires payment for insured health services in accordance with a payments plan authorized by the province. It was difficult to come to grips with paragraph (c) which appears at the top of page 9 of the Bill beginning at line 3 and reads as follows:

(*c*) must provide for reasonable compensation for all insured health services rendered by medical practitioners or dentists; and

The difficulty was that professionals in the field did not know what reasonable compensation meant, nor did the provincial Governments responsible for providing it know what reasonable compensation meant. It made some sense that in committee, members from all three Parties accepted the fact that there had to be some method devised to try to define what we were talking about. We ended up with this additional subclause (2) which tried to delineate what we felt would be deemed to be reasonable compensation. In other words, if a province met these certain specific criteria that are outlined in subclause (2) of clause 12, the province would then be deemed to have met the criteria of providing reasonable compensation.

• (1250)

We were able to look at a series of suggestions and we received some advice from the professional sector. Of course, there was no place better to look than to the author of the current bible on health care in Canada, Mr. Justice Emmett Hall, who in 1979 was asked to make a study of the health care system in Canada. His report is entitled *Canada's National-Provincial Health Program for the 1980s*. The essence of his report is that he accepted the concept that we needed to ban extra billing and user charges. He had no difficulty with banning those charges but he insisted that if we were to ban them we had to be equally stringent in providing what he called adequate compensation for professionals.

If I may, I would like to take a couple of moments to read from Mr. Justice Emmett Hall's report. The Government has used that report on many, many occasions and the Minister has referred to it numerous times because it does indicate exactly what she wants it to indicate regarding extra billing and user fees. However, she has ultimately refused to accept what he also required as part of the twinning mechanism which he felt was absolutely mandatory. For the benefit of the record and for the benefit of the Minister who is present today, and I appreciate the fact that she is present, I would like to read what Mr. Justice Emmett Hall actually said in his report. At the top of page 28 it reads as follows:

> Consideration and discussion of the question of outlawing extra billing however resorted to must always be accompanied by a recognition of the physician's right to adequate compensation and vice versa.

The next paragraph reads as follows:

> These two elements must always co-exist; there cannot be recognition of one without recognition of the other.

The middle of that page reads as follows:

> Provinces have the power to outlaw extra billing and should do so. It must be a condition of any legislation outlawing extra billing or balanced billing, in whatever form invoked, that the Province enacting such legislation will itself in the legislation agree to accept binding arbitration as now proposed. The two elements must be twinned.

Mr. Justice Emmett Hall then went on to say that he does not want there to be any mechanism whatsoever whereby that requirement can be overturned or appealed.

I think, Mr. Speaker, that the good words you have heard spoken this morning about the work of the committee in the last two months are indeed true. We have looked at this matter very seriously and there has been a certain amount of compromise on both sides of the House in the committee proceedings. We have come up with an amendment which does not actually accept the demand of Mr. Justice Hall that there be no mechanism for appeal. On page 9 of the amended Bill, beginning at line 31, paragraph (c) does allow for the legislature to do what Mr. Justice Hall indicated should not be done. He had indicated that any decision made by an arbitration board should not be amenable to appeal. In our attempt to compromise, we allowed that a provincial Government should have the right in the end to bring before the legislature and overturn a decision of some court of arbitration.

In the next few moments I would like to point out that subclause (2) of Clause 12, paragraphs (a), (b) and (c), provide the criteria that must be met by the province if it is deemed to have met the terms of reasonable compensation as we would like them to be. In the amended version of the Bill, that clause now provides that there must be a provision in each province for negotiation relating to compensation. Second, it provides that there must be provision for the settlement of disputes if, for some reason, the profession and the Government do not see eye to eye on the outcome of those negotiations. There is nothing wrong with that and we all agree with it. However, the difficulty lies in the wording at the beginning of subclause (2). This is where my one-word amendment must come in. We acknowledge the fact that if a province were to ban extra billing, it would then fulfil one of the criteria of Mr. Justice Hall, which was a very important criterion in his view. The Bill is now acknowledging what will happen if extra billing is not permitted in a province. Subclause (2) reads as follows:

> In respect of any province in which extra-billing is not permitted, paragraph 12(1)(c) shall be deemed to be complied with if the province has chosen to enter into, and has entered into, an agreement with the medical practitioners and dentists of the province that provides—

—for negotiations and settlement of disputes.

What is missing is the word "only" which must be added to line 13 in order to make it work. Without that word, this clause has no teeth. Unless this is set into law with the inclusion of the word "only", thus making provision for negotiation and settlement of disputes, the paragraph will be inadequate and will, in effect, have no teeth.

The Government may argue that it is not necessary to include the word "only" in that paragraph, but those who have looked at it, including professional people, have realized that there is absolutely no protection here whatsoever without the word "only". This must be done if we are to follow Mr. Justice Hall's recommendation that if we are to ban extra billing, we must have equally stringent rules regarding the requirement for adequate or reasonable compensation. Only by adding that word will we have the requirement demanded by Mr. Justice Hall.

[*Translation*]

Mr. Lachance: Mr. Speaker, with leave of the House, may I call it one o'clock so that I can finish my speech later on?

[*English*]

Mr. Deputy Speaker: Do I have consent to call it one o'clock?

Some Hon. Members: Agreed.

[*Translation*]

Mr. Deputy Speaker: Order. It being one o'clock, I do now leave the Chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

PENITENTIARIES

CONDITIONS AT MILLHAVEN INSTITUTION

Mr. Bill Vankoughnet (Hastings-Frontenac-Lennox and Addington): Mr. Speaker, the Solicitor General (Mr. Kaplan) has taken an unprecedented step in hiring unqualified commissionaires at Millhaven, one of Canada's maximum security penitentiaries. The hiring of the Canadian Corps of Commissionaires Inc. was not a local decision but one made in Ottawa, and, as the Minister told this House on Friday, he himself approved that policy of replacing professional staff with part-time, unqualified personnel. This is irresponsible and can only add to an already unstable situation.

Since my questioning of the Minister on Friday, another inmate was murdered over the weekend.

Every position in a maximum security institution is of crucial importance, especially to the staff who have to be locked up with dangerous individuals. The institution is now under control only because all privileges have been suspended. This will not address the situation, because as soon as the lock-up is discontinued the murders will continue. It is common knowledge in Millhaven that two inmates were to be terminated last Friday but only one was actually murdered.

It is disgraceful that drugs and alcohol are as available as they are in this institution. The problem lies in the unnecessary large number of outside visitors being permitted in the institution. There visitors are not properly checked for contraband, and therefore no one within this institution is safe. An institution with Canada's most dangerous criminals run in such a manner is shameful.

It must be pointed out also that the local administration at the institution is not at fault; it is the attitude of senior correctional officials who intimidate officers with the threat of early retirements, transfer, or dismissal if unreasonable orders from Ottawa are not carried out—

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

* * *

CANADIAN ARMED FORCES

SIXTIETH ANNIVERSARY OF FOUNDING OF ROYAL CANADIAN AIR FORCE

Mr. Ron Stewart (Simcoe South): Mr. Speaker, Canadians have much to celebrate in this, the Year of Tourism. Newfoundland, Quebec, and Ontario will celebrate their respective anniversaries. The Ontario Provincial Police marks its seventy-fifth anniversary, and in my riding Barrie celebrates its twenty-fifth anniversary as a city.

April 1 will mark the sixtieth anniversary of the Royal Canadian Air Force, which officially came into being on April 1, 1924, as a permanent service at Canadian Forces Base Borden. The Air Force was responsible for the mapping of Canada's North, its members fought valiantly in two world wars, and it is today in the forefront of Canada's efforts in aerospace technology. The first flying school in Canada, established in 1917 at Base Borden, now trains both aerospace and Army ordnance personnel.

The Air Force celebrations are especially significant for the constituents of Simcoe South, home of Base Borden. Over all, military and civilian salaries, combined with defence spending, inject about $100 million into the local economy. Last year 20,000 students passed through the training facilities at Base Borden, highlighting its significant contributions to Canada's military efforts.

Base Borden is as integral a part of my riding as it is of the Canadian Armed Forces. I am proud to be its representative in Parliament. Congratulations on the sixtieth anniversary of the founding of the Royal Canadian Air Force.

Some Hon. Members: Hear, hear!

* * *

VIA RAIL

CALL FOR RESTORATION OF STOP AT ITUNA, SASK.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, a couple of years ago, VIA, under the then Minister of Transport, Jean-Luc Pepin, decided to end its transcontinental passenger service. The people of Melville and other communities across the West fought very hard to have that passenger service reinstated, which will happen in June of this year. It is reinstated because of the tremendous fight put up by a number of communities for that passenger service.

My appeal today, Mr. Speaker, is that the passenger train stop at the small town of Ituna. It always used to do so in the past, and people from that community and surrounding communities could always take a train to wherever they were going. Then VIA comes back it will not be stopping at Ituna; it will only stop at Melville. People in the Town of Ituna and the surrounding communities have been circulating petitions and writing letters asking that there be at least a conditional stop, a flag stop, for that particular community.

What is very important to realize is that there are several thousands of people living not just in the town but in the small villages and farm communities in the surrounding area. They do not even have direct bus service to places like Regina. I would like to appeal now to fellow Hon. Members of Parliament, to the CTC, and to the Minister of Transport (Mr. Axworthy), that when VIA comes back in the month of June it

stop in the town of Ituna as it did before VIA was taken out of service some two or three years ago.

These people deserve a train service. Because they live in a small rural community should not mean that they are discriminated against by the Government which sits across the way, or by the CTC.

* * *

FISHERIES

REOPENING OF GEORGETOWN SEAFOODS PLANT IN PRINCE EDWARD ISLAND

Mr. Tom McMillan (Hillsborough): Mr. Speaker, all Prince Edward Islanders welcomed the announcement on Friday that, at long last, Georgetown Seafoods will be reopened under the ownership of National Sea. However, many basic questions about the federal Government's plans remain unanswered. For example, what constitutes the twenty million pounds of fish allocated to the plant? Will the allocation be from the Gulf, or from outside the Gulf, or from both, and in what proportions? What species are to be included, and what comparative numbers? Will the fish be harvested by the inshore fleet or by the offshore fleet? Under what conditions have the assets of Georgetown Seafoods been turned over to National Sea to protect the interests of the plant in the event National Sea decides to leave Georgetown at a later date?

In what specific ways is the $2.25 million initial capital investment to be spent, particularly since no one had previously estimated that more than $500,000 would be required to make the plant operational? Are anticipated initial losses at the plant being capitalized through the start-up financing?

The long-term profitability of Georgetown Seafoods requires satisfactory answers to those questions. I am serving notice to the Minister of Fisheries and Oceans (Mr. De Bané) that I shall be posing those questions to him upon his return to the House later in the week.

* * *

SPORTS

WORLD FIGURE SKATING CHAMPIONSHIPS—TRIBUTE TO CANADIAN ATHLETES

Mrs. Jennifer Cossitt (Leeds-Grenville): Mr. Speaker, I rise today to recognize the group of talented and dedicated athletes who represented Canada last week at the world figure skating championships here in Ottawa.

As a team, their placings in all competitions were outstanding, and all Canadians can be justly proud of their achievements. We were especially thrilled last Thursday when Barbara Underhill of Oshawa and Paul Martini from Woodbridge came from behind to capture the gold medal in the pairs competition with an exciting and flawless freestyle performance. This is Canada's first world title in figure skating since Karen Magnussen won the women's singles world title in 1973, and the first in the pairs competition since my distinguished colleague, the Hon. Member for Halton (Mr. Jelinek), and his sister Maria, won that title in 1962.

Some Hon. Members: Hear, hear!

• (1410)

Mrs. Cossitt: This week's achievements were topped off by Orillia's Brian Orser repeating his Sarajevo Olympics victory and winning the silver medal in the men's singles competition on Friday.

Some Hon. Members: Hear, hear!

Mrs. Cossitt: Mr. Speaker, I know this House will join me in paying tribute to and saluting these outstanding young Canadian athletes.

Some Hon. Members: Hear, hear!

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CANADIAN NATIONAL RAILWAYS

REDUCTION OF SERVICE THROUGH DAUPHIN, MAN.

Mr. Laverne Lewycky (Dauphin-Swan River): Mr. Speaker, Canadian National Railways plan to discontinue the operation of trains 492 and 493 through Dauphin on May 27, 1984. The people of Dauphin are very concerned as the town has experienced a number of reductions in CN employment in recent years which has had a detrimental impact on the local economy. Services have been reduced, and there is growing concern that these moves by CN will eventually lead to the elimination of Dauphin as a major CN divisional point. In view of this, and CN's growing record of diminishing service to the people of my constituency, I call upon the Minister to look into this specific matter, and review CN's operation and plans in general for this part of Manitoba, to ensure that this area will receive service of high quality well into the future.

* * *

POLITICAL PARTIES

CONDEMNATION OF LIBERAL PARTY'S PROGRAMS

Mr. Gordon Taylor (Bow River): Mr. Speaker, through socialistic programs, deficit after deficit even in the good years, an ever increasing national debt now totalling more than $150 billion, programs which force lay-offs and create unemployment such as cutting the capital cost allowance in the first year, Gestapo methods of collecting taxes from the poor, the hungry, and even the kids of the nation, refusal to recognize the only pension a farmer or businessman has is his farm or his business, meagre and ineffective efforts to solve the unemployment problem of our youth, and no recognition of the dire need of women between the ages of 50 and 65, et cetera, this Liberal Government has brought Canada to its knees and to the very verge of bankruptcy. Now the same Liberal Ministers

who initiated all these devastating programs are hypocritically offering to change their programs if elected Leader of that bankrupt Party.

The people of Canada are not naive. The only hope for this nation is to kick out the Liberals and elect a PC Government headed by the Leader of the Official Opposition (Mr. Mulroney). It will have a fresh approach, the free enterprise approach, and a determination to build trust and faith in this country. It will be willing to sit down and talk with the provincial Governments, and will be determined to reflect the thinking of the greatest possible number of our people. It will cease having government compete with industry. A PC Government can hold this nation together and satisfy all regions with fairness, understanding, and compassion for all peoples, including the minorities.

Mr. Speaker: Order. Before recognizing the Hon. Member for Restigouche (Mr. Harquail), the Chair would call to his attention the rules of the House which preclude using Standing Order 21 to recognize visitors in the Gallery.

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AIR SAFETY

SMOKING RESTRICTIONS URGED FOR AIRCREWS

Mr. Maurice Harquail (Restigouche): Mr. Speaker, there has been a lot of discussion lately about tourist and commercial travel. I want to focus the attention of the House of Commons on a very important issue, that of air safety. Last year we had that disaster in Cincinnati where 23 people lost their lives. Then, more recently, we saw where an Air Canada pilot caused a fire in the cockpit of an aircraft, resulting in a forced landing. Most recently a PWA aircraft was totally destroyed by fire in Calgary.

To follow up on my interventions in committee with respect to representations being made to the president of Air Canada and to the air travel industry in general concerning the health effects of breathing noxious cigarette fumes, as well as the air safety aspect, I would ask if the Minister of Transport (Mr. Axworthy) would consider restrictions on airline employees smoking in aircraft in order better to protect the travelling public who are at risk because of the carrying, on aircraft, of inflammable materials. I ask the support of this House in encouraging the Minister to take action in this regard.

* * *

SPORTS

NATIONAL MIXED CURLING PLAYOFFS—CONGRATULATIONS TO SASKATCHEWAN RINK

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, last week the beautiful city of Prince Albert hosted the National Mixed Curling Playoffs. The winning Province was, of course, Saskatchewan. I passed on your congratulations to the winning team as well as to the other teams, and I now express my condolences to the Members from the rest of Canada whose Provinces did not quite make it.

ORAL QUESTION PERIOD

[*English*]

LABOUR CONDITIONS

COMPARISON WITH SITUATION IN UNITED STATES

Hon. John C. Crosbie (St. John's West): Mr. Speaker, my question is for the Minister of Finance. He will realize that, despite the fact interest rates went up last week, the dollar continues to go down and is now struggling to stay above 78 cents. However, my question has to do with misrepresentations he made in the House last Friday.

The Minister said on Friday that the cycles of recession and recovery are not identical in Canada to the United States. We should expect there to be lags in either direction, but fundamentally the same general direction applies. How can he say that when in the U.S. today the unemployment rate is 7.8 per cent, down 1.7 per cent since last August, while in Canada at the same time the unemployment rate is 11.3 per cent, having dropped only .3 per cent since last August? It would take the creation of 400,000 jobs here in Canada just to move our unemployment rate back to the same level as it is in the U.S. How can the Minister say we are moving in the same direction when we are going in the opposite and worst direction?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I invite my friend to look at the figures and he will realize that both here and in the U.S. there has been strong job creation in the last year. As I indicated, since the end of the recession we have created over 450,000 jobs in this country, 54,000 of them last month. Both in Canada and in the U.S. there has been a strong upward movement in job creation.

My friend has pointed out that unemployment in the U.S. has gone down faster than in Canada. This is quite true, and I have said so in this House many times. The main difference is that the rate of increase in the participation rate, or the number of people joining the labour force, is significantly larger in Canada than in the U.S. For instance, last year the relative rate of increase in Canada was 40 per cent higher than in the U.S. As we get more and more people joining the labour force in Canada, in numbers larger proportionately than in the U.S., it is harder to bring the unemployment rate down. But the fact is that the U.S. and Canadian economies grew strongly last year and we expect them to grow strongly this year, and we also expect employment in both countries to grow strongly, and unemployment to come down in Canada also.

Oral Questions

NEW ENTRANTS TO LABOUR FORCE

Hon. John C. Crosbie (St. John's West): Mr. Speaker, why does the Minister persist in trying to get away with these canards? Does he not realize that from August, 1983, to February, 1984, the number of new entrants joining the labour force in the U.S. was 576,000, compared to 61,000 in Canada? The U.S. unemployment rate before the recession was the same as ours, 7.5 per cent, but it is now 3.5 per cent better. When is the Minister going to admit that they are doing much better in the U.S., and when will he emulate them, follow some of their policies, and do something for the unemployed of Canada, instead of giving specious reasoning and misrepresentations to the House?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the rhetoric of the Hon. Member will not change any of the facts. Of course there are more new entrants into the job market in the U.S. than in Canada; they have ten times the population. I have indicated that you have to look at the percentages. The fact is that the percentage increase in the number of people joining the labour force in Canada in 1983, compared to the U.S., was 40 per cent higher. I invite my friend to check the facts and figures. Then he can abandon the rhetoric he indulges in. However, I do not think that will lead him to that at all. He is more interested in rhetoric than in facts.

• (1420)

Mr. Crosbie: There are 1,476,000 Canadians officially unemployed. They are not interested in the Minister's rhetoric or in his attempting to explain away the unexplainable. They want jobs, and the Minister is doing nothing to assist them.

REQUEST FOR ACTION TO REDUCE UNEMPLOYMENT

Hon. John C. Crosbie (St. John's West): Mr. Speaker, in 1968 when the present Prime Minister came into office there were 360,000 unemployed, and today there are four times that many. That is not rhetoric; that is fact. When are the Minister and the Prime Minister going to take some interest in our economy and develop some new policies or new approaches which will reduce the figure of 1,476,000 unemployed? That is not rhetoric. That is 1,476,000 unemployed people you are doing nothing about.

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I intend to address the very question raised by the Hon. Member in a speech I am going to make next Wednesday. I invite him to read that speech. He will discover the facts of what has happened to the economy since 1968. He will discover, among other things, that we have created something like three million jobs since 1968. These are jobs that have been created in Canada that did not exist in 1968. These jobs have been created in the Canadian economy. We have known higher rates of growth during that period than most other industrialized countries. If my friend takes the trouble of reading the speech, he will find that the economic record of our country since 1968 is indeed one of the best of all industrialized countries.

UNEMPLOYMENT RATES IN CANADA AND UNITED STATES

Miss Pat Carney (Vancouver Centre): Mr. Speaker, my question is for the Minister of Finance. He has claimed that we are using rhetoric to alter the facts. He is using rhetoric to misrepresent the facts. He persists in saying that the number of people entering the labour force in Canada is greater than the number in the U.S. The facts show that for the last six months the percentage increase is exactly the same for both countries. The figure is .5 per cent.

Why does the Minister blatantly misrepresent the facts when trying to explain why unemployment in the U.S. has dropped substantially, about 18 per cent in the last six months, compared to a marginal drop in unemployment in Canada of about 2.6 per cent?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I may remind my hon. friend that the growth rate of the Canadian economy in 1983 compared very favourably with that of the U.S. economy. During the first two or even three months of this year, it seems the U.S. economy experienced a very high growth rate, as much as 7.2 per cent real growth. I am not in a position to know exactly what the growth rate was in Canada, but eventually StatsCan will publish these figures, and we will then be able to compare. Once more, however, what I said about the increase in labour force in 1983 reflects the true situation. In 1983, in Canada, there was a proportional increase in the labour force that was 40 per cent higher than in the United States.

My hon. friend chose to take the figures for the last six months. I referred to the figures for 1983, and perhaps she would care to check those figures.

[*English*]

Miss Carney: Mr. Speaker, I think the record should show that the Minister of Finance did not answer the question.

AVERAGE WEEKLY WAGE

Miss Pat Carney (Vancouver Centre): Mr. Speaker, I would like to deal with a second error and omission in the Minister's recent remarks. Last week he said that he agreed with the statement by the Governor of the Bank of Canada, Gerald Bouey, that Canadians are partly to blame for high interest rates because Canadian wage settlements are higher than those in the U.S. In the first nine months of the fiscal year, which is how Statistics Canada measures it, StatsCan reported that the average weekly wage in Canada, excluding agriculture, rose 3.2 per cent. That is well below the 5.1 per cent recorded in the U.S. in the same period. Since the facts contradict the Minister's own statement, why is he unfairly blaming Canadians for his own high interest rate policies?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, we have just got a very nice example of wilful distortion of a statement made by a senior official. What the Governor of the Bank of Canada has said before the parliamentary committee is on the record. I invite my colleague to go and check exactly what he said. Neither the Governor nor myself has blamed anyone. I invite the Hon. Member to check the words that have been used by the Governor, rather than seriously distorting his statement.

The figures in terms of rates of growth of wages in Canada and the United States over the last few years are there for everyone to see. Last Friday in the House I mentioned a number of figures for the last few years. Those are the figures which were released by official organizations such as Statistics Canada. If my friend does not like those figures, she can argue with Statistics Canada. However, they are there for everyone to see.

If the Hon. Member checked back before 1981 she would see that for years in Canada we have had higher levels of remuneration growth in wage settlements than there have been in the United States. I have indicated that we cannot hope to compete with the United States if, year after year, we have higher rates of settlements than in the United States, unless we are going to have higher productivity than the United States. This is grade one economics. If my friend does not realize that, her case is rather hopeless.

* * *

FINANCE

GOVERNMENT'S INTEREST RATE POLICY

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is also for the Minister of Finance. Two years ago when interest rates in Canada reached nearly 21 per cent and there were almost 2 million people unemployed, we had been following and were continuing to follow the interest rate policy established by the United States Government. We saw the dire consequences of that action, with more bankruptcies in almost every single sector of the Canadian economy. Is the Government now prepared to risk the same kind of consequences by following the U.S. interest rate to whatever level it reaches, regardless of the effect it will have on the Canadian public?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, this is a discussion which we already had in great detail last week. I have nothing to add to what I said on the subject last week. However, I may remind my hon. friend that in case he is panicking, there is no reason to believe that in the months to come, interest rates will start rising as they did a few years ago.

All analysts who are looking into the situation, or at least the vast majority, agree that even if interest rates in the United States were to rise, the increase would not be substantial. In fact, there is no reason to believe in the pessimistic scenario given by my hon. friend.

[*English*]

Mr. Deans: Mr. Speaker, that is the same answer we got in 1980 and 1981. The difficulty is that there is not an analyst anywhere who fully understands what the consequences will be, or where the rates will go. It will be too late to turn it back once the rates get to 16 and 17 per cent.

EFFECT OF INTEREST RATES ON UNEMPLOYMENT

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, as reported at page 2331 of *Hansard* of last week the Minister said: "Mr. Speaker, an increase of one-half of one per cent in the interest rate does not necessarily mean there will be fewer jobs in Canada."

Between 1981 and 1982 each one-half per cent increase in the interest rate resulted in a net loss of 100,000 jobs seasonally unadjusted and 35,000 jobs seasonally adjusted. Is the Minister prepared to follow the upward spiral of interest rates which is now being pursued in the United States, recognizing the loss of jobs that will result in Canada if we follow it lock-step as we did through the years 1980 through 1983?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, surely my friend recognizes that an increase of one-half of one per cent in interest rates does not necessarily lead to higher unemployment. It depends on a number of other factors, including the general economic environment, the confidence of consumers, the expectations of businessmen as to what will happen in terms of consumer demand, and the world demand for a number of products in the mining and forestry industries, to mention only two.

To find evidence that jobs can still be created and unemployment reduced, even though there may be some slight increase in the interest rates, one has only to look at the situation in the United States in the last three months. In the United States there has been an edging up of rates since January. They have still been creating jobs very quickly and have known a very high rate of growth in their economy.

Along with my friend I recognize that large increases in interest rates would indeed have a very serious, dampening effect on the economy. However, the type of increase which has occurred, or is likely to occur, is not necessarily one which would lead to a decline in employment. On the contrary, the evidence from the United States in the last few months seems to indicate that there can still be strong growth in the face of edging up of interest rates. Obviously our preference would be for interest rates to be lower and to continue the downward trend which existed last year. The object of our policy is to have the lowest possible interest rates in this country.

• (1430)

EFFECT OF INTEREST RATES ON BUSINESS SECTOR

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, back in 1979 the present President of the Treasury Board said: "The

effect of each one-half per cent increase in interest rates results in a loss of $375 million to the business sector". Given the fact that a figure like that, if calculated based on today's values, would be considerably higher than $375 million, how can the Minister stand in his place and suggest for one moment that if interest rates rise by one-half of one per cent, albeit incrementally, there will not be a net loss in the number of jobs if there will be in fact a net loss in the amount of revenue that goes to every company in Canada?

Why does the Minister insist that it would be better to wait, hoping that nothing goes wrong, than to take an independent path for Canadians and establish, once and for all, that we have the power and the right to determine what kind of future Canadians ought to have?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I appreciate the very nice rhetoric of the Hon. Member. It would be very interesting if the NDP were to put this into mechanics and show us what they would be proposing specifically, in terms of policy and mechanics, and how they will have interest rates in Canada that are significantly lower than in the United States while still having growth in this country and still increasing the real income of the workers. It will be very interesting to see what they will come up with, rather than the rhetoric they are giving us.

With respect to his question, again I refer him to the period that preceded the recession we experienced in 1981-82. At that time interest rates went up quite rapidly and significantly.

Mr. Deans: Incrementally.

Mr. Lalonde: Businessmen still kept investing and borrowing. We knew very high rates of growth while interest rates were growing. Obviously we reached a point when there was an abrupt stop, and then decline and recession, but if my friend checks the facts he will learn that, during the rise of interest rates, investors in this country, businessmen, continued to borrow and invest very rapidly and significantly.

You must look at these things in terms of the context of the situation. At the present time there is no reason to believe that the slight increase we have known in the prime rate will lead to a decline in employment.

Mr. Deans: If it does?

Mr. Lalonde: We will see in the next few weeks and months exactly what will happen in the economy. We are monitoring the situation carefully. If need be, we will make the necessary adjustments. In the meantime I see no reason to change the basic policy that we have been following.

Mr. Deans: What adjustments?

GOVERNMENT ADVERTISING

RAIL EXPANSION ADVERTISEMENT

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, my question is directed to the Minister of Transport.

Mr. Deans: What adjustments?

Mr. Speaker: The Hon. Member for Kindersley-Lloydminster has the floor. The Hon. Member for Hamilton Mountain had seven minutes and two supplementaries.

Mr. McKnight: I certainly hope you are as lenient with me, Mr. Speaker, as you were with that Member.

On March 8 of this year an erroneous and misleading advertisement, entitled "Canada's Rail Expansion Program", appeared in *The Financial Post*. It stated that $16.5 billion of investment would be made by the railroads by 1991, and some 375,000 new jobs would be created. The Minister knows that his own Department estimates that the investment by the railroads by 1991 will only be $12.5 billion, and the railroads' admission is that there will only be 155,000 new jobs created. Will the Minister stop this self-serving and misleading advertising paid for by the taxpayers of Canada?

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, it is unfortunate that the Hon. Member did not attend the full meeting of the Transport Committee last Thursday when we spent several hours talking about the whole grain expansion program.

Mr. McKnight: You haven't spent several hours yet.

Mr. Axworthy: It would have given us an opportunity to have a much broader and more diversified discussion. I would point out to him that the impact of the Western Grain Transportation Bill is still very substantial. In this year alone some $1.1 billion of new capital investment will be going into the Canadian economy, providing a number of major acquisitions, purchases for new equipment, and facilities across the country, from Trenton, Nova Scotia, to the Hamilton area with, of course, substantial investment in the western provinces in which I know he is interested.

The whole point of the advertising is to bring to the attention of the Canadian business community the opportunities that exist under the Grain Transportation Bill for the possibility of a number of new sales and new supplies for the railroads. It is the whole point of the advertising which I hope the Hon. Member will endorse because it is a very strong opportunity for Canadian business to get into a new area of product development.

Mr. McKnight: I will repeat my question to the Minister but, as an aside, the Minister has not spent several hours in the Standing Committee on Transportation since he has become Minister.

REQUEST THAT ADVERTISEMENT BE STOPPED

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, in light of the statements by his own Department that $12.5 billion is all that the railroads will invest between now and 1991, and the railroads' statement that there will only be 155,000 jobs created, will he stop this misleading advertisement? In view of his decision not to seek the leadership of his Party and to support the candidate from the Canadian Pacific, will you stop spending taxpayers' money to advertise erroneous information?

Mr. Speaker: The Hon. Member will address his remarks to the Chair.

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, it would help if the Hon. Member stopped making silly, gratuitous statements in the House of Commons. Then we could get down to some serious exchanges in Question Period.

Some Hon. Members: Oh, oh!

Mr. Axworthy: I see we have rattled their cages again. The fact of the matter is that the change in those estimates does not affect the job factor substantially because part of the reduction in capital investment is due to the reduction in the inflation rate between the time the original forecasts were made and what we have been able to succeed in bringing it down to since that period of time. It only makes good sense that, if you reduce the inflation rate, less capital goes in but you still get the same job impact as a result.

CONTENT OF ADVERTISEMENT

Right Hon. Joe Clark (Yellowhead): Mr. Speaker, will the Minister of Transport tell us if the advertisement in *The Financial Post* of March 8 is true?

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, I think I have already explained. Again I would register my—

Mr. Blenkarn: Yes or no.

Mr. Axworthy: We will try to answer the question when we are ready. The fact of the matter is that—

Mr. Blenkarn: It is false.

Mr. Axworthy: —the advertisement that was put into *The Financial Post*, as I said to the previous questioner, is designed to provide information to the Canadian business public because of the opportunities that that capital investment offers for the business community to begin supplying a wide range of new facilities and equipment.

We are presently reforecasting the total expenditure over that period of time in light of a new improved economic condition that this country is facing. We have to revise the numbers because of that new forecast. We will revise them. What is true is that that Western Grain Transportation Bill is one of the most important economic investments ever made in the history of this country.

REQUEST THAT GOVERNMENT ISSUE NEW ADVERTISEMENT

Right Hon. Joe Clark (Yellowhead): We have a most remarkable situation here. The Minister of Transport has admitted that his advertisement is false, at least in part. He now tells us in the House of Commons which parts, which subparagraphs of his advertisement are true, and consequently which are false.

When will the Government start telling the truth? Is the Government going to issue a new advertisement, paid for by the Liberal Party, because it was their Minister who told the falsehood, that sets forth the true facts? Will he give us an undertaking now that he will stop this lying by advertising at public expense?

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, the Right Hon. Member has a wonderful facility for being able to twist and turn a very simple, basic fact into something that is totally distorted in relation to the opportunity. I would ask the Conservative Party if they are now prepared to say that they do not favour that investment of billions of dollars that will be going into the Canadian economy? Are they opposed to the expansion and modernization of that transportation line? Are they prepared to have an advertisement, paid for by the Conservative Party, which would state for the first time where they stand on western transportation, because we have never heard them say in the House what their stand on the issue was?

REQUEST THAT MINISTER ISSUE ANOTHER ADVERTISEMENT

Right Hon. Joe Clark (Yellowhead): Mr. Speaker, will the Minister start to tell the truth? Will he issue another advertisement that corrects this false advertisement, paid for by the people of Canada, to advance the interests of the Liberal Party?

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, as I explained in the committee, which the Right Hon. Member did not attend—because we went through this examination—the advertisements were originally commissioned some six weeks ago. The new forecasts, which are not even yet completed and will not be completed for another week, revise those forecasts down. I can hardly be expected to be so prescient as to be able to tell six weeks ago what a forecast that will not be available for the next week would have in it.

• (1440)

Some Hon. Members: Oh, oh!

Mr. Axworthy: If the forecasts are different, we would then change the advertisement.

Oral Questions

FARM CREDIT CORPORATION

FARMER'S REQUEST FOR LOWER INTEREST RATE

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is for the Minister of Agriculture.

Some Hon. Members: Oh, oh!

Mr. McDermid: Leader.

Mr. Hovdebo: During the last few days I have received many letters regarding the interest rates charged by the Farm Corporation. I want to quote from one letter as follows:

> This interest rate is very high and I am having trouble making my payments. I am wondering if there is some way that this loan could be changed to a lower rate of interest.

The letter is signed by a Mr. William R. Walter who lives in Codette, Saskatchewan.

Can the Minister give me an answer that I can pass on to Mr. Walter?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the Hon. Member can tell his constituent that my concern for his constituent is as great as his.

Mr. Stevens: Throw your hat in the ring.

Mr. Crosbie: Don't forget to put your head in it.

Mr. Whelan: We are investigating and trying to find a way that we can lower the interest rate for about 8,700 farmers who are paying as high as 16.75 per cent. As I said in the House the other day—and this question has been asked several times, Mr. Speaker—when we were loaning that money at that rate, 16¼, 16½, 16.75 per cent, the cheapest the farmers could get it was 20 per cent, 21 per cent, and 22 per cent. Also we subsidized that rate. For some of them it was 5 per cent, and for some of them 4 per cent subsidization—

Mr. Stevens: Did you?

Mr. Whelan: —which brought the rate down in some instances to 12 per cent, and in some instances to below 12 per cent. To say that we have not done anything—and the Hon. Member has not said that, but I am surmising what his supplementary question is going to be—we have done more here probably than any other part. We are concerned and we are hoping to put forward a paper to work out a long-term policy on these rates if we can.

REQUEST THAT MINISTER EXTEND EMERGENCY AID PROGRAM

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my supplementary question is for the Minister of Agriculture. One in seven Farm Credit Corporation borrowers is in arrears and in trouble. Since the Minister of Finance has indicated that he has no intention of doing anything about the high and increasing interest rates, would the Minister of Agriculture extend, at least for those few farmers who are getting some benefits from his emergency program, the program beyond April 1 and make it available to another 8,000 farmers who are in trouble because of the high interest rates of this Government?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, when the Hon. Member refers to the Minister of Finance, let me say the Minister of Finance has been very responsive in the past when we have made requests to assist farmers who found themselves in financial difficulty. He has not told me that he is not going to be responsive to any reasonable, constructive suggestion that I am liable to make to him.

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GOVERNMENT ADVERTISING

COST OF ADVERTISEMENT ON TRADE

Hon. Erik Nielsen (Yukon): Mr. Speaker, I have a question for the Minister of State for International Affairs.

Mr. Regan: Minister of International Trade.

Mr. Nielsen: I am sorry, Minister of International Trade. I certainly would not want to downgrade a potential leadership candidate like him, Sir.

Mr. Crosbie: In the 21st Century.

Mr. Nielsen: Did his department, or the Department of External Affairs, pay for an eight page, full colour advertisement appearing in *The Globe and Mail* today lauding the awesome accomplishments in the field of External Affairs personally brought about by the Minister and the Government and bearing no relationship whatever in terms of our foreign trade being due to any other factor, such as the falling dollar? The question is related to the justification for the expense in printing that kind of trash.

Hon. Gerald Regan (Minister for International Trade): Mr. Speaker, Canadians—

Mr. Crosbie: Throw your hat in the ring, Gerry.

Mr. Stevens: You are their only hope.

An Hon. Member: You can walk in the fog.

Some Hon. Members: Oh, oh!

Mr. Regan: They are unruly today, Prime Minister.

Mr. McDermid: Do you have to check in every five minutes?

Mr. Regan: I am very happy to do so.

The Hon. Member belongs to a Party that never likes to hear good news. I am surprised at the fact that he can greet as bad news something that I consider to be the subject for tremendous satisfaction and enthusiasm, and that is the job that we are doing in international trade.

Some Hon. Members: Hear, hear!

Mr. Regan: Last year we had an $18 billion trade surplus, Mr. Speaker. At this stage in a recovery usually you get a flattening out in the amount of the trade surplus because, as the economy recovers, people tend to buy more imported goods. That is particularly true when you consider how soft the European currencies are against ours and the difficulty of selling into Europe because of the currency situation.

You mention the question of the Canadian dollar *vis-à-vis* the American dollar. Compare the disadvantage that we have because European currencies have gone down some 40 per cent against ours in the last four years, and consider the fact that the less developed countries have no credit worthiness to buy much in the way of imports these days.

Mr. Crosbie: Move over, Turner.

Mr. Regan: Yet we build an $18 billion surplus. Our trade figures—our exports—are at an all-time high. I want the Hon. Member to know that I have got that Department just a-hummin', and I am proud of what it sells.

Some Hon. Members: Oh, oh!

Mr. Nielsen: Well, by George, Sir, if that Department is just a-hummin' it's the only damn thing over there that is.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Nielsen: That was not, however, what I was asking the Minister.

GOVERNMENT POLICY

Hon. Erik Nielsen (Yukon): Mr. Speaker, quite apart from the fact that the reason for the increase in trade is the deep depression that we are in, and quite apart from the fact that we are not importing, what about the advertisement? What about the hundreds of thousands of dollars that go to pay for an eight-page full advertisement which does nothing more than pat the Minister on the back and pat the Government on the back? Are we to expect this kind of thing? What about the activities of the Minister of Transport and those of other Ministers? The expenditure of taxpayers' dollars on this kind of trashy advertisement—is this the kind of thing we can expect from now until the election?

Hon. Gerald Regan (Minister for International Trade): Mr. Speaker, I have not seen that ad, and I will have a look at it.

Some Hon. Members: Oh, oh!

Some Hon. Members: Shame.

Mr. Regan: I want to say to the Hon. Member through you, Sir, that I consider an ad of that type in relation to what we are doing and what we can do in exports—

Mr. Nielsen: Remember you have not seen it.

Mr. Regan: —to be tremendously important.

Some Hon. Members: Oh, oh!

Mr. Regan: Let me tell the Hon. Member very briefly why. As well as we are doing in exports, we can do a great deal better if we can get an orientation by more companies and more businessmen in this country toward exports, to recognize what is being done, and how, in product after product, we are successfully competing with the best in the world, outdoing the United States in telecommunications exports, in relation to mass transit equipment, and in many other fields, but unfortunately we do not yet have enough companies here in this country that are aggressively developing our export markets. That ad helps to bring the importance of that to their attention. I hope that you will review your position and agree—

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. I must remind the Hon. Minister to address his remarks to the Chair.

Mr. McDermid: You had hair when that picture was taken, Gerry.

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FISHERIES

WHITE COAT SEAL HUNT—GOVERNMENT POLICY

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, my question is for the Minister of Fisheries and Oceans but in his absence I will address it to his Parliamentary Secretary. The Parliamentary Secretary will know that the Conservative Party, through its official critic, the Hon. Member for South Shore, has asked the Government of Canada on several occasions in the last few weeks to impose a ban on the white coat hunt for seals. The Parliamentary Secretary should also know that yesterday in Newfoundland the Minister of Fisheries for that province publicly disagreed with that policy and publicly complained that neither he nor anyone else in the industry or in the Province was consulted.

Can the Parliamentary Secretary tell this House, and more importantly assure fishermen, assure industry players, assure provincial Governments with whom we need to consult to have a successful fishery policy in this country, that this Government will not be acting arbitrarily and will not have a knee-jerk reaction to a policy which I am told does not even meet with the approval of the Hon. Member for St. John's West?

● (1450)

Mr. Maurice Harquail (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, the Hon. Member, all Members of the House and all Canadians, will know that the Minister of Fisheries and Oceans has strongly defended the industry and fishermen in this country. His statements have been very consistent and he has not given into threats or blackmail on this issue. The Hon. Member is quite correct in

saying that the Hon. Member for St. John's East has publicly stated that he has not been consulted in his caucus or by the critic for his Party about the recently announced policy of the Official Opposition. The Government's policy remains the same—strong and consistent.

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NATIONAL DEFENCE

PACIFIC PETREL PROJECT—REQUEST FOR RELEASE OF REPORT

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, my question is directed to the Minister of National Defence. As the Minister is no doubt aware, I made official application three weeks ago for access to the report of the inquiry into the *Pacific Petrel* affair. Since a wooden sailing ship can hardly be considered of strategic importance or of national security relevance, why is the Minister stonewalling my request? He has had the report on the *Petrel* for some three months. How much longer must we wait to find out the truth about this mismanagement of public funds?

Hon. J.-J. Blais (Minister of National Defence): Mr. Speaker, the report is being prepared for delivery to the hon. gentleman within the time set out in the statute.

Mr. McKinnon: Mr. Speaker, I hope it will not run its full time, because the report was prepared three months ago and I should like to see it urgently.

COURT MARTIAL PROCEEDINGS

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, I have a supplementary question. The commander of Maritime Forces Pacific has stated in *The Times-Colonist* of Victoria that he knew about the *Pacific Petrel* project all along, as did the senior staff at National Defence Headquarters, yet the Department is court-martialling a relatively junior player in this drama and making him the scapegoat for everyone from the Vice-Chief of Defence Staff down.

Will the Minister now release the inquiry and assure the House that no action will be taken against National Defence personnel without a full, public revelation of the facts?

Hon. J.-J. Blais (Minister of National Defence): Mr. Speaker, the Hon. Member knows, as a former Minister of National Defence, disciplinary action is taken within the Department by the officer responsible for the command in question. That is the procedure that has been followed in this instance. The hon. gentleman knows full well that the proceedings will be commencing tomorrow. I hope that he will not ask me to start commenting on proceedings that are in progress. I will abstain from doing so.

FINANCE

COST OF GOVERNMENT BORROWINGS

Mr. G. M. Gurbin (Bruce-Grey): Mr. Speaker, my question is directed to the Minister of Finance. In view of his projections in the February Budget of the cost of government borrowings of approximately $20 billion, I should like to know what interest rate he used to calculate that cost? Does he accept the fact that a .5 per cent increase in interest rates in Canada represents as much as $750 million in additional government expenditures?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the Hon. Member's mathematics may be all right assuming that these interest rates will last all year, but there is no reason to believe that this will be the case.

GOVERNMENT POSITION

Mr. G. M. Gurbin (Bruce-Grey): Mr. Speaker, I have a supplementary question for the Minister. He knows that government borrowings already take as much as 90 per cent of Canadian savings. In itself this represents a major pressure on interest rates. Notwithstanding the Minister's previous answer, what principle will the Minister use to accommodate that additional cost to the Government? Will he increase taxes to compensate for the additional cost, will he decrease services, or will he increase the deficit?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, my friend will have to wait for the fiscal year report for 1984-85.

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INDUSTRY

PETROCHEMICAL TASK FORCE REPORT

Hon. Bud Cullen (Sarnia-Lambton): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Following on the presentation of the report of the petrochemical task force—and I believe that the Hon. Member for Wetaskiwin asked the Minister of Finance about this last week—I should like to know the position the federal Government is taking *vis-à-vis* action on the report. Many Governments are involved, and producers and producing provinces are also involved. Given the fact that the report was commissioned by the federal Government and done by the private sector, what role have the federal Government, and the Minister's Department in particular, taken?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Mr. Speaker, we have had some meetings with the industry, and my colleague, the Minister of State for Economic and Regional Development, and I are working on the problem. One possibility is conversion from oil to natural gas. We are having discussions at the present time with the Government of Alberta about an incentive price for new quantities

of natural gas in the market. After my last discussion with Mr. Zaozirny he was supposed to come up with a reduction in the price of new quantities of natural gas. I am still waiting for his answer but I hope to talk to him this week. This will go a long way toward resolving the problems of the petrochemical industry in the East.

There is also a responsibility on the Ontario Government because a lot of investment in the Sarnia area has to be protected. I hope the Ontario Government will want to play a role there.

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HOUSING

REQUEST FOR REDUCTION OF MORTGAGE INTEREST RATES

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, my question is for the Minister of Finance. Housing starts in Canada reached a peak in 1976 with 273,000 units. They declined to 126,000 units in 1982 and slowly picked up to 162,000 in 1983. They are already beginning to stall in 1984 because of the decrease in disposable income. Now they will be further depressed because of higher interest and mortgage rates. Considering that this will destroy any hope for recovery in the lumber and construction industries, what steps will the Minister take to bring mortgate rates down so that Canadians can once again build and purchase homes?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the Hon. Member should know that the figures for housing in the early part of the year have picked up. The forecast is for increased housing construction in 1984 compared to 1983. As far as the lumber industry is concerned, the Hon. Member knows that a larger part of that industry depends on the American market for its production and that a relatively small share of the total production is consumed in Canada. A good part of it is also consumed abroad. The housing market in the United States looks quite good at the present time. There is no reason to believe that the lumber industry will encounter more difficulties this year than last year; on the contrary, we are confident that things will improve.

UNEMPLOYMENT IN LUMBER AND CONSTRUCTION INDUSTRIES

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, housing starts in January were 129,000. That is not good enough for the Canadian industry. While we depend on the American market for lumber, it is also important that the Canadian market be high enough to take its share of the lumber industry. Forest workers in Canada have had two years of depression-level unemployment; 30 per cent of construction workers are laid off across Canada, and carpenters in Victoria have a 70 per cent unemployment rate.

In light of these facts, how high does unemployment amongst lumber workers and construction workers have to go before their voice is as loud as the voice of Governor Bouey? How high do interest rates have to go before the Minister takes action to protect Canadian jobs?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I have to repeat to the Hon. Member that we expect housing starts this year to be higher than they were last year.

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AIR SAFETY

CANADIAN AIR SAFETY BOARD—MINISTERIAL RESPONSIBILITY

Mr. J. R. Ellis (Prince Edward-Hastings): Mr. Speaker, my question is directed to the Minister of Transport. The question is a few weeks old but it has lost none of its importance. On February 10 a press release from the Prime Minister's office stated that the Minister of Transport was to be responsible for the Canadian Air Safety Board, yet Mr. Justice Dubin's report was explicit in saying that anyone but the Minister of Transport was to be named to this position. Can the Minister of Transport tell the House why this was done in complete opposition to the Dubin report?

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, the rationale for that is that we are trying to consolidate and centralize a number of the safety operations in the Department of Transport so that we can have a comprehensive approach to the problem. The Canadian Air Safety Board does not in any way respond to any ministerial direction; I simply report to Parliament for it. It has a complete, detached, arm's length reference. This means that we are able to keep an overview of all safety activities and to ensure that we have a full and proper safety approach. That is virtually our No. 1 priority, and that is the rationale for this action.

• (1500)

DUBIN REPORT RECOMMENDATION

Mr. J. R. Ellis (Prince Edward-Hastings): Mr. Speaker, it is very obvious that the Minister of Transport does have a handle on all of the things that happen in the air transport industry, and the Canadian Air Safety Board is one of those things. The Standing Committee on Transport and many other committees assume that the Minister of Justice or the Attorney General for Canada would be in a position to reply to the House of Commons on behalf of this Board. It is absolutely fallacious for the Minister to say that there is no conflict. Would he not take another look at this situation to see if he would do the right thing by following Chief Justice Dubin's request and putting it into the hands of another Minister?

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, if the Hon. Member would take another look at the Dubin report he would see that the actual text indicated that it contained the recommendations of several groups which appeared before Mr. Justice Dubin but that Mr. Justice Dubin himself did not have a very strong view on the question. I would like to ask the Hon. Member to take at face value what we are trying to do, because it is very important.

We are trying to deal with the issue of air safety. It is important to have a complete and total picture of what is going on in both the inquiry and investigation side as well as the inspection and setting of standards side. If those two sides were fragmented between different Ministers we would not be able to bring that kind of comprehensive approach to bear. However, I can certainly assure the Hon. Member that there is nothing in the mandate of the aviation safety board which allows the Minister to interfere in any way with its ability to undertake independent inquiries and to report publicly and directly on the results of those inquiries. I have no power to interfere with that in any way, but I do have the ability to match up the activities of the safety board with the other regulatory activities of the Department to make sure that we do have a complete and total understanding of the problem, and the ability to respond to the problem in a policy way.

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TRANSPORT

BRACKEN FORMULA FOR ALLOCATING HOPPER CARS

Mr. Arnold Malone (Crowfoot): Mr. Speaker, I would like to ask the Minister of Transport whether or not he is satisfied with the Bracken formula for allocating hopper cars and whether or not he anticipates any change to the formula. Does he think that the formula has the effect of keeping the big companies big and the small companies small? Is he causing any studies to take place with respect to the Bracken formula? Would he tell us what his intentions are?

An Hon. Member: Good question.

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, I agree with the Hon. Member who said that it is a good question. However, it is a question of great magnitude as well, and one that hardly can be answered within the realm of Question Period.

I would point out to the Hon. Member that that is the whole purpose of having the Senior Grain Transportation Committee. It brings all of the major participants in the grain transportation system in western Canada together to meet on a monthly basis and examine issues exactly related to the efficient use and allocation of cars in the grain system. I will certainly be glad to refer the question to the Grain Transportation Committee so it can refer back to me about the Hon. Member's concern.

* * *

PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Mr. Speaker: Order. I have the honour to inform the House that the petitions presented by Hon. Members on Friday, March 23, 1984, meet the requirements of the Standing Orders as to form.

The Hon. Member for Vancouver Centre (Miss Carney) has served notice of a point of order.

* * *

PRIVILEGE

MISS CARNEY—ALLEGED UNPARLIAMENTARY REMARKS BY MR. LALONDE

Miss Pat Carney (Vancouver Centre): Mr. Speaker, I am rising on a question of privilege arising out of the remarks made by the Minister of Finance (Mr. Lalonde) in answer to a question which I asked him. You will recall, Mr. Speaker, that today I referred to his support for the remark made by the Governor of the Bank of Canada, Mr. Bouey, indicating that Canadians are partly to blame for high interest rates because wage settlements are higher here than in the United States. In his answer the Minister of Finance said that I wilfully misrepresented this statement.

As you are fully aware, Mr. Speaker, it is parliamentary to say that a Member misrepresented the facts but it is unparliamentary to say that a Member attempted to misrepresent the facts and, further, it is unparliamentary to say that a Member wilfully misrepresented the facts. Therefore, I respectfully ask the Chair to direct the Minister to withdraw his remarks.

Hon. Erik Nielsen (Yukon): Mr. Speaker, I see that the Minister of Finance (Mr. Lalonde) is not present in the House so he will of course have to examine today's record and take note of the question of privilege raised by the Hon. Member for Vancouver Centre (Miss Carney). In the meantime, in considering the matter, it might assist the Chair to refer to page 112 of *Beauchesne's Parliamentary Rules and Forms* where the words "misrepresent" and "misrepresentation" appear as being one of those instances where it has been ruled parliamentary to use such an expression.

However, at page 109 of the same edition of Beauchesne's, an example of an unparliamentary expression is set forth as being "attempted to misrepresent", because obviously by using the word "attempted", one is attributing a state of mind and inferring a deliberate intention on the part of the Member to misrepresent.

My submission to you in support of the point of privilege of the Hon. Member for Vancouver Centre, Sir, is that if it is unparliamentary to use the expression "attempted to misrepresent", it is even more unparliamentary to use the expression "wilfully misrepresent". I hope that the Minister will review this exchange and will, hopefully, do the proper thing tomorrow at the first opportunity, which would be to apologize and withdraw the offending expression.

Mr. Speaker: The Chair will make note of this and will examine the record.

ROUTINE PROCEEDINGS

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 468, 529, 580 and 640.

[*Text*]

NATIONAL HARBOURS BOARD

Question No. 468—**Mr. Howie:**

1. In 1983 was the National Harbours Board involved in any lawsuits with respect to its operations in New Brunswick and, if so, what were the names of the litigants?

2. In 1983 to date, were any outside lawyers employed by the Board and, if so, what total amount was paid to them?

Hon. Lloyd Axworthy (Minister of Transport): The Canada Ports Corporation advises as follows:

1. Yes. National Harbours Board versus P. Kiewit Sons Company Ltd., a $30 million law suit in relation to Rodney Terminal.

2. Yes. In 1983 the law firm Mockler, Allen and Dixon were employed by the Board and the total sum of $236,586.37 was paid to them in relation to the above-noted litigation.

VIA SERVICE WINNIPEG TO SASKATOON

Question No. 529—**Mr. Mayer:**

In 1983, what was the annual passenger load on the VIA train route from Winnipeg to Saskatoon and what was the cost of operating the route?

Hon. Lloyd Axworthy (Minister of Transport): The management of VIA Rail Canada Inc. advises as follows:

In 1983 the annual passenger load on the VIA train route from Winnipeg to Saskatoon was 33,330 passengers. The cost of operating the route was $9,143,222.

GROOVING OF AIRCRAFT RUNWAYS

Question No. 580—**Mr. Howie:**

1. Did the Ministry of Transport conduct any studies relating to the merits of grooving aircraft runways and, if so (a) were outside consultants used and, if so, what (i) is a list of the names of such consultants (ii) remuneration was or will be paid to them?

2. Does the Ministry plan to groove any runways at its airfields?

3. Will the Ministry fill in the ravine at the end of runway 24L at the Pearson International Airport at Toronto?

Hon. Lloyd Axworthy (Minister of Transport): 1. Yes. (a) No. (i) and (ii) Not applicable.

2. The practice of the Department is to groove runways when operational problems are experienced that need correction, and grooving is the most economical means of correction. Additional runways will be grooved in the future if such operational problems are encountered.

3. Filling of the ravine at the end of runway 24L at Toronto-Lester B. Pearson International Airport will depend on the findings of a new feasibility study which departmental officials have been directed to undertake.

INDUSTRIAL RESEARCH ASSISTANCE PROGRAMS

Question No. 640—**Mr. Stewart:**

With reference to the answer to question No. 116, in the fiscal year 1983-84, what total amount was budgeted for all Industrial Research Assistance Programs?

Mr. Rolland Dion (Parliamentary Secretary to Minister of State for Economic and Regional Development and Minister of State for Science and Technology): In so far as the National Research Council is concerned, the answer is as follows: $38.5 million.

* * *

[*Translation*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if question No. 204 could be made an order for return, that return would be tabled immediately.

Mr. Speaker: The questions enumerated by the Parliamentary Secretary have been answered. Is it the pleasure of the House that question No. 204 be deemed to have been made an order for return?

Some Hon. Members: Agreed.

[*Text*]

DEPARTMENT OF NATIONAL HEALTH AND WELFARE—OUTSIDE CONSULTANTS

Question No. 204—**Mr. Blenkarn:**

1. In the fiscal year (a) 1981-82 (b) 1982-83 were outside consultants employed by the Department of National Health and Welfare and, if so (i) how many (ii) what was the total amount paid?

2. Were any consultants paid more than $20,000 and, if so, in each case what (a) was his/her name (b) was the amount (c) services were provided?

Return tabled.

[*Translation*]

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

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

• (1510)

GOVERNMENT ORDERS

[*Translation*]

CANADA HEALTH ACT

MEASURE TO ESTABLISH

The House resumed consideration of Bill C-3, An Act relating to cash contributions by Canada in respect of insured health services provided under provincial health care insurance plans and amounts payable by Canada in respect of extended health care services and to amend and repeal certain Acts in consequence thereof, as reported (with amendments) from the Standing Committee on Health, Welfare and Social Affairs, and Motion No. 4 (Mr. Halliday).

Mr. Claude-André Lachance (Rosemont): Mr. Speaker, at one o'clock, when the House took recess, the Hon. Member for Oxford (Mr. Halliday) had presented his amendment to Bill C-3. I would now like to summarize for the House the history of Clause 12 as amended by the Standing Committee on Health, Welfare and Social Affairs, to clarify the reasons for the present form of this Clause in the Bill, the report stage of which is now being considered by the House, and the exact implications of the amendment being proposed by the Hon. Member for Oxford.

Mr. Speaker, the House will recall, and the Hon. Member himself referred to this point, that Mr. Justice Hall has always indicated the inherent duality of eliminating extra-billing, which he proposed, and the need for providing doctors with a framework for negotiations with the provinces which are responsible for setting standards of compensation for insured health services. More specifically, Mr. Speaker, when he appeared before the Committee, Mr. Justice Hall indicated that the binding arbitration procedure which he recommended in his 1980 report should not be imposed through legislation, and should certainly not constitute a fundamental condition for implementing the federal legislation.

Aware of this dilemma, Committee members examined the concept, favoured by Mr. Justice Hall and recommended, much later, by the Canadian Medical Association—I say much later, because originally, the Association did not see the need for it—in order to see to what extent this framework for discussion could be incorporated into the federal legislation, while leaving intact the concept of shared responsibility or jurisdiction, it being understood that health is a provincial responsibility, generally speaking, with respect to providing services, allocating resources, and setting priorities, while federal jurisdiction covered spending powers and a responsibility, taken on twenty-five years ago, for making federal transfer payments, provided the five essential conditions are met.

Now, the concept of reasonable compensation, since that is what we are talking about here, which was in the original 1966 legislation on health care, went as far as the Canadian Government thought it could go in urging participating provinces to ensure that their doctors received "reasonable" compensation, a subjective concept, I agree, which is or was in Bill C-3 as originally introduced in the House, considered at the second reading stage and referred to Committee.

The Committee had to decide, first of all, whether or not this framework for discussion, this framework for negotiations leading to binding arbitration—arbitration, that is, always preceded by negotiations—could be put in the federal legislation without interfering directly with the responsibility of the provinces which, with respect to negotiations, and I was referring earlier to compensation, is not contested. The answer was yes, after lengthy discussions in Committee. We decided that this framework could be incorporated in the federal legislation. The second question, a corollary of the previous one, was to decide whether or not we had to impose, on the ten participating provinces, this framework for discussion and negotiations and, eventually, binding arbitration, within the concept or general framework of reasonable compensation.

The Committee decided: no, we did not want to impose binding arbitration on the provinces but we would leave it up to the provinces to operate within the framework of the negotiations specified and enumerated in paragraph 2 of clause 12 as amended in Committee.

I think that is the basic element which enables us now to reply to the argument and the amendment moved by the Hon. Member for Oxford. Indeed, if subclause (2) is optional—and so it is, obviously—we must check whether or not the proposed amendment nullifies that option. I say it does because subclause (2) provides that, if the provinces and the medical associations involved have signed and agreed on a negotiating formula, the reasonable compensation criterion will be respected. On the other hand, if there is no agreement, the reasonable compensation criterion takes precedence—the subjective criterion which remains and which, in the final analysis, will always leave the Minister of National Health and Welfare free to intervene if necessary and apply the penalties mentioned in clause 14 and the following clauses of the Bill.

Now, what would happen if the amendment of the Hon. Member for Oxford were adopted? By adding the word "only", we would inevitably commit the legal negotiating structure proposed under the reasonable compensation clause. Without legal structure, without agreement among the provinces, the federal Minister would necessarily have to resort to penalties as provided for in the Bill and as the federal Minister is authorized to do pursuant to the Bill. I respect the Hon. Member for Oxford for what he is attempting to do, and I might add that I agree with him that we ought to make sure that Canadian medical practitioners do receive reasonable compensation and have the means to obtain it. But still the basic problem remains unsolved and we have to cut the

Gordian knot. Yes or no, does the House want to force the mechanism proposed in the Bill on the provinces?

It is an issue or a problem which is difficult to solve and I would rather not get into a lengthy argument on the delicate balance between the federal presence and the provincial responsibilities in the field of health care, for we all know the conditions of that essential balance. Personally, I would much prefer that the Canadian Government did not force—I repeat, force—the provinces and the medical associations concerned, through the new Canada Health Act, to accept any legal structure whatsoever. In my opinion, that is exactly what would happen if we were to adopt the amendment of the Hon. Member for Oxford.

Although I appreciate what he is attempting to do, that is why I cannot support his amendment since it would force the provinces to accept a structure which the committee made sure would not be compulsory.

● (1520)

[*English*]

Hon. Jake Epp (Provencher): Mr. Speaker, this amendment was proposed in committee and there is quite a history behind it. I think it is important, in order to understand what is being proposed, to look at the background of this amendment proposed by my colleague, the Hon. Member for Oxford (Mr. Halliday). It has always been difficult to answer a number of questions on a national health scheme, but one question which has always been front and centre is: How do you establish a national health scheme yet retain professional freedom within that scheme? The definition of professional freedom might have various dimensions or parameters depending on the observer, but what has happened through the years is that a certain equilibrium has been established between the province, represented primarily by the Ministry of Health, the Health Services Commission, and the medical profession, generally represented by a provincial organization or the umbrella body, the Canadian Medical Association.

It is interesting to note that Mr. Justice Hall, in his report studying the health care system, which report was commissioned by my colleague, the Hon. Member for Rosedale (Mr. Crombie) when he was Minister of National Health and Welfare, made two fundamental points. He said that extra billing and user fees had the potential or eroding medicare as Canadians had come to understand it. We can argue about the consultation process, and I am going to get to that on third reading, but for the purpose of this debate the perception of Mr. Justice Hall was that that was a potential problem. However, he never looked at the solution to that problem, as he identified it, in isolation.

He also recognized that the primary focus of the health care system had to be service to Canadians first. In order to have proper service, the health care professionals had to feel not only that they were being fairly treated, but that their professionalism was being recognized. The other half of the argument that he put forward was that if extra billing was either to be outlawed or penalties for its use applied, which could eventually lead to its demise, then there had to be reasonable and fair compensation for the medical profession.

Members can argue that those are two almost irreconcilable points of view. When you add thereto the reality of federal-provincial jurisdictional components and responsibilities, you come up with a very difficult problem to solve, if a solution can be found. That is why, Mr. Speaker, just on that narrow ground, it was our preference that negotiations with the provinces take place before the Canada Health Act is brought in. But that is not what we have been facing over these past few weeks. That being the case, when one comes to the operative words "reasonable compensation", what does it mean and how do you get it?

I said that what is reasonable would vary with the individual. I cannot speak for the Canadian Medical Association, but I know there are a lot of discussions within that organization and their provincial affiliates as to how to address this matter of the established equilibrium being eroded. There was this new factor, that of a penalty being imposed if extra billing continues. I do not know what the legal fees relating to this clause are, Mr. Speaker, but I know that an awful lot of work went into the clause, and so at least in part we addressed the question. I say "in part". What concerns me, if we do not accept this amendment, is this nebulous but real relationship which a professional has to his or her place of work. That is real. I know that the majority of Canadians say they wanted penalties for extra billing, but the existing mechanism had created an understanding, an equilibrium. All the committee tried to do was to restore some mechanism whereby, if the equilibrium, the fairness and reasonableness, is not achievable, then at least the mechanism to try and reach those goals might be set up. I am convinced that if we do not have that kind of mechanism, the medical profession will feel that their professionalism, their training and their service is not recognized adequately. I am not talking about dollars, I am talking about attitude. It is part of professionalism. That is why I think this amendment is so important.

If we were to have that kind of negative attitude toward the system and the manner in which the services are provided and compensated for, who would suffer most? That is the question we have to ask. Is it the medical profession? Is it potentially the Canadian public who needs the service? I am not saying that doctors will automatically try to provide an inferior service, but I think we have to deal with the psychology of the situation and with how a professional views himself or herself. That is the point I am trying to get across. I suggest that the manner in which the Ontario Medical Association puts forward its case does not augur well for the manner in which the problems endemic to the health care system will be resolved.

I do not subscribe to the concept that this is conscription—I want to make that very clear. It is not civilian conscription. If you look at many professional groups, having established a salary and working conditions, that is their contract. But within this system I suggest it would be detrimental to the public if we saw the Canadian medical profession, either by

their rhetoric, their actions or the actions of this House, being pushed into or moved into a position where they feel that what we often call job action is justified. The greatest hurt would then be inflicted on those Canadians who need health care services.

• (1530)

It does not do the Canadian Medical Association or health care providers any good, who, through a bargaining mechanism, withdraw their services from the ill. I must admit I do not have a lot of evidence that that kind of action has in fact benefited the profession. Maybe this goes back to my relationship to a profession I was once in. I never felt that job action was a better solution than sitting down around a table and, no matter how long it took, or how frustrating the experience, eventually as adult men and women coming up with an agreement.

The Deputy Speaker (Mr. Corbin): Order. I regret to interrupt the Hon. Member but his time has expired. Is there unanimous consent for the Hon. Member to continue?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Corbin): The Hon. Member may continue his remarks.

Mr. Epp: Mr. Speaker, I thank Hon. Members for their courtesy. I would like to say, that being the case, I urge Members to once again examine this motion. I believe we have come some distance toward addressing the problems which have been put forward by my colleague and others. I believe that we could strengthen the solution which the committee came up with after hours of hard work. I commend the motion, Mr. Speaker, to the House in order that within months we will not have job action or the potential of job action which would hurt those Canadians who need the service of the medical system.

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, even though I speak in support of the amendment by the Hon. Member for Oxford (Mr. Halliday) I have never accepted the argument which was put forward by the Hon. Member for Provencher (Mr. Epp) that there is some kind of inextricable link between professionalism and extra billing. I have always found it very difficult to understand how the professionalism of one profession, in this case the medical profession, could be so bound up with the ability to extra bill patients when the professionalism of other professions is unrelated to whether or not they are able to bill clients over and above what they are paid through their salary.

Having said that, I would like to say that I have always supported, on behalf of my Party, the recommendation of Justice Hall that the outlawing of extra billing in any particular province go hand in hand with binding arbitration procedures in those provinces. I have stood up in the House on many occasions over the past four years and called on the Minister to do something about the erosion of medicare represented by extra billing. Many times I included in my representations to her our support for the concept of binding arbitration. Therefore, I have no problem supporting an amendment which I know has the support of the Canadian Medical Association, a group I am normally not in agreement with. I do not do this out of any affection for their Association, particularly given their most recent activity; I do it in the interest of consistency and in the interest of the position I have taken since the beginning of this debate on the erosion of medicare and how extra billing ought to be eliminated.

In that respect I would submit that we are unlike the other two Parties in the House. We are unlike the Tories who never said boo about extra billing. I invite people to check the record. I invite them to search through *Hansard* high and low, between the lines, through the lines and around the lines to find out if anyone in the House on behalf of the P.C. Party ever expressed a concern about extra billing before the Canada Health Act was actually tabled and a political judgment was made that the Act would be supported, which is fair enough. We were calling for the elimination of extra billing and for binding arbitration when others were paying no attention at all to extra billing.

This gives me an opportunity to make a general comment which is related to the concern of the Hon. Member for Provencher about professionalism. In recent days with the turning over of the membership list of the Canadian Medical Association to the National Citizens' Coalition, as was reported in the newspapers, and with the full page ads—

Mr. Epp: The Ontario Medical Association, not the Canadian Medical Association.

Mr. Blaikie: I am sorry, the Ontario Medical Association—I stand corrected and the turning over of their membership list to the National Citizens' Coalition and the full page ads taken out by the National Citizens' Coalition against the Canada Health Act. Not only that, but the ads we have seen in the Ottawa area recently, where the monitors are going, "beep, beep, beep" is supposed to be what is happening to medicare as a result of the Canada Health Act. I am known to be a critic of doctors. I do not have high expectations of them, but I have maintained my respect for them as professionals through all the debates we have had from one end of the country to the other, whether in Victoria with the special parliamentary task force on federal-provincial fiscal arrangements, or in the committee hearings on the Canada Health Act.

I must say, Mr. Speaker, that I think some of the things which have gone on lately have brought shame to the vocational integrity of the medical profession in Canada. I am genuinely, deeply disappointed. There must be thousands of doctors who feel as I do. I certainly hope that is the case. I am confident that is the case. I hope they will make it known to their various leaders that they have had enough of being embarrassed in the way that they have been embarrassed, particularly in recent weeks, by some of the advertisements we have seen in the Ottawa area. It is to pile dishonour upon dishonour to have the National Citizens' Coalition declare itself to be in alliance with the position the doctors have taken.

This is a terrible thing, Mr. Speaker. I hope the opportunity will present itself for all right thinking doctors to speak out. They may disagree with this Bill and that is fine. Disagreeing with this Bill is a legitimate political stance as long as one is willing to debate it within the bounds of reasonableness.

We do not know what the effects of the Canada Health Act may be. We do not know whether the penalties will have the desired effect in Ontario. We are only talking about what may happen. Provinces still have the freedom to do as they wish with regard to extra billing. Referring to that as civilian conscription, talking about having heart surgery done by civil servants, is the kind of tactics, unreasonableness and fear mongering that is completely unacceptable.

• (1540)

I hope that this debate might mark the beginning of a reform movement within the medical profession itself. I hope that the "old boys' club" could be broken up so that new doctors with fresh ideas of how the medical profession works in greater harmony with other health care practitioners and more accountability to the community might say that they cannot afford to let those in the Canadian Medical Association or Ontario Medical Association represent them throughout the country because they are doing a poor job. I hope that small group within those associations is doing a poor job in speaking for ordinary doctors who often work under difficult circumstances to do their best to care for their patients. Nobody has denied that. I hope the CMA and the OMA are doing a poor job of representing those ordinary doctors in the sense that I hope they are not representative of the views of ordinary people, as we have discovered in our travels throughout the country.

I am disappointed by the medical profession and its participation in this debate. One receives messages from them that are incoherent and quite childish, referring to political fraud. But having said that, I support this amendment because in spite of the doctors, I support fairness for them and a balanced approach to the elimination of extra billing.

I was one of the first to suggest in committee that without an amendment such as that proposed by the Hon. Member for Oxford the legislation would not meet the legitimate needs for some kind of balance as expressed by the doctors. If the Government does not support the amendment it should remove the Conservatives' amendment altogether, since it is merely a poetic or rhetorical addition to the Bill. It does not require anything of the provinces.

Mr. Thacker: It is a statement.

Mr. Blaikie: Perhaps it is. I am simply trying to point out the legal meaninglessness of it. I am acceptable to arguments for leaving it in but I am simply saying that it does not have much effect as it is. It may be legitimately argued that it should be left in because it has some symbolic effect, similar to the amendment for the health care practitioner. In that respect, perhaps it would be better to leave it in.

The provinces do not seem to understand the purpose of the amendment, which is unusual, because usually there is close communication between the CMA and the provinces. The provinces are concerned that the amendment in its present form, without the subamendment by the Hon. Member for Oxford, is far too aggressive and places them in a difficult position. This shows a political irony because the Progressive Conservative Member for Oxford is suggesting that we should be more intrusive. That does not disturb me because I have always wanted the federal Government to be more intrusive in the case of medicare and the preservation of its principles. I am pleased to welcome the Hon. Member for Oxford aboard and to express my happiness that he finally realizes the responsibility of the federal Government.

Mr. Deputy Speaker: Order.

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, having listened to the oration by the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie), I am not sure whether his support is an advantage or disadvantage. I will have to weigh what he said very carefully.

In any event, I would like to speak briefly to the amendment that has been put forward by my colleague for Oxford (Mr. Halliday) because Clause 12(2), as it exists in the Bill before us, is in itself an amendment. The words of subsection 2 have been agreed to in committee although they were not the first preference of the Conservative Party members who sat on the committee on Health and Welfare.

The amendment that was put forward in committee by my colleague for Provencher (Mr. Epp) would have provided a much firmer and more equitable system of reasonable compensation than we have before us today. I wish that the Government, in recognizing that there had to be a balance between the removal of extra billing and the provision of a regular schedule of fees for the medical profession, would have accepted what my colleague put forward. If it had done so, the necessity for the amendment by the member for Oxford would have been eliminated.

The amendment by the Member for Provencher would have indicated to the doctors, the provinces and other interested parties that the necessary equality has been carried out in order to make the entire system work. While we have accepted the fact that there should be no extra billing, we have provided a mechanism whereby medical practitioners can be assured of reasonable compensation for the services which they so willingly and devotedly give to Canadians. It would have been a proper step to take, but it was not accepted. Instead, we are faced with the Government's amendment to Clause 12(2) as it is now before us. That amendment embodies the concept of what my colleague from Provencher put before the committee but does not have the strength and therefore, in my view, will not prove satisfactory in the long run.

There are inherent weaknesses in the amendment which the Government has incorporated in this Clause of the Bill. It is in that light that the Hon. Member for Oxford sought to strengthen the Bill, if only minimally. Nevertheless, that

amendment does bring some strength and depth to the procedure of providing for reasonable compensation that the present amendment lacks.

When I spoke to other amendments before the House this morning, I talked rather encouragingly—something I do not always do—about the way the Minister and some of her colleagues had been generous enough to at least accept the concept of the amendment, if not the wording, that had been put forward by opposition Parties in committee. They took some steps toward meeting what we thought were those qualities of fairness and justice that were so clearly delineated by Mr. Justice Hall. However, the Government was not totally receptive.

One of the advantages of the report stage of any Bill is that it gives the Government the opportunity for sober second thought. It is not only the other place that has that opportunity, it is provided in our rules and procedures for the Government to come to that stage itself.

I believe that this amendment allows the Government to take a second look at the proposals it has put forward. I am sure that in the light of sober second thought the Minister will see the reasonableness of this amendment, and the need for it. I know that later this day she will want to advise her colleagues that this very small but very important amendment should be incorporated into the Bill because it would strengthen the mechanism that we are now introducing. That would reassure many people who are concerned about the lack of any kind of balance in the Bill. It would reassure them that there is a willingness to see that these difficulties are met, and that in the long run once again we will have a better Bill.

• (1550)

I commend the amendment to the Minister. I am sure she will give it that degree of sober second thought that I have urged upon her. I will be only too happy to see her and members of her party stand in their places later today and indicate their support for this amendment.

Mr. Joe Reid (St. Catharines): Mr. Speaker, may I commend at the outset to Hon. Members in this House and to those in the press gallery a reading of the first draft of Bill C-3, the Health Care Act. It went through the proceedings of this House up to and including second reading. I would like Hon. Members to compare that draft with the Bill we have before us this afternoon. After that careful consideration if they do not come to the conclusion that major surgery was done on the Bill, and I refer specifically to clauses 3 and 4 being the objectives and the purposes of the Bill, I would then ask them to refer to clause 12. Just before someone says it is not relevant to the issue let me state that clause 12 itself contains such words as "adequacy of funding" for hospital care, and "reasonableness" of remuneration to medical practioners in the delivery of medicare.

Those words were part of the first draft and part of the indication by this Government when it introduced Bill C-3 that there was going to be a new era in medicare. Witnesses, one after another, came before the standing committee indicating that, yes, while Bill C-3 was limited in its approach, this was simply phase one or stage one to a second or third stage which might quickly follow.

They were disillusioned after they saw the amendments that were introduced by Government Members and the changes that were made to the Bill itself. I supported the continuation of the term adequacy of funding for hospitals. But that was eliminated. The Government did not, and I am glad it did not introduce any resolution with respect to eliminating the word "reasonableness" for medical compensation to our practioners.

The Hon. Mr. Justice Hall, who has often been referred to as the founder of medicare in this country, commissioned as he was to conduct a review ten years after the implementation of medicare, did indicate there was a potential for erosion through user fees and extra billing. He said in his report, and he said during the committee's deliberations, that it was a potential only, that there was no present erosion to the degree that we were not first in the world with respect to medicare, but it had a potential and that, therefore, something should be done about it.

Having regard to suggestions about disturbing, or failing to disturb the equilibrium, obviously that distinguished jurist had in mind that if you eliminate extra billing there has to be something else in its place to protect the income of medical practioners. He suggested as part of that balance that there be compulsory arbitration. First reading of Bill C-3 did not contain any such provision of arbitration or a compensating process. Only after committee deliberation was clause 12(2) introduced, having to do with that arbitration process.

I suggest that even with the introduction of that arbitration process there is no guarantee the Government can deliver on its clause 12 "reasonableness" of compensation if there is no agreement reached between the provinces and the medical profession in each of those provinces, because the default clauses, clauses 14 and 15, do not apply to provisions of this nature. They only apply to whether it is dollar for dollar adjustment of block funding. They only apply where there has been, perhaps, some extra billing by a province or an abuse, if you call it that, with respect to user fees. There is no way that the federal government can guarantee our medical practioners that reasonableness of income.

It is incumbent upon this House to protect those practioners of medicine as far as we can possibly go. That is one of the reasons our party insisted that there be included in the Bill an arbitration process. If today, or before this Bill is finally given Royal assent, we can protect them even further, it is the duty and the responsibility of Members of this Houe so to do. That was the purpose and the intent of motion No. 4 as introduced by my colleague, the Hon. Member for Oxford (Mr. Halliday). If those medical practioners are not to be adequately compensated here in Canada, then I repeat what I said this morning, that the greatest threat to accessibility of medicare is not through extra billing and user fees, the greatest threat will be the lack of skilled practioners in medicine. That is not a risk which this country nor Canadians should take.

Some Hon. Members: Hear, hear!

Mr. Reid (St. Catharines): It becomes incumbent upon us this afternoon to impress upon the Minister the desirability of strengthening clause 12(2) by the inclusion of that single word "only" and the responsibility of the Government will only be eliminated, will only be diminished, if the federal Government sees each province enter into a written binding agreement with its medical practioners that will provide them with reasonable compensation for their efforts.

Mr. Herb Breau (Gloucester): Mr. Speaker, I am happy to take part in this debate and to address the issue raised in Motion No. 4 proposed by the Hon. Member for Oxford (Mr. Halliday). I can understand the Hon. Member for Oxford presenting this kind of an amendment to the House of Commons. It is consistent with his view. He is honest and logical in his view. He has been sincerely concerned about the procedure for compensation and arbitration for the medical profession with or without Bill C-3.

What is very hard to understand, however, is how a party that has, at least up to now, given itself the vocation of not only respecting provincial rights, but defending provincial rights, can be so hypocritical in this kind of situation when it is prescribing, because that will be the effect of the amendment.

The Hon. Member for Kingston and the Islands (Miss MacDonald) says there are only a few words when in fact there is just one word, the word "only". But the effect of inserting the word only in the Bill at this time would be to prescribe to the provinces and to the legislatures of the provinces an arbitration procedure in advance. It would be the Parliament of Canada involving itself in a crude intrusion into the jurisdiction of the provincial legislatures to prescribe an arbitration procedure, not only between two professional groups, which is bad enough, but between professional group and a provincial government in the establishment of a fee schedule. It is pure hypocrisy for a Party to support this kind of amendment, a party that wants people to believe that it respects provincial rights.

● (1600)

There is another reason why I am against this amendment and against prescribing to provincial governments the detailed kind of arbitration procedure set out in Clause 12(1)(c) on page 9 of the Bill. Under a variety of statutes Parliament provides compensation, grants, investment tax credits, loans, loan guarantees and all kinds of assistance to industry or groups in the country without prescribing how their workers are to be compensated.

The Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) wants to be fair to the medical profession—which is a change of heart—and in this case when Parliament, through spending power, provides money to provincial governments under certain conditions he wants to make sure that there is a reasonable and fair compensation or arbitration procedure. Through IRDP, under the Ministry of Regional Industrial Expansion, and through a variety of other programs we provide assistance to provincial governments, companies or groups and do not require that an arbitration procedure be followed. In fact, in many ways the federal Government allocates money to groups that employ workers who are not unionized, but are at the mercy of provincial labour laws.

This amendment is a crude intrusion into the jurisdiction of provincial legislatures. Therefore, it is not acceptable that Parliament should pass it without the agreement of the provinces. It is also inequitable. It says that in the case of the medical profession Parliament should start prescribing arbitration procedures when giving money to provinces for medical care or hospitalization, but this is not prescribed under other programs where money is given to provincial governments for equalization or post-secondary education, for example. Under federal law, many Departments provide money to groups, individuals, provincial governments and business enterprises.

I think the Progressive Conservative Party should make up its mind; either it wants to respect the spirit of the Constitution, the federal-provincial balance when the federal parliament uses the spending power, or it is going to cater to any group in the country that can mount an effective lobby. I think it is trying to show medical practitioners that it is very sympathetic to them; that it did not want to ban extra billing without the doctors having an arbitration procedure. However, it is not ready to say to the medical profession, "Sorry Messieurs et Mesdames, you missed the opportunity when Mr. Justice Hall brought in his report in 1980, when the Parliamentary Task Force on federal-provincial fiscal arrangements reported in 1981, and when the Minister of National Health and Welfare (Miss Bégin), at the request of the Province of Saskatchewan, offered to define and control extra billing and twin that with a fair compensation system and an arbitration procedure for the medical profession."

At the time the medical profession totally ignored that and determined it was going to fight the issue of extra billing and user fees at the ideological level. It made the political error of thinking it could convince Cabinet and Members of the House that this was a time of so-called neo-conservatism, that the public wanted less government and it could win by stopping political action on the part of Parliament to discourage extra billing and user fees. It is too bad it made a political mistake. It misread public opinion and it misread Parliament.

Now the Conservatives want to say that they would give a little bit when they know very well that if this amendment were adopted it would be a crude intrusion into provincial jurisdiction. Provinces would take the Bill to court and would probably lose in the Supreme Court. Perhaps that is what the Conservatives want. Perhaps they are afraid to face up to the tough decision to discourage extra billing and user fees. Perhaps this is all a plot on their part to make sure that some provincial governments bring the Bill to court. In that case medicare would go down the drain.

In committee the Hon. Member for Provencher (Mr. Epp) proposed an amendment that would have had the same effect as the one now before us. He justified it by saying that if Parliament moves on extra billing and user fees without pro-

vincial agreement, it should be able to move on the question of arbitration without provincial agreement. What he did not say then, and what he did not say today, is that we are not proceeding legally to ban extra billing or user fees. The Hon. Member for Winnipeg-Birds Hill made that point, however.

Technically and legally speaking we are not touching the very crucial legal question of extra billing and user fees. What we are doing is putting conditions on moneys that Parliament provides to provinces under its spending power. We are saying that under certain conditions the appropriations to these provinces will be reduced and we are prescribing the extent to which they will be reduced.

The opportunity was there in 1980, it was there in 1981, it was there in 1982 for the provincial governments—with the support of the medical profession if it had seen the writing on the wall—to make sure that Parliament would not move unilaterally in the area of extra billing and user fees unless there was a recommendation, through agreement with the provinces, for an arbitration procedure. The doctors fooled themselves, Mr. Speaker. They made a bad political error and a bad error of judgment. Now they are in the position in some provinces that they do not have any arbitration procedure.

Contrary to the views of the Hon. Member for Winnipeg-Birds Hill, I believe that the Government has proposed a meaningful opportunity for the provinces to elect a certain arbitration principle and procedure and that the law would provide that that would satisfy the provision in Clause 12(1)(c) for reasonable compensation. This is important because it provides a model and a moral impetus, a political impetus, to the medical profession in the provinces to get their provincial governments to agree to an arbitration procedure. I believe that kind of moral pressure on the system is good for Parliament and it is within our rights to do it. It will provide a model that we hope some provinces will adopt right away. I believe that two or three of them will apply it right away, and that will mean that the medical profession will have the tool to pressure those provincial governments politically to make sure that they get some kind of arbitration procedure. They deserve it.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, that was an incredible speech. For the Hon. Member to stand up in this House and say that the doctors have made a political mistake is to underline in part what is wrong with the Government's approach to health care in the country. I would prefer—and I think most Canadians would—a doctor capable of diagnosing my gall-bladder problem, my heart problem or my disease. We do not expect doctors to go to university for ten years to study politics. If the health care system is regarded as something necessary to turn doctors into politicians, then I think we have identified one of the key problems of the Government's approach to health care generally.

We are dealing with Clause 12, Mr. Speaker. It begins with the following phrase:

• (1610)

In order to satisfy the criterion respecting accessibility, the health care insurance plan of a province—

A number of subclauses follow. It is a clause dedicated to assuring Canadians access to quality health care. However, does it deal with the issue of accessibility as it may be experienced by a patient? May I suggest to the House that for the most part it totally ignores the problems in the Canadian health care system as they affect the issue of accessibility.

If I were to walk out the front door and get hit by a taxi cab, Mr. Speaker, the first issues of accessibility which would concern me as a patient would be the availability of an ambulance, a hospital bed and a well trained professional to look after me. The problems that exist in the country relating to accessibility are not in the order of paying $5 and having to give up seeing a movie. The problems are the absence of a hopsital bed when needed, the absence of a piece of equipment when needed, and the absence of a medical practitioner when needed.

I have heard the spokesperson for the New Democratic Party say that he does not understand the relationship between the quality of health care provided by a professional person and the fee or income of that professional person. To say that is to live in an environment like that of *Alice in Wonderland*. We are asking people to commit their lives to health care professions. When they do, what do they face, Mr. Speaker? They face first a long training period. A medical doctor will pay for his education for six to 10 years and gives up income.

When a health care professional graduates, what do we say to him, Mr. Speaker? We say that he should be available to his community 24 hours a day, seven days a week because illness does not respect the clock. Illness is not very pleasant to encounter, neither for the person who is ill nor for the person who cares for that person. We tell health care professionals that we want them to be available 24 hours a day, seven days a week, with their knowledge, expertise and compassion to provide a service to people. We then hear a spokesperson for the Government stand up and talk about labour relations.

Do we want people to enter the health care professions who are more concerned about whether a work day should be seven hours, six hours and 40 minutes or seven hours and 20 minutes; whether a coffee break should be precisely 15 minutes long? Do we really want to apply a labour relations model which was developed for use in factories and assembly line tasks to health care professionals? Do we want to impose that on people who are supposed to be committed, who spend a long time being trained and who professionally upgrade themselves year after year and day after day? Do we want to impose a factory and assembly line model on those people?

When we tell people that they must have a fee schedule, we are telling them that a particular treatment or diagnostic procedure is worth $10, $15 or $22. When talking to patients, we frequently hear them say things like: "Yes, I got in to see my doctor. Sometimes I waited an hour, sometimes I waited two hours but the one thing that I do not feel very happy about is that my doctor did not spend enough time with me. I do not

really feel comfortable that he knows about all of my symptoms or all of the things that are wrong with me. I am not really sure about the diagnosis so maybe I will have to try and go back and see him in another week or two." Senior citizens in the country will tell you, Mr. Speaker, that 10, 20 or 30 years ago, that did not happen. The relationship between a patient and a doctor was more fulfilling for both the doctor and the patient.

We now have political Parties, and I put the NDP and the Liberal Party in this category, that view health care as an issue of labour relations and promote models that will lead to assembly line type care in a profession which requires commitment to people. The Government chooses to intrude on the lives of Canadians, patients as well as practitioners, by tackling one tiny part of the accessibility concern and not the most critical part. It chooses to tackle it by saying that it will fine or double tax those people in the province who do not do what the Government tells them they must do. If the Government is going to do that, the thought of the quality of health care professionals I am likely to encounter 10 or 20 years from now scares me to death.

The Government must be willing to try to counterbalance that provision with a provision which will provide some sense of equity and fairness for current and future professionals in the field. If there is no assurance for individuals who choose to enter health care professions that they will be treated equitably, fairly and will be allowed to practise their profession in a caring and compassionate manner, then how can any of us in the chamber encourage the best and brightest of our young people to choose this kind of a profession? How can any of us deal with our children who may be 18, 19 or 20 years of age by saying to them that they should go to school and study medicine, nursing or physiotherapy? How can we say that to them in all good conscience if we also say to them that a group of civil servants and politicians who they will never meet or influence are going to tell them how to do their job, not because that group has any training or experience, but simply because society gives it the power to do so? That is what is wrong, Mr. Speaker.

What is wrong with the approach taken by the Minister of National Health and Welfare (Miss Bégin) to medicare in the country is that she has no compassion for or understanding of the long-range need for qualified, bright and compassionate people to serve their fellow human beings as health care professionals. She is in danger of doing more damage to the potential of our health care system in the long run than perhaps she really imagines. It is all right to sit in the front row of the House of Commons and be chauffeured around, but out there on the streets people are being hurt, people are sick and those people deserve the best quality brains and compassion the country has to offer. Does she want to treat health care professionals like machines on assembly lines? If she stands in the House later this day and turns down the two amendments proposed by the Hon. Member for Oxford (Mr. Halliday), then she is asking to have assembly line workers providing health care in the country instead of the best, the brightest and the most compassionate professionals. I urge the Government to change its mind before it is too late.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is on Motion No. 4.

[*Translation*]

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

Some Hon. Members: Yes.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 79(11) the recorded division stands deferred.

• (1620)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Provencher (Mr. Epp)—National Revenue—Registered charities—Department's interpretation—Churches opposition to divorce legislation; the Hon. Member for Athabasca (Mr. Shields)—National Energy Program—Cost of Canada Lands exploration—Oil sands potential; and the Hon. Member for The Battlefords-Meadow Lake (Mr. Anguish)—Employment—Approval of funds for projects on Indian reserves—Formula for allocating grants.

GOVERNMENT ORDERS

[*English*]

CANADA HEALTH ACT

MEASURE TO ESTABLISH

The House resumed consideration of Bill C-3, an Act relating to cash contributions by Canada in respect of insured health services provided under provincial health care insurance plans and amounts payable by Canada in respect of extended health care services and to amend and repeal certain acts in consequence thereof, as reported (with amendments) from the Standing Committee on Health, Welfare and Social Affairs.

Mr. Bill Blaikie (Winnipeg-Birds Hill) moved:

Motion No. 5

That Bill C-3 be amended in Clause 15 by striking out line 31 at page 11 and substituting the following therefor:

"made, and said order shall not come into force unless it is affirmed by a resolution introduced and passed in accordance with the rules of those Houses."

He said: Mr. Speaker, this amendment is symbolic, shall we say, of a number of amendments I moved in committee, all of which, if accepted, would have had the effect of providing more parliamentary accountability in the process by which the Government of Canada, within the context of the Bill, could have reduced transfer payments to provinces which were not meeting program conditions other than those concerning extra billing and user fees.

As we know, where violations exist concerning extra billing and user fees there is a non-discretionary formula of a dollar for dollar. What we, and a number of people, were concerned about, as well as witnesses who came before the committee, was that with respect to other criteria there was too much authority given to the Minister of National Health and Welfare (Miss Bégin) to decide on what the penalty would be to any particular province.

In committee I suggested that instead of the matter being referred by the Minister of National Health and Welfare to the Governor in Council and Cabinet, if the Minister arrived at a judgment that a province was violating principles of accessibility, portability, provision of information, visibility, or whatever, that the matter be referred to the Standing Committee on Health, Welfare and Social Affairs. In that way Parliament would have an opportunity through one of its committees to look into whatever judgments were being made about a particular province's health care plan by the Minister of National Health and Welfare.

This would have had two effects: First, it would provide a forum in which provinces could go beyond the limited opportunities provided to them for dialogue between themselves and the federal Government with respect to whether they were violating the principles of medicare. It would have provided a forum where their case could have been heard. Presumably, if the provinces had a half decent case, there would be at least one Member of Pariament, or one political party, willing to put its case before the committee. There would be an opportunity for the principles of natural justice to be observed and for the provinces to have more of a hearing than they will get in the process provided for in the Bill as it stands.

Second, Mr. Speaker, I believe such an amendment would go a long way toward meeting some of the objectives which were set out for the future of Parliament by the Special Committee on Standing Orders and Procedures, which were, and I feel rightly so, that more power should be in the hands of parliamentarians and in the hands of committees of this House, and less power in the hands of cabinet, the Governor in Council and individual Ministers. This amendment would meet that kind of concern, Mr. Speaker.

Instead of this kind of one authority versus another, the Minister of National Health and Welfare versus the ten provincial ministers of health, or a particular Minister of Health, there could be a Committee of the House of Commons involved in the process. This amendment provides that in the final analysis, if the Minister wants to make a reduction in a federal transfer payment to a province, the Minister simply cannot do that by *fiat*. The Minister would have to do that with the approval of Parliament. This is what this amendment is all about, Mr. Speaker. I believe that all who are concerned about increasing the accountability of cabinet, the Prime Minister's Office and bureaucracy in general—and federal-provincial relations, for that matter—to Parliament, can see in this amendment an opportunity to advance that particular perception. I hope that I will receive support from Hon. Members on those grounds.

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

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 79(11) the recorded division on the proposed motion stands deferred.

The House will now proceed to consideration of Motion No. 6.

Mr. Bill Blaikie (Winnipeg-Birds Hill) moved:

Motion No. 6

March 21, 1984—That Bill C-3 be amended in Clause 20

(*a*) by striking out line 28 at page 12 and substituting the following therefor:

"to the province

(*a*) in respect of the first fiscal year in which the province fails to comply, an amount equal to one dollar for every dollar,

(*b*) in respect of the second fiscal year in which the province fails to comply, an amount equal to two dollars for every dollar, and

(*c*) in respect of the third or a subsequent fiscal year in which the province fails to comply, an amount equal to three dollars for every dollar;";

(*b*) by striking out line 41 at page 12 and substituting the following therefor:

"the province

(*a*) in respect of the first fiscal year in which the province fails to comply, an amount equal to one dollar for every dollar,

(*b*) in respect of the second fiscal year in which the province fails to comply, an amount equal to two dollars for every dollar, and

(*c*) in respect of the third or a subsequent fiscal year in which the province fails to comply, an amount equal to three dollars for every dollar,

that".

He said: Mr. Speaker, this amendment addresses the very heart of the Bill because this is the crunch, really, as to whether these penalties will have the effect of actually eliminating extra billing and user fees. As has been said so many times, this is one of the few things which the Bill sets out to do.

• (1630)

We and everyone who supports the Bill have to ask whether or not these penalties will in fact result in the Provinces moving to eliminate extra billing, either by agreement with the medical professions or simply by imposing one regime or another. I kind of go from optimism to pessimism to optimism to pessimism. My first judgment was that for Provinces like Ontario and Alberta, where it so happens that we have the biggest extra billing problem, the penalties as they now stand are fiscally insignificant. The Provinces could decide to absorb these penalties if they felt ideologically attached enough to extra billing and user fees. The hope was that these penalties might be politically significant, that political criticism from within the Province of a Government which consistently chose to forfeit the revenues represented by the penalties in order to meet the needs of a minority of doctors would at some point become unbearable, and action would be taken against extra billing and user fees. That is still possible. What we are concerned about, which leads to my fluctuating view of a happy outcome, is that recently we have seen the Ontario Minister of Finance, Mr. Grossman, predicting that there will be an increase in Ontario taxes and OHIP premiums, or several other effects flowing from the penalties imposed on Ontario through this Bill. But none of the effects he has speculated upon have anything to do with the elimination of extra billing.

We already know the position of the Minister of Health in Alberta. He defends extra billing and user fees as an extension of his free enterprise view of reality. He sees all of this in somewhat the same vein as the National Citizens' Coalition, that it is part of the creeping communist conspiracy.

I think this is a legitimate concern about the penalties. I am sorry it has not been shared by the Government or by my Progressive Conservative colleagues, with whom I have had an opportunity to collaborate on a number of amendments. I realize when it comes to penalties that we in the NDP are alone in this respect and alone in this amendment.

We propose that a Province which continues to allow extra billing and user fees be penalized in an escalating fashion. After the first year, when you have a dollar for dollar penalty, we then go to a $2 for $1 penalty in the second year and a $3 for $1 penalty in the third year, and that it stay that way until something is done.

We have left in the three-year period of grace so that if the Province of Ontario, after its three-year agreement with the doctors has expired, wanted to put an end to extra billing it could get all its money back. There is no problem there. The increased penalties would not be permanent if there was the political will in Ontario to find a solution.

We agree with the perceptions of several of the witnesses who came before the committee, notably the Canadian Health Coalition and others, who think that the penalties are too light. I realize the Government feels that if it had more than a dollar for dollar penalty, it would be crossing some kind of political quasiconstitutional line, and it is not willing to go beyond a dollar for dollar penalty. The Government never really made available to Members of the Committee or this House the specific advice or judgment on which it based its opposition to the notion of escalating penalties. But I say to the Minister of National Health and Welfare that if she really expects the Canada Health Act to work, something in the order of escalating penalties would have been well advised in combination with what I suggested in motion No. 7, which was ruled out of order, that of some kind of positive incentive to Provinces who want to clean up their act with respect to extra billing and user fees. You would have a carrot approach for those Provinces who wanted to respond to the national consensus against extra billing and user fees, and a more effective stick for those Provinces you already know do not want to respond and are going to find every way they can not to respond. They are simply hoping that at some point in the future they will find a federal Government more friendly to their perceptions of how the health care system works. I hope that will never be the case. I hope that the consensus we have seen in the last two or three months against extra billing and user fees will hold.

I hope the Hon. Member for Provencher (Mr. Epp) will continue to speak for health care for the Progressive Conservatives and not the Hon. Member from Calgary and others who have spoken today and indicated the more traditional Tory line on these matters. I sometimes wonder how they are ever going to get it together and get up and vote for the Bill, because when you listen to them they sound like they are speaking against it.

I recommend these penalties, Mr. Speaker, as I have before, albeit futilely, to Members of the Government and my Progressive Conservative colleagues. I want to put on the record once again our concern that these penalties as they stand, in the

absence of any positive incentives and the willingness by the Minister to reopen the question of federal funding, are likely not going to work, and somewhere down the line we are going to have to have this debate all over again.

Hon. Monique Bégin (Minister of National Health and Welfare): Mr. Speaker, in reply to the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie), he is suggesting a bit of overkill. We have no proof it will work. After all, the purpose of this new Canada Health Act is to have legislation which can be implemented and which will effectively ban forever extra billing and user fees. The purpose of the Act is not to be punitive without reason. Although I have no special legal training, it has always appeared to me as a legislator, together with my colleagues in this House, that any piece of legislation not only must be fair but must be seen as having a clear element of fairness and equity if people are to have any respect for the legislation. If you think of this measure from the practical point of view, then the same holds true. Let me explain what I mean.

The existing legislation permits the federal Minister of National Health and Welfare to apply a very serious financial penalty to provinces where extra billing or user fees exist, denying accessibility. We have not been able to use it—let us call things by their name—because of several factors, one of them being that the penalties are so big. Just to refresh the memory of my colleagues, it must be equivalent to the total monthly cash money transfer from the federal Government to the Provinces. The penalty is so big that it could easily result in a disruption of services in the province involved. Then we would not have achieved what we wanted to achieve. Just the opposite. We could create a very serious backlash against the whole institution of medicare. So that everyone could be accused of causing a fatal accident which might not have anything to do with a service or an emergency department, or what not, being closed down by the provincial authorities in retaliation for the withholding of federal funding. All of that because the penalty is much too big. We believe that we are offering something very fair and operational. The penalty on extra billing and user fees must be big enough to mean something to the provincial authorities; something to push them into banning extra billing and user fees on the one hand, but not so big as to easily call for retaliation and disruption of services to Canadian patients. That is why we thought the concept of a dollar for a dollar was very fair.

● (1640)

I do know, but perhaps the Hon. Member needs a holiday. I am no doctor, but he said he goes up and down, he is optimistic and pessimistic. He either needs a tranquilizer of some sort or a holiday, otherwise why would he say things like that? Perhaps he needs a doctor who will not extra bill him.

Getting back to a more serious tone, I do not understand why he worries so much. The way the penalty works no provicial authority can make money out of the system. They can have no incentive whatsoever to let extra billing continue, or to institute user fees themselves. That is what we want.

In addition, I would not in terms of fairness be able to accept an escalation of penalty over three years. Some of the provinces have contractual agreements with their medical associations that exceed one year. Some have two year agreements. To my knowledge, one has a three year agreement. I believe that should be respected. The purpose is not to get at a province. The purpose is to make sure that medicare gets back to what it was intended for when it was created by this Parliament and to get rid of a bad habit which developed in recent years in the system, namely, overcharges to patients via extra billing by doctors and specialists, or user fees from the provinces. That is the purpose.

I think it is only fair to give the provinces a chance. This is an explicit clarification of the rules of the game. Many of them have already indicated that they will respect the new legislation of this Parliament and will, either all at once, or over the three years allowed, correct the situation that exists in their own provincial governments. That is the purpose of the Bill.

We cannot be pessimistic because a given provincial health Minister announces that he will first fix a certain part of the problem and then address another dimension of the extra charges in his province. We cannot be pessimistic about most provinces of Canada. Knowing how Canada functions, I believe that it will set the tone. Except for two provinces I believe all provinces will fully apply the spirit of this Bill and do away with the extra billing and user fee situation within the first three years.

Whenever they do so, as long as it is within the three years, they will immediately be reimbursed the amount of the penalty which was withheld from them. Of course we will not pay interest on it. However, the intention is to give them back exactly what was withheld from them. As my colleague said, they will have had the stick applied to them.

However, the Bill is not punitive and simply attempts to consolidate medicare. If the situation of overcharging is corrected in the first three years after the passage of this legislation, which will be deemed to be passed as of April 1, that money will definitely be reimbursed to them.

Hon. Jake Epp (Provencher): Mr. Speaker, I shall be very brief. In my mind Motion No. 6 does not address the central issue. The central issue is the withholding for a three year period of moneys equivalent to the extra billing or user fees which have been charged in the province. Hopefully during that three year period there will be an agreement made to enable the provinces to receive the full amount of money they are entitled to under the established programs financing. In my mind this motion is punitive, Mr. Speaker. I do not think it addresses the issue at all. It is for that reason I will be voting against it.

Mr. Deputy Speaker: The question is on Motion No. 6. Is the House ready for the question?

Some Hon. Members: Question.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 79(11) the recorded division on the proposed Motion stands deferred.

[*Translation*]

The House will now proceed with the deferred divisions on the report stage of Bill C-3:

An Act relating to cash contributions by Canada in respect of insured health services provided under provincial health care insurance plans and amounts payable by Canada in respect of extended health care services and to amend and repeal certain Acts in consequence thereof.

Call in the Members.

The House divided on Motion No. 1 (Mr. Blaikie) which was negatived on the following division:

● (1650)

[*English*]

(*Division No. 28*)

YEAS

Messrs.

Althouse	Fulton	Manly
Anguish	Hovdebo	Miller
Blaikie	Keeper	Nystrom
Deans	Knowles	Sargeant
de Jong	Lewycky	Young—15.

NAYS

Messrs.

Allmand	Clarke (Vancouver Quadra)	Dionne (Northumberland-Miramichi)
Axworthy	Collenette	Domm
Bachand	Comtois	Dubois
Baker	Cook	Duclos
Beauchamp-Niquet (Mrs.)	Cooper	Dupont
Bégin (Miss)	Corbin	Dupras
Berger	Corriveau	Duquet
Blais	Cosgrove	Ellis
Blenkarn	Cossitt (Mrs.)	Epp
Bloomfield	Côté (Mrs.)	Erola (Mrs.)
Bockstael	Cousineau	Ethier
Bossy	Crosbie (St. John's West)	Evans
Breau	Crouse	Fennell
Burghardt	Cullen	Ferguson
Bussières	Darling	Fisher
Caccia	Daudlin	Fleming
Campbell (Miss) (South West Nova)	Dawson	Flis
Campbell (LaSalle)	De Bané	Foster
Campbell (Cardigan)	de Corneille	Fox
Cardiff	Demers	Fretz
Carney (Miss)	Deniger	Frith
Chrétien	Desmarais	Gass
Clark (Yellowhead)	Dick	Gauthier
Gingras	Dingwall	Gendron
Gourd (Argenteuil-Papineau)	Dion	Gimaïel
Gourde (Lévis)	La Salle	Regan
Gray	LeBlanc	Reid (St. Catharines)
Guilbault	Leduc	Reid (Kenora-Rainy River)
Gurbin	Lefebvre	Robinson (Etobicoke-Lakeshore)
Gustafson	Loiselle	Rompkey
Halliday	Lumley	Rooney
Hamilton (Qu'Appelle-Moose Mountain)	MacBain	Rossi
Hargrave	MacDonald (Miss) (Kingston and the Islands)	Roy
Harquail	MacEachen	St. Germain
Hawkes	MacGuigan	Savard
Henderson	Mackasey	Schellenberger
Hopkins	MacLaren	Schroder
Howie	MacLellan	Scott (Hamilton-Wentworth)
Hudecki	Malépart	Shields
Irwin	Malone	Simmons
Isabelle	Maltais	Smith
Jarvis	Marceau	Stevens
Johnston	Massé	Stewart
Joyal	Masters	Taylor
Kaplan	McCauley	Tessier
Kelly	McDermid	Thacker
Kempling	McKinnon	Thomson
Kilgour	McKnight	Tobin
Killens (Mrs.)	McMillan	Tousignant
Lachance	McRae	Towers
Lalonde	Munro (Esquimalt-Saanich)	Trudeau
Lambert	Nielsen	Turner
Landers	Olivier	Watson
Lang	Ostiguy	Wenman
Laniel	Ouellet	Whelan
Lapierre	Paproski	Wright
Lapointe (Charlevoix)	Patterson	Yanakis—179.
Lapointe (Beauce)	Pelletier	
	Penner	
	Pepin	
	Peterson	
	Pinard	
	Portelance	
	Prud'homme	

Mr. Speaker: I declare the motion lost.

Mr. Deans: Mr. Speaker, I rise on a point of order. I believe from consultations with the House Leaders of the other two Parties that the vote we have just taken could be recorded in the same fashion for Motion No. 6 and recorded in the *Votes and Proceedings* as having been taken.

Mr. Pinard: Agreed.

Mr. Speaker: Is it agreed that the vote that has just been taken shall be recorded against Motion No. 6?

Mr. Nielsen: Mr. Speaker, at the appropriate time we would have addressed that question. You are going to have to put the motion in any case. We would agree at that time.

Mr. Speaker: The next question is on Motion No. 2. A vote on this motion will also dispose of Motion No. 3. Mr. Halliday, seconded by Mr. Epp moves:

That Bill C-3 be amended in Clause 12 by striking out line 10 at page 9 and substituting the following therefor:

"of the cost of insured health services; and

(*e*) must provide that all medical practioners or, where applicable, dentists may participate in the plan.

The House divided on the motion (Mr. Halliday) which was negatived on the following division:

Canada Health Act

(Division No. 29)

YEAS

Messrs.

Althouse
Anguish
Blaikie
Blenkarn
Cardiff
Carney (Miss)
Clark
(Yellowhead)
Clarke
(Vancouver Quadra)
Cook
Cooper
Cossitt (Mrs.)
Crosbie
(St. John's West)
Crouse
Darling
Deans
de Jong
Dick
Domm
Ellis
Epp
Fennell
Fretz
Fulton
Gass
Gurbin
Gustafson
Halliday
Hamilton
(Qu'Appelle-Moose Mountain)
Hargrave
Hawkes
Hovdebo
Howie
Hudecki
Jarvis
Keeper
Kempling
Kilgour
Knowles
Lambert
La Salle
Lewycky
MacDonald (Miss)
(Kingston and the Islands)
Malone
Manly
McDermid
McKinnon
McKnight
McMillan
Miller
Munro
(Esquimalt-Saanich)
Nielsen
Nystrom
Paproski
Patterson
Reid
(St. Catharines)
St. Germain
Sargeant
Schellenberger
Scott
(Hamilton-Wentworth)
Shields
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Vankoughnet
Wenman
Wright
Young—70.

NAYS

Messrs.

Allmand
Axworthy
Bachand
Baker
Beauchamp-Niquet
(Mrs.)
Bégin (Miss)
Berger
Blais
Bloomfield
Bockstael
Bossy
Breau
Burghardt
Bussières
Caccia
Campbell (Miss)
(South West Nova)
Campbell
(LaSalle)
Campbell
(Cardigan)
Chrétien
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Daudlin
Dawson
De Bané
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne
(Northumberland-Miramichi)
Dubois
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Frith
Gauthier
Gendron
Gimaïel
Gingras
Gourd
(Argenteuil-Papineau)
Gourde
(Lévis)
Gray
Guilbault
Harquail
Henderson
Hopkins
Irwin
Isabelle
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lalonde
Landers
Lang
Laniel
Lapierre
Lapointe
(Charlevoix)
Lapointe
(Beauce)
LeBlanc
Leduc
Lefebvre
Loiselle
Lumley
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Olivier
Ostiguy
Ouellet
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Reid
(Kenora-Rainy River)
Robinson
(Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Tardif
Tessier
Tobin
Tousignant
Trudeau
Turner
Watson
Whelan
Yanakis—125.

• (1720)

Mr. Speaker: I declare the motion lost.

Mr. Nielsen: Mr. Speaker, as you have noted, the vote on Motion No. 2 has disposed of Motion No. 3. Had it not been for the vote of the Hon. Member for Hamilton West (Mr. Hudecki), I would have suggested you might find a disposition to apply the recorded division just taken on Motion No. 2 to Motions Nos. 4 and 5 as well. If the Hon. Member for Hamilton West intends to vote the same way on Motions Nos. 4 and 5, that could be done and the vote recorded in *Hansard* as though it had been taken. If, however, the Hon. Member for Hamilton West is going to treat the votes on Motions Nos. 4 and 5 differently, or, in other words, if he is going to vote the opposite way on Motions Nos. 4 and 5, he might so indicate and we could so record the vote as though the division had been taken with the exception of the Hon. Member for Hamilton West who would be shown voting the other way.

Mr. Hudecki: Mr. Speaker, I propose to vote for Motion No. 4 and vote against Motion No. 5.

Mr. Pinard: Mr. Speaker, the way I understood the proposal made by the Hon. Member for Yukon (Mr. Nielsen), if you were to seek the consent of the House, it would be possible to apply the result of the vote on Motion No. 2 to Motion No. 4, since the Hon. Member for Hamilton West (Mr. Hudecki) has just indicated that he would support Motion No. 4. Therefore, the vote on Motion No. 2 would apply to Motion No. 4 and to Motion No. 5, with the difference being that the Hon. Member for Hamilton West would vote differently on this motion. I think we could dispense with having two recorded divisions.

Mr. Fraser: Mr. Speaker, I wish to draw to your attention the fact that I have missed the votes until now and I wish to be included in any arrangement that is made from now on.

[*Translation*]

Mr. Speaker: The question is on Motion No. 4.

Mr. Bruce Halliday (Oxford) moved:

That Bill C-3 be amended in Clause 12 by striking out line 14 at page 9 and substituting the following therefor:

"only if the province has chosen to enter into and".

The House divided on the Motion (Mr. Halliday), which was negatived on the following division:

(Division No. 30)

YEAS

Messrs.

Althouse
Anguish
Blaikie
Blenkarn
Cardiff
Carney (Miss)
Clark
(Yellowhead)
Clarke
(Vancouver Quadra)
Cook
Cooper
Cossitt (Mrs.)
Crosbie
(St. John's West)

Messrs.

Crouse
Darling
Deans
de Jong
Dick
Domm
Ellis
Epp
Fennell
Fraser
Fretz
Fulton
Gass
Gurbin
Gustafson
Halliday
Hamilton
(Qu'Appelle-Moose Mountain)
Hargrave
Hawkes
Hovdebo
Howie
Hudecki
Jarvis
Keeper
Kempling
Kilgour
Knowles
Lambert
La Salle
Lewycky
MacDonald (Miss)
(Kingston and the Islands)
Malone
Manly
McDermid
McKinnon
McKnight
McMillan
Miller
Munro
(Esquimalt-Saanich)
Nielsen
Nystrom
Paproski
Patterson
Reid
(St. Catharines)
St. Germain
Sargeant
Schellenberger
Scott
(Hamilton-Wentworth)
Shields
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Vankoughnet
Wenman
Wright
Young—71.

NAYS

Messrs.

Allmand
Axworthy
Bachand
Baker
Beauchamp-Niquet
(Mrs.)
Bégin (Miss)
Berger
Blais
Bloomfield
Bockstael
Bossy
Breau
Burghardt
Bussières
Caccia
Campbell (Miss)
(South West Nova)
Campbell
(LaSalle)
Campbell
(Cardigan)
Chrétien
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Daudlin
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne
(Northumberland-Miramichi)
Dubois
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Frith
Gauthier
Gendron
Gimaïel
Gingras
Gourd
(Argenteuil-Papineau)
Gourde
(Lévis)
Gray
Guilbault
Harquail
Henderson
Hopkins
Irwin
Isabelle
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lalonde
Landers
Lang
Laniel
Lapierre
Lapointe
(Charlevoix)
Lapointe
(Beauce)
LeBlanc
Leduc
Lefebvre
Loiselle
Lumley
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Olivier
Ostiguy
Ouellet
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Reid
(Kenora-Rainy River)
Robinson
(Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Tardif
Tessier
Tobin
Tousignant
Trudeau
Turner
Watson
Whelan
Yanakis—126.

● (1730)

[*English*]

Mr. Speaker: I declare the motion lost.

Canada Health Act

Mr. Pinard: Mr. Speaker, I will speak slowly and I will try again. If the vote on Motion No. 4 were to be applied to Motion No. 5, with the difference being that on Motion 5 the Hon. Member for Hamilton West (Mr. Hudecki) would be recorded as voting differently than he did on the previous vote, we could then dispense with the recorded division. If we could have unanimous consent, Mr. Speaker, it may be considered.

Mr. Speaker: Is there unanimous consent?

Some Hon. Members: Agreed.

Mr. Speaker: With unanimous consent the vote that applied to Motion No. 4 will apply to Motion No. 5 with the exception of the vote of the Hon. Member for Hamilton West (Mr. Hudecki) which will be reversed on this vote in comparison to the previous vote.

Mr. Bill Blaikie (Winnipeg-Birds Hill) moved:

Motion No. 5

March 21, 1984—That Bill C-3 be amended in Clause 15 by striking out line 31 at page 11 and substituting the following therefor:

"made, and said order shall not come into force unless it is affirmed by a resolution introduced and passed in accordance with the rules of those Houses."

The House divided on the motion (Mr. Blaikie) which was negatived on the following division:

(*Division No. 31*)

YEAS

Messrs.

Althouse
Anguish
Blaikie
Blenkarn
Cardiff
Carney (Miss)
Clark
(Yellowhead)
Clarke
(Vancouver Quadra)
Cook
Cooper
Cossitt (Mrs.)
Crosbie
(St. John's West)
Crouse
Darling
Deans
de Jong
Dick
Domm
Ellis
Epp
Fennell
Fraser
Fretz
Fulton
Gass
Gurbin
Gustafson
Halliday
Hamilton
(Qu'Appelle-Moose Mountain)
Hargrave
Hawkes
Hovdebo
Howie
Jarvis
Keeper
Kempling
Kilgour
Knowles
Lambert
La Salle
Lewycky
MacDonald (Miss)
(Kingston and the Islands)
Malone
Manly
McDermid
McKinnon
McKnight
McMillan
Miller
Munro
(Esquimalt-Saanich)
Nielsen
Nystrom
Paproski
Patterson
Reid
(St. Catharines)
St. Germain
Sargeant
Schellenberger
Scott
(Hamilton-Wentworth)
Shields
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Vankoughnet
Wenman
Wright
Young—70.

NAYS

Messrs.

Allmand
Axworthy
Bachand
Baker
Beauchamp-Niquet
(Mrs.)
Bégin (Miss)
Berger
Blais
Bloomfield
Bockstael
Bossy
Breau
Burghardt
Bussières
Caccia
Campbell (Miss)
(South West Nova)
Campbell
(LaSalle)

Messrs.

Campbell (Cardigan)	Gimaïel	Malépart
Chrétien	Gingras	Maltais
Collenette	Gourd (Argenteuil-Papineau)	Marceau
Comtois	Gourde (Lévis)	Massé
Corbin	Gray	Masters
Corriveau	Guilbault	McCauley
Cosgrove	Harquail	McRae
Côté (Mrs.)	Henderson	Olivier
Cousineau	Hopkins	Ostiguy
Cullen	Hudecki	Ouellet
Daudlin	Irwin	Pelletier
Dawson	Isabelle	Penner
De Bané	Johnston	Pepin
de Corneille	Joyal	Peterson
Demers	Kaplan	Pinard
Deniger	Kelly	Portelance
Desmarais	Killens (Mrs.)	Prud'homme
Dingwall	Lachance	Regan
Dion	Lalonde	Reid (Kenora-Rainy River)
Dionne (Northumberland-Miramichi)	Landers	Robinson (Etobicoke-Lakeshore)
Dubois	Lang	Rompkey
Duclos	Laniel	Rooney
Dupont	Lapierre	Rossi
Dupras	Lapointe (Charlevoix)	Roy
Duquet	Lapointe (Beauce)	Savard
Erola (Mrs.)	LeBlanc	Schroder
Ethier	Leduc	Simmons
Evans	Lefebvre	Smith
Ferguson	Loiselle	Tardif
Fisher	Lumley	Tessier
Fleming	MacBain	Tobin
Flis	MacEachen	Tousignant
Foster	MacGuigan	Trudeau
Fox	Mackasey	Turner
Frith	MacLaren	Watson
Gauthier	MacLellan	Whelan
Gendron		Yanakis—127.

Mr. Speaker: I declare the motion lost.

[*Translation*]

Mr. Pinard: Perhaps the Chair could now entertain the request made a little earlier by the Hon. Member for Hamilton Mountain (Mr. Deans); I think he wanted the vote on motion No. 1 to dispose of motion No. 6. I realize you must first put the question, but at least we could then dispense with another recorded division.

[*English*]

Mr. Speaker: Is it agreed that the vote taken on Motion No. 2 shall also apply to Motion No. 6, with the addition of the Hon. Member for Vancouver South (Mr. Fraser)?

Does the Hon. Member for the Yukon (Mr. Nielsen) wish to clarify this?

Mr. Nielsen: I am afraid with the noise that it might be recorded improperly, Sir. The same vote as was recorded on Vote No. 1 should also apply to Motion No. 6, with the addition of my hon. friend, the Hon. Member for Vancouver South (Mr. Fraser).

Mr. Deans: Mr. Speaker, if the Conservatives want to vote with the Liberals, we will agree.

Mr. Speaker: There appears to be unanimity on this matter. The vote on Motion No. 1, with the addition of the vote of the Hon. Member for Vancouver South (Mr. Fraser), will apply to Motion No. 6.

Mr. Bill Blaikie (Winnipeg-Birds Hill) moved:

Motion No. 6

March 21, 1984—That Bill C-3 be amended in Clause 20

(*a*) by striking out line 28 at page 12 and substituting the following therefor:

"to the province

(*a*) in respect of the first fiscal year in which the province fails to comply, an amount equal to one dollar for every dollar,

(*b*) in respect of the second fiscal year in which the province fails to comply, an amount equal to two dollars for every dollar, and

(*c*) in respect of the third or a subsequent fiscal year in which the province fails to comply, an amount equal to three dollars for every dollar,";

(*b*) by striking out line 41 at page 12 and substituting the following therefor:

" the province

(*a*) in respect of the first fiscal year in which the province fails to comply, an amount equal to one dollar for every dollar,

(*b*) in respect of the second fiscal year in which the province fails to comply, an amount equal to two dollars for every dollar, and

(*c*) in respect of the third or a subsequent fiscal year in which the province fails to comply, an amount equal to three dollars for every dollar,

that".

The House divided on the motion (Mr. Blaikie), which was negatived on the following division:

(*Division No. 32*)

YEAS

Messrs.

Althouse	Fulton	Manly
Anguish	Hovdebo	Miller
Blaikie	Keeper	Nystrom
Deans	Knowles	Sargeant
de Jong	Lewycky	Young—15.

NAYS

Messrs.

Allmand	Cooper	Erola (Mrs.)
Axworthy	Corbin	Ethier
Bachand	Corriveau	Evans
Baker	Cosgrove	Fennell
Beauchamp-Niquet (Mrs.)	Cossitt (Mrs.)	Ferguson
Bégin (Miss)	Côté (Mrs.)	Fisher
Berger	Cousineau	Fleming
Blais	Crosbie (St. John's West)	Flis
Blenkarn	Crouse	Foster
Bloomfield	Cullen	Fox
Bockstael	Darling	Fraser
Bossy	Daudlin	Fretz
Breau	Dawson	Frith
Burghardt	De Bané	Gass
Bussières	de Corneille	Gauthier
Caccia	Demers	Gendron
Campbell (Miss) (South West Nova)	Deniger	Gimaïel
Campbell (LaSalle)	Desmarais	Gingras
Campbell (Cardigan)	Dick	Gourd (Argenteuil-Papineau)
Cardiff	Dingwall	Gourde (Lévis)
Carney (Miss)	Dion	Gray
Chrétien	Dionne (Northumberland-Miramichi)	Guilbault
Clark (Yellowhead)	Domm	Gurbin
Clarke (Vancouver Quadra)	Dubois	Gustafson
Collenette	Duclos	Halliday
Comtois	Dupont	Hamilton (Qu'Appelle-Moose Mountain)
Cook	Dupras	Hargrave
	Duquet	Harquail
	Ellis	Hawkes
	Epp	

Messrs.

Henderson
Hopkins
Howie
Hudecki
Irwin
Isabelle
Jarvis
Johnston
Joyal
Kaplan
Kelly
Kempling
Kilgour
Killens (Mrs.)
Lachance
Lalonde
Lambert
Landers
Lang
Laniel
Lapierre
Lapointe
(Charlevoix)
Lapointe
(Beauce)
La Salle
LeBlanc
Leduc
Lefebvre
Loiselle
Lumley
MacBain
MacDonald (Miss)
(Kingston and the Islands)
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Malone
Maltais
Marceau
Massé
Masters
McCauley
McDermid
McKinnon
McKnight
McMillan
McRae
Munro
(Esquimalt-Saanich)
Nielsen
Olivier
Ostiguy
Ouellet
Paproski
Patterson
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Reid
(St. Catharines)
Reid
(Kenora-Rainy River)
Robinson
(Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
St. Germain
Savard
Schellenberger
Schroder
Scott
(Hamilton-Wentworth)
Shields
Simmons
Smith
Stevens
Stewart
Taylor
Tessier
Thacker
Thomson
Tobin
Tousignant
Towers
Trudeau
Turner
Watson
Wenman
Whelan
Wright
Yanakis—180.

Mr. Speaker: I declare the motion lost.

Miss Bégin moved that the Bill as amended be concurred in.

Motion agreed to.

Mr. Speaker: When shall the Bill be read a third time? At the next sitting of the House?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Nielsen: Mr. Speaker, there are Hon. Members on this side who want to speak on third reading, so I believe we should follow the customary and normal practice of our Standing Orders, as you have suggested yourself, and deal with third reading at the next sitting of the House.

Mr. Pinard: Mr. Speaker, I believe the request made by the Hon. Member is fair. We still have twenty minutes. We may consider terminating the debate on third reading at six o'clock and hear from a couple of speakers on his side.

Mr. Speaker: The House cannot proceed at this stage to third reading without unanimous consent. Is there unanimous consent?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Speaker: There is not unanimous consent.

It being 5.40 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

Mr. Speaker: Shall all orders and items preceding No. 69 stand by unanimous consent?

Some Hon. Members: Agreed.

* * *

INCOME TAX ACT

SUGGESTED DEDUCTION FOR VOLUNTEER FIREMEN

Miss Coline Campbell (South West Nova) moved:

That, in the opinion of this House, the government should consider the advisability of amending the Income Tax Act to allow volunteer firemen who receive no allowance from a government, municipality or other public authority, to deduct from their income, expenses incurred in the exercise of their duties as volunteer firemen.

● (1740)

She said: Mr. Speaker, do I understand that this only goes until six o'clock?

Mr. Speaker: Unless the House otherwise decides, the normal hour of adjournment will be six o'clock.

Miss Campbell: Mr. Speaker, there is less than 20 minutes left and I am sure there are many Members who would like to have the hour to speak on the purpose of my Bill today. I would like to have had the full hour.

The Acting Speaker (Mr. Guilbault): There are ample precedents to the effect that Private Members' Hour ends at the regular hour of adjournment. On previous occasions some procedures have encroached on Private Members' Hour, like today, and the rulings have been that Private Members' Hour will last for the remainder of the hour. The Chair will have to abide by these precedents and state that the Private Members' period today will be approximately 18 minutes.

Mr. Epp: Mr. Speaker, I do not know if this is appropriate, but I believe I am one of the three scheduled to speak on the adjournment debate today. If it would facilitate the debate in Private Members' Hour, it would be my intention to give up my time so it would be added to Private Members' Hour. That would be acceptable to me.

Mr. Lambert: Mr. Speaker, the occasions for Private Members to put forward their legislation have been encroached upon, trampled upon, and always taken up by some Government business. I sympathize entirely with the Hon. Member who finds that through no fault of her own Government time has take up private Members' time. To me, Government time is no more important than private Members' time. Therefore, the private Member is entitled to her full hour and there should not be this sort of poaching which has been going on for years.

Mr. Evans: Mr. Speaker, I certainly agree with your interpretation that Private Members' Hour is between five and six. That being the case it does not really give the Hon. Member the opportunity to fully debate the subject she has put before us today. We would certainly be willing to call it six o'clock and move to the Adjournment Debate, on the understanding that this Private Members' Business would have to go back into the rotation of business to be called before the House.

The Acting Speaker (Mr. Guilbault): This might be feasible providing there was unanimous consent. However, the House might wish to agree to the subject matter of the Hon. Member's Bill being protected on the list. Is this what the Parliamentary Secretary had in mind?

Mr. Evans: No.

The Acting Speaker (Mr. Guilbault): At this point there seems to be difficulty in reaching an agreement. I suggest we stay with the practice and the rule within the Private Members' Business period today and—

Mr. Lambert: Highly unfair.

The Acting Speaker (Mr. Guilbault): It is fair because it has been the practice.

Miss Campbell: I am sorry there was not consent to allow this to go to another Private Members' day and retain its place in the rotation. I understand the Opposition said no.

Some Hon. Members: No.

Miss Campbell: Then who said no, Mr. Speaker?

Mr. Epp: John Evans.

Some Hon. Members: Your own Member.

Miss Campbell: Thank you, Mr. Speaker. Before wasting any more time on that, I do not plan to speak—

Mr. Shields: On a point of order, Mr. Speaker.

The Acting Speaker (Mr. Guilbault): Order, please. We are already on a point of order. The House is fairly active this afternoon. May I ask Hon. Members to try to determine how we are going to resolve this.

Mr. Shields: Mr. Speaker, the question was that we proceed to the Adjournment Debate and allow the Hon. Member her full 60 minutes tomorrow, protecting her position on the list. I think there was general agreement. That may have been misunderstood across the way. We on this side agreed to that.

The Acting Speaker (Mr. Guilbault): With all due respect, this point has already been decided. I asked if there was consent and there was not. The Hon. Member does not have to come back with the same point which has already been resolved.

Mr. Evans: Mr. Speaker, the reason we cannot guarantee at this time that the Hon. Member's Bill would come up tomorrow is that we do not know whether she will be available to debate her Bill tomorrow. If the Hon. Member is in the rotation and we can leave it to the normal channels to have it determined as to when she is available to debate her Bill, that is fine. That is what I think the Hon. Member for Athabasca (Mr. Shields) was saying. We would be prepared to leave the Hon. Member's Bill in the normal rotation, on the understanding that it is not essential that it be done tomorrow; that it be negotiated, as it always is, having regard to the availability of Members on both sides of the House to debate the issue.

The Acting Speaker (Mr. Guilbault): Is there unanimous consent on the proposal by the Parliamentary Secretary?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Guilbault): Then we shall call it six o'clock and proceed now to the Adjournment Debate.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

NATIONAL REVENUE—REGISTERED CHARITIES—DEPARTMENT'S INTERPRETATION—CHURCHES' OPPOSITION TO DIVORCE LEGISLATION

Hon. Jake Epp (Provencher): Mr. Speaker, at times even I am amazed at what can happen in this House, and this is one of those times. When everything seems to be going in the opposite direction, suddenly by some great stroke of luck everyone starts agreeing again.

The point I want to raise relates to a question I asked in the House respecting the operations of Revenue Canada. Members are aware of the difficulty Revenue Canada has in its dealings with Canadians; its arbitrary measures, its use of garnishee orders. But the point I want to concentrate on today is as onerous as anything which has been brought before this House in the last month.

● (1750)

In order for members of organizations such as churches to get a receipt for the purpose of tax deductions in the amount of donations made, there is a 20 per cent maximum limit on the amount of income which can be receipted. There has always been a debate as to what is a legitimate activity of a church, which is a registered charity. Over these last years there has been an arbitrary approach, by which the Department of National Revenue says that a church can only be involved in activities which are exclusively "for charitable

purposes", and that it devote its resources exclusively to charitable activities.

The question then comes up as to whether a church violates its status as a registered charity if it gets involved in opposition to legislation. I will be specific. Presently on the Order Paper of the House is Bill C-10, an Act to Amend the Divorce Act. Many churches in Canada are opposed to the provisions of the Divorce Act. Some of their members and some of their leaders have signed petitions against the Divorce Act. They have spoken out from their pulpits and in public forums against the Act. If they do that are they violating their status as a registered charity? In my mind the answer is no.

I have a letter in hand addressed to the Pentecostal Assemblies of Canada signed by one Miss A. A. Conway, dated March 1, 1984. The pertinent paragraph reads as follows:

> We would comment that in our view while it would be acceptable for a religious organization to take a public stand on a moral issue, it would not be acceptable for that organization to engage in a campaign designed to bring pressure to bear upon a government to implement legislative changes or adopt a policy which the organization advocates.

Those words are frightening, Mr. Speaker. It is saying that if the church recognizes that there is a moral issue they can say so. That is always what churches and their adherents have done. That is one of their responsibilities to society. They are to be the leaven in society, as are their members. However, if a Bill flows from this House that is in conflict with the moral issues for which that church stands, then that church is in violation of the regulations under which it was registered as a registered charity. In my mind, Mr. Speaker, that is a violation of religious freedom.

Surely this country is better off when churches, their leaders and their adherents speak out against moral decay. Surely the country is better off when legislation which comes before the House is assessed by churches from a moral viewpoint. Surely law that comes here is not neutral, only legal, and has no moral consequences.

However, that is how this paragraph is now interpreted. I do not know if the Government really wants to follow up on that kind of interpretation from Revenue Canada. If it does, and if it does not clarify it today, I will tell them one thing. There are many people in the country who will see that kind of an interpretation as a direct attack on religious freedom and a direct attack upon what churches should be doing.

I will remind Hon. Members of a Bill which was before this House, C-10, through which churches were to be registered and were to give certain information regarding their membership. In fact, if a member was asked to leave that congregation, that ex-member could then go to the courts to ask for redress and, in fact, reinstatement. Is this another intrusion by the state on what I believe is legitimate activity by the church?

• (1755)

I ask the Parliamentary Secretary to clarify if the Government feels that it is not a legitimate practice for churches to take an active stand against or for legislation which, in their assessment, has moral implications? If churches are only supposed to act on what are exclusively charitable activities, how does the Government define charitable activities? What is the definition of a charitable activity? I think that all of us could agree on some, but what is the definition? I believe it is incumbent upon the Government to clarify this issue.

Mr. W. Kenneth Robinson (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, the Hon. Member for Provencher (Mr. Epp) is a very persuasive member, and I must say that he has almost persuaded me and others with his eloquent argument. However, I must say also that the law is the law, is the law. Mr. Bumble, in the *Pickwick Papers*, said that the law is an ass. Maybe it is. Maybe it is in this case as well and is something we must look at.

Having said that, the matter raised by the Hon. Member relates to the larger question of the incompatibility, for purposes of tax administration, between political activity and registration as a charity. It is a question which has been covered more than once in the House, possibly even in these proceedings, but I shall be happy to assist the Hon. Member at the risk of what may seem to be repetition to others.

Under the Income Tax Act, a registered charity must be constituted and operated exclusively for charitable purposes. However, the Act does not define charity. The Hon. Member raised this. We must therefore rely on the courts and that is where we come to the law. Perhaps it is time we provided a proper definition, or a clarification of charity and what the interpretation should be. That has not yet been done. Perhaps it is a job for Members of Parliament. Do not blame the courts for doing the job the way they see it at the present time.

The courts have said in particular that political activity is not charitable in nature, and have also concluded that efforts to procure a change in legislation can be considered to be political in nature. I must say that this appears to be stretching the point a bit. Once again, I think further clarification is necessary from Parliament.

In the circumstances as they presently exist, the Department has no choice but to decline to accept for registration as a charity an organization with political objects. In addition, any organization already registered as a charity under the Act is putting that status at risk when it engages in political activity. Perhaps it is necessary to explain as well what we mean by "political activity". I find it rather doubtful that what the Hon. Member is talking about is, in itself, political activity per se.

I am sure that the Hon. Member in these and other circumstances would want the Department to administer the law at this time as it has been interpreted by the courts. We must follow the law and that is all we can do. I hope that satisfies the Hon. Member at this time.

Adjournment Debate

NATIONAL ENERGY PROGRAM—COSTS OF CANADA LANDS EXPLORATION—OIL SANDS POTENTIAL

Mr. Jack Shields (Athabasca): Mr. Speaker, last week I addressed a question to the Minister of Energy, Mines and Resources (Mr. Chrétien). I asked him how he could justify spending $12 billion on PIP grants for development in high risk exploration. I am talking about the offshores, in the tundra and the far north. His answer, as reported at page 2283 of *Hansard* was that:

> Helping industries carry out exploration in Canada's North and off the coasts of Newfoundland and Nova Scotia is of fundamental importance to Canada because we must know what our resources are and how much our petroleum and natural gas reserves are worth, if we are to ensure self-sufficiency and security of supply—

I am not denying for a moment that getting an inventory of the oil and gas reserves we have in Canada Lands or on the offshore is of fundamental importance.

• (1800)

Clearly the Minister is evading the question because basically we are not going to achieve oil and gas self-sufficiency. The practise of the Government, through its National Energy Program and the PIP grant system taking taxpayers' money in the form of the petroleum gas revenue tax, and transferring it directly in the form of grants, totalling $12 to $14 billion since the implementation of the National Energy Program, is totally ludicrous. To suggest that there is not another way to gather the information and get the inventory in place in Canada Lands and in the off-shore is silly. Activity was going on off-shore and in Canada Lands. The large companies were ready to gamble and take the risk. All we had to do was put the proper incentives in place to allow these companies to go ahead.

In northeastern Alberta we have the Athabasca Tar Sands which contain the single largest known oil reserve in the world. We have that in Canada, and we have the technology in place to extract the oil from those oil sands. We have the qualified people to do it. One single plant would create 30,000 to 40,000 jobs across the country. Why are we not focussing the attention on our oil sands? I made this suggestion to the Minister of Energy, Mines and Resources (Mr. Chrétien). He indicated that he had signed agreements on three small plants in northeastern Alberta, the *in situ* plant at Cold Lake and two others. They are relatively small but work is going ahead, not because of the National Energy Program but in spite of it.

The National Energy Program completely killed oil sands activity. The Minister is now modifying the Program by removing some of the onerous taxes on these plants and is allowing them to go ahead. It has been proved conclusively, by the millions of dollars that are now being expended around Bonnyville, Cold Lake and Grand Centre, on the Wolf Lake and the Cold Lake projects, that when the Government removed the restrictive taxes put in place through the National Energy Program exploration would go ahead.

William Hopper, President of Petro-Canada, announced as recently as last week that Petro-Canada is prepared to go ahead with a mining operation north of Fort McMurray if this Government removes some of the restrictive taxes that are in place under the National Energy Program. He made that very clear.

I say to the Government, put the incentives in place and the companies will develop the oil sands. I say put the incentives in place and the major companies will explore the off-shore off Newfoundland, in the Arctic Circle, in the tundra and in the so-called Canada Lands.

Let me remind Hon. Members of the original discovery at Leduc No. 1 in 1947. Prior to that major companies came to Canada, invested money, explored for oil and drilled dry hole after dry hole. They were doing what is called wildcatting. They finally struck oil. At that point in 1947 there was not one Canadian oil company of substance in Canada—not one. We did not have drilling companies, seismic crews or companies, mud companies, logging companies, nor any of the multitude of companies that service the oil industry. Today these types of companies are close to 100 per cent Canadian owned because the companies that were encouraged to take the risk had the funds behind them to do so.

I say the Canadian taxpayer should not be paying $12 billion to $14 billion over the life of this National Energy Program to drill in high-risk exploration when we have oil sands ready to be developed. The same encouragement should be given to Canadian companies today. It would create activity and jobs across the country. This is just silly. We should be encouraging the majors to do it because they have the wherewithal, not enticing small Canadian companies to go into the offshore and the Arctic. When it comes to production time the small Canadian companies do not have the financial backing to enable them to put the oil onstream if and when they find it.

• (1805)

Hon. Members should remember that we have the largest, single, known oil reserve in Canada in the Athabasca tar sands. We have the people, we know where it is. We need it for energy self-sufficiency, but we are going to lose the opportunity that we have.

Mr. Leonard Hopkins (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, in his question of March 21 concerning the costs of Canada Lands exploration, the Hon. Member for Athabasca (Mr. Shields) referred to expenditures of taxpayers' dollars on high-risk exploration in the amount of $12 billion by 1986. For the record, I would like to point out that the forecast of expenditure under the Petroleum Incentives Program for the period January 1, 1981 to the end of 1986 is $8 billion on all lands in Canada. This includes payments under the program for Alberta, financed by the government of that province, which, together with Petroleum Incentives Program payments for programs in other provinces, account for close to 30 per cent of the total program. Consequently, Canada Lands exploration will receive something in the order of $5.6 billion over the period 1981-1986, not $12 billion. There will be an equal distribution of the $5.6 billion between Canada Lands in the north and off the East Coast.

Turning to the Hon. Member's objective of generating thousands of jobs through oil sands development, the primary purpose of oil exploration and development is to open up the country's oil resource potential for present and future generations. The extent to which this primary objective generates jobs is a very welcome consequence and, in this connection, Canada Lands exploration is producing jobs in areas where they are badly needed, particularly in the Atlantic provinces.

The argument is sometimes made that we should put all of our effort into the oil sands because the oil is there and the technology is known. The fact is that oil sands development is not without its risks and, in the matter of technology, reference could be made to a recently published statement by C. W. Bowman, head of the Alberta Oil Sands Technology and Research Authority, who said: "—in spite of progress to date, further quantum jumps in technology will be required before the full impact of the oil sands is realized".

The policy of this Government is to proceed on all fronts in working toward the objective of oil self-sufficiency. The results off the Newfoundland and Nova Scotia coasts have demonstrated the value of this approach.

At the same time, federal policy is very actively directed to oil sands and heavy oil development. The federal Government operates major incentives for the opening up of these resources including the provision of earned depletion allowance, relief from the Petroleum and Gas Revenue Tax, the world oil price, and special provisions to encourage heavy oil processing and marketing. The fact that the Cold Lake, Wolf Lake, and Elk Point oil sands projects are underway is evidence of the effectiveness of these measures, and of the royalty reduction provisions of the provinces. Other similar projects will not be long in coming.

In these brief comments, Mr. Speaker, I have emphasized the importance of an integrated program of oil resource development. Results show that it is paying off in terms of new resources while at the same time generating economic benefits for regions most in need.

The Acting Speaker (Mr. Guilbault): Order, please. I regret to interrupt the hon. gentleman but his time is up.

EMPLOYMENT—APPROVAL OF FUNDS FOR PROJECTS ON INDIAN RESERVES—FORMULA FOR ALLOCATING GRANTS

Mr. Doug Anguish (The Battlefords-Meadow Lake): Mr. Speaker, I rise in this Adjournment Debate regarding a question I put to the Minister of Employment and Immigration (Mr. Roberts) on February 15 as reported at page 1412 of *Hansard*. I inquired about the current status of projects under the Canada Works Program that had been recommended by the Saskatchewan region. I had concurred in them as I had some informal consultation about the applications.

• (1810)

Since the recommendations, some five and a half months have now passed. When I asked the question, there was no word as to whether or not the Minister would give the final approval for these projects to go ahead. It was beginning to look as though we would be into the summer employment programs soon, yet the winter works project under Canada Works had not been approved and put in place.

In my constituency of The Battlefords-Meadow Lake, there were some 11 projects of which I was aware that had been recommended at the regional level. These included Project No. 1395 of the Saulteaux Band, Project No. 1390 of the Pelican Lake Band, Project No. 1348 of the Island Lake Band, Project No. 1403 of the Joseph Bighead Band, Project No. 1409 of the Thunderchild Band, Project No. 1344 of the Moosomin Band, Project No. 1417 of the Sahgaiehcan Band at Loon Lake, Saskatchewan, Project No. 1337 of the Onion Lake Band and Project No. 1375 of the Native Youth Service from the North Battleford Indian Health Centre, as well as another project which was later approved from the Witchekan Lake Band. This makes a total of some 11 projects.

In his response on February 15, the Minister said that I had not raised this matter before. The point is that I raised it informally on many occasions with the Employment and Development Branch, as well as with other employees of the Canada Employment and Immigration Department. Finally, out of frustration and after hearing so many times that the grants were caught up in an argument between the Minister of Indian Affairs and Northern Development (Mr. Munro) and the Minister of Employment and Immigration, I asked the question in the House to try to move them to some response.

I understand from talking to the Department of Employment and Immigration in Regina that they finally received notice today that those projects have been approved. Of the 11 projects, I would like to know from the Parliamentary Secretary which were actually approved and what amounts were actually approved for those projects.

Another problem I would like to point out to the Parliamentary Secretary at this time is that the programs have changed over the years. In 1980, the first year I was elected as a Member of Parliament, the forerunner to the program we are talking about now was called Canada Community Development Project I; the second year, it was called Canada Community Development Project II; and the third year it was called Canada Community Development Project III. The name has now been changed to Canada Works.

The problem is not only with the change in the name of the program, but is with the change in the steps that the funds must go through. The first year under Canada Community Development Project I the projects were allocated by constituency for the general stream, for Treaty Indian people and for Non-Treaty Native People. This all went into a constituency allocation. At that time, the funds were recommended for Minister's approval through participation of employees of the Employment and Development Branch of Canada Employment and the Immigration Commission. They were also recommended for the approval of the Minister by a local advisory board that was appointed locally and consisted of nine people at that time. As well, funds were recommended for approval by the Member of Parliament.

The next year, the local advisory board was phased out so that it was left up to the Member of Parliament and employees of the Department to recommend to the Minister how those funds should be allocated to groups within the constituency. We finally find ourselves in a situation where, under the Canada Works Program, the native allocations, whether they be for treaty, Métis or Non-Status Indians, do not come before the Member of Parliament for input any longer. In fact, the funds are no longer applied to these particular groups by constituency. They are applied to the province or by region. It is only by the good graces of employees within the Department and within the Employment and Development Branch that we are or are not consulted on the funding that goes into these projects. Our concurrence in the allocation of these funds is certainly not a formal requirement.

• (1815)

A couple of things happen, Mr. Speaker. I would like to say to the Parliamentary Secretary that, first of all, there are expectations built up by the native people in terms of the process which the funding mechanism goes through from the time the allocations are made until they are completed. Even though I did not have direct input into the funding for native programs under Canada Works, we still are asked as Members of Parliament what is happening to the funds, why they are held up for so long? It causes a communication problem.

I believe the second problem it causes, Mr. Speaker, is a lack of local consultation. I would urge the Parliamentary Secretary and the Minister of Employment and Immigration to go back to the system where there are local advisory boards, along with the local Members of Parliament, in consultation with the employees of the Employment and Development Branch of the Department of Employment and Immigration. In this way they can sit down and discuss the allocations of these moneys which are made to groups within the constituency. I believe that is a much preferable route to be taking, Mr. Speaker, than the one we find ourselves taking now, where there is really a breakdown in communications in the program. I believe this is quite evident in the fact that it took some five and a half to six months from the time the projects for the reserves I mentioned were recommended by the region until the Minister finally gave approval to distribute these funds.

[*Translation*]

Mr. Jean-Guy Dubois (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I am pleased to speak to the issue raised by the Hon. Member for The Battlefords-Meadow Lake (Mr. Anguish) concerning allocations for native projects under the Canada Works Program. Contrary to the Hon. Member's impression, the Province of Saskatchewan did receive a special grant under the latest Canada Works series to create additional jobs for Treaty and Non-Treaty Native people. That provincial grant to be used exclusively for native projects amounts to $960,000, including $362,151 set aside for eleven projects sponsored by Saskatchewan Treaty Native people. In addition, approval has been given for 16 Non-Treaty Native people sponsored projects worth $597,372. Those two grants add up to $959,523, that is $477 less than the original grant. Last February 15, the Hon. Member alleged that no project for the Metis or Non-Status Indians had been developed in his constituency.

Mr. Speaker, the Hon. Member should enquire more thoroughly about activities in his constituency under the Canada Works Program. I know he listed some 11 projects. I imagine that, as far as these 11 projects are concerned, keeping in mind what I have just told him, these projects have certainly been accepted. I do not have their numbers at hand, but I imagine that the Department will be able to provide an answer to the Hon. Member on the basis of what he has said in his comments. Personally, I can assure him that I shall check with the Department to determine whether these eleven or six projects mentioned by the Hon. Member have been accepted.

In fact, the records of the Canada Employment and Immigration Commission show that three projects for Non-Status Indians have been approved for the constituency of The Battlefords-Meadow Lake. I would like to take this opportunity to tell the Hon. Member that four other projects for Status Indians have also been approved for that region.

Mr. Speaker, on December 8, 1983, the Minister of Employment and Immigration (Mr. Roberts) announced that a considerable amount of money, that is $15 million would be allocated to the Canada Works Program to promote projects submitted by Status Indians. The Canada Employment and Immigration Commission is already considering proposals made by band councils even though this amount will be available only at the beginning of the upcoming fiscal year, namely on April 1, 1984, in a few days from now. The Hon. Member maintains that the amount allocated to his constituency is based on an 8 per cent unemployment rate. As the minister stated in his letter dated September 12, 1983, moneys are allocated on the basis of the surplus manpower rate, which contrary to the unemployment rate, excludes workers on sick leave or on maternity leave. All the constituencies having a surplus manpower rate higher than 8 per cent have received a basic allocation. On the other hand, regions with a surplus manpower rate of 8 per cent or more were allowed to receive additional amounts. This type of distribution guarantees a fair and equitable use of these funds. Finally, Mr. Speaker, I repeat that the native people of The Battlefords-Meadow Lake are receiving considerable amounts of money for job creation and that they may very well be granted additional amounts. I believe that this takes care of the question asked by the Hon. Member.

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

At 6.20 p.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, March 27, 1984

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1984-85

MEASURE TO ESTABLISH

The House resumed from Wednesday, March 21, consideration of the motion of Mr. MacLaren that Bill C-21, an Act to provide borrowing authority, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs; and the amendment of Mr. Darling (p. 2292); and the amendment to the amendment of Mr. Deans (p. 2299).

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, the Bill we have before us is based on the Budget of the Minister of Finance (Mr. Lalonde) which was presented over a month ago. In that Budget the Minister of Finance indicated that the borrowing requirements for this year would be $25.55 billion. In addition, he wanted $4 billion as a contingency allowance running into the year 1985-86, for a total amount in this Bill of $29.55 billion.

• (1110)

A number of things have happened since the presentation of the Budget and the introduction of this Bill. It is quite apparent now that the demand for borrowing in the Budget and this Bill is no longer appropriate to today's conditions. That is the reason for the amendment which is before you, Mr. Speaker, specifically demanding a change in the Bill. May I point out that as of March 21, the Government had $8.1 billion on deposit with chartered banks, trust companies and the Bank of Canada. Let me also point out that under existing borrowing authority the Government expects to raise an additional $500 million or $600 million before this weekend is over. The Government currently has more cash on hand than it needs, even with its profligatory spending habits, to carry through until June 30.

It is unconscionable that the Government should ask us to approve this Bill in its present form. Indeed, if one analyzes the $8.1 billion presently on hand and takes at face value the $25.55 billion that the Government says it needs, then the right to borrow should be limited in this Bill to below $20 billion. There is no justification to grant the total amount asked for in the Bill. The Bill is an attempt to have Parliament approve that which Parliament should not approve.

It would be different if we could trust the spending habits of the Government but it has become abundantly clear to all of us that the Government knows no limits in controlling its voracious appetite for money. If there is a nickel to be found, it will find two or three places to spend it.

Last year the Government overestimated the amount of money it would need for interest in the year ending March 31 of this year. You will also note that in the Supplementary Estimates the Government found that it had a provision for an extra $440 million. Did the Government reduce the deficit of Canada by $440 million as a result of a decline in interest rates for a period last year? Not at all. It spent that money and even more.

When the President of the Treasury Board (Mr. Gray) came before us at approximately this time last spring and produced estimates for the year 1983-84, those estimates involved spending in the order of $86 billion. By the time we were through with the Supplementary Estimates (C) for this year alone, those estimates climbed to $92.66 billion, which is an increase of over $6 billion. The Government overestimated and overspent. Part of that overspending was due to the fact that it saved $440 million in interest because of a short decline in interest costs for last year.

The fact is that if the Government saves money it will spend it. If it can borrow money it will spend it and does so faster than any other government in the history of this country. Parliament is required to stand up, be counted and demand that the Government pay attention to the future of Canada. We can only do that by denying this Government borrowing authority for moneys it clearly does not need. If we do not deny the Government, and if we allow the Government to have this Bill—on the face of it the Government does not need it; the Government could reduce the amount in the Bill by $10 billion and it would still have a lot of money—the Government will borrow the money and spend it. We cannot afford to give the Government that privilege.

• (1115)

The Liberals ask where would we save money? I have indicated to this House on a number of occasions, and I repeat, that it would not be very difficult for anyone to slice back at least $5 billion of this Government's spending without touching a single social program.

Is there a reason to pay for the insulation for people's homes, Sir? Is there any reason that the Government of Canada should borrow money to give people new furnaces? Is there any reason we should borrow money to buy French

butter at $5 a pound to maintain that high-falutin' restaurant on Sussex Drive in the Pearson Building? This kind of expenditure program, if it is only butter at $5 a pound from France, insulation, new furnaces or a host of advertising, or if it is large grants to corporations like the CBC and the Export Development Corporation, can be cut down. These expenses must be cut down.

To reduce seriously the amount of money in this Bill, to demand that this Bill be rethought, is not an unrealistic demand. We as a responsible Parliament must make that demand and we do make that demand. That is the purpose of the amendment before you, Sir.

I said the Minister was profligate. I have only to point out to you, Mr. Speaker, the Minister's own departmental spending on administration in the Ministry of Finance. That Department was budgeted to spend $26 million in March, 1981. This year that Department will have spent on administration alone $44.5 million. In the course of less than three fiscal years, the Minister of Finance has increased the cost of administering his own Department by 75 per cent. You call that restraint, Mr. Speaker? You call that control over spending? You call that reasonable administration? I call it maladministration, Sir. To have the Ministry of Finance propose this Bill to us today is disgraceful. On that basis alone, this Minister must be brought to task.

In past days interest rates have risen dramatically. I draw your attention to the fact that in June or July of last year this Government was able to borrow long-term money, that is on 25 and 30-year bonds, at a yield of 11.5 per cent. This week those bonds are being offered at 13.5 per cent. In other words, the cost of long-term money has risen since last summer by two full percentage points. Since February 15 interest costs on government debt have risen at least 1 per cent. If we are going to come to grips with this problem, and I point out to you, Mr. Speaker, that the increased cost of interest is at least $1.5 million since the budget, then we must come to grips with the amount of borrowing; otherwise we will have no control over interest expense.

I note that my time is up. I ask this House to pay close attention to the amendment and demand that this Government change the Bill.

• (1120)

Mr. Jim Hawkes (Calgary West): Mr. Speaker, it is interesting to note how few members of the Government care to defend their borrowing requirement, to stand in this House and deal with it. Any time this House is faced with a borrowing Bill, it has an obligation to screen that Bill as closely as it can. Every member of this Chamber must ask themselves how much does the Bill really entitle the Government to borrow. They should ask when Government intends to borrow this money, because that has an effect. I suppose most critically they must ask why the Government needs to borrow the money and what it intends to do with it.

When reviewing these three questions, Mr. Speaker, we must examine this piece of legislation before us which indicates that the Government wants to borrow $29,555 million, or $29.5 billion. That is not what the Government intends to spend; that is just what it intends to borrow and what it is asking this House to approve. That is such an enormous amount of money, Mr. Speaker, that it boggles the mind. To put it into perspective, it is 91 per cent of the projected savings of all Canadians. The Government wants to borrow 91 per cent of every penny saved by every Canadian.

That is nice for those who have the savings. There will probably be some competition to borrow that money and, therefore, the interest on those savings will increase, but it leaves 9 per cent for the rest of us who may want to borrow to buy a car, put a mortgage on a home, start a small business, or even to keep a small business going. When the Government takes 91 per cent of Canadian savings through borrowing and only leaves 9 per cent to the rest of Canada, what can we predict, Mr. Speaker? We can predict that interest rates will go up. The minute this Bill was laid on the Table in this House of Commons, interest rates started to go up, Mr. Speaker. If they go up far enough and fast enough, it will bring hardship to everyone on fixed incomes. It will drive businesses into bankruptcy and create increased unemployment.

It is bad enough, Mr. Speaker, that the federal Government now wants to borrow 91 per cent of Canadian savings, but we have been faced in this House over a four-year period with legislation put through by closure which provides Crown corporations with unlimited borrowing authority. So when the Government says it wants to borrow $29.55 billion or $29,550 million, it is talking about borrowing it wants to do straight up front. It is not talking about the additional amount which this Government has insisted Crown corporations and their boards of directors have authority to borrow.

It is not very much of a logical leap, Mr. Speaker, to see that in reality the federal Government and Crown corporations are trying to borrow all of the savings of the taxpayers of this country, leaving nothing for Canadians to borrow without going abroad. And, Mr. Speaker, when we go to the United States, Germany, Japan or England to borrow money, we get it, but all of a sudden we begin to notice in the daily newspapers that the value of the Canadian dollar is falling. A dollar is not worth a dollar. A couple of months ago it was worth 82 cents or 83 cents. Today it is worth 78 cents.

• (1125)

Then we have to look at a senior citizen on a fixed income who goes to the corner grocery store to buy a tomato. If the value of the dollar has fallen a nickel, from 83 cents to 78 cents, you can be sure that the cost of that tomato has risen, 5, 6, or maybe 10 per cent, simply because the Canadian dollar has fallen. That's the rhythm. That is the insidious nature of a government borrowing Bill.

We are looking at the largest government borrowing Bill in the history of this nation. Never has a finance minister and a government come before this Chamber to ask Members to vote to give them permission to borrow so much money. They are asking for permission at a time when there is already enor-

mous pressure on ordinary Canadians. Think about the last two weeks. Interest rates are rising, the cost of living is rising, and unemployment is rising. All of those things that bothered us for the last two or three years bottomed out and we are starting back in the direction of trouble.

What does this Government want to do? After watching back-benchers on the government side for four years, you see that the first impulse is to throw money at any problem they face, not money the Government has the courage to collect through taxes, but borrowed money, hidden money. They always choose to transfer the debt obligation to their children. They spend today to get re-elected and let the kids worry about paying it back. That is the kind of government we have had.

We have grand announcements in the budgets. We are going to have marvellous job creation in this country. I look at a leadership candidate for the Liberal Party of Canada. He has supposedly been in charge of the Special Employment Initiatives Program, $150 million a year. Where does the money go when we finally get the data on the table? It does not go to Canadians who are unemployed. It is not distributed justly or equitably. It goes to Members of Parliament to hand out to their friends in their ridings, if they happen to be Liberal Members of Parliament. That is why the Government wants to borrow money and that is why it wants so much. It is facing an election. It wants to borrow money to create slush funds to ensure the election of Liberal Members of Parliament.

If there is any sense of fairness in Government back-benchers, any sense of commitment to this country on what is right for it instead of what is wrong, I urge Members opposite to stand in this House and vote for the amendment. Once in the life of this Parliament, just once, let them do what is best for Canada and not what they believe is best for the Liberal Party of Canada. That is what is at issue in this amendment. I urge that course of action upon them.

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, I have been in this House since 1979, much too long for some Members opposite, because every time they come here and demand more money without a sufficient accounting and without Members across the way doing their duty to their constituents, I will stand up and object again and again. Government Members have been before us seven times in the last year demanding billions of dollars, every dollar of which comes out of the hide of ordinary Canadians who are very much pressed when trying to maintain their families, keep their children in school and carry on. There is simply no way that Government Members are going to get this money. They might as well bring in the closure motions and oppress the people once again because they are not going to get it with any consent.

• (1130)

If government Members were to reduce the amount of $29.55 billion to something that they could rationally convince us the Government needs for the more legitimate dimensions of its spending, then of course we would be prepared to sit and listen to that and approve of a Bill which was within limits. As my colleague said, the $29.55 billion is simply not relevant to the needs of the Government today. It has $8.1 billion in cash in the bank right now and it has the authority to raise by this Friday an additional half a billion dollars. Therefore, it has more than enough to get it through to June.

Come June, there will be a new leader on the government side and there will very likely be an election. The new government which will come in after that election should then have to face the reality and expose to the Canadian people the true facts about the financial bankruptcy of the Government on the opposite side.

However you cut it, Mr. Speaker, it returns to the ordinary Canadians. When the Government brings on inflation with these massive deficits, that impacts on senior citizens with fixed incomes far more dramatically than it does on the rest of us who might have a bit of land and who have indexed salaries that go up every year. It impacts on the poor who never have an opportunity to escape their plight. The inflation has resulted in post-secondary educational costs rising so that young people are even having to give up on the expectation of going to university.

How can a young man ever hope to purchase a farm today, Mr. Speaker? The inflation brought on by the Liberal Government has affected land as much as anything else and has driven the price of land well beyond its productive capacity. One might say that if the property is valued at more than its productive capacity, why not buy it and extend the payments for 15 or 20 years rather than 10 years. Oh, no, the Government does not want that to happen. It stepped in with its forward averaging and its blocks on rollovers so that no one can buy that land. Even within one's own family, those payments can only be extended for 10 years. I know from my own family farm experience that, based on the productivity of the land, those payments must be extended at least 18 years in order to purchase that land and still be able to pay income taxes on the income derived from it.

The Government has blocked the young people of Canada. Any farmer who votes Liberal in the next election is voting for a noose around his own neck. Six times now government Members have imposed taxes on fuels that are used by farmers. There are six individual taxes on energy. Every acre of land, amounting to hundreds of acres throughout the country, must be driven over at least five times every year. That includes the working of the land before seeding, the spraying for weeds, the swathing, the harvesting and the post-harvesting work. Every acre must be driven over that many times and every gallon of fuel has had six individual taxes imposed upon it by the Liberal Government. I say that any farmer who votes Liberal is putting a noose around his neck and that is absolutely true.

Any senior citizen who votes for the Liberal Party is voting for absolute poverty in the last few years of his life. With an inflation rate of 3 per cent or 4 per cent, it takes 12 to 15 years before a pension of $1,000 has dropped to $500. However,

what happens under inflation of the kind the Liberal Government has brought about?

Liberal back-benchers do not stand up in the House, Mr. Speaker, and I do not care about that, but they should be standing up in caucus and telling Cabinet Ministers that if the Cabinet does not get the deficit under control, they will stay out of the House or rise and vote against the Cabinet. I can tell you, Mr. Speaker, that if any P.C. cabinet of the future tried to do what this one has done, there is no way I would support them.

Under our system of parliamentary government, the Cabinet or executive is responsible and must be accountable to all of us as ordinary back-bench Members of Parliament. We have to do our job. If a cabinet of whatever stripe fails to do its job, we have an obligation and a duty, not only in democracy but in law, to bring that Cabinet down. Liberal members opposite have not done that. They have not fulfilled their duty to the country. Surely that duty is not only to the people who are living today, to the senior citizens who are in poverty and the young people who do not have an opportunity to go to university or buy a business. They have a duty to our children and our grandchildren as well. That is their real failing, Mr. Speaker. Liberal members on the opposite side have no sense of the future. That is typical of a radical, left-wing socialist group. That group wants to remake mankind on one giant, quantum legislative leap. As a result, government Members pass laws and get themselves into troubles which they cannot get out of because they do not have a sense of the future. They have no sense of what it means to build a country like John A. Macdonald and John Diefenbaker did.

In 1968 there was a minuscule national debt. There was a balanced budget and yet in 1968 there was Old Age Security, health insurance and medicare. There was a post-secondary education system and the economy was generating 10 jobs for every one of us who came out of the university system in 1968. What do we have now? There is now a national debt that, including Crown corporations, amounts to over $200 billion. Over 35 per cent of every tax dollar goes to service the debt. That 35 per cent of every tax dollar goes into the hands of people in this society who already have incredible wealth.

With another decade of rule under Liberal members, we will be like all of the Third World countries. There will be a small group of people who have massive wealth and there will be a huge class of poor people. What the Government is doing, as any radical, left-wing socialist government does, is destroying the middle class. The middle class is that great buffer that avoids extremes in language, religion or economic matters. The middle class is a great buffer against extremism. However, once the Government has destroyed that middle class, we will find extremism in this country. Unfortunately, it will be ourselves, our children and our grandchildren who will suffer.

Our grandchildren will look back and wonder how it could have been that in 1968 we had balanced budgets and a tiny national debt even though we had just come through a major depression and a World War that required an enormous drainage of wealth from ordinary citizens. In 1968 everything was fine until we elected that Government across the way and the ordinary Liberal back-benchers, in order to be re-elected again and again, got us into a deficit situation.

It is true that one can fool all of the people some of the time and one can buy the people with their own money. Besides creating the deficits, Mr. Speaker, another despicable thing government Members have done is pit one region of the country against another. They were prepared to go to the people of central Canada and say: "If you vote for us, we will get that western petroleum energy for less than world price". However, were they prepared to go against the hydro-electric power that is produced in the central provinces? Certainly not, Mr. Speaker. There is no export tax on hydro-electricity but there is on petroleum energy. Are there six individual taxes imposed on hydro-electricity in the country? Certainly not. However, there are on petroleum energy.

People in the west are simply fed up. I am telling you, Mr. Speaker, that they have had enough of this. If the Liberal Government is re-elected again, there will be an uprising in the west that you will never forget because it will tear this country asunder, and it will happen because that Government has not done its job.

• (1140)

Mr. Doug Anguish (The Battlefords-Meadow Lake): Mr. Speaker, I should like to add a few words to the debate on Bill C-21, an Act to provide borrowing authority to the federal Government. Today the federal Government is asking for authority to borrow some $29.5 billion which would allow it to gather in enough money to operate for the coming fiscal year. It has also asked for a $4 billion contingency over and above the amount actually set out in the Estimates.

As it bothers the Conservatives, it also bothers me that we are in a perpetual debt situation. In the past I have said that if it is necessary to have deficit financing, so be it, but it cannot be ongoing. Any government deficit financing, whether it be federal, provincial or municipal, must be viewed as an investment in the future so that at some point there will be a return on the money borrowed. That is not the case today. The ongoing deficit financing of the Government has brought us to a situation where by the time the borrowing authority is approved—and because of the Government's majority it will be approved—the debt will amount to over $70 billion. At some point that has to stop, Mr. Speaker. There is no business, no law practice and no government that can continue with deficit financing and still operate as we do in this country.

What bothers me as much as the deficit financing that so many governments go into today, particularly the Liberal Government, is what the Conservatives say in this House. Their record in the federal Government is not a very long one. The Conservative provincial governments have also shown a dismal performance. Indeed, some of the things that the Conservatives in this House criticize are evident in the actions of Conservative provincial governments.

The Hon. Member for St. John's West (Mr. Crosbie) was quoted in *Maclean's* magazine on July 12, 1982 as saying "If I

told what we would do we would never get elected". I think that is true, Mr. Speaker. The Hon. Member for Mississauga South (Mr. Blenkarn) spoke of doing away with programs that would get the construction industry going in the country. Those are the programs that the Conservatives would cut from the Budget in order to try to balance the books. I do not think they could do it even then. They have the same mentality when it comes to government financing as the Liberals. The Conservatives never criticize the Government's bailout of Dome Petroleum, Chrysler of Canada, Maislin Industries or Massey-Ferguson, and the list goes on of cases where the Government has thrown good money after bad.

We cannot have it both ways, Mr. Speaker. If the Liberals and the Conservatives believe in leaving the private sector alone and letting the marketplace take its course, why is it that when large corporate entities get into trouble they are handed a cheque yet some of the companies still go under. That is one place where government debt could be drastically cut.

I only have ten minutes to speak in the debate, Mr. Speaker, so I want to turn to the situation of that great Tory Government in Saskatchewan which said it was open for business when it took office in April, 1982.

Some Hon. Members: Hear, hear!

Mr. Anguish: Today the Tory Government of Saskatchewan has the largest and fastest growing deficit in North America. The previous government left a surplus of $139 million and in the previous 11 straight years had balanced or surplus budgets. Since the Conservative Government took over it has brought in three budgets. Until Wednesday of last week, when the last budget was brought in, it had a deficit of over $500 million, the largest in the history of the province. In addition—

Some Hon. Members: Shame!

The Acting Speaker (Mr. Guilbault): Order, please. The Chair fails to see how the deficit situation in the Province of Saskatchewan relates to Bill C-21 which we are discussing here.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Guilbault): I should like to suggest to the Hon. Member that he try to relate his remarks to what we are discussing.

Mr. Anguish: With all due respect, Mr. Speaker, because of the transfer of money to the provinces from the federal Government under the Established Programs Financing legislation and many other things that the borrowing authority is used for, I am sure you can see the relationship between the provincial deficit and the federal deficit. Much of that money goes to the provinces. If you cannot see the relevance I should like to explain it a little more. Then, when I finish my remarks, perhaps you could make an assessment of whether the two are related.

The Acting Speaker (Mr. Guilbault): Order, please. Would the Hon. Member resume his seat? The assessment of the Chair is that we should be discussing Bill C-21.

Mr. Anguish: Mr. Speaker, I can see that the dignity of the Chair is increasing with each new occupant. I congratulate you on your firm delivery of the rules.

At the present time the Conservatives criticize deficit financing as done by the Liberal Party in Ottawa, the Party which you used to represent, Mr. Speaker. Things are coming to the point where about half of the money raised in taxes goes to pay interest on the national debt. In Saskatchewan the interest on the deficit alone now amounts to $92 million per year or $11,000 per hour. Whether the deficit in Saskatchewan or the deficit of the federal Government is relevant to you and me, Mr. Speaker, is something that people have to think about. It is not something far removed from them as individual taxpayers; it is something governments do, to make a commitment on behalf of the taxpayers of this country. A previous Conservative speaker said that even if we are not responsible at this time for repayment of the debt, our children and our children's children will be, and I agree with that.

The amount of taxes paid by individuals is an ever-growing proportion of their gross income. At the same time, a number of companies do not contribute to taxes in this country. Fifteen of the largest industrial corporations in Canada did not pay any corporate taxes in 1981 and 1982. General Motors of Canada did not contribute anything to the general revenues of the country in 1981 and 1982, nor did Alcan Aluminum, Canadian National Railways, Hudson's Bay Company, Steinberg, Simpson-Sears, Noranda Mines, Total Petroleum, Massey-Ferguson, Stelco, Genstar, Domtar and Inco.

The Government must do two things in order to balance the Budget, but first, it must aim at getting the debt under control. So many times the Auditor General has said that we have lost control of it and he is right. After more than 100 years of Tory and Liberal administration we find that the debt is increasing every year.

• (1150)

The Government can either raise taxes or, preferably, collect taxes where they are due from those with high incomes who pay no income tax at all, and from those corporate entities who do not pay any corporate tax at all. Or you can start slashing programs, like the Conservatives say they would do and which the Liberals are afraid to do. I prefer that we have responsible fiscal management without arbitrarily slashing programs as the Reaganomics of the Tories suggest under their Bay Street boy from Baie Comeau. The Liberals, who are afraid to do anything, are the greatest manipulators in the history of Canada, and they have their Bay Street boy from wherever he is. Some say he is from the west, some from the east, depending on where he stands. We have to find parliamentarians who are going to act more responsibly to get the things like this borrowing authority and our huge national debt under control for the sake of the taxpayers of Canada, the individuals, and the children who will have to suffer the consequences.

Mr. John Thomson (Calgary South): Mr. Speaker, we talk about responsible Members of Parliament. For the last ten minutes I have listened to some of the most irresponsible statements I have heard in this House for the past five years.

Mr. Anguish: Is that relevant?

Mr. Thomson: Where is this gentleman coming from?

Mr. Anguish: Is he relevant, Mr. Speaker?

Mr. Thomson: The Hon. Member mentioned 15 corporations who did not pay any income tax in 1981 and 1982. I am not familiar with the financial statements of those 15 companies but I suggest not one of them made a profit. You cannot have it both ways. Does the NDP expect corporations who do not make money to pay taxes over and above their losses and thereby deprive Canadians of an opportunity to work? The Member asks for responsibility. Day in and day out the NDP members stand up in this House and suggest greater programs and greater spending. The latest suggestion is to have another $4 billion of job creation in Canada. Where does he think the money is going to come from? Does it grow on trees? In one breath he says he wants responsible government, and in the next breath he wants totally irresponsible fiscal management.

It is unfortunate, Mr. Speaker, that Members in this House cannot speak intelligently to what I believe is the single most important problem facing this country today. All of us in this House are responsible and what is at stake is the economic future of this country. The Minister of Finance (Mr. Lalonde) stands up in this House and says interest rates need not prevent growth. Who is he kidding? Every single Member in this House knows full well that when interest rates increase, productive capacity in this country goes down. We all know that when fewer corporations embark on upgrading plant and equipment, there will be that many fewer Canadians buying a house and taking on a mortgage. Yet the Minister of Finance, one of the most responsible posts in the federal Cabinet, has the utter audacity to say that increases in interest rates need not prevent growth in this country. It is an unmitigated misrepresentation of the truth.

Mr. Kristiansen: Then why do you support the policy?

Mr. Thomson: Why does the NDP support the Government? You have been the rump for the last five years, and for the last 15 years you have kept these boys in power.

Mr. Kristiansen: That is unmitigated BS.

Mr. Anguish: Mr. Speaker, is this relevant?

The Acting Speaker (Mr. Guilbault): Order, please. With all due respect to the Member who has the floor, I would like to ask all Members to refrain from shouting in the House when someone is trying to speak.

Mr. Pepin: Or trying to sleep.

Mr. Kristiansen: When you dump this stuff on the street, someone has to shovel it.

Mr. Thomson: I find this extraordinary. It reminds me of that great fellow Nero who fiddled while Rome burned. The Liberal leadership candidates talk about jobs and a new beginning. Someone said something about a new incentive system for private enterprise and greater recognition of the private sector. I cannot understand where these guys have been for the last 15 years. Women's place in society; medicare; income redistribution; federal-provincial relations; we talk about everything except the most significant problem facing the future of this country, that of a $30 billion deficit.

Mr. Kristiansen: The deficit is between your ears.

Mr. Thomson: Mr. Speaker, it is utter fiscal madness. I am not opposed to borrowing money. I would not even be too upset if we were borrowing $30 billion for perhaps one year to address the problem of a serious recession. But it is not $30 billion, it is $150 billion which has been borrowed over the past 15 years of Liberal government, and it is the next $111 billion which will be borrowed over the next five years. Those are staggering numbers and I am not going to go into the numerical size of the problem. What aggravates me is that Members opposite have the audacity to stand up and say there is really nothing wrong with a $30 billion deficit; after all, it is only 6 per cent of the GNP. What has that to do with the problem? The Government will simply not recognize the enormity of the problem these deficits are going to create for future economic growth in this country.

Therein lies the problem. They ask: "What is the problem? What are you complaining about, John? We have managed to struggle along for the last 15 years. We keep borrowing and borrowing and borrowing. So what is wrong with keeping on borrowing?" I will tell you, Mr. Speaker, what is wrong with that. Hundreds and thousands of young Canadians in our schools today are not going to have jobs. They are going to look back and ask why. This Government stole their birthright.

The size of these deficits today, Mr. Speaker, will remove the opportunity for a future generation or generations to go to work. Why? Every Member of the House, including the NDP, understands that it is the private sector that creates jobs rather than the Government. Government does not create jobs. If we want the private sector to create jobs and be the engine of growth in Canada, as so many of the leadership candidates of the Liberal Party propose, we must give them a chance. There is not going to be economic growth when the Government borrows all the savings of Canadians. That is what is happening. That is part of the problem. We have 1,400,000 people out of work today in the country because of 15 years of profligate fiscal mismanagement by the Liberal Government.

• (1200)

Canadians are going to realize more and more that governments cannot borrow their way to prosperity. In order for future generations of Canadians to have jobs and for us to have economic prosperity in this country, we must come to

grips with the size of these deficits. We must face them head on. Yet I hear not one single word from the Liberal Party or the Liberal leadership candidates today about the most serious problem that faces the economic future of this country.

The Acting Speaker (Mr. Guilbault): Order. I regret to interrupt the hon. gentleman but his 10 minutes are up.

Mr. Bill Domm (Peterborough): Mr. Speaker, I would like to follow up on one of the comments made by the Hon. Member for Calgary South (Mr. Thomson) who preceded me. Managing a government is really no different from managing your home or your own personal business. Here on the Hill we often lose sight of the fact that if one continues year after year to spend more than one takes in, sooner or later someone catches up with them. We are debating the necessity or lack of necessity of borrowing $29.5 billion. As I pointed out earlier, that is more than the total fiscal planning and financial forecasts of the present Government. In other words, the Government is looking for a slush fund of $4 billion, far beyond what is required to run the current operating costs of the Government.

We have reason to be suspicious of slush funds. On numerous occasions in the House we have pointed out some of the uses these extra funds are put to. It is sad and I regret to report that when there is a requirement to borrow $29.5 billion in order to continue the Government's business it means that for every dollar of revenue the Government takes in it is planning to spend $1.50. You cannot run your home, your own personal business or a country that way. The dollar ends up being devalued. Inflation goes up because it costs more dollars to buy the same imported goods. The net result of all this added inflation is added unemployment. Since the number one issue in Canada today is getting more people back to work, it is counter-productive to spend more money than we have, thus driving up inflation and devaluing our dollar. They all go hand in hand with a forecast which is rather gloomy for the 1.5 million people who are presently unemployed and falls short of what they might expect from the Government. They would expect the Government to manage its own affairs better.

To drive the point home, you sometimes have to use what seems on the surface to be a rather ridiculous example. I am going to use butter as an example. I am sorry that the Minister of Agriculture (Mr. Whelan) has left the House. He will probably be back. The Minister responsible for agriculture in the country has allowed something to happen which should never have happened. The Minister responsible for foreign affairs has also allowed something to happen which should never have happened. In other words, our Government is condoning the illegal importation of agricultural products. Not only is it bringing in products which are not approved, but they do not fall under the Official Languages Act. They are imported with French only on the wrapper. They are sold in downtown Toronto.

A Mr. Herbst in downtown Toronto was fined $4,000 when he tried to sell a four-ounce chocolate bar that did not have metric on the wrapper. To appeal the case would cost him in the neighbourhood of $20,000 which he cannot raise. Consequently, he cannot appeal. That is what the Government will do to a small, independent retailer who is trying to sell a four-ounce chocolate bar which does not have French on it, or metric.

I wonder what the Government would do to the foreign affairs officials who allowed the purchase of butter with a French only wrapper. That has been proven in the courts to be illegal. Do we have two systems of rules and regulations? Do we allow French only material to come into the country? Do we not prosecute the people who use, purchase and sell them?

Mr. Pepin: Yes.

Mr. Domm: What civil servant is being prosecuted for purchasing French only butter?

Mr. Pepin: The importer.

Mr. Domm: The importer? The Minister mentions the importer as being prosecuted. What about the official, who is on a salary as well, who buys illegally imported product? Why is he not in court? What happened to the chef at the embassy—

The Acting Speaker (Mr. Guilbault): Order. The Chair has some difficulty relating the Hon. Member's remarks to Bill C-21 which is under discussion at this time. May I ask the Hon. Member to try to get back on the subject.

Mr. Domm: Mr. Speaker, Bill C-21 calls for a $4 billion slush fund to allow the present Government to continue to waste money. I am trying to give an example of where some of that money is going. This morning's Ottawa *Citizen* reports that it costs $500,000 a year to run the ninth floor Pearson Building dining room which is using illegally imported French butter. It is reported they are paying as much as $10 a pound. Some of the $4 billion slush fund is being spent to sustain a restaurant. We have enough trouble selling products from our own agricultural community today without importing French butter illegally and then having it sold in one of our Government ministry restaurants. This is not the Parliamentary Restaurant which we as Members of Parliament are responsible for, but the restaurant at the foreign embassy which is under the ministry of foreign affairs. They are wasting Canadian taxpayers' money and are not spending the money locally buying Canadian agricultural products. The chef says the reason he buys it for that restaurant is that it is the best. It is brought illegally into Canada and should not be purchased by any Minister. It should not be the Herbsts, the small independent dealers in Toronto, who are prosecuted for selling English only chocolate bars. We have a ministry here which imports French only butter.

I was flying on Air Canada the other day and had some wine. I noticed that the labels were all in French only. We are importing and paying more for that wine than we would for domestic wine. Yet the Air Canada people are serving it. I believe that needs investigation as well.

If the Government would show some accountability in the priorities it places on its spending, the Canadian people would have more respect for its request to borrow funds above and beyond what is actually required. It is perfectly safe to say that we in the Official Opposition have no intention of supporting a $29.5 billion borrowing Bill. Even if the Government must bring in closure at every stage, we still have no intention of supporting it. We have shown that to date and we will continue to show it. We might be here for a long time debating the Government's need for $29.5 billion more than it is taking in income.

• (1210)

It costs every Canadian $1.50 for every $1 received by the Government. In other words, the Government cannot live within its means. Thus there should be no concurrence in this piece of legislation which will put our grandchildren in hock.

Mr. Arnold Malone (Crowfoot): Mr. Speaker, Canada is a resource-rich land that is wanting in nothing. It is filled with agricultural productivity and has one-fifth of the world's fresh water. Its forestry capacity is unparalleled by any nation in the world. Its hard rock mineral capacity is the envy of virtually every nation.

Mr. Pepin: There are no oranges.

Mr. Malone: When we compare Canada with Japan, which is an island of rock with resources of fish and tin, we are wavering well below in our economy compared to what it was in 1968 and we are now about sixteenth in the world compared to Japan which is in second place. While we have had a blessing of great wealth, we have not had the capacity to take advantage of it. We have some of the world's best educated people yet today we are faced with a borrowing Bill for $29.5 billion.

It is the eighth time that the Government has made a trip to the public pump in this Parliament. The other Bills the Government brought in were Bill C-30 for $12 billion, Bill C-59 for $14 billion, Bill C-111 for $6.6 billion, Bill C-125 for $7 billion, Bill C-128 for $4 billion, Bill C-143 for $19 billion, Bill C-151 for $10 billion, and it has now come to Parliament with Bill C-21 to ask for $29.55 billion. The amount of money being asked for has shocked Canadians into not caring. They do not understand what is happening because they do not have any concept of what $1 billion is. This present Government is trying to hoodwink the people the same way that C. D. Howe did when he said "What's a million?"

Let me describe the amount of money we are dealing with because it may be important to some people to put what the Government is trying to do into perspective. The Government is asking to borrow $29.55 billion. If that is put into $1 bills and stacked one upon the other, there would be a column 120 miles high. I fly back and forth between Ottawa and my constituency in Alberta. When I am in the airplane flying at 40,000 feet, I am sometimes concerned about that first step. It seems to me that I am a long way up, yet 40,000 feet is just a little under seven miles. If we hit that column of dollar bills, representing the amount the Government is asking to borrow, it would extend another 113 miles above us. It is an example of the debt that the Government is imposing upon us. When one includes Crown corporations, the country is now some $200 billion in debt.

The Government pretends that it is not a significant problem. It takes the attitude that it is only borrowing 6 per cent of the Gross National Product. The fact is that the tradition in the United States has always been to try to keep the debt within 2 per cent of their Gross National Product. When their debt went above 2 per cent of the GNP in the past five-year period, there was an energetic approach to try to return to the 2 per cent ratio of the GNP in the United States.

The Liberal Government basically believes that it can borrow without end. Let me say that the notion of borrowing is that when one borrows, one lives at a higher standard of living but at a cost which must be repaid in the future. Today the Government is living off the fat of the land of a resource-rich nation but to the indebtedness of our children and their children. A burden is being placed on them of debts of a spendthrift government.

Mr. Pepin: Have you never borrowed?

Mr. Malone: The Government presently has $8 billion cash on hand and is asking to borrow an amount of which $4 billion has not been accounted for. I say to the Minister opposite, who would like to give my speech, that when the Government seeks to borrow $29.55 billion it would do a Liberal grand to stand up in the House and defend that request. Yet there has been one Conservative speaker after another, one NDP speaker and another seeking to be recognized, who are speaking in this debate. The Government wants to borrow $29.55 billion but its members do not have the courage to stand in their place and tell Canadians how they justify that request. I can say why they cannot justify it. The Government already has $8 billion which it can use and another one-half billion dollars of borrowing authority that it can borrow before this weekend.

More importantly, after the upcoming Liberal leadership convention presumably there will be a new government. It does not matter to Government members now who will be in power; it will borrow for all of next year, including $4 billion which it cannot even account for. Those members do not worry about the books. There is no accounting for the Liberal Government; it just takes money without any idea or responsibility for its use.

When parliamentary democracy began some 725 years ago, it became clearly established that the purpose of Parliament was to control the king's purse. That is why we are here. However, not only does the Liberal Government borrow wildly, it is asking for money without the decency of telling us what it is for.

Furthermore, as indicated by the Auditor General of Canada, there is a massive hidden debt couched in our Crown corporations. Mirabel, Canadair and Petro-Canada are all spending money frivolously.

Mr. Pepin: Mirabel is not a Crown company.

Mr. Malone: The two tallest skyscrapers in Calgary belong to Petro-Canada. There are 500 acres of marble on the outside of those buildings. That marble was cut in Finland but Finland could not polish the marble. That did not bother the Crown corporation because it simply stacked the marble on a ship and sent it to Italy to be polished. Since it wanted the colour of marble that came from Finland, it sent it to Italy to be polished, and then to Canada.

The Government's perspective on such matters is simply to borrow and borrow. The Government has a hidden level of bureaucracy that looks after Canadair with billions of dollars, Petro-Canada with close to a billion dollars and Mirabel with close to a billion dollars, all without any accountability. Now it returns to Parliament to ask for $29.55 billion. When one includes the Crown corporations, its total debt is close to $200 billion.

The good Minister across the way tries to give his speech while I am giving mine, without standing up to take his ten minutes to justify why this country must continually go into debt. Why can he not stand in his place and tell us that this debt should come down? Why can he not tell us that 2 per cent of our Gross National Product is a more realistic goal for borrowing rather than hovering as we are at 6 per cent of our GNP and always between 5 per cent and 8 per cent?

Surely we have an obligation to bring that debt into some kind of perspective. Since the Government takes the C.D. Howe attitude by asking "What's a billion?", perhaps it would be wise to put into perspective just how much $1 billion is. For any person in Canada, whether from Gopher Gulch or Cactus Creek, $1 billion means spending $100 every minute, 24 hours a day, seven days a week for 19 years. That is $1 billion. Would it not be a great high school graduation party if you were able to take $200 billion at that rate? Yet this Government does not give us any answer why it should be extended money. It has $8 billion now and another half a billion coming up if it wants the authority by the end of this week. It is also asking for another $4 billion.

• (1220)

After Mirabel, Petro-Canada, Canadair and all the rest, the answer from this side of the House is no, the Government is not going to get it. We are going to dig in and we are going to fight, because we have a responsibility not only to make the national economy work but to make Parliament work. Parliament will not be working, Sir, unless we make this Government accountable to its economy, to its finances, to its borrowing, to its debt. Our debt ratio is too high. It is unacceptably too high. We have no hope for the future if we are going to borrow against tomorrow. What is needed in this country are jobs. We have to get those jobs in place by putting financial strictures in operation. Every time we pay $3 in tax, $1 goes to pay for the interest charges on the debt.

I see that you are telling me that my time is up, Mr. Speaker. I want you to know, Sir, that that is all that is up, certainly not the issue, just the time. It is unfortunate because I want to get into other matters. We could have 30 per cent more services or 30 per cent less tax. But as long as we have that kind of debt—

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

Mr. Malone: I am sorry it has, Mr. Speaker. Could we have unanimous consent for me to carry on because I have more to tell the Government?

The Acting Speaker (Mr. Guilbault): Is there unanimous consent?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Simon de Jong (Regina East): Mr. Speaker, I want to participate in the debate today on Bill C-21. The Government is asking Parliament to pass this Bill so it can borrow an extra $29.55 billion. I oppose this Bill. I am sure the Government can find ways and means to spend $29 billion. It seems to be quite successful at spending money, but it certainly has not been successful at balancing the Government's books.

Right now the total federal public debt stands at some $181 billion. The interest on that loan is some 20.3 billion per year. In other words, 21 cents out of every dollar collected in taxes is spent just to pay off the interest on our public debt. This is crazy.

An individual who managed his own finances this way and found that 21 per cent of his income had to go to banks and other organizations from which he borrowed money could not survive. Perhaps the only reason this Government continues to survive is that it is able to borrow more and more and can dig itself deeper holes in order to get the dirt to fill in the previous hole it dug for itself. This is irresponsible, shortsighted and just plain dumb.

It is interesting to hear some of my colleagues to my right, members of the Conservative Party, raising some arguments against the debt. They have certainly projected themselves as a Party in favour of balancing the books. The Tories have projected themselves as a responsible Party. But the actual facts and figures prove something different. My colleague, the Hon. Member for The Battlefords-Meadow Lake (Mr. Anguish), earlier gave Saskatchewan as an example where a Conservative Government which came into power in 1982 has proceeded to run up the fastest growing deficit in North America at present. When that Conservative Government took power, it found a surplus of $139 million in the Saskatchewan treasury. Right now with a budget brought down last week in the Saskatchewan legislature there was a deficit this year of $267 million. That is an accumulated deficit in three years of some $929 million. The interest on that deficit is costing the people of Saskatchewan $92 million a year. Broken down into a shorter time frame, that amounts to $11,000 an hour which the people of Saskatchewan are paying in interest charges. This is a Conservative Party that claims to be responsible and not to believe in deficit financing.

The Acting Speaker (Mr. Guilbault): Order, please. I must remind the Hon. Member that he should try to relate his remarks to Bill C-21 which is before us. Discussing the deficit in another jurisdiction—

Mr. Nickerson: It is an analogy.

The Acting Speaker (Mr. Guilbault): Yes. The Hon. Member can mention *en passant* what is happening in a province but he cannot make his whole speech on something other than Bill C-21.

Mr. de Jong: Mr. Speaker, I would like to debate the point with you but I do not want to lose part of my ten minutes. I was attempting to show in a discussion on deficit financing some of the deficits that are occurring. I was attempting to point out some of the track records of some political parties which are making certain claims in this House. I believe it is very relevant to this debate and what is being said here. It is certainly a heck of a lot more relevant than whether chocolate bar wrappers have French on them or not.

Not only do we find deficit financing in Saskatchewan but we find it in Tory Ontario, Tory Alberta, and Tory British Columbia. The highest deficit in Great Britain has occurred under a Tory Government led by Margaret Thatcher. We find the highest deficit in the history of the United States has occurred under a new right-wing President, Ronald Reagan. Why do we have a Party that believes in less government, in cutting government services, yet when Conservatives get into government they end up having some of the largest deficits in the history of their jurisdictions? At the same time these governments are cutting government services and social programs. This is happening in the United States, Great Britain, in the Province of Saskatchewan, the Province of Alberta, the Province of British Columbia and the Province of Ontario. We wonder why.

The Conservatives do know how to cut government spending but they do not know how to raise government revenues in a fair and equitable manner. That is the cause of major deficits.

En passant, Mr. Speaker, to use Saskatchewan as example, in the last year of the NDP Government of 1981-82, some $512 million in provincial revenues were collected through income tax. At the same time, from our non-renewable resources in Saskatchewan the provincial government collected some $758 million. How does this compare to the Tory record of 1984-85? Well, personal income tax as a percentage of provincial revenues has gone up some 40 per cent. The provincial coffers collected $714 million from personal income tax, up some $200 million. But what happened to revenues from non-renewable resources? There was no change, Mr. Speaker. The Government is still collecting $759 million from resources. In other words, the percentage of public revenues from the personal income sector has increased, yet that from the corporate and resource sector has, as a percentage, decreased.

• (1230)

We find the same circumstance, Mr. Speaker, with our national Government. The Liberal and Tory economic policies do not differ all that much. We find it on the federal level. In 1952 total tax revenues from individual taxpayers was some 46.3 per cent, while the corporate sector provided some 53.7 per cent of the total taxes which were collected in 1950. In 1962, individuals were paying 59.9 per cent of the total revenues whereas the corporate sector share had dropped down to 40.1 per cent. The latest statistics are for 1980, when the federal Government took in $24.9 billion in revenue, 30.5 per cent of which is derived from the corporate sector and 69.4 per cent from individuals.

That is the problem, Mr. Speaker. Government has allowed the multinational corporations tax loopholes and special tax incentives, so that they are no longer carrying their fair share of the tax burden in Canada. It is not that we are over-spending on social programs. Canada's record in terms of social programs is certainly not one of the best in the world. Some European countries, Mr. Speaker, Germany, Holland and the Scandinavian countries, with much less natural resources than Canada, pay their old age pensioners, unemployed, sick and disabled much better pensions and income support than we do here in North America. Yet, Mr. Speaker, they do not have deficits because they make certain that everyone pays their fair share. We do not, Mr. Speaker.

I am reminded of a recent article in *The Globe and Mail* about how big corporations beat the tax man for billions by using tax havens, setting up dummy companies in Bermuda or in the Dutch Antilles, costing the Canadian taxpayers billions of dollars every year. I am reminded, Mr. Speaker, of the $22 billion in deferred corporate income taxes for 1980. I am reminded of the billions of dollars which companies like CPR owe the federal treasury in deferred taxes. Yet, Mr. Speaker, not a word about this highway robbery by the corporate elite of this country, the multinationals. It is not the small-businessmen; it is the corporate elite sponsored by the Conservatives or the Liberals.

Essentially, they have the same notion, and that is the trickle-down Reagan economic notion of "You feed the horse a lot of oats and eventually the sparrow will get some". We must watch our step, Mr. Speaker, because it is a slippery road out there and the sparrows are sure not getting any. I stand opposed to the Bill, Mr. Speaker.

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I rise to make a few statements concerning the subject matter before the House and to put a few facts on the table.

The broad economic objective of the last Budget, as was that of the April, 1983 Budget, is to initiate and sustain an investment-led expansion of economic activity which will create employment without the re-emergence of inflation. That basically was the objective. This objective has been pursued both through short-term expansionary measures designed to provide stimulus and jobs and through longer-term initiatives

designed to increase investment and improve productivity and competitiveness.

A rise in the deficit during a period of cyclical weakness provides an important cushion to the over-all level of activity. It helps ensure that individual hardship during a recession is not excessive. If the Government was to attempt to prevent the automatic increase in the deficit that is induced by the recession, this would result in a more severe recession, more unemployment and more hardship for the Canadian people. That would be the result of a policy which has been advocated by the Hon. Members opposite. In the medium-term, however, a deficit reduction is vital. This is to ensure that public sector deficits do not crowd our private investment as the latter is expected to grow more rapidly after 1984.

A continuation of the recovery will automatically result in a narrowing of the deficit. Rising employment will mean less money will be required for unemployment insurance benefits and personal income taxe revenue will be higher. Corporation income taxes and revenues from sales taxes will also increase. That is automatic. In addition, scheduled increases in tax rates, in part implemented in order to finance the Special Recovery Program announced in the April Budget, will reduce the deficit further.

Developments over the past year and a half or so demonstrate that there is no clear connection between deficits and interest rates; none. Interest rates are considerably below their pre-recession peak despite a rise in the federal deficit. This is not to suggest, however, that interest rate developments are not affected by events in the United States, as the former speaker suggested. Rather, during a cyclical downturn private demands for credit generally decline—indeed, this is in large part what causes the recession—so there need not be any conflict between private and public borrowing. As economic conditions improve, government borrowing requirements should automatically diminish when private credit demands are rising. If it becomes clear that the federal deficit is not falling fast enough, the Government stands ready to adjust its fiscal plan in order to prevent a clash of credit demands.

Since 1975 the federal Government has been committed to restraining the trend growth in spending to no more than the trend growth in GNP. This commitment does not mean that the growth of expenditures must equal the growth in GNP every year. During a cyclical downturn expenditures would generally be expected to grow faster than GNP, since a deterioration in economic conditions would put upward pressure on expenditures and GNP growth would, of course, be slower. Similarly, the ratio of expenditures to GNP would be expected to decline during the recovery phase of the cycle.

The Government has been successful in meeting its expenditure targets, although it has been suggested otherwise in this debate. In the 1975-1976 fiscal year, total outlays, which are the Government's expenditure control variable, were 22.9 per cent of GNP. By 1980-1981 they had fallen to 19.1 per cent of GNP. Slow growth in GNP, the associated upward pressure on spending from low activity levels, rising public debt charges and some discretionary measures resulted in total outlays rising to an estimated 23.3 per cent of GNP in the current fiscal year. However, if trend rather than actual GNP were used in the calculation, the total outlays-to-GNP ratio would fall to 21.6 per cent, significantly below the ratio in 1975-1976. In other words, the ratio of total outlays to GNP is projected to decline continuously from 1984-1985 forward, reaching 20.8 per cent by 1987-1988. Restraint in expenditures should contribue to maintaining the downward momentum on inflation.

The Budget also introduced measures to strengthen economic partnership and enhance economic security. The proposals for employee profit participation plans are aimed at encouraging business and labour to share in goals through profit sharing. Economic security will be most visible and most visibly enhanced by the increase in the guaranteed income supplement for single pensioners. The pension proposals, including the reduction of the vesting period of two years—

• (1240)

Mr. Nickerson: Mr. Speaker, I rise on a point of order. I have before me *Hansard* of March 5, a time when you were in the Chair. You repeatedly called to order the Hon. Member for Timiskaming (Mr. MacDougall), who at that time was reading his speech. You quite correctly brought him to order and told him not to read from a prepared speech but to address the House verbatim. I wonder if Members on that side could be brought to the same order.

The Acting Speaker (Mr. Guilbault): The Hon. Member who has the floor was reading. Would he start speaking as provided in our rules?

Mr. Baker: Mr. Speaker, I was merely reading from some notes I had prepared, after listening to the globbledegook originating from the other side. It is very important that you listen to what I was saying. What I was trying to do was capsulize the important points which Hon. Members opposite have been making. It is very difficult to do that when somebody is required to speak in this House verbatim, as the Hon. Member put it. The comments I would have to make would have to be very general, if I were not allowed to refer to my exact notes. If the Speaker will permit it, I will continue my address. If the Hon. Speaker will also permit me to make reference to some of my notes during my address—

The Acting Speaker (Mr. Guilbault): It would settle the problem for the Speaker to let it be known that the Hon. Member's time is up.

Mr. Baker: Mr. Speaker, I rise on a point of order. Did you say my time was up, my entire time?

The Acting Speaker (Mr. Guilbault): Order. Will the Hon. Member resume his seat. His time is up. I have to recognize another Member.

Mr. Jack Shields (Athabasca): Mr. Speaker, the basic point that seems to be missed in this debate is that this borrowing authority of $29.5 billion equals 96 per cent of total personal

savings in Canada this year. To indicate to anyone in this House, as the previous speaker tried to do, that the borrowing by this Government does not affect private industry and its borrowing is pure balderdash and he knows it.

This is the largest borrowing request by any government in Canadian history. More important, contained in this Bill is $4 billion that is intended to be used as a slush fund. It begs the question: Is this because the Government is worried about its forecasted revenues? Is it because the Government is planning some grandiose spending scheme prior to the upcoming election? Is this slush fund to be used once again to buy the voters of Canada with their own tax dollars?

We talk about the economic climate in Canada today and how we can improve it so that government expenditures will be reduced. In the last week or so, the Minister of Finance (Mr. Lalonde) indicated in Question Period that Canadians are sending their money offshore or to the United States because of the higher interest rates there. He accuses Members on this side of the House of being one of the first to do that. He told our socialist friends to my left that they would be the first to move their money to the United States if they could earn more by investing there, and that is why interest rates are going up.

Has it not occurred to the Members of this House that we should have a stable climate in this country, where investors can have confidence in what will happen to their investments? We would then have a capital inflow and a drop in our deficit. Has it ever occurred to Hon. Members that every month we pay $1 billion in the form of unemployment insurance to people we are telling not to work? In order to keep the unemployment figures down, we are paying people to go to schools and universities for training. This is paid out of the unemployment insurance fund and exceeds the $1 billion.

It is lunacy for this Government to come forward with a borrowing authority that contains a $4 billion slush fund. I do not trust the Liberal Government to use that money wisely. It is like me going into a bank and applying for a $50,000 loan when my requirements are only $40,000. If I told the bank manager that the extra $10,000 was for a slush fund, just in case, the bank manager would run me out of the building. Every Member experienced with borrowing money from an institution knows that would happen. The person who authorized the loan containing the slush fund would be fired from his job. The people of Canada should fire us if we do not stop this spendthrift Government from gaining access to a $4 billion slush fund. That is the main point before us today.

We know that the Government requires authority to borrow money. We know the economic mess the Government is in and therefore it has to continue to borrow. We know this must happen because we cannot shut down everything overnight. Bills have to be paid. However, we also know that no government going into an election campaign should have at its disposal $4 billion to throw at the taxpayer. That is our concern today with this borrowing authority. Remember, too, that the borrowing authority is 96 per cent of all savings across Canada. That is the disaster.

Has the Government deliberately underestimated the deficit? Was it a political ploy that at the time of the last Budget the Minister underestimated the deficit? Was it deliberately underestimated? There are clear signals in the Budget that that is what was done. Was that done so that the Canadian people would not know before the election how disastrous this Government's economic policies have been? Is that the reason? Now the slush fund is to be increased by $4 billion. Will the deficit really be $4 billion higher, or is it a slush fund for an election? Clearly their fiscal projections lack confidence.

• (1250)

The tragedy of this borrowing authority points to the tragedy that exists from coast to coast. A million and a half people are unemployed because the economic climate has dropped so drastically. The tragedy of the unemployed across the country exists because the Government has created, over the past 15 years of Liberal administration, a climate in Canada in which the world investment community feels it is no longer safe to invest. In order to invest in Canada, investors must go through a bureaucracy. Investors who look at opportunities in Canada throw up their hands and say: "Who needs it?" They say that because they feel their investment dollars are required all over the world in the emerging countries and they may move freely from one country to another.

As a result of the eighth borrowing authority Bill which has come before the House since 1980, the fundamental problem we face is that we have not established and maintained an investment climate in Canada which is trustworthy and for which the rules will not be changed. An investor must be able to say to himself: "I know what the rules are, I can invest for 10 years and I know that the Government will not, through retroactive legislation, confiscate some of my property". This has been done. It was done through the National Energy Program. We set the rules and we told investment companies to invest their dollars, to explore, to find us oil and gas and to invest in our mines. What did we do? A Budget was brought in that included the National Energy Program and said that we were going retroactively to confiscate some of the wealth that had been created—

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

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, I think that before proceeding I should make reference to the fact that we are not debating the motion that the Bill now be given second reading but rather the amendment put forward by the Hon. Member for Parry Sound-Muskoka (Mr. Darling). His amendment reads as follows:

> That the motion be amended by deleting all the words after the word "That" and substituting the following therefor:
>
> "this House holds the opinion that the granting of an authority for the borrowing of a sum greater than the amount required to meet the government's needs to the end of the current fiscal year is objectionable in principle and this House therefore declines to give second reading to Bill C-21, An Act to provide borrowing authority."

Some Hon. Members: You are reading.

Mr. Nickerson: I thought it very necessary to read briefly into the record the excellent amendment introduced by the Hon. Member for Parry Sound-Muskoka.

The Acting Speaker (Mr. Guilbault): Order, please. May the Chair just add that we are dealing with a subamendment which reads as the Hon. Member has indicated except that the word "fiscal" has been deleted and replaced by the word "calendar". This is a subamendment put forward by the Hon. Member for Hamilton Mountain (Mr. Deans).

Mr. Nickerson: Of course you are quite correct, Mr. Speaker, but because that is a frivolous and meaningless amendment, I did not care to mention it.

I share the views that have been expressed by many Members on this side of the House this morning. I think the time has come when Parliament must say no to the Government. Every Member of the House, whether on this side or the other, should recognize the inequity of the situation as it exists today.

I would call upon all Members of the House to use, just for once, the responsibility that has been imposed upon them by their electors and to vote in favour of the amendment that is before us today. I call upon every Member to make sure that the Government goes back to the drawing board and returns to the House with a Bill that does not ask for $30 billion, $4 billion of which is some kind of slush fund or contingency fund, but with one which makes the Government do its homework and come before Parliament with a request for only those moneys which are absolutely required.

It is my opinion that the national finances of Canada must be brought back under control. We simply cannot continue to live the way we are living. We simply cannot continue to have borrowing authority Bills brought before us time after time asking for more and more money as if there is no end to it. We know that the end must come. I would hope that it would come now and that the Government and all Members of the House would exercise some degree of responsibility.

The Government is drunk with its own spending and its own borrowing. Time after time it returns to the House. It seems unable of its own accord to exercise any form of self-control. It is fiscally incontinent and it lies upon Members of the House to bring the Government back to reason in the financial field. It is a historical responsibility of Parliament to do so.

It has been brought to our attention once before today, but it is worthwhile to repeat, that looking back over the many years, the historical responsibility of Parliament is to be a shepherd of the taxpayers' dollars. When the time comes, as it has today, to say no to the Government and to refuse to authorize the expenditure of additional unnecessary funds, the Crown must be refused for the sake of Canada.

It is of great concern to me that the deficits we continually incur are of a structural nature. We have heard the Hon. Member for Gander-Twillingate (Mr. Baker) try to argue that this is not the case, but anyone with half an eye can see what has happened. Ever since the days of the former Minister of Finance, John Turner, there has never been a year in which the Government has not come before us to borrow yet more money. We are on a roller-coaster, so to speak. Even if the economy were to improve somewhat, perhaps as a result of what is happening in the United States, it still would not solve our problems because they are built-in problems. We can only change the continuing, re-occurring and ever-increasing deficits through an over-all change in policy.

We need a new approach. The approach taken at present is that every government department figures out how much money it needs or thinks it would need and every Minister is subject to pressures from various public interest groups which invariably want the expenditure of additional public funds. Each department totals that amount and perhaps adds another 10 per cent for contingencies or some kind of slush fund, and all of this is totalled together and eventually presented to Parliament. This is the wrong approach.

The fundamental question parliamentarians must ask themselves is what is the maximum fiscal burden Canadians are prepared to carry by way of taxation, and by way of deficit financing as well because we pay for that eventually through inflation and the lowering of the value of each dollar that we own. What should happen is that this determination should be made and then the government departments and each Minister should be forced or obliged to operate within that maximum amount.

Parliament must say no to Bill C-21. We must call a halt to this profligacy. We must make the Government become responsible and we must implement the system I have outlined.

[*Translation*]

The Acting Speaker (Mr. Guilbault): Order. It being one o'clock, I do now leave the Chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

[*English*]

THE LATE RIGHT HON. BORA LASKIN

TRIBUTES TO FORMER CHIEF JUSTICE OF THE SUPREME COURT OF CANADA

Hon. Yvon Pinard (President of the Privy Council): Mr. Speaker, I have had consultations with the House Leaders on the other side and we have come to an understanding that at this time today tributes will be paid to the Right Hon. Bora Laskin. I understand that the Prime Minister (Mr. Trudeau) wants to do that and he is on his way. I would ask you very respectfully to recognize the Prime Minister for that purpose.

Mr. Speaker: The Right Hon. Prime Minister (Mr. Trudeau).

The Late Bora Laskin

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, yesterday Canadians lost one of their greatest champions of equity and fairness. I rise in this House today to pay tribute to the Right Hon. Bora Laskin, the 14th Chief Justice of the Supreme Court of Canada.

Any attempt to categorize the man is predestined to fall short of doing him justice. His public persona is well known: he was a brilliant scholar and academic—a mentor to thousands of young men and women, all of whom recall him with genuine affection. His writings, particularly on property and constitutional law, remain required reading for any serious law student.

I personally did not have the privilege of studying with this great teacher, but I would be remiss if I did not state the very great personal debt I feel to him, intellectually and emotionally. I am a life-long student of the Constitution and sometime teacher, and certainly in latter years, a practitioner of constitutional matters. I want to say that it was with something like a sense of awe that I approached the writings of the man and read his judgments, so much were they imbued with clarity and a sense of equity.

His judgments during his 19 years on the bench demonstrated sensitivity, humanity, thoroughness, intellectual rigour, and an unfailing understanding of the law.

[*Translation*]

That his majority judgments should have become part of our jurisprudence is entirely normal, Mr. Speaker, but it is remarkable, on the other hand, that his dissenting judgments have also become an important source of reference and inspiration. It is perhaps the distinguishing mark of the great law scholar that Bora Laskin was, that his judgments, whether for or against, were always interesting, never indifferent, always inspired respect and were never disappointing. We are thankful that this exceptional Canadian, even after reaching retirement age, continued to serve his country and his fellow citizens with the integrity, dedication and generosity that was his.

[*English*]

Always sensitive to the needs and conditions of the country, he expressed an important truth when he said: "The law must constantly adapt to the changing reality of Canadian life".

He was regularly honoured with citations, awards, and degrees, but he never sought recognition and never hoped for greatness. His life was a private pursuit of excellence, and no one was more amazed than he by the attention his remarkable success attracted.

Bora Laskin found pleasure not in reviewing his own accomplishments but in the company of his family and his students. His humility was as refreshing as it was genuine.

I recall once asking him which of his many achievements he remembered most fondly. "That is easy," he replied. "When I was young, back in Fort William, I played baseball. I still hold the record for the longest home run hit out of the local ballpark."

Today, as the sympathy of the nation goes out to Mrs. Laskin and her children, we are all conscious that we have lost a remarkable man who gained the respect and admiration of Canadians, and of countless others throughout the world, for his dedication to the rule of law, to civil liberties and social justice.

Some Hon. Members: Hear, hear!

Mr. Brian Mulroney (Leader of the Opposition): Mr. Speaker, greatness has been compared to a forest giant that, when removed, leaves emptiness around it. Such was the greatness of Bora Laskin. Without being born to privilege or easy accomplishment, his qualities were such that greatness was his inevitable destiny. He walked the path of high achievement without forgetting his roots and with an unswerving commitment to the rights of the humble and unrepresented.

He was, above all, a great and distinguished Canadian. His outlook was essentially and distinctly Canadian. He read with uncanny certitude the scroll of Canadian destiny. He possessed, in my judgment from afar, a keenly sensitive appreciation of where we had been, where we were, and where this nation must go. He used his talent and his genius, his deep understanding of the broad sweep and play of constitutional forces, to assist the forward movement of this nation.

He remained true to his origins. His parents were Russian Jewish immigrants who settled in western Canada and moved to Thunder Bay. His unswerving commitment to minority rights and his deep sense of tolerance were ingrained by the heritage of which he was so justifiably proud.

The power and insight which were to mark his judgments in the highest Court of Canada were apparent as a student, and later professor, at the University of Toronto where he won a reputation as a strong and able defender of civil liberties.

I can remember in the early 1960s, as a law student at the University of Laval in Quebec City, that the comments, articles, and opinions of Mr. Laskin were held up as examples of excellence which all associated with the law strove to emulate.

In ten turbulent years he placed his stamp on the Supreme Court, which became described as "Laskin's Court".

[*Translation*]

Mr. Speaker, he is referred to, and rightly so, as liberal rather than radical, innovative rather than revolutionary. In fact, he will be remembered as a man of his time, for having wanted to adapt the law to changing circumstances. Bora Laskin was very concerned that Canadians did not understand how the legal system worked and, especially, were not aware of the importance of the role played by the Supreme Court in Canada. Because of this, he made a considerable effort to give the Court's important judgments more publicity and attention. He liked to say that it is necessary to have informed citizens if we are to maintain and observe the law.

His death is a tremendous loss, not only for the judicial and legal world but for all Canadians.

• (1410)

[*English*]

His supreme achievement was to shake the Court out of the straight-jacket of orthodoxy in which it had long operated. He brought the Supreme Court to the mainstream of major national issues, cutting the knot of constitutional impasse in order to remove from the political arena the vital issue of Canadian rights. The Court became a deeply human entity whose rulings were to become part of the daily living of every Canadian.

Bora Laskin was an ornament to his profession, his community, and to the nation. He kindled a light that will not soon be extinguished.

Some Hon. Members: Hear, hear!

Hon. Edward Broadbent (Oshawa): Mr. Speaker, with the death of Bora Laskin we have witnessed the passing of a truly great Canadian, one who was humble in his origins. He was a man who grew up as really an ordinary boy, as the Prime Minister (Mr. Trudeau) has reminded us, who took great pleasure in playing sports and who cited his baseball accomplishments as perhaps the most noteworthy of all.

He was a modest man who achieved great heights in our society. In many aspects of his life, not simply in his contributions to our judicial system, he made a distinguished contribution. He was a teacher of extraordinary ability. During the late 1960s I had the pleasure and honour of sharing with him the responsibilities of a commission at York University which was looking into the then existing difficulties on the campus, including, as they did, the conflicts that were occurring between young people and faculty members. These conflicts were occurring not only in our nation at that time but indeed throughout the industrialized democratic world. During that period I saw Bora Laskin close at hand as a man with a fine mind, a rigorously logical intelligence, but also as a man of broad sympathies and democratic inclinations. During the work he did at that time in the University community he made a great contribution to the intellectual and student life of the University.

He was, as Canadians know, one of the truly great judges of our period. For 19 years he worked particularly on bringing home to Canadians the importance of fundamental human rights. He was a great defender of the Charter of Rights. He was a great believer in improving the rights of women in our society. He was a scholar, making a distinguished contribution to our own tradition of constitutional law. As has been noted by the Leader of the Opposition (Mr. Mulroney) and the Prime Minister, he really did prepare our Supreme Court for its new role in our society for the decades to come. He went beyond the old rigidities of the law. He saw law as a liberating and changing force in society. More than any other man of his time, he showed leadership to our existing Supreme Court to ensure that it would function in that kind of way in the future.

We regret his passing, Mr. Speaker, as only a nation can regret the passing of one of its distinguished sons or daughters.

The Late Bora Laskin

An extraordinary man has left an extraordinary gap in our nation. We send our profoundest sympathy to Mrs. Laskin and other members of his family.

Some Hon. Members: Hear, hear!

Hon. Bob Kaplan (Solicitor General of Canada): Mr. Speaker, a great honour I have had in life has been the friendship of the late Chief Justice Bora Laskin and of his beloved Peggy. I knew him first when I was a student and he was a pioneer in legal education who, with the late Cecil Wright, established the concept which made the University of Toronto Law School the centre of excellence and a model for most of the law schools founded in Canada since then. In those days all the students at the school, and we were not many, shared a sense that we were part of something special. Indeed, we were. Bora Laskin was our inspiration to legal excellence.

He was also our inspiration to hard work. During my three years at the law school, Professor Laskin's door was never closed, and the worktable beside the door was where he could be found, morning, noon, and night, weekdays and weekends, preparing lectures, preparing opinions, editing law reports and, nevertheless, taking the time and interest to give advice to students about the law, about job prospects, and about personal problems, as if he had no other responsibilities.

His true and highest calling was that of teacher. To his surprise, and to mine, I led his classes in both constitutional law and in property law. That was the basis for continuing contact and friendship that we shared over the years. His later distinction was no surprise to any of the thousands of students like me for whom he was a model. His passing is a grievous loss to Canada.

Bora Laskin was also a member of the Jewish community. His Jewish roots were a clear and constant part of his life. A love of the law and a love of learning are central values to Jewish culture, and every Jew in this country has shared pride and satisfaction that a member of our community was called to the greatest heights of service to Canada. It says much of our beloved Canada that he was so recognized. This is a sad day for all Canadians.

Some Hon. Members: Hear, hear!

Hon. Mark MacGuigan (Minister of Justice): Mr. Speaker, unlike my colleague, the Solicitor General, I never had the opportunity of being a student of Chief Justice Laskin, except in the broader sense, because I had chosen a rival law school. But I did have the great pleasure of being for six years his colleague on the teaching faculty of the University of Toronto. He was a man who was very kind to young professors, provided of course that you were prepared to accept his own very high standards of dedication and excellence. He was never too busy to give advice. He was a master of detail, but nevertheless, and despite his great legal knowledge, he was also a warmly human person who was always prepared, when he saw an inequity, to respond to the needs of the situation and to be kind, and even indulgent, to the student or person involved.

He was a very great Canadian, and it has been one of the greatest joys for me, being Minister of Justice at this time in our history, that my former colleague was at the same time the Chief Justice of Canada. He was a great scholar, a great person, a very human man. I want to extend my sincere sympathy, and I am sure that of all my colleagues in the House, to his wife and his family.

Some Hon. Members: Hear, hear!

Mr. Speaker: May I suggest that we rise and observe a minute's silence in memory of the Late Chief Justice, Bora Laskin.

[*Whereupon the House stood in silence for one minute.*]

• (1420)

Mr. Speaker: Order please. Would there be unanimous agreement that the period of questions extend until five minutes past three?

Some Hon. Members: Agreed.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

REQUEST FOR ADJUSTMENTS TO ECONOMIC POLICY

Hon. John C. Crosbie (St. John's West): Mr. Speaker, my question is for the Minister of Finance. I would like to refer him to yesterday's *Hansard* where, as reported at page 2422, he said:

> If need be, we will make the necessary adjustments.

He was referring to the economic situation. He went on to say:

> In the meantime I see no reason to change the basic policy that we have been following.

If that statement means anything, Mr. Speaker, it means that the Government is not powerless to affect our economic situation, as it has been claiming now for some months, and that it could make adjustments.

Unemployment is up for the fourth month in a row. There has been an increase in the average time that the unemployed are unemployed in excess of 14 weeks. The number of people working full-time is 352,000 below the pre-recession peak, and 68,000 below the number when the Liberals returned to govern in 1980. The number of young people without jobs is 346,000 below that peak, and there are 288,000 more youth unemployed than when the Government came to power.

In view of those facts, why not make the adjustments now? If you can make adjustments to the economy as you implied yesterday, why not do it now? Why wait? Why are you still requiring the unemployed to suffer, if you can take action that might prevent that?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, first of all, it is not the Government that has claimed nothing could be done about the economy. These are statements the Member made when he was Minister of Finance. I have already quoted some of those statements of his which are in *Hansard*.

Second, I would like to invite the Hon. Member to address the Chair when asking questions, and respect the rules of the House.

Some Hon. Members: Oh, oh!

Mr. Stevens: Poor baby.

An Hon. Member: Come on.

Mr. Lalonde: Third, I want to tell my friend that the forecast I made at the time of the Budget—

Mr. Clark (Yellowhead): Tell the Speaker.

Mr. Lalonde: —of growth this year of 4.9 per cent is still valid. When I prepared the Budget of February 15 I bore in mind the figures that the Hon. Member mentioned. The Budget of April 15, 1983, and the Budget of February 15, 1984, were aimed at addressing the economic problems of the country. I am confident that the measures I announced in the Budget of February are those which are required and are adequate for the time being.

As I have indicated, however, we are monitoring the situation and, as Minister of Finance, I am concerned with trying to make sure that every step is taken to ensure that the Canadian economy will experience the best possible rate of growth and we will be able to address, in the most effective way, the economic problems that we face in our country.

LEVEL OF UNEMPLOYMENT

Hon. John C. Crosbie (St. John's West): Mr. Speaker, the Minister confirmed again today that he is monitoring the situation. Yesterday he said:

> If need be, we will make the necessary adjustments.

Do we not need adjustments when there are 1,476,000 unemployed? Do we not need adjustments when the interest rate has just gone up, when the dollar is sinking, and when inflation has started up again? For two months in a row we have had renewed inflation. How long do the unemployed and everyone else in the country who is suffering from your economic chaos have to suffer before you make those adjustments? Why not make the adjustments now?

Mr. Speaker: Order. In the interest of everyone, I am sure the Hon. Member for St. John's West will realize questions should be addressed to the Chair.

Mr. Crosbie: Through you, Mr. Speaker. I repeat the question.

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the main thing that is sinking these days is the credibility of the Conservative Party.

Some Hon. Members: Hear, hear!

Mr. Lalonde: I would like to repeat to the Hon. Member that in the Budget which I put forward last February I introduced measures to deal with the economic problems the country is facing. I indicated that there would be no magic solutions and it would take time to reduce unemployment.

However, the Canadian economy experienced a strong rate of growth last year. It will experience a strong rate of growth this year. It is through the application of consistent, responsible economic policies that we will ensure this country will know the growth it deserves—not by the kind of rhetoric in which the Hon. Member is indulging.

Mr. Crosbie: Mr. Speaker, I would like to remind the Minister that he was the one who said, on the day after he tabled his Budget, that he was happy that his new Budget was not having any effect on the Canadian economy. The Minister said that.

INTEREST RATE INCREASES—BUDGET STATEMENT

Hon. John C. Crosbie (St. John's West): Mr. Speaker, yesterday in his reply to questions the Minister made light of the interest rate increase of one-half of one per cent which has just occurred. Why did the Minister, in his Budget of February 15, *The Canadian Economy in Recovery*, say:

> Further progress in reducing interest rates and the growth of costs is essential if the business sector is to restore its financial strength and become a sustaining force in the recovery.

Why did the Minister say that on February 15 if he now believes that interest rate increases are nothing to be feared at all and he is not worried about them? Why this inconsistency? Why is the Minister now contradicting his Budget? Which Minister has the Toni? Which Minister is the phoney?

Mr. McDermid: Obviously there is no Toni there.

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I am used to the Hon. Member, and I am not going to get upset about his lighthearted approach to serious matters. However, I may remind him that the Government's position has been to favour the lowest possible interest rates, that a decrease in interest rates would be a very welcome development, and if it were up to us, we would be delighted to take measures that would bring about an additional decrease in interest rates.

Unfortunately, Canada does not live under a glass bell, isolated from the rest of the world. We are part of the world economy, and we are also very much affected by events in the United States. If there is a rise in interest rates in the United States, clearly we would not be able to keep our rates at levels lower than those in the United States over a prolonged period of time.

I would remind my hon. friend that the banks' prime rate today is at the same level as in the United States—not higher and not lower—while several years ago, we had differences of up to 4 and 5 per cent between our rates and those in the United States. I want my hon. friend to understand that we are doing everything we can to ensure that interest rates in Canada will be as low as possible. I realize that if it were feasible, it would be preferable to have lower rates than the levels we have at the present time. I wish we did, but we must be realistic and understand that if interest rates rise in the United States, we will not be able to dissociate ourselves entirely from what is happening over there.

[*English*]

SIZE OF GOVERNMENT'S BORROWINGS

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, I would like to remind the Minister of Finance that we are living in an international world and we have to be conscious of what is going on outside the country. The policies he has been following over the past few years have gotten us into this position. I would like to draw to his attention another reason for the current weakness in the Canadian dollar. It is the growing awareness of Canada's reliance on international borrowing.

● (1430)

I have the Morgan Guarantee Report which shows that last year Canada was No. 3 in the world in the size of international borrowings, and the second largest borrower in the world the year before. I should remind the Minister that that equals the total of the two largest problem borrowers, Brazil and Mexico. The reason why we are doing this is that we are being pushed out into the world by the high international borrowing.

How much longer can Canada continue to borrow amounts of this magnitude in foreign markets—far in excess of other industrialized countries like France, the U.K. and Italy—before we have a serious balance of payments problem, a much more serious problem with the Canadian dollar, and the consequent increase in interest rates that that will bring?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, we have another rather incredible question from the Tory benches. One day they complain that the world has lost confidence in Canada, and the next day they come and say: "Look at that. We are large borrowers around the world. The world has confidence in Canada and is ready to lend us money".

The industrial history of this country has been built on foreign borrowings. We need a lot of investment from abroad. We need a lot of borrowing from abroad because we do not have enough resources in this country to ensure the full potential that this country has.

Some Hon. Members: Oh, oh!

Mr. Crosbie: You better go to Brazil.

Mr. Stevens: That is what the Brazilians used to say.

Mr. Speaker: Order. The Minister of Finance has the floor.

Mr. Lalonde: Not only can the Tories not look forward, they cannot even look backward to learn the history of this country. I invite them to look back and see how this country was built. It was built by a large influx of money from abroad, either in the form of borrowing, investment, or both.

As far as the specific point raised by the Hon. Member is concerned about what will happen, I must remind him that in the last two years we have had the largest trade surplus in our history and our current accounts are on a positive, not negative basis. We have had a surplus on our current account basis.

The story is to keep on being as effective as we have been in terms of competing in the world markets, exporting as we have been doing, and ensuring that we remain in a positive situation on our national accounts basis.

Mr. Wilson: I shudder for this country when I see the Minister of Finance keeping his head in the sand as he did in that particular response. Surely he understands that the bankers of this world had confidence in Brazil and Mexico, yet look at the situation in those countries today.

EFFECT OF INCREASE IN INTEREST RATES

Hon. Michael Wilson (Etobicoke Centre): The weak dollar is clearly the reason why interest rates are rising today. High interest rates will bury some small businessmen and farmers who are only now struggling to get out of the mud in which the Government put them in 1981 and 1982. Will the Minister reassure these small businessmen and farmers, who create about 75 per cent of jobs today, that some of the alternatives he was talking about yesterday will be brought forward and directed to the problems that they are facing, so that they will not begin to lay off people and increase the level of unemployment?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, perhaps my hon. friend would care to refer to some statements by a number of economists who have pointed out that an increase in interest rates like the one we experienced in the last few days will not necessarily lead to a slow-down in economic growth. As my hon. friend is aware, many other factors play a role in decisions regarding economic growth.

I may also remind him, for instance, that as far as small businesses are concerned, the Government announced a number of measures in its Budget last April, adding further measures in the Budget brought down in February of this year. These measures are more specifically concerned with substantially simplifying taxation for small businesses. We are going to cut three-quarters of the small businesses tax legislation, and we shall be giving small businesses a tax advantage of $150 million, as a result of the measures I announced in the Budget.

I believe these measures are an indication of our firm belief in the importance of small and medium-sized businesses in this country as far as job creation is concerned, and of our willingness to take steps to ensure that this sector will experience enough growth to create the jobs we need in this country.

[*English*]

MONITORING OF INTEREST RATES—GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of Finance. He just said that there is a great need for foreign investment in Canada. I remind the Minister of Finance that he gave corporations in Canada almost $3 billion in blank cheque giveaways in his last Budget and that the same corporations invested about $2 billion outside Canada last year. If he did something about that he would have less need to be concerned about more foreign investment.

Since he said in response to a question from the NDP yesterday that he was monitoring the interest rate situation and would be prepared to take action at some point, at what point will the Government take action? Will it be when interest rates reach 12 per cent, 14 per cent, 16 per cent, or when?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the Leader of the New Democratic Party has expressed interest in the question of foreign investment. He is concerned about money going out, for instance, and I must remind him that he should also look at money coming in. I want to tell him that in 1983 this country had a net capital inflow. When the money that goes out is compared to the money that comes in, it can be seen that we had a net capital inflow of $5.5 billion last year. We had a net inflow into this country of $5.5 billion in foreign investment in 1983. My friend should look at both sides of the picture and realize that Canada has been a net beneficiary of foreign investment in 1983.

With respect to the specific question which he raised, let me repeat what I stated yesterday, that we are always monitoring the situation and carefully looking at the evolution of the economy, but there was no reason to make any change to the provisions I had put forward in my Budget of February 15. I still believe that the measures that were contained in that Budget are those required in the current circumstances.

Mr. Broadbent: I say to the Minister of Finance that that simply will not do. It is not just the members on this side of the House who want an answer as to when the Government will be prepared to take action, it is the home owner who must renew his or her mortgage next month, and the business person or farmer who is desperately trying to stay afloat right now.

GOVERNMENT ACTION INQUIRY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, it was the Minister who made the promise in the House yesterday, and then in the committee, that the Government would be prepared to take action at a certain point. In the name of the farmer and home owner who must know, if they are to have some stability in their lives, when will the Government take some action?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I am sorry that the Hon. Member was not in the House yesterday or in the committee yesterday, because then he would have at least quoted me correctly. I did not say that we would take action. We are already taking action, and we have taken action. We have done this in the Budget which I have put forward, and in the Speech from the Throne. We are continuously taking action.

I said that we are monitoring the situation and, if necessary, adjustments will be made to our policies. At the present time I see no reason to make any adjustment to the proposals I put forward in the February 15 Budget. If my friend wants to take the time and trouble to check what was said, he could at least represent it accurately.

Mr. Broadbent: Mr. Speaker, I made the mistake of assuming that the Minister of Finance, as a Liberal, meant action when he said that he would make adjustments. I should have known that action and the Liberal Government are a contradiction in terms.

TIMING OF POSSIBLE POLICY ADJUSTMENTS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I accept what the Minister has now said, that he is really not promising action. If that is the case, will he tell us when he will make his adjustments? The last time we went through this merry-go-round in interest rates they went up to 22 per cent, which was an unmitigated disaster for the economy of Canada and the people of Canada. Is the Minister telling us that he will not make adjustments even if interest rates go back up to 22 per cent? At what level will he act?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, Perhaps if the Hon. Member were in the House more often, he would have less trouble interpreting and understanding the answers we are giving, which are quite straightforward.

I clearly indicated that the Government has taken many measures to address the economic situation in Canada.

● (1440)

These measures were included in the Budget brought down last April and are aimed at assisting all sectors of the Canadian economy, and especially the private sector which needed incentives to provide for the economic recovery we experienced in the past year and are experiencing at the present time. These measures have been amplified by additional measures in the Budget brought down on February 15 of this year. In that Budget and in the Speech from the Throne, we announced a series of other measures, including measures to assist young people, for whom we created a special youth fund of $1.3 billion to help create jobs for young people. We also announced measures to assist small businesses, measures that will provide a stimulus of about $150 million for small businesses; measures to help those who are in need, including single Canadians over 65 who, this year, will receive $50 more with their guaranteed income supplement. Those are just a few of the many measures that have been proposed by the Government.

* * *

[*English*]

GOVERNMENT ADVERTISING

COST OF ADVERTISEMENT IN *CALGARY HERALD*

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, my question is for the Minister of Agriculture. Can he explain the need for a full page ad in *The Calgary Herald* promoting himself and his hat, instead of placing a much smaller ad in bold print, if one was needed at all? Can the Minister justify the expenditure of $4,000 promoting his profile? Had he funnelled that money to one farmer and his family, he might have saved them from bankruptcy.

Some Hon. Members: Hear, hear!

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I can show the Hon. Member the correspondence and I can show him how many years that ad has been carried to support agriculture in one of the greatest provinces in the production of agriculture in Canada, and that is Alberta. We have done that since 1979. It is too bad the Hon. Member does not read *The Calgary Herald* more often, or he would see the ad more often.

MINISTER'S HAT

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, the ad has a rather large picture of the Minister and his hat. Would the Minister of Agriculture announce his leadership intentions now before he spends any more of the taxpayers' money, so that farmers and other Canadians will know? Otherwise we would suggest that the Prime Minister take away his stetson, in its place put a dunce hat, and send him off to the four corners of the country.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the Hon. Member reeks with jealousy, that's for sure.

Some Hon. Members: Oh, oh!

Mr. Crosbie: What a profile.

Mr. Whelan: He only wishes that he could be identified so well with a hat of any kind, or without one as far as that goes. He only wishes to be known so well not only in Canada but all over the world. The green hat was given to me by a group of farmers in western Canada—and to wear also. They told me: "Mr. Whelan, you wear that, because green is a sign of growth, green is a sign of hope, green is a sign of prosperity, green is a sign of money, and green is for the Irish too."

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Crosbie: And green is the sign of rot.

Mr. McDermid: And green is the sign of old cheese.

* * *

DEPARTMENT OF ENERGY, MINES AND RESOURCES

DESCRIPTION ATTRIBUTED TO MINISTER

Miss Pat Carney (Vancouver Centre): Mr. Speaker, my question is addressed to the Minister of Energy, Mines and Resources. He recently told a television interviewer that we would not catch him not doing his job. We would be grateful to catch him in his seat.

Some Hon. Members: Oh, oh!

Mr. Crosbie: Discipline him, Pierre.

Miss Carney: The Minister recently told the CBC program entitled *The Journal* that the energy ministry was in a turmoil when he took it over a year and a half ago. Turmoil was his description, Mr. Speaker.

We are aware of the turmoil created by the National Energy Program, the suspension of drilling, the loss of jobs, and the collapse of the market in that area, but we have never had the Minister acknowledge that these policies of the Liberal Government created turmoil. Could the Minister please elaborate on the nature and the degree of the turmoil he found when he took the Department over from his predecessor, the current Minister of Finance?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Mr. Speaker, I can see that Members on the other side are very worried that we are having a good leadership race, and they know now they are going to lose the election. I forgive the hon. lady for her nervousness.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Chrétien: I think the answer was lack of communication, because at that time there had been a difficult agreement negotiated between the provinces and the federal Government and we had to explain policy. After that we were in Alberta dealing with the provincial Government and the industry, explaining the policy and why we needed self-sufficiency, security of supply, and Canadianization. They understood that our policy was so good—

Mr. Crosbie: Why didn't Lalonde do that?

Mr. Chrétien: —and now, after the many months the Hon. Member has been my critic, she has not been at all able to come up with anything better than the energy policy that we gave to the Canadian people.

Some Hon. Members: Hear, hear!

EXPORT PRICE OF NATURAL GAS

Miss Pat Carney (Vancouver Centre): Mr. Speaker, my supplementary question is also for the Minister of Energy, Mines and Resources. I can only assure him that we expect to relieve him of his duties after the next election.

Some Hon. Members: Hear, hear!

Miss Carney: The Minister also said in *The Journal* interview:

> Tell me where there is a problem in energy today.

I ask the Minister whether he considers no problem his failure to deal with the natural gas pricing situation so that we are only exporting 40 per cent of our contracts, his failure to reach an agreement with Newfoundland, and his failure to reduce the financial outflow under the PIP grants which are already $400 million over budget this year. Is the Minister really telling this House that none of these are problems?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Mr. Speaker, the Hon. Member should know that in a few months I will not be Minister of Energy because I will be Prime Minister.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Chrétien: I can assure the Hon. Member that I will have a very good Minister of Energy, because I have a lot of friends on this side who will be happy to serve in that capacity. They all know, as the Opposition knows, that we have made a lot of progress. For example, on the pricing of natural gas the movement made last summer was undertaken in agreement with the industry and the Government of Alberta. That was an agreement with the provincial Government and the industry. I say to the Hon. Member, ask the Hon. Member in front of her who was Prime Minister for seven months. He could not do anything with the Government of Alberta. It needed the Liberal Government to make an agreement with the Government of Alberta.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

* * *

LABOUR CONDITIONS

YOUTH UNEMPLOYMENT IN BRITISH COLUMBIA

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is for the Minister of Employment and Immigration. I am sure he is aware that during February—

An Hon. Member: Shut up, you yahoos.

Some Hon. Members: Oh, oh!

Mr. Deans: Tell him. He will have a question of privilege.

Mr. Fulton: That is right. I am sure the Minister does have a question of privilege regarding that last comment.

I am sure the Minister is aware that during February there were 212,000 unemployed in British Columbia, 74,000 are between the ages of 15 and 24. I am sure the Minister is also aware that over the next 10 weeks over 100,000 will be hitting the job market in British Columbia.

My question to the Minister results from a weekend survey done by *The Vancouver Sun* which reveals that B.C.'s ten largest corporations will only hire a couple of hundred students, and B.C.'s largest corporation, MacMillan Bloedel, only plans to hire six summer students. Since Statistics Canada has revealed that already unemployment among young people in B.C. is over 25 per cent, would the Minister tell us what new measures he plans to take during the coming weeks and months to put some of those people back to work in British Columbia?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, first, if my colleague, the Minister of Energy Mines and Resources, keeps on making such extraordinary statements I will have to think seriously about whether or not I will put him in the next Cabinet.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Roberts: I think the hon. gentleman—and I thank him for his question—knows that my colleague, the Minister of Finance, at the time of his Budget indicated that there would be an increase in funding for employment for young people of something like $150 million. The Cabinet has under very active consideration how to use that money, perhaps for some new programs, or in relation to a variety of existing programs, which will help respond to the problem that he has cited for us.

● (1450)

Mr. Fulton: Mr. Speaker, I am sure if the Minister continues to wear that tie he will get a job on *Saturday Night Live.*

Some Hon. Members: Oh, oh!

ADVICE TO YOUNG UNEMPLOYED

Mr. Jim Fulton (Skeena): It is now estimated in British Columbia that there will be close to 200,000 young people unemployed and on the street by the middle of the summer. Since big business will not hire them, the Vancouver *Sun* has learned, and since the Canadian Federation of Independent Business in a recent survey learned that 73 per cent of small businesses in British Columbia will not hire young people this summer, and since the Minister's entire program in British Columbia will only create 11,900 jobs, what is the Minister telling this House, and young British Columbians, they should do? That is 188,000 young people who will be out of work this summer. What should they do?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, I believe the short answer to the question of the Hon. Member is that they should look very seriously at using the programs of Summer Canada. Its funding has again been increased this year, and may very well be increased once again before the summer months arrive. They should also use the services of the Canada Employment Centres, which are active in British Columbia, in order to assist them in finding work.

All of us realize that the situation is going to be difficult. However, as I hope the Hon. Member recognizes, the Government has already taken considerable steps in terms of funding, something like $1.3 billion of funding this year, in order to create jobs for young people and help them with training, and to provide services which bring young people into contact with jobs. The most important advice I can give to the Hon. Member to pass on to his young constituents is for them make active use of our employment facilities.

* * *

[*Translation*]

INDUSTRY

REQUEST FOR CONTROL OF TEXTILE IMPORTS

Mr. Arthur Portelance (Gamelin): Mr. Speaker, my question is directed to the Minister for International Trade.

On July 21, 1983, the Minister announced that the Government would take several initiatives to assist Canadian clothing manufacturers who were concerned about the increase in clothing imports. In the same press release, the Minister pointed out that he would be using bilateral agreements with the main suppliers on the subject of proper marketing practice. However, although the press bulletin and policy were well-intentioned, the House is aware that after the first two months

of this year, January and February we saw a substantial increase in import permits, and this while last year's levels were already unacceptable. I would like to know whether or not the Minister intends to implement the policy he announced last year?

Hon. Gerald Regan (Minister for International Trade): Mr. Speaker, the situation in the textile industry is a difficult one at the present time. First of all, we must protect the workers. We have taken steps to protect their jobs. Last week, I met with the Advisory Council representing the industry, and we hope to be making recommendations to the Government within the next few weeks.

* * *

[*English*]

POOLS

SPORTS POOL CORPORATION

Hon. Steven E. Paproski (Edmonton North): Mr. Speaker, my question is directed to the Minister of State for Fitness and Amateur Sport. I always thought that Government over there was a Government of compromise. There were three Ministers in that portfolio prior to the present Minister. One is in the other place. He is going to lose a baseball franchise because of the lotteries. The second, who just spoke, was a sports broadcaster. He had a difficult time with his French lesson. The third Minister, from Montreal-Mercier, was a loser as far as sport was concerned. But I would like to ask the present Minister, who is at least a golfer, why has he not sat down with his provincial counterparts to reach a compromise as far as the sports lottery is concerned, a sports lottery which is now reaping the Government $35 million annually?

[*Translation*]

Hon. Jacques Olivier (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, the issue is quite simple. First of all, since the federal Government has nothing to do with lotteries, we could hardly sit down with some people and talk about lotteries. So much for that.

Second, Mr. Speaker, it must be recalled that in 1979 the Government of Mr. Clark simply gave up its rights in the field of lotteries.

Third, it exchanged some $300 million to $400 million for revenues of about $200 million. It is easy to trade in a Cadillac for a Volkswagen!

Fourth, Mr. Speaker, we told everybody involved in lotteries that we have no intention of invading that field and that the athletic events pools we are setting up will be used only to help amateur sports, the Calgary Olympics and medical research. I think that it is clear and that the position of the former Government is quite clear. It was clear as well for all previous Ministers and only the Hon. Member opposite seems to be confused.

[*English*]

REQUEST FOR FEDERAL-PROVINCIAL MEETING

Hon. Steven E. Paproski (Edmonton North): Is the Minister aware that if he were to sit down with his counterparts he would be able to have at least three or four draws annually for the Calgary Olympics? Since the Minister has not had contact with his provincial counterparts, would he like me to set up a meeting to resolve the whole matter as a conciliator? Vous comprenez, Jacques?

Hon. Jacques Olivier (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I understand very well. If I would take the Hon. Member as a conciliator, we would lose hundreds of millions of dollars.

Some Hon. Members: Oh, oh!

[*Translation*]

Mr. Olivier: Mr. Speaker, I would like to repeat here that we intend to respect the 1979 agreement. But what we did not do, however, was to give away our right to set up sports pools. That is why the House of Commons adopted a law and we have every intention of getting into sports pools.

* * *

[*English*]

INDIAN AFFAIRS

TRANSFER OF FUNDS WITHIN BAND BUDGETS

Mr. Jack Shields (Athabasca): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. Has he flown the coup again? I will, then, direct my question to the Minister of Indian Affairs and Northern Development, Mr. Speaker. When will the Minister give direction to his Department to allow bands to transfer funds within their budgets from one category to another? When is he going to do this? He has gone across the country saying he is for Indian self-government. When is he going to allow this to happen?

Mr. Nielsen: Here is your chance!

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Mr. Speaker, the Hon. Member for Yukon says this is my chance. I would only comment, Mr. Prime Minister, in view of some of the answers given by some of my colleagues on this side, there is going to be a rich opportunity for the backbench when I am in charge.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. McDermid: Line up, boys!

Mr. Munro (Hamilton East): I would say this, Mr. Speaker, if the Government can expect the support, which we hope we

will get from the Official Opposition and the Hon. Member when the Government comes in with legislation setting up Indian self-government, that will be one of the inevitable results of that type of legislation. It can only be through the legislative route that that type of measure, that very beneficial measure, indeed, which the Hon. Member is talking about, can be accomplished. I hope I would have his support.

REQUEST THAT MINISTER ALLOW TRANSFERS

Mr. Jack Shields (Athabasca): Mr. Speaker, the Minister of Indian Affairs and Northern Development is going across the country talking about Indian self-government. Two years ago the Department of Indian Affairs imposed regulations on bands across the country which would not allow them to transfer funds from one category to another. I have three bands in my riding, Mr. Speaker—

Mr. Speaker: Would the Hon. Member ask his question?

Mr. Shields: I have three bands in my riding, Mr. Speaker, and I would like to ask the Minister if he would allow them to transfer funds from category to category within their budgets, not calling on the Department of Indian Affairs for any more money, instead of forcing the bands and their councillors to go on welfare, shutting down their offices, because they cannot transfer those funds.

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Mr. Speaker, if the Hon. Member is talking about one band I have in mind, it is not so much a question of being able to transfer funds. The Hon. Member, Mr. Speaker, is fully aware of what I am talking about. There may be just complete insufficiency of funds, period, for reasons I do not believe we need go into at the present moment. If it means transferring funds between parliamentary Votes, the Hon. Member has been a part of the Standing Committee and he knows I cannot legally do that.

There may be other restrictions under the Financial Administration Act which we can only overcome by passing the legislation setting up Indian self-government, and making provision in the legislation for the type of flexibility about which the Hon. Member is talking. That is why I am going across the country, along with a lot of the Indian leadership, advocating this. That is why I believe most members of the Official Opposition and the NDP supported the recommendations of the standing committee to establish a new financial relationship between the Indian people and the Government to accomplish that very thing, which can only be accomplished on a wide scale by legislation.

• (1500)

EXTERNAL AFFAIRS

CYPRUS—LEVEL OF CANADIAN REPRESENTATION

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, my question is for the Secretary of State for External Affairs. It concerns the situation in Cyprus. The Government has given a clear statement condemning the unilateral declaration of independence on the part of Turkish Cypriot authorities. The Government has been very firm in this. Will the Government show our concern with the ongoing situation, and show our concern and support for the legal Government of the Republic of Cyprus, by strengthening our representation in Nicosia, specifically by raising our representation there to the level of a high commission, and having a High Commissioner in the capital at Nicosia in place of the representation we have now, which is at the level of honorary consul?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Mr. Speaker, we have, as the Hon. Member mentions, supported the Government of Cyprus and we have opposed the unilateral declaration on the part of the Turkish Cypriots. In addition, we have been supporting the efforts of the Secretary-General of the United Nations, who is presently involved in an important process to bring the two parties together in the hope that some negotiated settlement can be brought about. I do not think in the present circumstances we would materially affect the situation by changing the level of our representation in Nicosia.

COMMITMENT TO GOVERNMENT OF CYPRUS

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, the Minister is no doubt aware that the situation is of concern to all Canadians, particularly to our Greek Canadian friends who have just celebrated Greek National Day and the liberation of their country from foreign occupation. The situation in Cyprus is fragile, to say the least. Will the Minister tell us what measures in addition he might be prepared to undertake to show our concern and ongoing support for the legal Government and what diplomatic measures through the United Nations, as already mentioned, which might be taken with our ally, the United States, a major backer financially of the Turkish Government? What measures might be taken by way of economic or other sanctions that would show our very strong commitment to the legal Government of the Republic of Cyprus.

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Mr. Speaker, the Hon. Member asks us to give a demonstration of our commitment to the situation in Cyprus. I do not think any country has demonstrated a greater commitment than Canada. As the

Hon. Member knows, we have maintained a peace force in Cyprus for almost 20 years. We will be asked once more by the Secretary-General of the United Nations to maintain a Canadian contingent of the United Nations Peace Force in Cyprus. We have done that in the expectation that at some point the parties will come together and resolve the problem so that our presence will no longer be necessary.

I must say at times I wonder how long we will have to remain in Cyprus in order to induce the contending parties to use the method of negotiation so that we can, at the appropriate time, withdraw our forces. I do not think it was ever intended that a peacekeeping force should remain in a situation for that length of time. I think that explanation is a pretty firm indication of the long-standing commitment that we have shown to Cyprus.

* * *

AGRICULTURE

ILLEGAL IMPORTATION OF BUTTER FROM FRANCE

Hon. Sinclair Stevens (York-Peel): Mr. Speaker, my question is for the Minister of Agriculture. Will the Minister indicate the results of his inquiry with the Canadian Dairy Council with respect to the illegally imported French butter which was used by the Department of External Affairs, at up to $10 a pound? Does he agree with the External Affairs chef that French butter is better than the best of Canadian butter?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the Hon. Member should not have had to ask the last part of his question. He knows there is no better butter than our butter, the butter that we have in Canada. It is utter nonsense to suggest that somebody else has better butter than we have.

The price was never $10 per pound. The butter was brought into Canada illegally. It was brought to our attention in November or December of last year. We asked the RCMP to make an inquiry. We do not know how it came into Canada without a permit. Any butter that comes into Canada must come in under a permit under the Export and Import Permits Act, and be subject to our inspection.

This butter was not inspected by our people. We do not understand why anybody would want to bring it in. It was only used for a short time in the External Affairs restaurant, not in the cafeteria where the ordinary people are.

Some Hon. Members: Oh, oh!

Mr. Whelan: They use Canadian butter. The chef in that cafeteria says it is the best butter in the world.

We know that the chefs who compete in international competitions that we sponsor world-wide, and who win world championships and gold medals, use Canadian butter in Europe and wherever else they compete.

Butter on sale in Ottawa this week is $1.79 a pound.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

VACANCY

LANGELIER—HON. J. GILLES LAMONTAGNE BY RESIGNATION

Mr. Speaker: I have the honour to inform the House that I have received a communication notifying me that a vacancy has occurred in the representation, namely, the Hon. J. Gilles Lamontagne, Member for the electoral district of Langelier, by resignation. Accordingly, I have addressed my warrant to the Chief Electoral Officer for the issue of a new writ of election for the said electoral district.

* * *

[*English*]

PRIVILEGE

MISS CARNEY—ALLEGED UNPARLIAMENTARY REMARKS BY MR. LALONDE—RULING BY MR. SPEAKER

Mr. Speaker: Yesterday the Hon. Member for Vancouver Centre (Miss Carney) raised a point of order, complaining of an expression used by the Minister of Finance (Mr. Lalonde) when answering a question in the House. I have carefully reviewed *Hansard* and I find that the Minister used the words "a very nice example of wilful distortion". However, I also find that the Hon. Member, when asking her question, said: "Why does the Minister blatantly misrepresent the facts"?

I find it difficult to make a distinction between "wilful distortion" and "blatant misrepresentation". If one is out of order, then I suggest the other is as well. It seems to me that the Hon. Member and the Minister have in the cut and thrust made something close to an equal trade. These kinds of exchanges have become a regular feature of our Question Period, regretfully in my opinion. Questions and answers become mini debates in which political accusations fly back and forth all the time. I would add that it would greatly assist the Chair if Hon. Members were to avoid the kinds of expressions to which I have referred.

Right Hon. Joe Clark (Yellowhead): Mr. Speaker, just so that I may understand your ruling, is it now the position of the Chair that the attribution of a wilful desire to mislead is no longer a breach of the privileges of the House?

Mr. Speaker: The Chair has made it quite clear, and I believe this has been a traditional position of the Chair, that the circumstances have to be taken into account. Unparliamentary terms are to be judged in the light of what they do to the House and what they do to the level and tone of debate. The Chair is simply pointing out that when a question begins with an accusation and, in the cut and thrust across both sides of the House, words are used, it is very difficult to draw the

line between one expression and another. This is by no means intending that out of a blue sky people can cast aspersions on Hon. Members in the way in which the Right Hon. Member for Yellowhead (Mr. Clark) is concerned. The Chair would obviously be very much concerned if that were to develop. The Chair is expressing a reservation concerning the language that has been used, not only in the answers, but in the questions in recent Question Periods in the House.

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, it is very important that in our exchanges we keep not only the decorum of this place, but we respect the rules of this House and its traditions. Indeed, as you indicated, I had used unparliamentary language. I am very happy to withdraw the word "wilful". If I may use the expression, I hope that my colleague will do the equally gentlemanly thing.

• (1510)

Miss Pat Carney (Vancouver Centre): Mr. Speaker, I will do the ladylike thing by withdrawing the word "blatant" from my remarks.

Mr. Speaker: The Chair expresses its appreciation to both the hon. lady and the hon. gentleman for their actions in these circumstances. If other Hon. Members of either sex could be guided accordingly in the future, it would assist the tone of the debate.

Hon. Steven E. Paproski (Edmonton North): Mr. Speaker, I rise on the same point of order. I do not know whether or not you recall the exchange between myself and the Minister of State for Fitness and Amateur Sport (Mr. Olivier), Mr. Speaker. I do not believe that he intentionally wanted to mislead the House regarding the amount of money that could possibly be made in lotteries when they are making $35 million a year right now and are going to lose that—

Mr. Speaker: The Hon. Member is, of course, entitled to debate the matter and may no doubt make some valid points in debate. I invite him to take advantage of a statement under Standing Order 21 or of some other opportunity to make his point.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

MR. MITGES—AUTOMOTIVE INDUSTRY RECOMMENDATIONS

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, I am pleased to present a petition signed by citizens of the riding of Grey-Simcoe who are deeply concerned and wish to see that everything possible is being done to maintain a viable automotive industry as well as other related industries such as rubber, glass, plastics, textiles, steel, aluminum, machinery and electrical products. The petitioners are therefore asking the Minister of Regional Industrial Expansion (Mr. Lumley) to act on the recommendations of the task force which was given the responsibility of doing an in-depth study on the industry as a whole. Concurrence in the recommendations by the Minister would be of immeasurable help and assistance to create the necessary positive economic climate for the betterment of these industries.

MR. YOUNG—NUCLEAR WEAPONS-FREE ZONE

Mr. Neil Young (Beaches): Mr. Speaker, I have a petition signed by over 500 residents of my constituency. Those residents of the riding of Beaches in the Province of Ontario and other concerned citizens, who now avail themselves of their ancient and undoubted right thus to present a grievance common to your petitioners in the certain assurance that your honourable House will therefore provide a remedy, humbly sheweth that the citizens of Canada oppose the arms race and any escalation of the arms race and that Canadians believe the testing of the Cruise missile in Canada makes this country an accomplice in the arms race.

Wherefore the undersigned, your petitioners, humbly pray and call upon Parliament to demonstrate its opposition to the arms race by declaring Canada a nuclear weapons-free zone.

* * *

BUSINESS OF THE HOUSE

NOTICE OF ALLOCATION OF TIME TO CONSIDER SECOND READING STAGE OF BILL C-21

Hon. Roy MacLaren (Minister of State (Finance)): Mr. Speaker, I wish to inform the House that, despite consultations among representatives of the Parties, it has been impossible to reach an agreement pursuant to Standing Order 80 or Standing Order 81 with regard to the allocation of time to the second reading stage of Bill C-21, an Act to provide borrowing authority. Accordingly, at the next sitting of the House I shall propose a motion pursuant to Standing Order 82 to allocate one sitting day to the said stage of the said Bill.

Some Hon. Members: Closure!

* * * *

[*Translation*]

Mr. Pinard: Mr. Speaker, I should like to inform the House concerning a change in the order of business for the rest of this week. Contrary to the indication given last week, tomorrow will not be an allotted day, but instead Friday of this week will be the first designated day of the current supply period. For tomorrow and Thursday, the order of the day will be the consideration of Bill C-21 to provide borrowing authority.

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 357, 401, 490 and 728.

[*Text*]

ARTISTS' STUDIOS ACQUIRED BY DEPARTMENT OF EXTERNAL AFFAIRS

Question No. 357—**Mr. St. Germain:**

Does the Department of External Affairs and/or the Canada Council maintain artists' studios at the (a) Cité Internationale des Arts in Paris (b) Institute of Art and Urban Resources in New York and, if so (i) how many (ii) at what total cost?

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of External Affairs and the Canada Council as follows: (a) (i) Three. (ii) Those studios were acquired by the Department of External Affairs in 1964 for a total cost of $48,000. The maintenance costs of these studios are paid by the artists. (b) (i) Two studios are leased by Canada Council. (ii) $U.S. 7,000 per year.

SALE OF NUCLEAR TECHNOLOGY

Question No. 401—**Mr. Howie:**

Did the Government attempt to sell nuclear power technology to China and, if so, was there any indication of success with respect to potential sales of the Candu reactor or any other power technology?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Yes. The Canadian Government has authorized AECL to pursue prospects for sale to the People's Republic of China of nuclear power reactors and related nuclear facilities and technologies subject to Canadian non-proliferation policy requirements. It is our understanding that marketing efforts have been undertaken.

While China's hydro power and coal reserves are extensive, it is interested in nuclear energy to serve the energy deficient industrialized and populous eastern and southern regions of the country. China's long-term nuclear program is still at the drafting stage but tentative plans have been drawn for a first phase to be completed by the early 1990's. To complete this first tranche, which will include two 900MWe at the Guangdong site, two 900MWe units at Huadong, a 300 MWe plant at Qinshan and two 250MWe heat and power plants at Jinsham, the PRC has selected the light water reactor technology. We are assured that research and development on other reactor types such as the heavy water reactor (like Candu) will be continued, leaving open the possibility of their introduction in the future.

DEPARTMENT OF EXTERNAL AFFAIRS—EXPENDITURE FOR HOSPITALITY

Question No. 490—**Mr. Howie:**

For the fiscal year ended March 31, 1983, what total amount was spent for entertainment outside Canada by the Department of External Affairs?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Expenditures during 1982-83 for hospitality outside Canada amounted to $8,292,898.

SUPPLY REVOLVING FUND—ADVERTISING MANAGEMENT SERVICE

Question No. 728—**Mr. Blenkarn:**

With respect to the Supply Revolving Fund, in the fiscal year (a) 1982-83 (b) 1983-84 (c) 1984-85, what was the forecast or actual total expenditures and revenues for the Advertising Management Service and was this ever shown as a separate item in the Main Estimates and, if so, is it so indicated now and, if not, for what reason?

Hon. Charles Lapointe (Minister of Supply and Services): In 1982-83, the actual total expenditures and revenues for Advertising Management Services were $60.404 million and $60.147 million respectively. In 1983-84, the forecast total expenditures and revenues are $51.310 million and $52.0 million respectively. In 1984-85, the forecast total expenditures and revenues are $54.914 million and $55.0 million respectively. Advertising Management Services was shown as a separate item in the Main Estimates in 1982-83 and 1983-84. The Advertising Management Services is not shown as a separate activity in 1984-85 because it is a sub-activity of the Printing and Communications activity. In 1983, the Treasury Board approved the Operational Plan Framework for Supply Administration which effectively reduced the number of activities from thirteen to seven. All departments and agencies are required to submit Operational Plan Frameworks in accordance with the requirements of the Policy Expenditure Management System. This framework including a program activity structure must be approved by Treasury Board. The relationship between the old activity structure and the new is depicted on page 3.55 Supply and Services, Canada, 1984-85, Part III of the Main Estimates Expenditure Plan.

[*English*]

Mr. Speaker: The questions as enumerated by the Hon. Parliamentary Secretary have been answered.

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

Mr. Speaker: Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1984-85

MEASURE TO ESTABLISH

The House resumed consideration of the motion of Mr. MacLaren that Bill C-21, an Act to provide borrowing authority, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs; and the amendment of Mr. Darling (p. 2292); and the amendment to the amendment of Mr. Deans (p. 2299).

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, I am absolutely astounded by the introduction today of the motion to impose closure yet again on another borrowing Bill. I do not know how many times in this Parliament the Government opposite has cut off debate and prevented the representatives of the taxpayers of Canada from doing their duty. In this case, Sir, it is clear that the duty of Members of Parliament is not to allow the Government to borrow yet more funds without a proper explanation and without a firm commitment on the part of the Government to mend its ways and stop this wanton spending and fiscal incontinence.

It was my intent this afternoon to use the one or two minutes remaining to address quite properly the subamendment which is supposed to be before us this afternoon. This subamendment would change the word "fiscal" in the amendment put forward by the Hon. Member for Parry Sound-Muskoka (Mr. Darling) to the word "calendar". In my opinion, Sir, the wording of the amendment might be in error. Whether or not the substitution of the word "calendar" for the word "fiscal" would make it any better, I do not know. If it were possible to move an amendment to the subamendment, it would be my humble opinion that we should delete after "government's needs" the words "to the end of the current fiscal year". The amendment would then incorporate the principle without tying us up regarding to which particular fiscal period it applies.

Mr. Deputy Speaker: Order. May I inquire from the Hon. Member if he has made a formal motion or was it a rhetorical motion?

Mr. Nickerson: Sir, it is my understanding of the rules that an amendment has been made to the motion on second reading and a subamendment has been made to that amendment, and therefore it is impossible for me to amend it yet further.

Mr. Deputy Speaker: I appreciate the Hon. Member's comments.

Mr. Ron Stewart (Simcoe South): Mr. Speaker, like my colleague, the Hon. Member for Western Arctic (Mr. Nickerson), I am absolutely appalled. I am not amazed and not in the least bit surprised but I am appalled at the lack of any type of fortitude in those across the aisle. They have no shame and there are no limits to the depths to which they will sink.

Since I first came to the House, and other than a short stint in 1979, the Government has ruled by fiat and by closure. It gives it fancy names like time allocation, but it is a simple matter of closure. It is a matter of closing off the rights and the will of Members on this side of the House who wish to bring the concerns of Canadians before the House especially for something as important as the financing of the country.

Mr. Reid (St. Catharines): Guillotine.

Mr. Stewart: That is right, it is the guillotine. I rise to support the amendment to Bill C-21 proposed by my hon. colleague from Parry Sound-Muskoka (Mr. Darling). When I last spoke on this Bill, Mr. Speaker, I pointed out that the Government does not need even half of the money it is going to the trough for; it has $5 billion in reserve and that is enough money to take us to next November. It should not get one cent more than $20 billion and it knows that, so it has imposed closure. The amount is still astronomical and is an irresponsible demand on Canadian taxpayers—a demand made without accountability. There has not been one word about how the money is going to be spent.

• (1520)

Today's deficit symbolizes all that the Government has accomplished over the past 16 years—nothing. The size of the deficit is linked directly to the poor performance of all the major economic indicators and the list is a discouraging one.

The over-all performance of the Canadian economy in recent years—despite what the Minister of Finance (Mr. Lalonde) had the audacity to say today—has been so far below its potential as to be staggering and idiotic. It will remain so over the next few years unless there is a fast change of government.

In January of this year the Conference Board of Canada forecast a gloomy picture for the next two years. That is why it is so disturbing that the Minister of Finance continues to rise in the House to try to tell Canadians something that is absolutely not true. The forecast is for four quarters of negative growth in 1985 and a negative rate of job creation in the last half of this year, leaving us with double-digit unemployment for some time to come. The figures could be a lot worse if one could interpret exactly what the Minister said in his Budget. That was gobbledegook, but the effect is that we will still have over one million people unemployed by 1987. The Conference Board forecasts a rise of at least two more percentage points in interest rates by next year with no hint of a decline, and weak or negative capital investment.

There is only one reason for all this, Mr. Speaker, and that is that the federal deficit is seen as remaining in the $27 billion range. Despite all this the Government makes no effort whatsoever to address the problem, as the Hon. Member for St. John's West (Mr. Crosbie) pointed out to the Minister of Finance just a few moments ago.

How can the Government promise Canadians a modest recovery when Canadian manufacturers are operating at 72 per cent of capacity, when over 10,000 Canadian businesses

declared bankruptcy last year and when a record number of farms—488, I believe—declared bankruptcy last year? All of these businesses and farms could have been bailed out with less money than it cost to purchase and maintain de Havilland and Canadair. What lunacy, Mr. Speaker! What is being practised on that side of the House?

The rate of bankruptcies among Canadian businesses is up 82 per cent since the last PC Government when a sensible Budget was brought in by the then Minister of Finance. Farm bankruptcies have increased four-fold while we argue in the House about a green hat. Is this what the Prime Minister (Mr. Trudeau) had in mind on February 10, 1980 when he said that Liberals would "manage the economy in such a way that interest rates would in fact come down . . . because the economy would be administered in a sounder way"? I do not know where he is taking his soundings but I do not like the depth of our debt. If eight borrowing Bills worth $102 billion in one Parliament is sound economic management, Mr. Speaker, then we need no further evidence that the Prime Minister has no interest in the economic well-being of Canadians.

The extent of Liberal fiscal policy has been reduced to the economics of supplementary borrowing Bills and, again, closure. Canadian hearts must bleed when people pick up the newspaper and see that Parliament is being eroded. It is being strangled. The Liberals do not even put up any speakers. I have been sitting here all day and one Member on the Government side has spoken but has not defended the huge amounts of money being borrowed.

The Liberal Government will be judged harshly, as it should be judged, in the next election. The Government must explain to Canadians why our over-all economic performance since 1974 has been ranked by *Euromoney* as thirty-seventh in the world, just behind Guatemala and Norway. Can that be called a wonderful record? Yet the Minister of Finance claims that we do not have the resources. That is ludicrous; not only do we have the greatest natural resources in the world, we have the greatest resource of any country—our people.

In the past decade we ranked sixty-second in terms of economic growth; twenty-sixth in terms of export-led growth; twenty-fifth in terms of inflation; thirtieth in terms of currency strength; and twentieth in terms of balance of payments growth. Yet the Minister of Finance had the audacity to tell Canadians that we are prosperous. It is a cruel joke, a hoax, Mr. Speaker. When you are down that far, Mr. Speaker, the only place to go is up. That will not be with the rogues opposite, Mr. Speaker, but with the Progressive Conservatives after the next election.

The Government is looking for $30 billion more. What is really at issue is the total lack of concern for the enormity of the problem that we face. It is this uncaring attitude that has eroded investor confidence in the country. Since the last election $17.6 billion in direct investment has been scared out of the country. The Finance Minister talks about $5 billion. I do not like the odds, Mr. Speaker; they are better than three to one.

I might mention that when Mr. Turner was Minister of Finance inflation increased by 5.5 per cent; the dollar fell by only about two cents; the money supply grew at an annual rate of 16.2 per cent; interest rates doubled; economic growth fell from 7.5 per cent to 1.2 per cent; government spending doubled and the deficit increased from $702 million to $5.5 billion. A lot of people are putting their faith in this "Man from Glad" who was the patriarch of deficit financing. Canadians had better not look to him for their salvation.

When the Minister of Energy, Mines and Resources (Mr. Chrétien) was Minister of Finance, inflation rose from 8.5 per cent to 9.3 per cent; the dollar fell by 6.5 cents; the money supply grew at an annual rate of 13 per cent; interest rates rose from 7.5 per cent to 11.25 per cent; economic growth fell from 3.6 per cent to 1.1 per cent on an annual basis and government spending increased by 8 per cent per year. That Minister planned to raise the deficit from $10.8 billion to $12.5 billion in the year the Government was defeated. He is the other movie star hero opposite whom the other half of Members on the government benches are supporting. The only movie he ever made that characterized him was the one made about the Challenger Jet by Canadair when he, as Minister of Finance, put the first $50 million of taxpayers' money into a hair-brained scheme on which we now owe over $2 billion. There is no reason to believe that either of these potential leaders—oh heaven save us, Canada!—will do anything different.

There is no way to justify a borrowing Bill of the magnitude of Bill C-21 because most of the money requested will be left for the new leader to dispose of. After an election it will be the same old bunch. We have very little idea of how the present group plans to spend, other than wastefully. We know that this is the most profligate, spending Government in the history of Canada and we do not know how the next leader plans to use this money.

My colleague's amendment would restrict the amount being asked for. I support it and I support any move that would limit the size of the latest, gluttonous grab by the Government for a record amount of supplementary funds. I should like second reading to be denied the Bill in its present state but now, to add insult to injury, comes the greatest calamity that can befall Canadians on a fiscal Bill, and that is closure. I urge Members with any intestinal fortitude at all to oppose the Bill.

Mr. Robert C. Coates (Cumberland-Colchester): Mr. Speaker, I want to associate myself with the remarks of the Hon. Member for Simcoe South (Mr. Stewart). He has described the outrage that Canadians are bound to feel regarding Bill C-21 which will escalate the borrowing authority of the Government of Canada to over $100 billion in this Parliament. We are informed that the gag will be imposed and that Parliament will be prevented from engaging in the legitimate debate it has a right to expect. The taxpayers will be prevented from hearing the legitimate arguments being put forward. That causes all Canadians a great deal of concern because the Government is playing around with the future of Canadians who cannot speak out because of their age but who are going to be saddled with the horrendous debts being piled on their

backs by this Government in an almost obscene effort to try to buy the Canadian taxpayer and voter with his own money. This is happening at a rate which is shocking to the sensibilities of every taxpayer and every businessman in this country.

• (1530)

It amazes me, Mr. Speaker, to listen to the leadership candidates for the Party which is now the Government of Canada talking about a $30 billion deficit as if it were something Canadians should expect; that is the way you run a country. Well, the way you run a country is to try to bring the expenses of the nation in line with the taxes being paid by the people of the nation. You cannot keep piling on the shoulders of ordinary Canadians, many of them too young even to understand what is happening to them, a debt which is growing at a rate almost unparalleled in the history of any developed nation in the world. We have seen this nation go from a people who were frugal in their appreciation of how their tax dollars should be spent and were respectful of Members of Parliament who had some appreciation of the fact that the tax dollars paid into the Treasury of Canada were tax dollars which Canadian citizens expect Members of Parliament to guard and spend wisely and frugally, to a Government which has become representative of the free-spending drunken sailors who do not really care where the money comes from and who just throw it around at an unprecedented rate, mainly at their friends, no one else but their friends.

Many years ago the then Member for Prince Albert, the Right Hon. John Diefenbaker, used to say, in the early era of the present Prime Minister (Mr. Trudeau), that the "Just Society" was just for Grits. All you have to do is to look at the catalogue of appointees to the various boards and commissions to recognize the accuracy of that remark. It is nothing short of a total scandal, almost a total dictatorship, when you have a Government which uses the devices of Parliament to gag Members of Parliament from legitimate debate in relation to the moneys being borrowed to finance the over-expenditure on Government services; to finance the waste and extravagance of a Government, which has been too long in office and has not respect for the taxpayers of this country or for anyone but itself and its friends; and to see to it that its friends are looked after over and over and over again.

If you are a good friend, you go from one job to another job to another job to another job. There are always good jobs for Grits. We have, for instance, the present Chairman of the Canadian Transport Commission. Since he became a Liberal in 1968 he has been able to bounce from one position to the next position to the next position. He even got an appointment just short of his birthday, which would have prevented him from taking the position he presently holds. We have another gentleman from Nova Scotia who has gone from one appointment to the next appointment to the next appointment. I do not know whether there are fewer Grits in the country; I think there are—

Mr. Turner: You want to go to the Senate, Bob?

Mr. Coates: —but what I would say, from what I can see, is that they seem to be running out of Liberals whom they want to appoint because they are shifting present Liberal appointees from one position to the next position to the next position. You would think that when you shuffle the deck you would be able to find some new people.

My friend, the Hon. Member for London East (Mr. Turner), just now asked me if I wanted to go to the Senate. I want to go to the Senate with him. I think the two of us should go to the Senate. However, Mr. Speaker, I am deeply concerned about the amount of borrowing. I would think that Canadians who look at what they are paying in taxes now and look at the horrendous amount in tax dollars which go to service the debt we now have, must be really alarmed as they listen to Liberal leadership candidates who seem to feel that the deficit is one of the minor problems facing the country. They must be alarmed when they look at the Budget, which was brought down a month and a half ago which told us one story, and then, within a month and a half, see unemployment figures escalating, inflation escalating and an attack on our dollar. How much can you believe these people? Who can you believe over there? Can you believe anyone?

You certainly have to come to the conclusion that what they told us a month or so ago is certainly not the reality today. When we compare ourselves with the U.S., with a country as rich in resources as Canada, a country as rich in potential entrepreneurship as we have in Canada, why are we in such a terrible economic mess as compared even with the U.S., and certainly much more so with other countries in the world?

I want to say, Mr. Speaker, that I support the amendment proposed by the Hon. Member for Parry Sound-Muskoka (Mr. Darling) and I regret very much that the Government has taken the decision to impose closure on this particular piece of legislation.

[*Translation*]

Mr. Pierre Gimaïel (Parliamentary Secretary to Minister of State (Mines)): Mr. Speaker, if we consider the amendment proposed by the Member for Parry Sound-Muskoka (Mr. Darling) concerning the Government's borrowing authority, and if we consider more specifically the question being asked by the Hon. Member, namely, why the Government is asking for an extra borrowing authority, in other words, an amount in addition to the sums of money required until the end of the fiscal year, clearly, the Government of Canada, owing to the vast number of responsibilities that have been vested in the Government over the past few decades by successive governments, I should say by successive Parliaments which passed a host of bills, a process to which Members of the party in power or the Parties in power in Parliament at the time and Members of the Opposition have contributed, clearly the Government's role, which is daily becoming increasingly important in the lives of Canadians, demands that this Government meet some very impressive obligations.

Over the last few years, I believe we have experienced very dramatically how instability can become a part of the lives of all Canadians, of our economic life, and how it can do so without warning and very quickly, depending on what is happening among our neighbours to the South. In this respect, the House is well aware of the various obligations the Government has to Canadians, obligations both in the human and the economic sphere, and that whether it is helping the unemployed through unemployment insurance, manpower training, technological and resource assistance, economic development through various initiatives or incentives given to companies and Canadian investors, the Canadian Government must respond, and respond immediately, to the needs of Canadians according to the state of the economy in this country.

As I said earlier, during the last few years we have realized that instability can occur, and with that in mind, a contingency fund has always been agreed to by the Party that happens to be in power. I am referring to a contingency fund to be added to the Government of Canada's borrowing authority. Why, Mr. Speaker? To having to go back to the House in the course of the year and ask for another borrowing authority in addition to the one already adopted; and quite simply because every time the subject is before the House, we get a very long debate that is always the same—practically the same speeches by the same Members—and what it all boils down to is that the Government is being given the same borrowing authority once again.

• (1540)

By adding a contingency fund, the Government can more readily intervene to help those Canadians who need assistance most, because most of the time, the contingency fund is there to give a "leg up" to Canadians who need short-term help, just when the economy requires Government intervention. The point is to try to respond to those needs as quickly as possible. That is why there is reason to question the grounds for the amendment proposed by the Opposition.

The Opposition's role, and no one will deny this, is to challenge whatever the Government does, and in this connection, I think it is a good thing and a very salutary custom to ask, when additional amounts are being requested and contingency fund is required, why the Government finds it necessary to do so and why it is asking for these additional funds. However, that does not mean Opposition Members should always hand out the same old arguments, the same phrases about "blank cheques", and the rest, the same terms which I have been hearing in the House for four years, year-in-year-out, and always for the purpose of making Canadians believe the Canadian Government is taking their money to send it God knows where! When the Government of Canada borrows money, first of all, it borrows from Canadians, to meet their needs. Most of this money goes back to Canadians. If it goes to people other than Canadians, it is to pay for services being offered to Canadians. In fact, the Government of Canada is, in so doing, acting according to the mandate it has been given by the House of Commons through the legislation passed by the House and, to go back even further, in accordance with major policies formulated by governments in the course of this century and especially during the last years and decades.

Mr. Speaker, if it is not so, it is because men and women were elected in this country who, more than anything else, wanted all Canadians to have a standard of living and a quality of life that is the best in the world at the present time.

There are Canadians who were elected to this Assembly and who wanted to ensure that in Canada, everyone would have shelter, food, health care, and an education, and an opportunity to live in safety without risk of war or suffering from any discrimination that would prevent a person from achieving his personal development. This has been possible by the will of those who were elected by Canadians to come and represent them here in Parliament, because over the years, they have listened to their constituents, to the people who elected them. Each time I rise during this debate on the borrowing authority legislation, Mr. Speaker, I keep wondering why we should be having this debate at all because every expenditure incurred by the Government is subject to the control mechanisms operating within the Canadian Parliament, whether we are speaking about the work of Parliamentary committees or sub-committees, the questions which Ministers have to answer in the House or the control mechanisms established by the Auditor General of Canada. Why should we waste hours upon hours each time discussing whether or not the Canadian Government should be allowed to borrow? This debate, if it were carried out constructively, could be extremely interesting, but Opposition Members always make it an unproductive exercise. They keep insisting on certain points which throw some kind of gloom over the fact that the Government is borrowing money. There is nothing gloomy about it. The Canadian Government understands its role and the responsibilities ascribed to it through the centuries by previous Parliaments, and the Canadian Government is meeting these needs. When the revenue intake from taxes is adequate, the Government does not have to borrow, but when tax revenues run short, the Government borrows, but it must be said that it then borrows mostly from Canadians and very little on the foreign markets. The Government borrows from the Canadian people. This is therefore a banking operating which does not add to the national debt, because when Canadians owe money to other Canadians, it is not a national debt; it is an operational deficit based on the fact that the Government decides on one of the options it has to obtain funds and invest them in the nation, in the country, in people, in human development, and it does so by borrowing money from Canadians. When Members opposite try to suggest that this money is being squandered, they forget that it is used to provide for infrastructures, whether it is in the area of transportation which is the greatest challenge in Canada, or education, or health care. For instance, This year,

transfer payments to the Provinces by the Canadian Government will come up to over two-thirds of what the Government of Canada will borrow during the year. Do the Members opposite consider that transferring money to Conservative or NDP Governments in the Provinces amounts to squandering? They could have a point, but we have signed agreements to do so. If we had been brighter, perhaps we would have arranged to provide such payments to Liberal Governments only. However, as this Government respects the choices made by Canadians and the fact that they have put other parties in office in various Provinces, transfer payments are still made as provided under the Federal-Provincial agreements. If Opposition Members do not agree with this, let them say so and let them convince the people in their Provinces that they must not put in office governments which do not know how to spent these funds since these parties seem to disapprove of these transfer payments.

Just to show how inconsistent they are, Mr. Speaker, the Hon. Members keep asking the same question: Why? What is wonderful in Canada is that the answer to this question is this: because Canadians, and especially those who represent them in the House of Commons, all these Members who have been sent to this House all through the years and the Ministers of this Government, realize that the first duty of a Government is to answer the needs of the people instead of taking a holier-than-thou attitude and trying to establish, somewhat like what is happening now in Quebec, a super-government with super-powers. Its first duty is to serve the needs of the people who have worked hard through the years to build a wonderful country with one of the most peaceful, wealthy and loving populations in the world.

[*English*]

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I am pleased to be able to say a few words on this borrowing Bill. The Government has put this Bill forward in an attempt to borrow almost $30 billion for the operation of the Government for the next few years. When considering this Bill and its amendments, possibly we should be looking at the option of cutting back the amount of government spending that has been taking place. The record of the present Government would not make anyone proud. We must recognize of course that it did not begin the deficit. That honour belongs to the administration of my predecessor from Prince Albert, Mr. Diefenbaker, who began the huge deficit budgets and started the snowball down the hill. It has been growing ever since.

• (1550)

Let us look at the record of the present Government. The Gross National Product in Canada is approximately $430 billion. The deficit for 1983-84 was $31.45 billion. The current accumulated deficit, most of which can be attributed to the present Government, is approximately $120 billion. This year, it projects a deficit of $29 billion. It is asking us for borrowing authority for $30 billion, which is more than its projected deficit. The Government has been telling us every day in the standing committees that it will probably save something from the Estimates which it has put forward.

The Government is paying interest rates of approximately 11 per cent on most of this accumulated deficit. That is the average of all the unmatured, marketable bonds and Treasury bills that are outstanding. It amounts to approximately $17 billion a year in interest, not including Crown corporation debts. This means that more than 25 cents of every dollar that Canadian citizens pay in taxes go to pay for the deficit the Government has accumulated over the years. It is asking us to authorize an increase in that deficit, and at the rate we are going it will double in the next ten years.

The total liabilities of the Government are approximately $223 billion, including Crown corporations. One could add all of the committed funds which the Government has generously offered and which could be called bailouts. Although Chrysler was able to pull out of its difficulties, there are corporations like Massey-Ferguson, Dome Petroleum and Maislin that have been aided by what have been called bailouts. These may cost the Government at some time in the future—

Mr. Peterson: Mr. Speaker, I rise on a point of order. People on this side of the House share the Hon. Member's concern about the deficit and the cost of servicing the debt. I would like the Hon. Member to check to see if his research notes do not come from either James Laxer or Tory research notes.

Mr. Deputy Speaker: That is hardly a point of order; that is a debating point. I invite the Hon. Member to make a contribution to the debate whenever he wishes, but that was definitely not a point of order.

Mr. Keeper: Mr. Speaker, I rise on a point of order. Since that was a false point of order, I wonder if the time could be added to my colleague's allotted time.

Mr. Deputy Speaker: The Chair will of course exercise its usual discretion in that matter.

Mr. Hovdebo: Mr. Speaker, we are talking about the needs of the Government and its request. Our amendment suggests that it cut $10 billion from its request. If it did so, we would support it in its requirements even though we think it should not have accumulated such a deficit over the years.

We can see that the Government has not been a very good manager, but we should also consider the Official Opposition. We cannot judge recent Conservative Governments except to examine the Diefenbaker Government which began this deficit spending. However, there are other examples, such as the three year-old Conservative Government in Saskatchewan which took over a surplus of $140 million. In three years, deficit budgeting has managed to put that province into a deficit position of $850 million. That amounts to approximately $11,000 an hour or $275,000 a day that the people of Saskatchewan are paying in interest for the privilege of having a Progressive Conservative Government in Saskatchewan. In its first few months of office, that Conservative Government

placed a greater burden on the people of Saskatchewan in the form of a deficit that is larger than had been accumulated in that province in the previous 55 years. That is what we can expect from a Progressive Conservative administration. It is the same kind of deficit financing that we can expect from the present Government.

If we are to consider the Liberal administration and a possible Conservative administration, we should also consider a New Democratic Party administration as well. There was a New Democratic Government in Saskatchewan for 30 out of the last 40 years. In that time it did not accumulate any deficit. If there was a deficit in one year, it was paid off in the next year, so that there was no accumulated deficit in those 30 years. That Government produced the best social service programs in the country and was able to pay for them as a result of its planning. It never planned any social services until it was ready and willing to pay for them. As a result of this careful administration in planning its expenditures, it provided Saskatchewan with 30 years of a government and social structure that was the best in Canada, probably the best in North America and one of the best in the world. This was accomplished in Saskatchewan without creating a deficit, and it represents the kind of planning that is necessary to make expenditures that are worthwhile and meaningful for the people of Canada.

When considering the Government's request for further funding, we should look no further than its record. In a matter of 16 short years the Government has put us in a position where it will probably take future governments another 15 years to get out of it. We should be doing that kind of planning now and not increasing our deficit at this time.

• (1600)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Broadview-Greenwood (Ms. McDonald)—Human Rights—Appeal in sexual harassment case. (b) Funding of appeal; the Hon. Member for Halifax West (Mr. Crosby)—The Senate—Appointment of eight new Senators. (b) Request that Prime Minister delay making further appointments; the Hon. Member for Kootenay East-Revelstoke (Mr. Parker)—Mines and Mining—Western Canadian coal production. (b) Importation of United States coal.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1984-85

MEASURE TO ESTABLISH

The House resumed consideration of the motion of Mr. MacLaren that Bill C-21, an Act to provide borrowing authority, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs; and the amendment of Mr. Darling (p. 2292); and the amendment to the amendment of Mr. Deans (p. 2299).

Mr. Joe Reid (St. Catharines): Mr. Speaker, I rise this afternoon to join my colleagues in denunciation of the Government which introduced closure on this Bill. This is a most blatant Bill. This is a record breaking borrowing Bill. It is larger than any other borrowing Bill brought before the Parliament of Canada. It stands in the amount of $29.55 billion. I just heard the Hon. Member for Lac St. Jean (Mr. Gimaïel), in a most fallacious argument, ask why we have speeches in opposition to this borrowing Bill at all because the same responses and the same comments are being made. I ask you, Mr. Speaker, and I ask Members opposite, is there no man or woman of conscience and integrity on that side of the House? I suggest to you that any open-minded government would be coming before this House and giving an explanation as to why it needs the dollars the Government proposes to spend.

This same borrowing Bill includes a $4 billion contingency fund. The Hon. Member for Lac St. Jean says, "Why, we are only borrowing from Canadians. It does not become a real debt. It is not part of our deficit. It might not have to be paid off. The money is being borrowed from Canadians". I suggest that when a Government comes before this House and borrows more money than do all Canadians all across this land save in one year, then it is forcing interest rates up and driving up inflation. What is bound to follow is the kind of action this Government is now taking.

However, I want to make a comment in support of the amendment introduced by my colleague, the Hon. Member for Parry Sound-Muskoka (Mr. Darling), the only kind of comment that is an appropriate response to the borrowing Bill now introduced. The issue is clear and so is that amendment. The Government has come to Parliament in search of borrowing authority in the amount of $29.55 billion. This amount is not only the largest borrowing authority request in Canadian history, it goes beyond the needs of the present Government. My colleague has responded that we should throw the matter back. Let us not give this Bill second reading. Let us reconsider the Bill in a credible and conscientious manner. His response is made on the basis of principle. I wonder on what basis the Government has introduced this Bill.

Observers of the Thirty-second Parliament will wonder if borrowing Bills represent the sum total of this Government's program. We have had eight similar borrowing Bills in lesser amounts since the 1980 election. The slippery slopes start early. After February 1980, within three months of that date,

the Government came to the House clamouring and asking for $12 billion in borrowing authority for that year. That was followed by a request for $14 billion, then an additional $6.6 billion, then $7 billion, and so it went until we have now reached the $29.55 billion plateau. The Government has had a total, since February, 1980, of over $102 billion. This Government is marked by its ability to spend dollars and to give money away in special programs, such as the Special Employment Initiatives Program. Why should we trust a very partisan, selected means of allocation?

The effect of runaway spending and continued borrowing has led to the disaster which this country is now facing. Canada's net debt has doubled. Our gross national debt has climbed from $103 billion in the 1979-80 fiscal year to an estimated $190 billion in this fiscal year. My constituents in St. Catharines know full well what huge overdrafts and liabilities mean. Unless restraint is practised in Government as well as at home, it is only a question of time until the whole house of cards comes tumbling down.

There is no disputing the fact that mounting fiscal problems face this Government. We have heard over and over again the aggressive tactics of National Revenue. Yet here we have the Government asking Parliament for borrowing authority in excess of its current needs. If Parliament approves the request, we will indeed be on the road to disaster, economic fiscal disaster. The Government will not be able to ignore Parliament for the months to come. It will have to answer to the people of Canada sooner or later. The fat bank account will lead to even less regard for the taxpayers' dollar. In an election year we can count on reckless expenditures if that opportunity arises. You can bet your hat that that $4 billion contingency fund will be spent within the next few months.

Interest rates will again be pushed up by these heavy borrowings if the federal Government borrows the entire $29.55 billion, and it will. The credit market will be crowded out, leaving no room for legitimate expenses and investment. Heavy demand and a slight supply means higher mortgage rates and interest rates for every-day common living. I have said before the inflation is bound to follow. It will be pushed up by higher interest rates. Finally, the Canadian dollar will continue to plummet in relation to the American dollar. This will be the inevitable result of a Bill of this kind.

The Prime Minister (Mr. Trudeau) once challenged unemployed workers to get off their backsides and find a job. We on this side of the House, Mr. Speaker, urge the Government to get off its rear end and start trimming the deficit we are facing. In this time of so-called economic recovery, there can be no excuse for the record levels of borrowing and expenditure. Canadians themselves are trying to make up for lost ground, but their own Government is throwing up road blocks. Come October 1, the Government, which cannot find a dollar to cut in its expenditures, will be asking Canadians to hand over an additional $2.1 billion in taxes.

In the 1985-86 fiscal year, the additional taxes will amount to the almost $4 billion that we are talking about, for a total of $6 billion in less than two years. This is clearly outrageous. The Canadian taxpayer is faced with a situation of give, give and pay. It is the taxpayer who is expected to do the belt-tightening, but there is no evidence of that on the part of this Government. With one voice the taxpayers say, "Cut the deficit and let us get on with the economic recovery that we have been told we might have".

In the City of St. Catharines the average taxpayer is currently paying $1,000 a year on his or her portion of the service charges on the national debt. The Government is putting forward an outlandish request to borrow an additional $29.55 billion. It is clearly telling the taxpayers in my home town of St. Catharines that $1,000 is not enough. More will be needed because the Government wants to borrow more so it can spend more. Taxpayers in St. Catharines are not different from taxpayers anywhere else in Canada. They work hard, they earn their money, and $1,000 means something to them.

I recognize that my time is drawing to a close, Mr. Speaker. I could go through a long list of useless expenditures which this Government is making, but time will not permit. Our Party is simply urging the Government to hold the line on that $1,000 per taxpayer which we in St. Catharines will have to pay. The adoption of the amendment put forward by my colleague, the Hon. Member for Parry Sound-Muskoka (Mr. Darling), would be a positive first step in that regard. I urge Hon. Members opposite to take a second look at what they are doing to this country. Stop it now! Concern yourselves with the deficit which our young people, the generation after them and the generation after, will have to face.

• (1610)

[*Translation*]

Mr. Herb Breau (Gloucester): Mr. Speaker, I am delighted to be taking part in the debate this afternoon, because I think the Opposition would have everyone believe that Bill C-21 is the mechanism through which the Government administers its deficit programs.

Mr. Speaker, we must not confuse borrowing authority, which is the subject of Bill C-21, and the appropriations or budgets for each Department which the Government must put before the House every year, sometimes two or three times a year, because sometimes there are supplementary estimates, and that is when the House of Commons authorizes the expenditures the Government has to make. Therefore, when the House is considering a borrowing authority Bill, it should not necessarily concentrate on the value, the merit, or the lack of merit of the Government's expenditures or determine whether the House of Commons should approve the deficit in this debate. The Bill before the House, Mr. Speaker, merely says, when there is a deficit which the House of Commons will already have approved or not, how the Government is to meet its responsibilities. The Bill authorizes the Government to borrow $29.550 billion, because that is the amount required to cover the Budget deficit, and we have added to that a contingency fund of approximately $4 billion to guard against any rapid imbalance in the negotiations or management operations

of the Government, including debt management as well as management of foreign exchange.

In some cases, the Government of Canada, in others, the Bank of Canada, must borrow abroad or pay back loans abroad, not only because the loan is due or because it makes sense from the point of view of debt management, but also because sometimes this is a way to control or manage the value of the Canadian dollar. Our policy is that the Canadian dollar should be allowed to float, in terms of its value, on international markets. But we also have a policy according to which any upward or downward movements of the dollar should be as orderly as possible. Now, the Government's policy of managing upward and downward movements of the Canadian dollar does not mean that we are setting the value of the Canadian dollar at a level determined by any fiscal policy, but just that we want to make sure that over a period of one or two weeks, there is no undue pressure on the Canadian dollar. On the other hand, when the value of the Canadian dollar depreciates on the market, it may be important to sell Canadian dollars on the market to ensure that there will not be too much pressure over too short a period. This is to prevent any imbalance.

So, the additional borrowing authority of about $4 billion which the Government is seeking through this Bill is not for money that the Government might decide to spend on its own as it sees fit, because any public expenditure must be approved by the House of Commons. Therefore, Mr. Speaker, anyone who claims that the $4 billion is a slush fund for the election or money to be spent as and when the Government sees fit is distorting the situation, misleading the public and twisting the debate. There is no way the $4 billion can be spent unless it has been authorized by the House of Commons.

Now then, Mr. Speaker, why is the federal Government running a deficit? Well, Mr. Speaker, the federal Government is running a deficit mostly because, up until less than a year ago, we went through a recession. First of all, there was the impact of the federal Government's efforts to stimulate the economy during the second half of the seventies. At that time, a whole series of incentive measures were announced for the private sector, particularly the investment tax credit introduced in the budgets of 1975 and improved in the following budgets. Then the personal tax exemptions were indexed so that Canadian taxpayers would have more money to spend, with the result that, as parliamentarians, we had to ask Parliament to raise taxes. If we had decided to leave personal exemptions as they were instead of taking action, in 1973 or 1974 as I recall, then in fact the taxes levied by the Government would have risen automatically with inflation. Some people said that we were wrong to do that, the Government should not benefit from inflated dollars.

But the result was that the deficits grew heavier than expected. Even so, the federal Government cannot decide what the deficit will be only on the basis of expenditures and revenues. It is easy enough for a provincial Government to claim that it will balance its budget if there is a strong economic recovery after a recession. But the federal Government cannot be satisfied with simply balancing its books, because it does have responsibilities with respect to the macroeconomy. It is up to the federal Government to see to it that the whole Canadian economy is either boosted or cooled down through tax policies, depending on the economic situation.

During a recession, the federal Government must get the economy moving through higher expenditures, so we end up with a deficit. In times of excessive growth rates, the Government may very well slown down the economic activities, therefore it will cut its expenditures or perhaps raise taxes. In other words, the role of the federal Government is more than a book-balancing act.

[*English*]

Hon. Members of the Conservative Opposition particularly—the New Democratic Party is a little more confused on this than it used to be—are trying to suggest that one could balance the books at the federal level as you do in a business or as is done in the provincial Government. Conservative Members ignore totally, Mr. Speaker, that the federal Government has a responsibility in the management of the macroeconomy and that the buck stops here. We are the ones who can use the federal Budget and federal expenditure to stimulate the economy and to make sure that we maintain the safety nets, the stabilizers we have in place in the economy, when we are in a period of recession.

The Conservatives have been so impotent as a federal Party over the years that they neglect to see the importance of the federal Government in the economy. It is difficult for them to come up with any federal policy on anything. They forget that the federal Government is an important institution in this country. It is important that the people look up to this Parliament and say, "Will you please make sure you manage the economy and your expenditures in a way which will protect people who depend on the safety nets in a period of recession".

Those Hon. Members are so confused, Mr. Speaker, and internally divided among themselves, that they lose sight of the fact that there is an important job to be done here. It is not only a question of balancing the books. The federal Parliament has the responsibility to use fiscal policy to affect the economy and, Mr. Speaker, the moneys which this Bill would authorize the Government to borrow are moneys which will be approved by Parliament. The reserve that they are talking about will have to be approved by Parliament if it is to be spent. This reserve is to ensure that there is no disruption in the money markets. It is to make sure that if the Bank of Canada felt that the Government should pay foreign debts it could borrow in Canada to pay for reasons of foreign exchange management. This is what the Government is looking for in Bill C-21. All the Opposition Members are trying to do is to confuse the public. They are so confused themselves that when they speak, they confuse the public. They want the public to think that we will be authorizing this kind of expenditure, and that is not the case at all.

● (1620)

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, I cannot believe what I just heard from the Hon. Member for Gloucester (Mr. Breau). It was an unbelievable attempt to explain away the futile and miserable expenses and losses of this Government. He tried to suggest that the Government is borrowing this money somehow to manage the Canadian dollar. It is managing it all right. It is dropping right out of the sky, going down continually. I therefore hope it is borrowing it for a more productive purpose than that of managing the Canadian dollar.

It would be explainable to the House of Commons if the Government were borrowing the money to invest in some business arrangement, to provide some incentive to Canadians or a tax-bearing account or business. Instead, most of this money has been frittered away on expenditures that cannot be justified, and on wastage. The Hon. Member for St. Catharines (Mr. Reid) had the list of all the waste that has gone on with this Government. Members of the Opposition offered the Government an opportunity to set up a parliamentary committee to assist them in finding ways to slow down the spend, spend, spend of the federal Government with absolutely no control so that we are now running deficits of $30 billion.

Mr. Gimaïel: The provincial governments are spending it.

Mr. Schellenberger: The Member opposite talks about provincial governments. The federal Government is finding it so difficult to finance its mismanagement that it is attempting to push on to the provinces part of the borrowing. It thinks they have room. Is that the way to manage a national economy? I doubt it. That is why the amendment put forward by the Hon. Member for Parry Sound-Muskoka (Mr. Darling) makes so much sense.

Why would Members of Parliament be asked to justify that type of borrowing when there is no way the federal Government can explain over $10 billion of its expenditures? If it came before the House and gave the reasons why it required this kind of expenditure, and if they were reasonable, I am sure Members on all sides would approve it. However, the Government has not done that. It has not attempted to come forward with the reasons why it needs borrowing authority for $29.5 billion.

Members have often spoken in this House and to the Canadian people about the kind of burden this will place on Canadian society. This Bill alone means $800 for every man, woman and child in Canada. At the same time we find in the Estimates an estimate for the propping up of Canadair. It is a tremendous amount of money. It lost $1.4 billion last year and $330 million this year. If that were the case in the private sector, the board of directors would be questioned about that amount of loss. The chairman of the board would be asked to justify the management of the company which lost that money. What has the Government done? Instead of requiring Canadair to come before the Minister and telling them that they have not managed the company very well and that they must be replaced, that has not been done. I do not think they even had their fingers rapped. They replaced everyone on the board of directors, including the chairman, a former Liberal who sat in this House.

How can we as Members of Parliament say to the people of this country that we are going to approve this kind of borrowing authority? In 1968, not too long ago, government spending was only $12.3 billion. Today, the Estimates, including the Supplementary Estimates, show the amount to be close to $100 billion. One out of every $5 will be spent on financing the deficit, which has accumulated to $180 billion, compared to $17 billion in 1968, just a few years ago. One out of three dollars of revenue collected by the Government goes to financing this kind of deficit.

In the Budget, which the Minister of Finance (Mr. Lalonde) brought down a short while ago, he projected that if we do not throw this Government out, which happily we will do soon, deficits of $25 billion plus will continue for the next four years. If that is allowed, by 1988 the net deficit in this country will have risen to $261 billion. So many dollars will be taken out of the Canadian economy by the Government that there will be very little room for the private sector to borrow money to set up revenue-producing industries and create jobs in the private sector. The Government feels it has a monopoly on this, but it is not doing very well when we have a 11.3 per cent unemployment in this country today.

What is happening? We had a Bill before the House just lately which will transfer more of its expenditures and a larger tax base to the provincial governments as far as borrowing is concerned. It will shift the burden of the cost of social services, medicare and education to the provinces. Not only is the Government asking to borrow more money to spend, it is shifting the burden to the provinces, which, it feels, have more room to borrow. This is an ongoing example of borrow-spend, borrow-spend. It goes on and on. Looking at the massive Estimates for this fiscal year, it is astonishing to note the growth of Government spending.

I entirely support the amendment put forward by the Hon. Member for Parry Sound-Muskoka which states that this House should not grant a borrowing authority of that magnitude when the Government cannot justify its expenses. That is objectionable in principle, and this House, therefore, declines to do that.

I guess that the impact of the excellent speeches by Members of this Party is such that the Government can no longer take it. The Minister stood in his place after Question Period today and said we have to halt this debate. The government Members cannot handle the pressure anymore. It is getting to them. They are having trouble explaining this deficit, therefore they intend to cut off all debate. Members of Parliament will not be allowed to bring forward objections to this kind of borrowing, objections to unjustified spending and constant waste by this Government. Members of Parliament will not be allowed to attempt to straighten out the Budget. Therefore, we have had notice of the motion that will allow the Government to move closure on this debate in the very near future.

• (1630)

It is a very difficult situation for a Member whose riding contains hundreds of families that own small businesses or farms and are finding themselves pushed to the brink of bankruptcy at this time. My constituents come to their Member of Parliament and say: "Why has the economy progressed in such a fashion that even though I am managing my business in a proper fashion and have been doing so for 10, 15 or 30 years, I now find myself in this kind of difficulty?" The only answer I can give to them is that they have a national Government that does not know how to manage the funds of the taxpayers of the country.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, this afternoon we had the unaccustomed pleasure of hearing two government back-benchers speak at this stage of the debate. The only time they dared appear is after the Minister of State for Finance (Mr. MacLaren) had served notice of limitation of time of debate. Therefore, they could safely enter the debate because their interventions of whatever nature would not interfere with the flow of the business of the House.

The Hon. Member for Lac-Saint-Jean (Mr. Gimaïel) attempted to justify the Liberal Party, as he has attempted to justify it in the past, by indicating that anything that the Liberal Party or administration does, as long as it will maintain the Liberals in power, is good for the Liberal Party.

• (1630)

[*Translation*]

Mr. Deputy Speaker: Order, please. The Hon. Member for Lac-Saint-Jean (Mr. Gimaïel) on a point of order.

Mr. Gimaïel: Mr. Speaker, I never said what the Hon. Member has just said. I never said anything about the Liberal Party being prepared to do anything to cling to power. If the Hon. Member is quoting me, I would urge him to be accurate, because the people of his riding would like to keep fond memories of him.

Mr. Deputy Speaker: Order, please. The Hon. Member for Edmonton West (Mr. Lambert).

Mr. Lambert: Mr. Speaker, the Hon. Member is so unfamiliar with the Standing Orders that he cannot tell the difference between a point of order and a point of debate. I am prepared to debate with the Hon. Member at any time, but when it comes to procedure he ought to restrict his points of order to that subject.

Mr. Deputy Speaker: Order, please. I would ask Hon. Members to cooperate. When the Chair gives the floor to a Member to make a speech—the Standing Orders are clear and Hon. Members were so advised many times—the Hon. Member who has the floor must not be interrupted. In any case, the Hon. Member for Lac-Saint-Jean is again raising a point of order.

Mr. Gimaïel: Mr. Speaker, my point of order has to do with the fact that I have no objection against my colleagues quoting me in the House. However, they should repeat what I said, not something I did not say, especially when it is the last speech of the Member involved.

Mr. Deputy Speaker: Order, please. The Hon. Member wanted to clarify his remarks, and that is quite acceptable. The Hon. Member for Edmonton West.

Mr. Lambert: I want to say to the Chair that those are points of procedure, not simply points of debate. So, Mr. Speaker, they are asking—

Mr. Deputy Speaker: Order, please. I am sorry, but the Hon. Member for Edmonton West has just said something about the Chair which may or may not be acceptable. However, the Standing Orders are clear on that point. If a Member is not quoted correctly—that is in the Standing Orders and I will be pleased to find the exact reference—that Member may rise on a point of order to set the record straight. Therefore, I have nothing more to say. The point raised by the Hon. Member for Lac-Saint-Jean was quite in order and I would ask the Hon. Member for Edmonton West to continue his remarks.

Mr. Lambert: I do not want to insist, Mr. Speaker, but if you care to check *Hansard* and reflect upon what I said to you, I think you will agree with me.

But then, on the other hand—

Mr. Deputy Speaker: Order, please. There is another point of order. The Parliamentary Secretary to the Minister of Employment and Immigration.

Mr. Dubois: Mr. Speaker, I am disappointed to see that a parliamentarian with as much experience as the Hon. Member has does not show respect for the Chair, and I would suggest that you ask the Hon. Member for Edmonton West to withdraw his remarks.

Mr. Deputy Speaker: Order, please! If the Hon. Members will bear with me, I do not think it will be necessary to go that far. However, I would like to quote the relevant Standing Order to which I referred a moment ago, namely Standing Order 41(1) on page 33, which provides the following:

> No Member, unless otherwise provided by Standing or Special Order, may speak twice to a question except in explanation of a material part of his or her speech which may have been misquoted or misunderstood, and the Member is not to introduce any new matter, but then no debate shall be allowed upon such explanation.

As I understand it, the Hon. Member for Lac-Saint-Jean (Mr. Gimaïel) wanted to clarify an interpretation which was different from what he claims having said earlier in his speech. The matter is therefore settled and I invite the Hon. Member for Edmonton West to resume his comments.

Mr. Lambert: Mr. Speaker, while I may accept your ruling, I do not have to agree with it. With regards to the comments made by the Hon. Member for Lac-Saint-Jean, which I quoted, they are to be found in a speech he made in this House several months ago.

Mr. Gimaïel: Which you have not read!

Mr. Lambert: I have read it many times and it was also in the newspapers—

Mr. Deputy Speaker: Order, please! Would the House allow the Hon. Member for Edmonton West to express his views?

The Hon. Member for Edmonton West.

• (1640)

Mr. Lambert: All right. Crows on the fence do not scare me.

We now have before us an amendment moved by the New Democratic Party which would somehow limit the effect of the amendment moved by the Hon. Member for Mississauga South (Mr. Blenkarn) providing that there be no need to ask the House to approve an amount of $29.5 billion during this fiscal year, while the NDP would want it to be the calendar year. I quite agree with the purpose of their amendment. As the Hon. Member for Gloucester (Mr. Breau) has said, the Government simply thought it proper to ask the House for the authority to borrow $29.5 billion, and the House should be grateful enough to accept this request. After all, he says, the Government is anxious to ensure the well-being of the country and this request is quite consistent. We are not spending this money! We are just dumping bucketsful of it into bottomless pits such as Canadair and de Havilland, and then asking the House and the Canadian taxpayers to give the Government everything it needs during an election year to continue its squandering.

[*English*]

The Auditor General, newspaper editorialists, business commentators and even some leadership candidates do not agree that the Government should have the right to spend money as it sees fit and that the Canadian taxpayer should have nothing to say about it, should not be worried and should have confidence in what the administration does and intends to do. On the other hand, one of the leadership candidates has said that the Government has to put order into the fiscal management of the affairs of the country.

One of the big problems with the Government has been the breakdown in responsibility, the overlapping and granting of credits to Crown corporations without end. There is no better time to bring the Government to account for its debts than during borrowing authority debates. The Government has shoved us into debt in excess of $160 billion this year, and the deficit is going to be $31 billion or more. This is predicated upon a certain amount of recovery in the country. During the last two or three weeks the indicators from the money market have been a fall in the stock-market, with an increase in interest rates, an increase in unemployment, and an increase in the rate of inflation. All these factors call for the greatest caution, at the very least.

The Minister of Finance (Mr. Lalonde) disdains any suggestion that we might be in difficulty. Any Minister of the Government who conducts himself in such a fashion deliberately misleads the public, as was done in 1979-80 when the Government was in opposition and during the election campaign of 1980. Over the next two years it let the Canadian public have it. We saw interest rates rise to unprecedented levels. We saw inflation rise as we have rarely seen it in this country. For those on the Government side who are new here, I would point out that during the last year of the Korean war, inflation was 13.5 per cent, although that lasted for only a short time. That is higher than it was 18 months ago, but that does not mean it has not started an unfortunate climb again. For the Government to ask for a borrowing authority of $29.5 billion in these circumstances is ludicrous.

I do not know if you are aware, Mr. Speaker, that some four or five weeks ago the Hon. Member for Capilano (Mr. Huntington), at my suggestion, asked the Minister of Finance about a bond issue of $650 million, a good portion of which was new money. Most of it was long-term bonds with a coupon rate of 12.5 per cent; the shorter term rates were a little lower. The market reaction was that a portion of those bonds was sold at par and the balance at a discount. The market reaction was that on Government of Canada bonds in excess of ten years, 12.5 per cent was not enough, considering the performance of the Government.

Mr. Deputy Speaker: I regret to interrupt the Hon. Member but the Chair did allow him extra time in view of earlier interruptions. His time has now expired.

Some Hon. Members: Continue.

Mr. Deputy Speaker: Is there unanimous consent to allow the Hon. Member to continue his remarks?

Some Hon. Members: Agreed.

Mr. Pinard: Mr. Speaker, we agree, provided that the Hon. Member does not take more than two minutes.

Mr. Lambert: Thank you, Mr. Speaker. In summary, I should like to ask the House to support the amendment of the New Democratic Party and then to line up behind the amendment of the Hon. Member for Mississauga South (Mr. Blenkarn). That would bring back some reality and responsibility to the House and would mean having a Parliament, rather than a rubber stamp—*et je les compte, les "rubber stamps" sur les banquettes ministérielles.* We do not have to do it and we should not do it.

Mr. Cyril Keeper (Winnipeg-St. James): Mr. Speaker, I welcome the opportunity to enter the debate with regard to the borrowing authority. Today the Government is obviously asking for authority to borrow a very considerable amount. We must consider what the Government's priorities are, and this

raises some very serious questions about the attitude that Parliament should take to granting further borrowing authority. I think specifically of the Petroleum Incentives Program on which the Government has spent something like $1.6 billion. These grants have gone to the petroleum industry, but this money has created very few jobs at a time when there are 1.5 million people unemployed in the country. Taking into account those who have given up looking for work, who are discouraged because there is no work to be found, the real figure is more in the order of two million people. Yet this is when the Government asks for additional borrowing authority, when it has spent $1.6 billion on incentive grants to the petroleum industry.

Those priorities are totally inappropriate in the present economic circumstances; they are insensitive to the human needs that exist in the community. If the Government were compassionate, it would borrow money to put people back to work rather than continue to funnel it to the petroleum industry.

• (1650)

It would not be so bad, Mr. Speaker, if there was only one example of the misdirection of scarce public funds. But look at the job-creation funds which went primarily into Liberal ridings. This use of public funds undermines the confidence of people in their Government. There is no way that any citizen of this country can have confidence in any Government which borrows money and then spends it in Government ridings rather than in opposition ridings. The unemployed of this country live in both Liberal and opposition ridings, and it is crucial that the Government comport itself in a way which will maintain public confidence. The funnelling of public money into Liberal ridings is surely the best way to undermine that confidence and encourage Parliament to reject requests from the Government for further borrowings.

Not only has this Government spent money unwisely, Mr. Speaker, but it has failed to collect taxes. The figures for 1980 indicate that there is something like $22 billion in deferred corporate taxes. Yet the Government comes before this House asking to borrow something like $29.5 billion. We all know that over the last 20 years the burden of taxation has shifted quite sharply from the corporate sector to the individual taxpayer. In light of the fact that corporations are paying a smaller and smaller portion of the costs of Government, that individuals are being asked to pay a larger and larger share, and the Government is asking for authority to borrow almost $30 billion, how can it justify the continued deferral of some $22 billion in corporate taxes? Perhaps it is time that the Government, rather than doing this, came forward with legislation to ensure that these corporations pay the money they owe and start paying a fair share of the costs of running the Government in this country.

Mr. Blenkarn: Which company does not pay its tax?

Mr. Keeper: Mr. Speaker, I can give the Hon. Member a few examples. I have a list here of 15 of the largest Canadian industrial corporations which did not pay—

Mr. Blenkarn: Why don't you go to a Justice of the Peace and file an Information?

Mr. Kristiansen: It is legal because Tories pass crooked laws. Now, get off it.

Mr. Keeper: Fifteen of the largest Canadian industrial corporations did not pay—

Mr. Blenkarn: Why don't you go and lay a charge before a Justice of the Peace?

Mr. Kristiansen: It is perfectly legal; you guys were the crooks.

Mr. Keeper: Mr. Speaker, it is quite understandable that when we raise the question of fair taxation for corporations, the Tories start shouting and defending the corporate sector in this country.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: Order, please.

Mr. Keeper: Mr. Speaker, we must be getting under the Tories' skin when they start shouting and squealing so loudly. The 15 largest Canadian industrial corporations which did not pay corporate tax in 1981 and 1982 are the General Motors Corporation of Canada Limited, Alcan Aluminium Limited, Canadian National Railway Company, Hudson's Bay Company—

Mr. Blenkarn: How many people do they employ?

Mr. Keeper: Here they are shouting again, Mr. Speaker. The Tories are seeking to defend—

Mr. Shields: Let's put them into bankruptcy and put those people out of work.

Mr. Keeper: Mr. Speaker, they seek to defend the corporate sector. I am not surprised that when I raise the question of fair taxation for corporations, the Tories squeal. Just because a company employs people does not mean it does not have the responsibility to pay a fair share of the cost of public services in this country.

Mr. Blenkarn: Close them down.

Mr. Kristiansen: The Tories say they want to close them down.

Mr. Shields: Pass another NEP.

Mr. Keeper: Mr. Speaker, I wonder if this shouting from the Tory benches is not an endorsation of the trend which has been taking place over the past 20 years of shifting the burden of taxation in this country from corporations to ordinary

individuals. It is very clear that the Conservative Party continues to serve as the mouthpiece for large corporations.

One of the reasons the Government is before us today asking for such a large amount of money is that we still lack a fair taxation system in this country. I am thinking of the Budget in which the Government gave some $600 per year to pensioners at the same time it gave a gift of $5,000 or more a year in write-offs to taxpayers who earn something like $90,000 a year. That is clearly inequitable and it continues the trend toward an unfair distribution of taxation in this country.

The sad thing, Mr. Speaker, is that the leaders of both the Conservative and Liberal Parties come from the corporate community. From their public statements it would appear that they intend to continue to leave the burden of taxation on the backs of ordinary Canadians and allow corporations a free ride.

[*Translation*]

Mr. Pierre Deniger (La Prairie): Mr. Speaker, in the few minutes I have left, I would like to introduce some coherence in the incoherent comments made by my hon. friends opposite. Mr. Speaker, all this in spite of the fact that, if I recall correctly, the Budget was quite clear and indicated quite logically and precisely why the Government needed the amount indicated in Bill C-21.

Mr. Speaker, the Members of the Opposition are criticizing the deficit, but what are they themselves proposing? They want to reduce the deficit, but how are they going to do that, Mr. Speaker! The Leader of the Official Opposition (Mr. Mulroney) said he would reduce the deficit by increasing the Defence Budget. The Leader of the Official Opposition said he was going to reduce the deficit by increasing supplementary transfer payments to the provinces.

An Hon. Member: He does not know what he is talking about!

Mr. Deniger: The Leader of the Official Opposition said he was going to reduce the deficit by reducing taxes for those who are well off. Mr. Speaker, that makes no sense at all, and when we asked the Members opposite about this, what did they say? They said nothing, because they cannot find anything intelligent to say about such proposals.

The Opposition is very clever, in fact it excels in giving us targets and objectives.

Mr. Pinard: What about the means?

Mr. Deniger: What about the means Mr. Speaker, what about that?

My hon. friend who sits on the Committee on Finance, Trade and Economic Affairs, is very quick with his comments. However, although he thinks of himself as a champion of sorts, the Opposition Member has no means to propose either, because I know perfectly well he agrees with the former Minister of Finance of his Party, and that if he did announce the kind of draconian measures he was considering, the Canadian people would never elect him and his Party in the next election. And I am just quoting—

Mr. Deputy Speaker: Order. It being 5 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

● (1700)

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

Mr. Deputy Speaker: Shall all orders and items preceding No. 69 stand by unanimous consent?

Some Hon. Members: Agreed.

* * *

INCOME TAX ACT

SUGGESTED DEDUCTION FOR VOLUNTEER FIREMEN

Miss Coline Campbell (South West Nova) moved:

That, in the opinion of this House, the government should consider the advisability of amending the Income Tax Act to allow volunteer firemen who receive no allowance from a government, municipality or other public authority, to deduct from their income, expenses incurred in the exercise of their duties as volunteer firemen.

She said: Mr. Speaker, I should like to thank Members opposite for allowing me to go ahead, particularly the Hon. Member who will probably have his turn tomorrow.

My motion is not new to the House. I proposed it on May 8, 1980. As you have just read the motion, Mr. Speaker, I will not reread it. However, it was debated on July 16, 1982. As there was no opportunity to debate it a second time in the House, it died in the last session and was reintroduced in December, 1983, at the start of this session.

I will be very brief in my remarks as I have already spoken on this subject. Many of the firemen from South West Nova and other areas have a great interest in this motion. I should like to explain why. The present Income Tax Act provides for exempt expense allowances for volunteer firemen up to the amount of $500 per year. The exemption applies only to allowances received by volunteer firemen from a government, municipality or other public authority.

In many cases, Mr. Speaker, volunteer firemen receive no allowance and, at the same time, incur personal expenses in the course of carrying out their duties as volunteer firemen. These duties include the protection of lives, homes and businesses in many communities across Canada. These expenses are incurred because they do not know when a fire is going to take place. The volunteer firemen may be at a social event or

at work and they must go immediately to answer the call of a fire. They may be dressed in their good clothes or sports clothes, which may be damaged in the course of fighting the fire. There is no deduction given under the Income Tax Act for those expenses.

In the past I have asked the Minister of Finance (Mr. Lalonde) to consider giving a special status to volunteer firemen who serve their community year in and year out, receive no allowance and therefore do not receive the benefit of the $500 deduction under the Income Tax Act. In my view it would show the appreciation Canadians have for volunteer firemen.

The Minister has asked how this provision would be implemented. It could be implemented by a clerk of any municipality, on the authority of a fire chief, stating that a given firemen has served 100 per cent or 80 per cent of the time throughout that year. In the latter case he would get 80 per cent of the income tax deduction provided for under the present Act.

I do not plan to speak further, Mr. Speaker, I have spoken in the past on this motion. I know there are many interested people who would like to see this particular motion passed in the House. I will allow it to be debated by others here today.

Mr. Bill Domm (Peterborough): Mr. Speaker, I am very pleased to speak on this subject, not only as a private Member, but as a representative of all the Conservative Members of the Official Opposition. We have continually supported the idea of this motion in principle. We intend to do that today. We hope we will not face the same kind of filibuster or talking out that this particular piece of legislation in the form of a Private Member's Bill or motion has received in the past. I would like to give two examples of what I hope will not happen today to kill this piece of work which has been done by the Member who is interested in this subject and who has spoken very well of the concern she has for volunteer firemen.

I would like to refer to *Hansard* of July 16, 1982, at page 19431. At that time the Hon. Member for South West Nova (Miss Campbell) first moved this motion with exactly the same wording. At that time we spoke in support of it. As we approached the end of the designated hour, something which had happened before happened again. The Liberal Member for Mississauga North (Mr. Fisher) proceeded to talk the motion out. It was brought to the attention of the House but we did not wish to talk it out. However, the time passed and the motion died.

In 1983, as indicated on page 22009 of *Hansard* the same Liberal Member for Mississauga North, who was then the Parliamentary Secretary to the Minister of Finance, followed the same procedure. We spoke in support of the deduction for volunteer firemen, but the Member for Mississauga North, the Parliamentary Secretary to the Minister of Finance, stood up to talk it out again. Even after the late Member for Nepean-Carleton, Mr. Baker, asked that it not be talked out, the Member for Mississauga North continued on. He said:

> On the point of order, Mr. Speaker, I thank the representatives of the other two Parties for making their position so clear and for their willingness to move ahead on this. However, I suggest it is probably much better to simply pass along our enthusiasm to the Minister of Finance and leave it at that.

At that point the time ran out and again the motion died. You do not have to give me the fast sign on this because we have an hour set aside for debate on this motion. As I pointed out in my opening remarks, we are not going to use the designated time we have.

I would like to reiterate that there is a need for consideration to be given to a deduction for volunteer firemen. I am sure members of the New Democratic Party are of the same opinion. We are not looking forward to the same thing taking place as occurred in 1982 and in 1983. I am sure that the Member who brought this motion forward hopes that the same procedure is not followed today.

• (1710)

As a reeve of a municipality in the northern part of Peterborough County that had a volunteer fire fighting organization and as a warden of the 18 municipalities of Peterborough County, I can say that this proposal is long overdue. I hope that when I sit down no one else will stand up at ten minutes after five and that this motion can be sent to committee. Witnesses can be called, if necessary, and the concerns of the Government can be expressed as well as those of the Opposition, both NDP and Conservative.

We can do some fine tuning to the intent of this resolution, but let us not see a reoccurrence of 1982 and 1983 when we heard platitudes from the Parliamentary Secretary to the Minister of Finance when government Members were really talking out the motion.

I congratulate the Hon. Member who brought in this motion and offer our support from this side for its speedy passage. As private Members I believe we can work rapidly on this and refer it to committee. I would be very pleased to second the motion, if it is so put, that the subject matter be referred immediately to the Finance Committee for consideration and adoption by the Government with the support of both opposition Parties.

Mr. Laverne Lewycky (Dauphin-Swan River): Mr. Speaker, on behalf of the NDP I want to address this very important issue of the income tax deductions for volunteer firemen. Like the previous speaker, I come from a constituency where the role of the volunteer firemen is extremely important because of their contribution to our community. Other members of my Party have also spoken on this matter and have urged that the Government take action to ensure that volunteer firemen are able to make deductions from their income tax for the kinds of expenses that they have incurred.

I know that my colleague, the Hon. Member for Kootenay West (Mr. Kristiansen), has addressed this issue and stressed the importance of this type of measure being put in place. He spoke to an earlier motion put by the same Member who raised this concern today. I want to emphasize that our Party has been supportive of this measure.

The last time this issue was discussed I deliberately refrained from making comments so as to allow for a vote to be taken in the allotted one hour that we had. It was the Hon. Member for Mississauga North (Mr. Fisher) who jeopardized the motion at that time.

Since we have more time today, I want to point out some of the concerns that I believe should be taken into account when addressing this measure. I am sure that other Members have also written to the Minister of Finance prior to his Budget proposals to ask him to include this particular measure in the Budget. However, neither the Budget proposals of February or those of April contained any provisions concerning what we had been asking for at that time.

Let me compare the motion which is before us now with the similar motion that was brought forward on December 12, 1983. The motion on December 12, 1983, read:

That in the opinion of this House, the Government should consider the advisability of amending the Income Tax Act to allow volunteer firemen who receive no allowance from a government, municipality, or other public authority, to deduct from their income expenses incurred in the exercise of their duties as volunteer firemen.

Of course, there are a number of similarities with the proposal that had been introduced in the previous session by the Hon. Member for Brampton-Georgetown (Mr. McDermid). There is the request that a greater degree of deductibility be allowed for expenses incurred by volunteer firemen during the course of their duties. The difference between the two proposals is that the one made by the Member for Brampton-Georgetown suggested a limit of some $1,000 per firemen per year while this motion has no specific limit. We applaud that measure.

I do have some concern with regard to what might be explicitly meant by the word "allowance". As the House knows, some volunteer firemen in some areas receive a small stipend to alleviate the costs somewhat. I hope this matter might be considered in a fair and just manner if it is referred to the committee.

For the benefit of the House, I should mention some of the expenses that volunteer firemen incur during the course of their duties. I have talked to some fire chiefs in my area. My office recently had a conversation with Mr. David Seeley who has just taken over the new fire chief position in Dauphin. He noted that, from his perspective, volunteer firemen are a different breed of people. They give of their time and their talents and of course they even risk their lives. He suggested that it was the least the Government could do to ensure that they did not also have to give continually of their own money as well.

We are aware that the present $500 that could be given to a volunteer fireman can help somewhat, but let me talk about some of the expenses they incur. For example, in the case of a large constituency such as mine, in which there are 34 municipalities, seven Indian reserves and 12 northern community councils, there is the gas that is required for private vehicles to go to and from fires. The cost of gasoline has gone up and those volunteer firemen pay for it out of their own pockets. As well, there is the maintenance of these vehicles and the fact that they require various warning lights. These vehicles must be plugged in during the winter, especially in the more northern rural constituencies, so that they are ready to be driven to a fire when the fireman receives a phone call.

In addition, volunteers require protective equipment, such as clothing, helmets and boots. Many of them have to incur also the cost of time lost as a result of not having shown up for work. There are various courses that firemen take. I know that volunteers from my constituency try to upgrade themselves by taking various fire-fighting and first aid courses. They must incur the expense of the travel time that is necessary to take these courses which are held in larger centres. Many of them also want to be constantly informed about some of the latest technologies in fire-fighting and therefore will subscribe to the appropriate magazines. All of these are costs incurred by volunteer firemen.

Let me give one illustration of what it costs a fireman when he must lose time from work, since it is an incident that happened just last week. There was a fire at the Dauphin elementary school that started on Monday night. The volunteer firefighters were at the scene that night, on Tuesday, and were still there on Wednesday morning. As David Seely said, these volunteer firemen in our area are a rare breed. They offer their own talents, time and energy to contribute to this type of volunteer activity.

This does not take place in only one community in my riding. I could mention every part of my riding and show the contribution that volunteer firemen are making there. It does not matter whether you go to a place like Swan River, Roblin, Grandview, Gilbert Plains, Winnipegosis, St. Rose, Ethelbert, McCreary or Minitonas. The reason I am mentioning some of these place names is to give you some idea, Mr. Speaker, of the impact which these volunteer firemen have. I am just talking about locations, but other things could be said in their favour.

• (1720)

How much more time do I have, Mr. Speaker? I understand we are allowed 20 minutes. Do we have until six o'clock, Mr. Speaker? Could I have a little guidance on the matter? I do not think I should cut my speech short if there is more time.

Mr. Deputy Speaker: Is the Hon. Member putting a question to the Chair?

Mr. Lewycky: Yes, Mr. Speaker.

Mr. Deputy Speaker: The debate is allowed to proceed for a full hour, 60 minutes. We will normally adjourn under the Standing Order at six o'clock.

Mr. Lewycky: Thank you for the clarification, Mr. Speaker.

What about the smaller communities up north, such as, for instance, Mafeking? There are great distances between these various towns. We have little towns, for example, like Inglis, Camperville, Amaranth, Benito, Bowsman, Fork River, I am trying to emphasize the importance of a constituency such as

mine. It really does make a difference if you add up the costs. What about the southern part of my constituency? There we find places such as Glenalla, Ochre River, Plumas, or I could mention my home town of Pine River where I was brought up. Then there is Rorkton and Meadow Portage. I could go on endlessly listing some other places where there are fire chiefs. I have mentioned only the towns that have volunteer firemen, but there are other people associated with them as well. I think it is important we recognize that. The ordinary person does not participate in these types of duties.

If one looks at the record of some of these fire-fighters one finds that they have been involved for a long period of time. If you are involved in any kind of social work, Mr. Speaker, you would know that individuals experience burn-out. When one is involved in social work dealing with people problems for a period of two, three, or four years, it is possible to burn out. Just consider the types of stress and frustration some of these individuals go through. Consider the amount of time they devote to this service.

I have just examined records of the fire chiefs in Dauphin and I find the situation amazing. Just let me cite the record of the previous fire chief, David Seeley. He retired this year. He retired after being fire chief for 28 years. Here is a man who has served almost a whole generation by offering fire protection to his neighbourhood. He served as fire chief for the last eight of the 28 years. People in urban centres have fire-fighting equipment. Perhaps some people wonder if there really is a necessity for this type of fire protection in rural areas. If you look at the number of calls firemen in Dauphin have to make in the course of a year, you will find that an average of 60 fires a year occur, many of them in rural areas. Firefighters have to go a fair distance from where the fire truck is located.

More and more people are recognizing the value of this kind of volunteer activity. The number of people participating in this kind of force is growing. In small communities such as mine where there may have been 18 firefighters several years ago, now there are 30. This is a great help.

I just wanted to bring some of these matters to the attention of the House. This measure is very important and it should be passed on. The Hon. Member ought to be commended for raising the matter. I hope the motion is referred to the committee. Fortunately, the Hon. Member for Mississauga North is not in the House so he will not talk it out.

Let me come back to the allowance. The exemption should be made for all types of volunteer firemen even if they are paid only a small pittance. Revenue Canada is sure to collect it anyway. There is no problem there. But the amount of expense firefighters have in the pursuit of protecting citizens at large is great. The savings given by the firefighters to their areas are substantial.

In conclusion, let me illustrate. I will take my home town of Dauphin which has a small population of 10,000. In 1983, for the 30 volunteer firemen who are on call 24 hours a day, 365 days a year, the total amount of allowance given was $46,000. If you were to translate that amount into paying firefighters a salary for an entire year, you might be able to pay two firefighters on a full-time basis working a 40 hour week. This indicates the fantastic economic saving that occurs from having these firemen in your community. Other community organizations are involved. There are the Kinsmen groups who contribute by way of having all types of equipment donated to the fire-fighting association. Other groups might get different kinds of equipment such as that which cuts through metal. There are special kinds of shears to cut through automobiles. Then another implement is the jaws of life. I know that one organization in Dauphin has purchased one of these for our fire department. All these contributions by other associations contribute to the entire effort.

It is for these reasons that I feel we should support this measure. I trust government Members will not talk out this motion as they did the last time. I hope this matter goes to committee, which will make sure that the volunteer firemen in our communities receive not only recognition but the assistance they need to carry out this very important activity.

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, I rise to speak in support of this Private Member's motion proposed by the Hon. Member for Southwest Nova (Miss Campbell). I shall be very brief.

We should have respect for this institution. More important, there should be respect for the Members who, after all, in the final analysis, make the rules. Private Members' hour should have meaning, especially on motions that have the support of all three Parties. This motion is supported by all three Parties of this House. It is a motion, as I know from my research, which is not objected to by the Department of Finance. It would cause no problem in the central agencies. It would do an enormously good turn in providing a small measure of recognition for the tremendous job of voluntary service to the community carried out by volunteer fire departments all across Canada.

• (1730)

Some people think this is a motion, Mr. Speaker, which is only going to assist a few fire departments here and there in Canada. In my own riding, a district encompassing some 90,000 people, with 350 miles to 400 miles of coast line, with several hundred small communities, there are only three municipalities big enough or financed well enough to have paid fire departments. All the rest of the communities, Mr. Speaker, depend for their very life and limb upon the good citizenship, the spirit of voluntarism and the compassion of those men who have agreed to serve in voluntary departments.

I can think of Stephenville Crossing, Cormack, Cow Head, Deer Lake, Pasadena, Massey Drive, Gillams, Parson's Pond, St. Pauls, Rocky Harbour, Port au Choix, Irishtown, Mount Moriah, only to name a few, Mr. Speaker. All of the citizens of those communities can go to bed at night and rest easy knowing their children are safe because there is a dedicated group of people who ask for no pay, no thanks and no revenues. They merely want to serve their communities. All this motion asks, Mr. Speaker, is that the volunteer firemen in those small communities, who have built their fire department

with their own hands and raised the money to buy their own fire truck, be recognized. All the motion asks is that when a voluntary fireman is out fighting a fire, receiving not a penny, Mr. Speaker, nothing but thanks from those he helps, if he is to do damage to his own person or his own clothing, he can receive a tax break in replacing those things damaged during the course of a fire. That is all this motion asks. Surely to God it is not too much to expect that in Private Members' hour in this House, which in the final analysis decides the law, all Parties can agree to having a vote.

I can spend a lot more time speaking on this Bill, but I will not do so because I do not want to be accused of being one of those who, for silly, bureaucratic, old, archaic, institutionalized, nonsensical reasons, talks this Bill out. Let us get on with it.

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, I want to join with my colleague from Nova Scotia, the Hon. Member for South West Nova (Miss Campbell) in supporting this particular motion which was laid before the Chamber. Like the previous speaker, I believe this particular motion is a tax policy issue. In looking at the tax policies, some people would perhaps question whether or not we should use the income tax system to provide such benefits to volunteer firemen. I suggest, Mr. Speaker, that the provisions of Section 6(1)(*b*) and Section 8 of the Income Tax Act ought to be looked at quite seriously.

We ought to concede to the request made by the Hon. Member for South West Nova. As a result, I want to lend my support, Mr. Speaker, to this particular motion and say, yes, it is an exceptional benefit being proposed for firemen, but firemen, Mr. Speaker, across this country, particularly volunteer firemen, provide a great service to the Canadian people. I wish to join with others on this side of the House who support not only the pith and substance of the motion, but, indeed, the effects it will have on the people it is supposed to serve, namely, the volunteer firemen of Canada.

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, I want to congratulate the Hon. Member for South West Nova (Miss Campbell) for introducing this motion. As the House has heard, it is supported by the Conservative Party, the Hon. Member for Peterborough (Mr. Domm), myself, and the Hon. Member for Dauphin-Swan River (Mr. Lewycky). There will be only two speakers, as I understand, from the Conservative Party in support of this Bill because we all know the Liberals are trying to talk it out. There have been three Liberal speakers already. We will be very interested to see how many more Liberal speakers there will be before the clock runs out at six o'clock. If Hon. Members opposite have the interest of the volunteer firemen at heart, they will let this motion pass and go to committee. It has been talked out before. We heard all about it from the Hon. Member for Peterborough.

I support the volunteer firemen, not just in the riding of Victoria-Haliburton, but right across the country. I believe that if we prevented this motion from being referred to committee tonight—and I am sure if that happens it will be because of the Liberal Party—we will be doing a great disservice to the smaller communities which are scattered throughout this large country of ours. I suggest that the Members opposite think about this. They have had three speakers until now. We are cutting it off at two speakers. With these remarks, and to keep it short, I will sit down. I certainly hope this Bill will get into committee.

Mr. Deputy Speaker: Order. Before recognizing another Hon. Member, the Chair would like to draw to the attention of all Hon. Members *Beauchesne's Parliamentary Rules and Forms*, Fifth Edition, Citation 435. I raise this matter advisedly, having listened attentively, as I always do, to comments of Hon. Members from all sides of the House. I quote Citation 435(1):

> It is not an amendment to a motion to move that the question go to a committee.

I leave that to the reflection of Hon. Members, having taken good note of the comments made in their speeches. The matter before the House can be disposed of in two ways: by accepting the motion or by rejecting the motion outright or, if it is the intention of Hon. Members to do so, by sending this motion—to a committee of the House to have it redrafted, because in its present form the Chair could not accept a motion to the effect that the subject matter of the motion be referred to the committee. I leave that to the reflection of Hon. Members for the time being.

Mr. Domm: Mr. Speaker, with the concurrence of the Chair and all Parties in the House, I would like to submit to the Chair a motion that the contents of the recommended—

Mr. Deputy Speaker: Order. It is not in order for the Hon. Member on a point of order to make a motion or recommendation at this time because he has already spoken, unless, of course, he were given unanimous consent to do so.

An Hon. Member: No.

Mr. Deputy Speaker: There is not unanimous consent. We will now proceed with debate.

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I will be very brief. The point raised by yourself, Mr. Speaker, was the very point I was going to mention. I was also going to point out that the motion we are debating here reads:

> That, in the opinion of this House, the Government should consider the advisability of amending the Income Tax Act—

The fastest way in which this change could be brought into effect would be if the Minister of Finance (Mr. Lalonde) would consider this as a change to be brought in in his Budget, and I presume there will be a Budget fairly soon in the fall. That is the fastest way in which it could be accomplished.

I have just one or two points to make, Mr. Speaker, having to do with the importance of this particular resolution brought forward by the Hon. Member for South West Nova (Miss Campbell).

Volunteer Firemen

● (1740)

Some provincial governments have reduced substantially the amount of money available from municipalities over the past few years. One is Newfoundland. Therefore, local governments cannot afford to give the benefits that richer or medium-sized community town councils can give. We see this incredible inequity with volunteer fire brigades. One volunteer fire brigade might be given a $500 allowance, which is taken care of under the Income Tax Act, Section 61(b)(8) and, overriding that, Section 81(b) where they can take advantage of it. In a small rural community that has had its grants in lieu of taxes, its share of provincial revenues, cut over the five or six years by the incredibly stupid Newfoundland Government, they cannot give that same allowance to be used as a deduction under the Income Tax Act.

I just concluded a conversation with the Deputy Mayor of the Town of Gander. He made that very point. He knew this would be coming up before the House. He asked me to support this measure on behalf of volunteer firemen, not only in the Gander area but all around the coastline. He made the very important point that we do not pay enough attention to the volunteers, in this case the volunteer firemen.

I wanted to make note briefly of what the motion says and to say that the fastest way for it to be accomplished is to convince the Minister of Finance to bring in the necessary change from $300 to $500. The extreme inequity of the system and discrimination for the rural areas of this country, such as in my riding of Gander-Twillingate, should be unacceptable because provincial governments discriminate so much against the municipalities. A recent Newfoundland budget cut this back even further. Because they do that, I feel that this House of Commons should at least recognize the value of volunteer fire brigades and try to make up for the errors of Tory provincial governments which could not care less about the people.

Mr. Howard Crosby (Halifax West): Mr. Speaker, I wish to intervene briefly in the debate in support of the resolution proposed by the Hon. Member for South West Nova (Miss Campbell). As has already been indicated, the disposition of the House is to support voluntary fire departments across the country and those who serve in them. It is well recognized that those involved in volunteer fire departments are under financial disability in providing services. There is no question that their treatment under the Income Tax Act has been less than fair. There does not seem to be a disposition to deal directly with the motion presented by my colleague from South West Nova. In the interest of advancing the cause of volunteer firemen across the country and in the interest of adopting a sensible approach to the problem of taxation in relation to them, as suggested by the Hon. Member for Gander-Twillingate (Mr. Baker), the motion ought to be reviewed by the Minister of Finance (Mr. Lalonde) and given full consideration. Therefore I move:

That the contents of the motion proposed by the Hon. Member for South West Nova be presented for consideration to the appropriate standing committee of the House of Commons for consideration by that standing committee.

The motion can be seconded by the Hon. Member for Peterborough (Mr. Domm) or possibly the Hon. Member for South West Nova.

Mr. Deputy Speaker: If I may quote myself and re-quote Beauchesne, as I did earlier, I draw the attention of the Hon. Members to Beauchesne, Citation 435(1), which reads: "It is not an amendment to a motion to move that the question go to a committee." The Hon. Member formulated his motion in the terms "I move that the contents of the motion", which is the same as that the subject matter of a motion "be sent to the appropriate committee for consideration". That type of motion is definitely out of order and, I regret to say, unacceptable. In support of that, I have quoted *Beauchesne's Parliamentary Rules and Forms*, Fifth Edition.

Miss Campbell: Mr. Speaker, I rise on a point of order. Possibly you could clarify this for the House. A few minutes ago I understood you to say that there are two things that could be done. We could stop debate and the motion would be referred to the Minister of Finance recommending that he consider it, or we could debate it until six o'clock.

Mr. Deputy Speaker: I draw the attention of Hon. Members to the wording "that in the opinion of this House the Government should consider the advisability". If the House were to accept this, it would be an invitation to the Government to consider the contents of the motion and nothing else.

What the House has to do is either to accept the motion as it has been put or to reject it outright. The amendment proposed by the Hon. Member for Halifax West is out of order. As a matter of parliamentary practice, you do not refer the subject matter of a motion of this nature to a committee. The subject matter is the motion itself. It has to be disposed of here and now. It cannot be disposed of in another place such as a committee of the House. I hope my comments help Hon. Members to appreciate the conundrum we are in.

Mr. Lewycky: Mr. Speaker do I understand it correctly that if there was unanimous consent to this motion at this time, this motion would be given to the Minister of Finance for his consideration?

Mr. Deputy Speaker: The motion reads: "the Government should consider". If the House were to accept the motion, it would then be up to the Government to take whatever action it sees fit. That is all it says.

Mr. Baker: Mr. Speaker, I rise on the same point of order. This is why I rose on a previous occasion. I was going to make the same point as Your Honour. It is quite unfortunate to find, if one examines Beauchesne or Erskine May, that when the words, "In the opinion of the House the Government should consider the advisability of amending" a certtain Act, are used in a motion, whether the motion is or is not talked out, is or is not voted on, it takes no effect as a government motion.

The House is saying that a particular change should take effect. "To consider the advisability" is a very well known term. It has been used for centuries under the British parlia-

mentary system. It is simply to bring the subject to the fore for discussion. The Government then takes the subject matter of that discussion under advisability.

Mr. Deputy Speaker: I remind Hon. Members that the power to initiate an expenditure of money comes under the royal prerogative. That is why the motion is worded in the fashion it is. It is the only possibility Hon. Members have of debating that type of an initiative. It does not incur an outright expenditure of money on the part of the Government which comes under the royal prerogative. The motion simply asks the Government to consider doing just that. That is why it must be left in the hands of the Government. It is for the House to accept or reject the motion or to send it on to the Government, if I may use that expression.

• (1750)

Mr. Jack Masters (Thunder Bay-Nipigon): Mr. Speaker, in the limited time available to me let me say first that I feel almost nervous about being in what may appear to be opposition to the volunteer sector of Canada and the volunteer firemen in particular. I am certainly well aware of the role that they play since I am from northwestern Ontario. I do have a great deal of respect for the special breed of people who will volunteer their time and I have a great deal of respect for the service that they perform throughout the country.

The difficulty I have with the proposal which is before the House is simply that, in my view, we are approaching income tax changes in an *ad hoc* way and too freely. While it is very popular and easy to support the idea of assisting volunteer firemen and helping with the admittedly extraordinary expenses they might accrue, where do we stop? In northern Ontario, we have a group of people who are very much involved in search and rescue operations. That group performs its duties in many part of Canada and, in a way, performs the selfsame kind of service. Is the proposal then to be that we have now examined the issue of the volunteer firemen and we will give something to them that we do not give to other volunteers?

What about our good friends in the St. John Ambulance Association who perform yeomen service year in and year out across Canada? Do we then tell them that they have extraordinary expenses because they have to drive to and from the places where they will be performing their services? Perhaps they too should be included in this Bill and given some special assistance since they are not covered by that exception which already exists for municipalities and organized situations. I understand that the Hon. Member is trying to give to the volunteer firemen in unorganized areas the same kind of tax breaks as are allowed to those who volunteer on behalf of municipalities, federal installations and things of that nature.

The list then gets longer because there is also a very worth-while group of volunteers who assist with hospital work. We do not think about hospital work as being an avenue to personal danger to one's health, but I know of people who, while doing volunteer work in a hospital, have contracted something which they would not have contracted had they been doing something else rather than volunteering their time. Those people too have incurred extraordinary expenses.

While this group may be a bit different from the volunteer firemen, what about the ski patrols who also perform such services? The Hon. Members opposite are laughing. However, the ski patrol does perform a valuable service even in the face of certain dangers at times, and its members too are volunteers who contribute to the public good.

I suppose what I am trying to indicate, Mr. Speaker, is that all of us may have the greatest sympathy for and can relate very easily to the volunteer firemen and very quickly agree that they do perform a service. However, should we then give them special consideration which we do not give to others? As I have tried to indicate, the list could go on and become much larger. After we get away from the volunteer sector, we could then turn to those people who incur certain expenses in connection with the earning of their livelihood, some of whom admittedly do receive some tax breaks. This presents all kinds of problems. Does one need a personal automobile to go to and from work if work is 150 miles away? In some cases yes, in some cases no.

While I would say that the intent of the Hon. Member's motion is certainly commendable and that we certainly do support the volunteer sector in its many forms across this great land of ours, I personally find it difficult to continue with the practice of approaching special taxation measures in the *ad hoc* way that has already created so many problems. I think of our hon. friends opposite who have had many things to say about Revenue Canada, and not many of them have been complimentary of late. However, those Members who are quick to say that they will look after the volunteer firemen might be the same Members who would then have a quarrel with the Department later on because it was doing something special for certain groups.

I do support the intent of the Hon. Member and commend her for bringing the matter before the House. I do believe that her idea is very serious and it is very tempting to help the volunteer firemen. However, I would first want to see us in a position of having examined the entire matter, not in isolation but in the context of the many tax changes that are required in the country.

[*Translation*]

Mr. Alain Garant (Parliamentary Secretary to Minister of State (Finance)): Mr. Speaker, whenever the House is called upon to deal with motions such as this one calling for tax exemptions in favour of one group or another, the temptation is always very strong to be nice and say yes. It could always be argued that the exemptions sought are very modest and would make a group of Canadians very happy.

However, unless we are ready to say yes also to all other motions of this type and to face the ensuing financial consequences of our action on the federal budget and the Canadian economy as a whole, we must really stop and see what would be their impact on our taxation system.

Requests for special tax exemptions must be considered in the light of certain fundamental criteria under which our tax system operates. One of these criteria is that personal tax exemptions should not be granted because any kind of deductions from individual income tax will result in a loss of revenue for the government, which must be compensated by tax increases for other individuals.

We are not dealing here merely with exempting a class of individuals of certain expenses, but with shifting part of their tax burden to other classes of individuals, and such a tax shift could not be justified.

From this point of view, Mr. Speaker, the motion moved by the Hon. Member for South West Nova (Miss Campbell) violates therefore a basic tenet of a fair income tax policy.

• (1800)

[*English*]

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Mr. Deputy Speaker: Before proceeding to the adjournment debate I should like to advise all Hon. Members that they are invited to pay their respects to the late Bora Laskin at 9 a.m. tomorrow at the Supreme Court building.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

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

HUMAN RIGHTS—APPEAL IN SEXUAL HARASSMENT CASE—FUNDING OF APPEAL

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, I asked several questions on sexual harassment to three Ministers. First, I put a question to the Minister of National Defence (Mr. Blais), because the Robichaud incident occurred in that Department. Then I asked a question to the Minister of Justice (Mr. MacGuigan), because it was he who advised to appeal the decision when Mrs. Robichaud won her case before the tribunal of the Human Rights Commission. Finally, I put a question to the President of the Treasury Board (Mr. Gray) because his Department is funding the appeal and it was also his Department that issued the Government guidelines on sexual harassment. I raised the first question recently on the adjournment motion. The Minister of National Defence himself did not seem to know anything about the Robichaud case. His Parliamentary Secretary avoided answering by making a distinction between military and civil proceedings related to sexual harassment. Military or civil proceedings are not the issue here, but in either instance something has to be done to protect women. But instead of supporting the woman who had filed a complaint, the Minister or of National Defence raised objections and, when the woman won her case, he even decided to appeal.

[*English*]

This is an extremely flagrant case. It took a complainant a number of years, going through the ministry and finally winning at the Human Rights Commission. The result was that the Government conducted an appeal.

My question to the President of the Treasury Board (Mr. Gray) concerned the funding and the guidelines on sexual harassment, but the Minister went off on the question of the right to an appeal. Of course, Mr. Speaker, I grant that either side has the right to appeal. The question is whether the appeal is justified, whether there is good reason for it and if public funds should be spent to undo what the Human Rights Commission has already accepted.

The President of the Treasury Board also used the flimsy excuse that the case occurred before the issuance of guidelines, as if that would change things. We are worried that the guidelines are window-dressing. If there were some spirit behind the guidelines they would be acted upon promptly and there would be no appeal. There is no reason to argue, from a failure to institute guidelines earlier, that one should therefore not take sexual harassment seriously and appeal a case that occurs.

Treasury Board guidelines are clear on what personal harassment is and what the Government's responsibility is. On paper that is good; personal harassment of any kind is considered a serious offence subject to the full range of disciplinary sanctions up to and including discharge and would be treated accordingly by management. Further, management has a continuing responsibility to stop any harassment that occurs in the workplace whether there has been a complaint or not. If a manager is aware of harassment of an employee and does not take appropriate corrective action, disciplinary sanctions may be imposed on the manager as well as the offender.

That is well and good, Mr. Speaker. However, in making the appeal the President of the Treasury Board used the argument, quite unjustifiably, that the Government has been implicated in the decision of the Human Rights Tribunal and therefore had to appeal. If they would apply the logic of their own guidelines they would see the Government has implicated itself. An employer is responsible for having conditions of work which exclude sexual harassment. So the Government must be involved, and the Human Rights Commission acted quite properly in criticizing the Government for its failure to provide decent working conditions for the woman complainant in this case.

• (1805)

Let me quote from a letter from John Baglow, president of the concerned Local of the Public Service Alliance of Canada in arguing against the appeal and asking for its retraction:

This employee has already had to endure savage harassment by her supervisor for a period of years, and now faces court action brought against her by a Department clearly committed to upholding the right of male employees to exact sexual perks from their subordinates.

He asks the Minister to stop this:

I appeal to you . . . to intervene personally to put an end to DNDs campaign of intimidation—

That is very strong language and, I regret to say, it is justified.

Finally, let me comment on the decision of the Department of Justice to appeal the case. I am reminded of the Department's past decisions to appeal equality cases when women win them. The Lavell case is a shameful example involving rights for native women. When the woman finally won at the federal court of appeal, it was the Department of Justice which appealed that decision requiring the woman to go to the Supreme Court of Canada. We see that practice continuing. A woman wins a case at a lower level and the Department of Justice goes for an appeal. This indicates that equal rights for women is window dressing, public relations, and when we get down to the crunch of a real case, the Government does not take its own commitment seriously.

Mr. Stanley Hudecki (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, I first want to pay my respect to the Hon. Member for Broadview-Greenwood (Ms. McDonald) and congratulate her on her aggressive action in pursuit of justice on behalf of women, particularly in the area of sexual harassment. In this particular case, however, I think her timing is rather poor. Neither the Minister nor I are in a position to go into the details of the case because appeals are pending before the court. Her colleague, the Hon. Member for Selkirk-Interlake (Mr. Sargeant), had an exchange with the Minister on the subject two weeks ago. At that time the Minister clarified the situation by stating that the Department is appealing the liability issue. This is the only area being appealed.

Under these conditions I can only add that the answers provided by the Minister of Justice (Mr. MacGuigan) and the President of the Treasury Board (Mr. Gray) are worth repeating. In recent years this Government has legislated far reaching and comprehensive legislation which protect the rights of all Canadians. To name a few, the access to information legislation, the Privacy Act and the Human Rights Commission, not to mention the Charter of Rights—all benefit Canadians.

Situations arising from practical implementation of these measures must be dealt with at all levels, especially in the first stage, very carefully. As they are brought before the courts precedents are set which will govern future applications. The onus is therefore on all parties to pursue these matters with the utmost care. When it is judged that appeals are required, they must be pursued.

• (1810)

If one were to summarize the intent in theirs answers, both Ministers sought to make sure that it was understood that neutrality and fairness must be guaranteed. This is the only response I am in a position to make at this time.

THE SENATE—APPOINTMENT OF EIGHT NEW SENATORS. (B) REQUEST THAT PRIME MINISTER DELAY MAKING FURTHER APPOINTMENTS

Mr. Howard Crosby (Halifax West): Mr. Speaker, on January 18, 1984 I questioned the Prime Minister (Mr. Trudeau) about his attitude and actions with respect to Senate reform. I specifically asked the Prime Minister how he considered that his appointment of eight new Senators contributed to the process of Senate reform. Instead of providing me with an explanation of the reasons for those appointments to the Senate, he assumed the position, as he often does, that the best defense is a good offence. He simply went on the attack claiming that over a period of time the Opposition Parties had blocked any attempt at Senate reform, sometimes in conjunction with the elected representatives in the provinces of Canada.

That was not a fair approach to the very serious matter of Senate reform, Mr. Speaker. The Prime Minister knows, as well as all Members of the House of Commons, that the process of Senate reform started with the institution of the Senate in 1867, and has continued since. There were a number of reforms over this period which I will not detail. However, I will indicate that in 1978 the Government of Canada, under the current Prime Minister, proposed Bill C-60. This Bill established very far reaching reforms to the Senate and provided for a House of the federation of a quite different kind than the existing Senate. That Bill was ruled unconstitutional by the Supreme Court of Canada. The Supreme Court of Canada said that Bill C-60 was beyond the power of the Parliament of Canada. The Prime Minister used that as an excuse for taking the action that he did. He said he appointed eight Senators because there was no hope of Senate reform.

That attitude was not consistent with the facts. In December of 1982, just prior to the Christmas recess of that year, the Prime Minister, along will all Members of the House of Commons, had given unanimous approval to the establishment of a Special Committee of the Senate and the House of Commons to consider Senate reform in order to strengthen the role of the Senate in representing the regions of Canada and to enhance the authority of all Parliament to speak and act on behalf of Canadians. That was the mandate given to that Special Joint Committee of the Senate and the House of Commons which I will refer to as the Senate Reform Committee in my remarks.

Proof positive that the Prime Minister paid attention to the existence of the Senate Reform Committee and the ongoing work of the committee was the fact that on December 7, 1983 in the Speech from The Throne, when the words of the Governor General of Canada were delivered in Parliament, it was said that the Government will continue to take an active interest in the work of the Senate-House Committee on senate reform. Mr. Speaker, that sets the stage. We had a Senate Reform Committee appointed in December 1982. We had the

Speech from The Throne confirming the existence of that committee and the fact that the Government was looking forward to the recommendations of that committee. That was all contained in the Speech from The Throne on December 7, 1983. Shortly thereafter the Prime Minister proceeded to make a number of appointments to the Senate.

I would like to set the stage for the consideration of some of those appointments, Mr. Speaker. First and foremost there are 104 seats in the Senate of Canada. They are divided among the provinces with approximately 24 seats allocated to the Maritime Provinces, 24 to the Province of Quebec, 24 to the Province of Ontario and 24 to the Western Provinces of Canada; with six seats allocated to the Province of Newfoundland and a seat each to the Yukon and the Northwest Territories.

The Senate Reform Committee found out in its travels across Canada, in its broad range of interviews with a number of persons and organizations, that people did not think this representation was adequate, that the Senate was not properly representing the regions of Canada and that in the interest of the Canadian federation the Senate ought to be expanded. More importantly, the views of many were that the Senate ought to be elected.

• (1815)

In January of 1984, having received a short extension, the Senate Reform Committee filed its report recommending an increase in the Senate seats to 144 to represent the regions of Canada. Under that distribution, western Canadian provinces would get almost twice as many seats in the Senate, Quebec and Ontario would remain the same and other provinces and territories would receive additional seats.

In addition to the increase in the number of seats to 144, the proposal was that the Senate would be elected. However, it was recognized and realized that those kinds of changes would take a long time to accomplish and would indeed require a constitutional amendment. As a necessary interim measure, the committee suggested that vacant seats in the Senate be filled along sensible lines, as recommended by the committee.

There were 21 vacancies at the time. The Senate Reform Committee said specifically that the present composition of the Senate does not represent the social and cultural structure of Canada adequately and that this is unacceptable. It said that in filling the present vacancies, priorities should be given to correcting this deficiency through the appointment of women, members of aboriginal groups and members of cultural minorities.

The Senate Committee report, which was an all-party committee, also unanimously agreed that the imbalance between political parties should be remedied in the making of these appointments.

What did the Prime Minister do? He completely destroyed any hope or possibility of Senate reform. In the course of making appointments, he appointed political partisans of the worst kinds, including Senator Pitfield, Senator Kirby, Senator Grafstein, Senator Cools and Senator Marsden. This was all at a fantastic cost to the people of Canada. Those Senate appointments will continue until the years 2010, 2012, 2016, 2018 and so on, at a cost of millions of dollars to the people of Canada. That is not the spirit of Senate reform. The Prime Minister, in making these appointments, has destroyed the force of the report and destroyed Senate reform for this decade and decades to come.

[*Translation*]

Hon. Serge Joyal (Secretary of State): Mr. Speaker, I am very pleased with this opportunity to speak after the Hon. Member for Halifax West (Mr. Crosby), and first of all, I must say I find it regrettable that he referred to Senators from the other place by name, because according to Parliamentary practice, it is customary not to name Members of Parliament individually, so as not to interfere unduly in the affairs of the other House. I regret the Hon. Member did so, and I would certainly not want our listeners, the people of Canada, to get the impression that a climate of suspicion or fear is being entertained by both Houses which would undermine the credibility of these institutions. Especially since—

[*English*]

The question that the Hon. Member has raised is important and fundamental. I would like to draw your attention to the fact that before we could change anything on the status, role and composition of the Senate, we would have to take into consideration Section 42 of the new Constitution Act of 1982 which states in part:

(*b*) the powers of the Senate and the method of selecting Senators;

(*c*) the number of members by which a province is entitled to be represented in the Senate and the residence qualifications of Senators;

This is done in accordance with Section 38 or the amending formula that provides very specifically that before we could change anything there, there should be resolutions of the Senate and the House of Commons and a resolution of the legislative assemblies of at least two-thirds of the provinces that have, in the aggregate, according to the then latest general census, at least 50 per cent of the population of all the provinces.

[*Translation*]

It is quite clear from the letter and the intent of the Constitution that after patriation, we can no longer alter powers, nature, composition and the manner in which the provinces are represented, unless resolutions are passed by both Houses and at least seven provinces representing 50 per cent of the population of Canada formally signify their approval. Unfortunately, as we saw at the Constitutional Conference on March 8 and 9, the Government of Canada cannot introduce formal proposals for Constitutional amendments, without obtaining the agreement of at least seven provinces.

In the present case, the Hon. Member mentioned various possibilities, including that of not appointing Senators to fill vacant seats. That was the purpose of the question the Hon. Member put on January 18, 1984. Mr. Speaker, I think the

Government, and more specifically, the Governor General in Council, would not be acting responsibly if over an undetermined period of time, a substantial number of seats were allowed to become vacant, so that eventually, we might have a situation where more than 50 per cent of the seats in the Senate would remain vacant until the required consensus was achieved to get the agreement of seven provinces representing 50 per cent of the population, so as to proceed with the proposed Constitutional amendments.

Consequently, the point raised by the Hon. Member is important. I agree that various parties and various Canadian minorities must be able to find their way to the Senate. I do not agree that the Hon. Member's proposal will help us succeed in bringing this about, and I think he should devote his energies to persuading the provincial governments, and especially those that belong to his Party, to agree to the formula proposed by the Special Committee last December.

● (1820)

[*English*]

MINES AND MINING—WESTERN CANADIAN COAL PRODUCTION. (B) IMPORTATION OF UNITED STATES COAL

Mr. Sid Parker (Kootenay East-Revelstoke): On March 13, I asked a question of the Minister of State for Mines (Mr. Rompkey) regarding the sale of western Canada coal to central Canada markets. I would like to outline for the Parliamentary Secretary to the Minister of State for Mines (Mr. Gimaïel) the nature of the campaign initiated by the United Mine Workers and supported by myself and a growing number of municipal jurisdictions.

We have a campaign to promote the Canadian use of western Canadian coal. The Parliamentary Secretary will be aware of the Northeast Coal project, alternatively known as Tumbler Ridge or Quintette coal. This project involved the development of new coal fields in northeastern B.C., at Tumbler Ridge as well as the building of the infrastructure required to move that coal to the port of Prince Rupert. The project was co-sponsored by the federal government and the Government of the Province of British Columbia at a cost of approximately $2.5 billion. The viability of the project was supposedly assured by the signing of long-term contracts with Japanese buyers. The Bennett Government and the federal Government poured money into establishing rail lines, port facilities, and building a town at Tumbler Ridge. The project is now operational but the market for coal has been severely reduced. The Japanese have experienced a decline in their coal requirements and have requested renegotiation of the long-term contracts seeking both price reductions and quantity reductions. The federal Government and the B.C. Government find themselves in a bind. They have invested $2.5 billion in building the northeast coal project and are now being forced in essence through price concessions to subsidize Japanese use of Canadian coal in order to keep the much ballyhooed northeast mega project alive.

Meanwhile, longtime coal producing areas of the country, like the Elk Valley in my riding are experiencing numerous layoffs. Twelve hundred and fifty miners in Sparwood have recently been through a two-week shutdown. Fording coal, owned by Canadian Pacific, recently announced a five-week summer shutdown which will throw 1,348 workers temporarily out of work. At the same time Quintette Mines in northeastern British Columbia is advertising in the St. John's, Newfoundland, *Evening Telegram* for workers.

As a New Democrat I have no philosophical difficulty with the concept of Government participation in the economic development of this country. I do feel though, that this Government has over-emphasized capital intensive mega projects in its approach to economic development. The counter-productivity of this approach was very much in evidence in this situation when Quintette was built. The banks hold the mortagage. The interest payments have to be made. Quintette will stay in production if only to save the face of the B.C. Government and the Government of my friend, the Parliamentary Secretary to the Minister of State for Mines. This I accept as a political reality, even though it defies all economic good sense.

What I am urging is that the federal Government support southeastern British Columbia coal to the same extent as it has supported the development of northeastern coal. I will provide a suggestion as to a cheap and easy initial step for the federal Government. I propose that a joint federal-provincial task force involving both coal producing and consuming provinces be created to study the use of Canadian coal and specifically to study: (a) the relative direct cost of Canadian and American coal to consumers; (b) difference in transportation costs; (c) direct and indirect costs to the economy of high levels of acid rain; (d) the cost and benefits to the entire Canadian economy of a joint federal and producing province and consuming province funded transportation subsidy to encourage the use of Canadian coal; and further, be it resolved that this task force hold public hearings and issue a public report.

Western Canada produces approximately 40 million tonnes of various types of coal per year, of which approximately 15 million tonnes are exported, 4.5 million tonnes are delivered to central Canadian markets and the remaining 21.5 million tonnes are consumed by the producing western provinces. In 1982, Canada imported into central Canadian markets 16,515,114 tonnes of coal from American suppliers. Of this amount, 4,446,044 tonnes were metallurgical coal and the remaining 12,069,070 were thermal coal. The average price to import this coal was $55.66 per tonne for thermal coal, for a total of $671,764,436, and $70.78 per tonne for metallurgical coal for a total of $314,690,994. The total cost to Canada to import coal in 1982 was nearly $1 billion; $1 billion per year lost to Canada's balance of payments. As matters stand, Canada exports the same amount of coal to other countries as it imports from the United States, thus making Canada nothing more than a brokerage house for American coal.

[*Translation*]

● (1825)

Mr. Pierre Gimaïel (Parliamentary Secretary to Minister of State (Mines)): Mr. Speaker, I listened with great interest to the comments made by the Hon. Member for Kootenay East-Revelstoke (Mr. Parker) concerning the coal industry and the role played by the Canadian Government in developing this industry in recent years. I can also easily understand why he wants to uphold the interests of his constituents and to extend the market for Western coal, especially in Canada, and I must say by the way that it is a very high grade of coal having a very low sulphur content which puts it among the less polluting in the world.

In any case, I would like to point out to the Hon. Member that the Canadian Government has been actively involved in this industry for several years. When the Government did become involved in the coal industry in Eastern Canada, for instance, on Cape Breton Island, it did so at the request of the Provinces, mainly the producing Province, and also because of its desire to keep this very important energy source fully developed and readily available for all Canadians.

Obviously, as the Hon. Member said earlier, the Canadian Government also became very directly involved in the development of the Western coal industry both in providing export assistance and in the development of new markets. The efforts made by the Canadian Government in Korea and the Far Eastern countries to explore new markets specifically for Western coal are extremely important.

In addition, in spite of the Hon. Member and his party, the Canadian Government provided a new transportation policy for Western Canada last year, after a very animated debate in this House. The party of the Hon. Member is the one which objected most strongly to this new policy which aimed at double-tracking East-West railway lines to increase the traffic in both directions and also at opening new markets for Western Canadian products.

I was glad to hear him say today that Ontario, or Central Canada as it is known in the West, would be a major market for Western Canadian coal. It is true also that traditionally Ontario Hydro bought in the United States at a lower cost the coal it needs and which is more polluting than the Western Canadian variety. It is a fact. It is also true that through its double-tracking policy and the new Crow rate, the Government of Canada last year found a way to change such traditions and to contribute to the industrial development of the West and to the sale of Western Canadian resources to Central Canada, the most populated area of our country. Unfortunately, his party opposed these initiatives and filibustered the bill for several weeks in every way possible, without considering that although transportation costs could be a little bit higher, the economic benefits would be tremendous. Moreover, Mr. Speaker, it should be emphasized that because the Government of Canada did what it had to do, the sales of Western Canadian coal have increased. My last point and the one I want to conclude on is that the Government of Canada sold 17 million tons of coal for which it received $1.23 billion on behalf of Canada and all Canadians. That was 400 tons more than what we had imported.

Mr. Deputy Speaker: Order, please! The motion to adjourn the House is now deemed to have been adopted.

Accordingly, the House stands adjourned until tomorrow at 2 p.m.

At 6.30 p.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, March 28, 1984

The House met at 2 p.m.

• (1405)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

POOLS

SPORTS POOL CORPORATION

Hon. Steven E. Paproski (Edmonton North): Mr. Speaker, I always thought that the Government was one of compromise rather than a Government of arrogance or deceit. Yesterday I asked a question of the Minister concerning the lotteries, and the 1971 agreement by which the provinces are giving the federal Government $35 million without doing anything. All of a sudden the Minister is saying, "You could have made $100 million or $200 million".

There is a French expression which says that it is better to have $35 million in the hand than $100 million in the bush. The Government does not have that. It is spending from $12 million to $15 million to set up a network to get into this new lottery business, and the Minister stands there and says that he does not have time to meet with his counterparts in the provinces, the people whom he could sit down with, and delete some of this expense that he will go into.

I am very disappointed. Not only that, they will lose a baseball franchise in British Columbia. Just wait until those British Columbians get hold of some of you people. Just wait and see.

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

* * *

[*Translation*]

FOREIGN SERVICE

TRIBUTE TO AMBASSADOR HECTOR ALLARD

Mr. Robert Bockstael (Parliamentary Secretary to Secretary of State of Canada): Mr. Speaker, every day hundreds of individuals in Canadian embassies, consulates and high commissions are called upon to defend and protect Canada's interests abroad. They have earned an excellent reputation for Canada on every continent. Through their intelligence and sense of duty, the members of our diplomatic community have made a tremendous contribution towards the development of Canada's stature internationally. This reputation, now firmly anchored in our international relations, goes back to the origins of our diplomatic policies.

At this point, I would like to elaborate on the role played by the first Canadian Ambassador to Mexico. Through his efforts, the links between our two countries were further developed during his mandate. He did the same during subsequent postings to Cuba, the Dominican Republic, Haiti and finally Denmark.

This Canadian Ambassador distinguished himself by his patriotism, dedication and national pride. I am happy to announce that he was a Manitoban of métis descent, a great Canadian who served his country loyally and with great dedication until his retirement in 1968. I would therefore ask the House to pay tribute to Ambassador Hector Allard—

Mr. Speaker: Order. I am sorry to interrupt the Hon. Member, but his time has expired.

* * *

[*English*]

METRIC CONVERSION

AMBIGUITY OF SPEED LIMIT SIGNS ON OTTAWA RIVER PARKWAY

Mr. Gordon Towers (Red Deer): Mr. Speaker, it has been brought to my attention that a war veteran was jailed in Alberta recently for not understanding speed limits in metric and exceeding the limit.

Shortly after, an Ottawa man won a case he took to court after receiving a $205 speeding ticket and six demerit points while exceeding the limit in miles per hour as controlled by the federal Government on the Western Parkway.

The National Capital Act governs speed limits on federally maintained roads. The sign reads "60". This man probably knew that he was breaking the law in being legally over the speed limit. But because of the ambiguity of the signs, and using that as a loophole in the law to plead his case, he won.

Where is the so-called consistency and standardization assured us by the Government in its weights and measures policy? This is hardly an example of uniformity. Are there two laws in this country, one for a former war veteran who goes to jail under provincial metric law forced on a province by the federal Government, and another for one who, after being caught under its own federal law using imperial, goes free? Where is the just society?

S.O. 21

MEMBERS OF PARLIAMENT

STATEMENTS BY MR. McKNIGHT ON COMMITTEE ATTENDANCE BY MINISTER OF TRANSPORT

Mr. Jesse P. Flis (Parkdale-High Park): Mr. Speaker, yesterday's *Hansard* shows that the Hon. Member for Kindersley-Lloydminster (Mr. McKnight), while posing a question to the Minister of Transport (Mr. Axworthy), said twice; "The Minister has not spent several hours in the Standing Committee on Transport since he has become Minister."

This kind of statement cannot go unchallenged, especially when the Hon. Member who made such a false statement is on the Transport Committee. He knows that the Minister of Transport has already appeared before the Transport Committee four times—August 23, September 7, February 7, and March 22. He has never refused to come to the Transport Committee when asked.

He also knows that the Minister, as soon as he was appointed to his new portfolio, flew to Quebec City to join the committee when it was holding hearings on Bill C-155. On the same day the Minister held an informal meeting with the members of the Transport Committee, offering his co-operation in solving transportation problems for the good of the country. The Hon. Member for Kindersley-Lloydminster should do the honourable thing, and either withdraw his false statements or make a new statement setting the record straight.

* * *

INDUSTRY

EXPORT OF LOGS—EFFECT ON PLYWOOD MILL

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, 130 workers from Victoria Plywood face a bleak future since the indefinite closure of the mill last December. In the meantime, the mill owner, Pacific Forest Products, is exporting logs, but plywood workers cannot get details of these exports.

● (1410)

Officials from the Department of External Affairs, which issues the export permits, refused to release this information. They claimed the details of the export permits were confidential, that to release these details would undermine Pacific Forest Products' competitive position. Now they are reviewing the situation.

Canadian workers have to compete with workers throughout the world. One factor that should give them a competitive edge is our forest resource. By exporting unprocessed logs we destroy this edge for our workers. We are exporting jobs.

The Government should be more concerned to protect Canadian jobs than to preserve company profits for companies like Pacific Forest Products.

I call on the Government to take the following steps. First, provide full access to all details of log export permits. Second, take action to prohibit the export of unprocessed logs. Third, develop a Ministry of Forestry which could develop aggressive marketing to expand sales of processed forest products into North Africa—

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

* * *

[*Translation*]

ENVIRONMENTAL AFFAIRS

DAMAGE CAUSED BY ACID RAIN—GOVERNMENT'S ATTITUDE

Mrs. Eva Côté (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the Canadian Minister of the Environment and Ministers from nine European countries made a commitment last week, at an international conference on acid rain, to reduce sulphur emissions above their territories by 30 per cent between now and 1993. They will also reduce the amount of nitrogen but did not specify by what percentage. The House is aware that these two chemicals are the main cause of air pollution.

Mr. Speaker, on behalf of all Canadians and especially on behalf of Quebecers, I wish to take this opportunity to congratulate the Canadian Government on hosting this Canada-Europe conference on acid rain. Representatives of the ten countries discussed the urgency of preventing serious damage by acid rain to our natural environment, especially forests and bodies of water.

This first international attempt to reduce air pollution was called a historic moment by the Environment Ministers who met in Ottawa last Tuesday and Wednesday.

Mr. Speaker, once again, I wish to offer my sincere thanks to the Canadian Government for having shown once again its commitment to improving our quality of life.

* * *

[*English*]

DEPARTMENT OF EXTERNAL AFFAIRS

PURCHASE OF FRENCH BUTTER

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, I am deeply concerned, and I am sure all Canadians are concerned as well, to see that the Department of External Affairs has been buying French butter at $10 a pound for one of its so-called posh restaurants in the External Affairs Building. This is indeed a slap in the face to our dairy industry.

To make matters worse, it has been found that this butter was imported illegally into Canada, at a time when butter production in Canada is at an all-time high and has been selling at discount prices in supermarkets in an effort to cut down the surplus.

It is indeed a shocking state of affairs that a Government Department would be party to such an illegal act. It is odious and offensive, to say the least.

Canada produces the best butter in the world, and it is an affront to our dairy producers by those responsible, to have their product downgraded in this manner. The bad publicity engendered by this act will have repercussions on our export markets.

How does this action square with the Government's decree to buy Canadian in its efforts to stimulate our over-all economy? How does this action square with the Government's efforts to maintain employment in the agriculture section which is already hard pressed? Not very well, to say the least, Mr. Speaker. Therefore, I call upon the Government to take immediate action to reprimand those responsible, and to make sure that such an occurrence will never take place again.

ORAL QUESTION PERIOD

[*English*]

THE ADMINISTRATION

TIMING OF VISITS BY HER MAJESTY THE QUEEN AND HIS HOLINESS THE POPE

Mr. Brian Mulroney (Leader of the Opposition): Mr. Speaker, in view of the nation-wide concern caused by the irresponsible remarks of the Secretary of State, will the Prime Minister reassure millions of Canadians that the political aspirations or ambitions of the Liberal Party will not in any way interfere with the visits, as scheduled, of Her Majesty the Queen and His Holiness the Pope for later this year?

• (1415)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, that question from another source might not surprise me, but this one does. The Leader of the Opposition has been clamouring for an election. He said we must have an election as soon as possible.

Some Hon. Members: Hear, hear!

Mr. Trudeau: I guess they are getting cold feet over there because we have such a lot of good leadership candidates. I think it is obvious that, unless there is a dissolution before the middle of June, I will be in no position to declare when the election campaign will be. The Leader of the Liberal Party and then, hopefully, the Liberal Prime Minister, will decide when to advise His Excellency about dissolution.

I have a solution, Mr. Speaker.

Mr. Nystrom: Run again, Pierre.

Some Hon. Members: Oh, oh!

Mr. Trudeau: If there should be an election during the Queen's visit or the Pope's visit I see no reason why the then Liberal Leader or the Opposition Leader should get involved. There would be two former Prime Ministers, the Right Hon. Member for Yellowhead and myself, who could do well in escorting the Queen around.

Some Hon. Members: Hear, hear!

REQUEST FOR ASSURANCE VISITS WILL NOT BE CANCELLED

Mr. Brian Mulroney (Leader of the Opposition): Mr. Speaker, the Prime Minister is quite right when he says that we have been asking for an election as soon as possible, that is, while he was there.

Some Hon. Members: Oh, oh!

Mr. Mulroney: Now, it gets better and better every day—

Some Hon. Members: Hear, hear!

Mr. Mulroney: —as one putative successor after another repudiates and contradicts what this distinguished Prime Minister has tried to do for 20 years. That is what is happening in the Liberal Party.

The Prime Minister will acknowledge that his attempt at humour did nothing to dispel the grave concerns of millions of Canadians that the Liberal Party is contemplating using these two very important visits for political advantage. I want his assurance, and I hope he can give it to me, that these visits of Her Majesty the Queen and the Pope will go forward as scheduled, that they will not be abruptly cancelled to serve the partisan ends of the Liberal Party, to the dismay of millions of Canadians. Can he give that assurance right now?

Right Hon. P. E. Trudeau (Prime Minister): It seems to me, Mr. Speaker, that the preamble was not imbued with any more logic than the question itself. If the Hon. Member is also a putative successor to the job of Prime Minister, I do not see why he is distressed that I am being repudiated by other successors, because he has been repudiating my policies for a long while. Certainly a long while ago he wanted to have an election so he would be able to repudiate my policies and actions.

The logic of asking me to give a guarantee of what might happen after my writ has ceased to run some time in June is certainly unconstitutional. How can I possibly decide when there should be an election or not if it is called after I have ceased being Prime Minister? I would like the Leader of the Opposition to think about that.

INQUIRY WHETHER ASSURANCES SOUGHT BY ORGANIZERS OF VISITS

Mr. Brian Mulroney (Leader of the Opposition): Mr. Speaker, can the Prime Minister indicate if he has received requests for such reassurances from the organizers at the Palace or at the Vatican, and from those charged with this

responsibility here in Canada? Can he say whether the Government of Canada has received requests for such assurances and, if so, what response has been given?

● (1420)

The ham-handed, insensitive statements of the Secretary of State have caused grave concern and alarm across the country that the Liberal Party is trying to use this for partisan ends. I ask the Prime Minister to repudiate that, along with the Secretary of State.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I know of no such representations made to me or to my office, but I will naturally inquire. I am a thousand per cent certain that the Palace would not make such a request of me because their knowledge of the Constitution seems to be better than that of the Leader of the Opposition. They know that a sitting Prime Minister cannot undertake to set a date for an election which might hypothetically be called after he has departed the job of Prime Minister. As far as the Vatican is concerned, I would venture to say they would have the same knowledge of the Constitution. I cannot give the guarantee. If I were asked, I could not answer anything differently to either the Vatican or the Palace, and I am sure they will not ask.

* * *

NATIONAL REVENUE

TRAINING OF DEPARTMENT'S AUDITING STAFF

Mr. Chris Speyer (Cambridge): Mr. Speaker, my question is directed to the Minister of National Revenue. The Income Tax Act is arguably the most complex Act that Parliament has passed. One of the main criticisms which the task force has heard from accountants and lawyers is that the auditors for Revenue Canada are ill-equipped to do their job because they have not been properly trained. Indeed, many times they demonstrate their incompetence. I wish to read to the Minister from a letter I received from a senior auditor of Revenue Canada. He told me this:

> The total time allocated for training is hopelessly meagre. It is less than 10 per cent of what the major accounting firms consider necessary to keep their staffs current.

Does the Minister accept the criticism that there is a lack of training in the Department? Does he accept the criticism that there ought to be more chartered accountants to deal with these matters? Does he accept the criticism that the most senior auditors deal with the big firms, and the most inexperienced deal with the small business people? Does the Minister have some concern with respect to those matters?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, in concluding, the Hon. Member asked whether I was concerned about this criticism. Of course I am concerned, very much so. However, I may remind the Hon. Member that one of our primary concerns is to focus special attention on the training given our staff, not only auditors but all personnel in the Department.

[*English*]

ANSWERS GIVEN TO TELEPHONED INQUIRIES

Mr. Chris Speyer (Cambridge): Mr. Speaker, the Minister knows that millions of taxpayers are now filing their returns. He also knows that many taxpayers do not have accountants. What they do is telephone their district tax office. One of the legitimate criticisms is that the people answering the phones do not know what they are talking about. They are giving bad advice to the taxpayers. It was reported in *The Toronto Star* yesterday that 40 per cent of the answers given were proven to be incorrect. Does the Minister understand that the people answering the phones and giving advice to taxpayers are, by and large, incompetent as a result of a lack of training, and what exactly is he going to do about it?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I disagree with the Hon. Member's conclusion that the people answering the telephone are incompetent. I do not think the Hon. Member has his facts straight.

I think he should bear in mind that when questions are asked, the person answering them must know all the facts. It is extremely difficult in most cases, in specific cases or circumstances, to know all the facts.

We are concerned in my Department about this result. In any case, the Hon. Member was able to read the comments of the Director or Supervisor of this particular group. However, I want to give the Hon. Member, the House and Canadian taxpayers the assurance that the group that answers telephone requests is regularly tested by the supervisors. They also analyze the kind of questions they are asked, and regularly improve their ability to answer taxpayers' questions satisfactorily.

* * *

● (1425)

[*English*]

FINANCE

HOUSING MORTGAGE INTEREST RATES

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is directed to the Minister of Finance and deals with an issue which is on the minds of tens of thousands of Canadians, and that is the renegotiation of an existing mortgage, or the negotiation of a new mortgage for a first-time home buyer. The people of Canada heard earlier this week that the Mortgage Bankers Association of the United States is now predicting mortgage rates in the 14 per cent to 15 per cent range, and Canadians know that the Minister of Finance feels that Canadian rates must track or be greater than American

mortgage rates. If the Minister were to be negotiating a mortgage today, would he take out a mortgage at a floating interest rate, would he negotiate a short-term mortgage, or would he negotiate a very long-term mortgage knowing his own position on this particular topic?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I have indicated that the bank rates and prime rates in Canada and the United States must be very, very closely related. As far as mortgage rates and other rates are concerned, the Hon. Member knows that there have been larger differences in those in the past. As a matter of fact, interest rates on consumer loans in Canada were lower than they were in the United States over an extended period of months last year.

There is no guarantee or assurance that higher mortgage rates in the United States will necessarily mean higher mortgage rates in Canada. We will have to see the evolution of the situation. In addition, my friend is asking me at best about the speculation of a particular organization in the United States as to what will happen to mortgage rates. I invite the Hon. Member to show a little patience. He may be disappointed, and things may turn out better than he thinks they will.

MINISTER'S POSITION

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is speculative to a certain extent, but it is related to the kind of issue which every Canadian who sits down to negotiate a new mortgage, or renegotiate an existing mortgage, must face these days. It is a real issue facing most Canadian citizens today.

I would like to repeat my question to the Minister since he is responsible for government policy and since people look to him for some guidance about what to expect in the future. If the Minister were to sit down and negotiate or renegotiate a mortgage today, would he negotiate a floating interest rate, a very short-term, or a very long-term mortgage contract? Can he give Canadian citizens some indication of what he would do?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, it is a well-known rule of the House that speculative questions are out of order. Obviously the answers to such questions would be out of order as well.

EFFECT OF MORTGAGE RATES ON CONSTRUCTION INDUSTRY

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, the Canadian Construction Association said today that unstable interest rates will mean a terrible year for the construction industry. This means that it will be a terrible year for those Canadians negotiating a mortgage, for the construction industry, and for the manufacturing industry which serves that critical industry during a recovery. Is the Minister prepared to allow interest rates to be maintained at present levels, or increased, and watch the Canadian construction industry, that portion of the Canadian manufacturing industry that is associated with the construction industry, and Canadian home owners, knocked to their knees as a result of his high interest rate policy?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I shall be happy to answer this question. I had some meetings with the Association of Canadian Industries a few weeks ago and also with the construction industry, and the Hon. Member ought to know that the latest figures on residential construction, particularly in Canada, are very encouraging for the first three months of this year. It seems the rate of construction in 1984 will be higher than it was in 1983.

I would like to draw the attention of my hon. friend to the fact that the construction industry referred to unstable interest rates. There is no reason to believe that the movements of the past few weeks will lead to further substantial movements in interest rates in the weeks and months to come.

As I said before, I am sure my hon. friend would not have seen fit to rejoice and say our problems are solved, if interest rates had gone down by one-half of one per cent. Similarly, an increase of one-half of one per cent should not be a reason for him to declare bankruptcy, go around in sack cloth and ashes and imagine that our economy is going to stop growing—on the contrary! I would invite him to look at the figures for the Gross National Product in January 1983, which indicated for that month an increase of 1.3 per cent, in real terms, which is exceptionally high.

* * *

• (1430)

[*English*]

NATIONAL REVENUE

DEPARTMENT'S TREATMENT OF TAXPAYERS—CASES SUBMITTED TO MINISTER

Mr. Otto Jelinek (Halton): Mr. Speaker, my question is directed to the Minister of National Revenue. Three months ago I began sending him documented revenue cases ranging from harassment and discrimination to outright blackmail by his Department. At one time I was in contact with the Minister's office on a daily basis compiling all of these documented cases. I am still waiting for an answer which, after up to three months, is not forthcoming. In fact not one of my requests or letters regarding these cases has been answered by the Minister.

I want to ask the Minister if he can justify not responding for up to three months to these very important cases? Can he justify the dozens and dozens—nearly 100 cases where innocent citizens have been allowed to suffer mentally and financially? Finally, can he justify his Department allowing small businesses to continue to go bankrupt as a result of his inefficiency?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Shortly before Christmas, Mr. Speaker, I asked all district office heads to get in touch with each Member of the House to tell him or her that each district office has a special service staffed by officials whose responsibility is to answer specific questions from Members to whom taxpayers voice their criticisms or send requests for information.

I know that most Members on this side of the House responded positively to the invitation of district office officials and that those Members have been dealing directly with district offices to solve the problems of their constituents.

The Hon. Member would rather take the long way around—he is saying no. If he is lazy, he ought to admit it openly instead of trying to blame others! He is doing it the hard way, but he should understand that we receive hundreds of letters every day which we must forward to district offices for review of specific cases. Under those circumstances, it takes a lot longer to get an answer.

Again I extend the same invitation to him. If he wants to act effectively and assume his responsibilities, let him go to his district office and defend the interests of his constituents instead of shirking his responsibilities by writing letters.

[*English*]

SEIZURE OF COMPANY'S FILES

Mr. Otto Jelinek (Halton): Mr. Speaker, that answer is simply not good enough. Butler Manufacturing Company (Canada) Ltd. is a company which was forced to spend over $60,000 defending a non-action which is directly the responsibility of the Minister. That is why his answer is not good enough. This company was subjected to search and seizure by his Department, over 200 files were taken by force, and then were returned without any penalty. Before they were returned, however, the company had to sign a document agreeing "— that it will undertake no claim, action, demand, or proceeding of any sort against the Minister of National Revenue or his agents, or servants in respect to the search and seizure action".

Can the Minister justify this type of action? Does he not believe that it is extortion? Does he not believe that it is blackmail on the part of the Government? What is he, or the Government, going to do to stop this type of blackmail by this ridiculous Liberal administration?

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, the second question of the Hon. Member is more irresponsible than his first.

Some Hon. Members: Hear, hear!

An Hon. Member: Never.

[*Translation*]

Mr. Bussières: He knows very well that I cannot comment on specific cases. In all likelihood, he would be the first one to rake me over the coals if I were to do that.

I have just told him that my invitation stands. If indeed he wants to fulfill his duties and prove that the interests of his constituents come first—and that does not seem to be the case—he should stop writing letters and washing his hands off the whole issue, he should go to the district office and explain his concerns and those of his constituents to our officials. He might be surprised to find out that the efficiency of Revenue Canada officials stands out in sharp contrast to his own inefficiency.

[*English*]

Mr. Jelinek: Mr. Speaker, I have a supplementary question.

Mr. Speaker: The Hon. Member has been permitted a supplementary at some length, and was allowed to cite from a document. I believe he has had ample opportunity to put his case. The Hon. Member for Crowfoot (Mr. Malone).

AUTHORITY FOR USE OF THIRD PARTY DEMANDS

Mr. Arnold Malone (Crowfoot): Mr. Speaker, my question is also for the Minister of National Revenue. Bearing in mind that there has been a wild increase in third party demands, why is it that persons under the age of 30 are showing up in banks with briefcases full of stamped but uncompleted third party demands, asking who has that particular account at that particular bank, and then issuing a third party demand? I should like to know who is the authority when there is simply a stamped signature? Where is the authority for that kind of demand on a person's account?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I have already had an opportunity to explain to the Hon. Member the procedures to be followed by taxpayers who owe money to the Department.

I also told him on several occasions that any taxpayer who receives a notice of assessment from the Department is welcome to explain to us the particular circumstances or personal hardships he is experiencing and that we are prepared to make arrangements with any taxpayer. When the Department has to take more drastic action, it is usually as a result of the taxpayer being grossly negligent in at least making an attempt to come and explain his predicament to the Department.

[*English*]

OFFICIALS' CONDUCT WHEN FILLING IN THIRD PARTY DEMANDS

Mr. Arnold Malone (Crowfoot): Mr. Speaker, the Hon. Minister suggests that he has had an opportunity to explain how we should make the approach. He is literally asking every

Member of Parliament to plug into this pyramid of Swiss cheese wherever it might be encountered in Canada. We have a Department without ministerial responsibility, Mr. Speaker. Therefore I ask this Minister, who has no point at the top of his pyramid and asks why everybody is plugging in everywhere, and tell us how he can justify someone standing in a bank, in full view of the public, filling in third party demands? In small towns, neighbours can watch who is getting a third party demand.

I can hear the Minister shaking his head. Does he not have any respect at all for the individual citizen's right to privacy? As Minister, will he not take a sensitive approach to make sure that individual Canadians have not only the force of law but the respect of the law?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I want to assure the Hon. Member and all Canadian taxpayers that we do have a lot of respect for both the law and the taxpayer and that any action we might take is in keeping with utmost fairness and justice for everyone.

* * *

[*English*]

REFUGEES

SUICIDE OF CHILEAN APPLICANT FOR REFUGEE STATUS

Mr. Dan Heap (Spadina): Mr. Speaker, I have a matter that is literally a question of life and death for several people, and therefore I am addressing it to the Parliamentary Secretary to the Minister of Employment and Immigration. As the Minister, his secretary and staff know well, Raul Rivadeneira, who committed suicide the night before last in Toronto, had been arrested, tortured, and mutilated by the fascist Government of Chile. He escaped to Canada in 1980, leaving his wife and infant son in Chile. He immediately applied for refugee status here, and was refused.

Later, in front of the Minister's representative at the Immigration Appeal Board when he was directed to recall his experience of torture, he collapsed in a seizure and required hospitalization. A United Church of Canada representative wrote to the Minister asking that Rivadeneira receive an entry permit on humanitarian and compassionate grounds to save him the pain of reliving the torture. This was refused. Now, just hours before a new hearing—

Mr. Speaker: I invite the Hon. Member to ask his question.

Mr. Heap: Thank you, Mr. Speaker. I wanted to explain that the suicide occurred within hours of his being required to relive that torture. Will the Minister, for the sake of Rivadeneira's widow and orphan son, now acknowledge that he was indeed a refugee within the meaning of our law, and that he had a genuine, well-founded fear of persecution if he returned to Chile?

• (1440)

[*Translation*]

Mr. Jean-Guy Dubois (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, my department is well aware of the case to which the Hon. Member is referring and of course regrets the decision of this Chilean to take his own life.

I must advise the Hon. Member, however, that following his arrival in Vancouver in 1980, this man was allowed to return to Chile for a short while before applying for refugee status. In short, he had arrived in Canada before 1980 and had later on been allowed to return to Chile. Unfortunately, he became ill before his application was considered, and the same happened to the examining official.

Concerning this man's widow and child who are still living in Chile, I can assure the Hon. Member that we will look into their situation. We certainly regret the unfortunate passing of this man who, not having exhausted all possible recourse, decided to put an end to his life on earth. We will do our utmost to help his widow and child if they meet the criteria of the Immigration Act.

[*English*]

PLIGHT OF WIDOW AND CHILD

Mr. Dan Heap (Spadina): I thank the Parliamentary Secretary for his understanding answer, up to a point, and I would ask him whether the regret which is felt by the Department would extend now to the widow and child who have been seeking to enter Canada? They would have been able to enter Canada if Mr. Rivadeneira had been recognized as a refugee. They still wish to be admitted into Canada, and are being persecuted now by the police in Chile.

[*Translation*]

Mr. Jean-Guy Dubois (Parliamentary Secretary to Minister of Employment and Immigration): Based on the evidence on file, we could not definitely conclude that this man, who had been allowed to go back to Chile and then return to Canada, had been tortured in his country of origin. My hon. friend is certainly aware of the fact that the provisions of the Immigration Act which apply to people seeking refugee status do not apply automatically. As I said, I will ask my officials to see what can be done for this man's widow. Yet, I cannot promise him anything, for the legislation is there and must be enforced. There was no way he could have been automatically granted refugee status. The evidence on file did not support his claim that he had been tortured. But, as I said, we will look into the situation of his widow and child.

[*English*]

CROWN CORPORATIONS

NORTHERN TRANSPORTATION COMPANY LIMITED—ANNOUNCEMENT OF INTENTION TO PRIVATIZE

Mr. Jesse P. Flis (Parkdale-High Park): Mr. Speaker, my question is directed to the distinguished Minister of Transport.

Some Hon. Members: Oh, oh!

Mr. Flis: Recently the Northern Transportation Company Limited, a Crown corporation, appeared before the Transport Committee to answer questions regarding its annual report. A member of the Transport Committee asked the President of the company whether NTCL could now be privatized. Unfortunately, the Transport Committee did not receive an adequate answer, one way or the other. Can the Minister inform the House of the Government's intentions regarding the Northern Transportation Company Limited?

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, I believe, as most Hon. Members in the Chamber know, the Northern Transportation Company has provided a very valuable service as a Crown corporation for the past 40 years in supplying a number of communities in the Western Arctic and the Keewatin District. However, after a very careful review and discussion with the Board, the Government now feels that the objectives no longer require Crown ownership. Therefore, we will take immediate steps to privatize Northern Transportation Company Limited, and to that end I have directed the board of directors to undertake to contact potential purchasers of the company. At the same time we will be undertaking evaluation of the company to make sure that we receive full value back for the Crown Treasury.

At such time as a decision or a proposal is made, we will be back to Parliament with a specific proposal, Mr. Speaker.

CONFLICT OF INTEREST INQUIRY

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, my question for the Minister of Transport concerns the privatization of the Northern Transportation Company Limited. Could the Minister inform the House whether his initiatives for the privatization of that Crown corporation came about as a result of the investigations done by the United States military into the use of United States military equipment, and the conflicts of interest which have been discussed in the Transport Committee respecting some of the managers, directors, officers and employees of that company?

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, once again the Hon. Member is introducing an unnecessary and absolutely irrelevant factor into consideration. The fact of the matter is that the decision was made first on the recommendation of the board of directors, based upon the changed economic circumstances and the various commercial opportunities which could be achieved through a diversification of that company into a number of new areas. It was a conclusion of the Government that we should not be in the business necessarily of diversifying, but it would be in the long-term interest of northerners, particularly of the native people in the North, who could have the first opportunity to buy this company, thereby using a major new entrepreneurial activity to help in their own economic development in the North.

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TAX COURT OF CANADA

BACKLOG OF CASES

Mr. Howard Crosby (Halifax West): Mr. Speaker, my question is directed to the Minister of Justice who is the Minister responsible for the Tax Court of Canada. When we hear the litany of bad cases recited by my colleagues, we realize that the only hope for our tax system in Canada is the appeal process. There are now reports of a backlog of thousands of cases, which will delay decisions affecting taxpayers. Will the Minister advise the House exactly how many cases there are pending before the Tax Court of Canada? Reports indicate more than 2,000. And will he tell the House what action he is prepared to take to eliminate this backlog so that justice can be done for these taxpayers who are awaiting court decisions?

Hon. Mark MacGuigan (Minister of Justice): Mr. Speaker, we have already taken action to deal with that backlog. The Hon. Member may recall that last year the House passed amendments to supply the new Tax Court with an additional number of positions which will enable those cases to be dealt with more expeditiously. I might add that the new Chief Judge of that Court has been attempting to organize the business of the Court in such a fashion that the backlog will be cleared up as expeditiously as possible.

I do not have the figures with me today, Mr. Speaker, as to the backlog. It is substantial, as the Hon. Member says. We put the figures before the Standing Committee on Justice and Legal Affairs last week. The Hon. Member could find them in the records of that committee.

DELAY IN HEARING APPEALS

Mr. Howard Crosby (Halifax West): Mr. Speaker, I do have some figures concerning the Tax Court of Canada. There are over 2,100 cases, I am told, by the court officers. There are 735 new tax appeal cases already this year. Now there are reports that it will take at least a year to have a tax appeal case heard, longer in some centres. Would the Minister tell the House whether he thinks that is an appropriate length of time for the hearing of an appeal, bearing in mind that each one of these taxpayers has paid an amount of money in taxes and is waiting for a decision in order to determine whether he or she is entitled to a return of those funds? Surely, even if we cannot do anything about Revenue Canada, we can do something about the Tax Court of Canada, in order to provide justice for our taxpayers.

Hon. Mark MacGuigan (Minister of Justice): Mr. Speaker, I will take the Hon. Member's question as a representation that we should add further positions to the Tax Court of Canada. I will promise him to give due consideration to that proposal. I trust we will have the support of his Party if we bring forward such legislation.

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CANADA COUNCIL

APPLICATION OF FINANCIAL ADMINISTRATION ACT—REQUEST FOR COUNCIL'S EXCLUSION

Hon. David Crombie (Rosedale): Mr. Speaker, my question is directed to the Minister of Communications. It is now clear to everyone that the Government's new Financial Administration Act will violate the political independence of the Canada Council, indeed, of all federal cultural agencies. That is why, on Monday, the Canada Council, in an historic and significant statement, asked the Government to exclude it from the legislation. Is the Minister willing to take a stand and support the Council in its fight to make sure that its political independence is maintained and that it is not caught by increased political activity on the part of the Government, in connection with its responsibilities?

Hon. Francis Fox (Minister of Communications): First of all, Mr. Speaker, I would like to make it extremely clear that the political independence of the Council is indeed maintained. Obviously, the Council would like to continue in the present state of affairs. However, I believe this Parliament has been besieged from time to time with a number of reports from various responsible people, including parliamentarians, indicating they thought that an increase in accountability of all Crown corporations, of all people who receive funds from parliamentary appropriations, should take place.

• (1450)

The inclusion of the Canada Council and other cultural agencies in the Crown Corporations Act was designed to allow the Hon. Member and other parliamentarians to ask meaningful questions of the Council regarding how it is spending its funds. It is clear to me that in this system there ought not to be any group of people receiving funds from Parliament who are not accountable for the way those funds are spent. The specific exclusions included in the Crown Corporations Act indicate clearly that the Government has no intention whatsoever of being involved in the day-to-day operations of the Council, or of indicating to the Council how its funds should be spent.

However, that does not mean that the Council ought not be accountable to Members of Parliament during the course of the study of appropriations as to how it is spending its money. I believe that will be good for the Council. On the other hand, I can understand that some of the bureaucrats of the Council would like very much to maintain the privileged position that they now have of not having to answer to anyone in the system on how they spend their funds.

Once again, if the Hon. Member refers to the Crown Corporations legislation he will see there is an exemption on substance indicating that the artistic judgment of the Council is to be maintained, that the peer judgment system is to be maintained, and that grants are to be made on the basis of independent peer judgments made by juries appointed by the Council. He will also notice that there is a second exemption included for the Council in that Crown corporations legislation. That is to the effect that any directive to the Council has to be tabled in the House of Commons and referred to the appropriate parliamentary committee before that direction becomes effective. In that sense there are two guarantees of the independence of the Canada Council.

COUNCIL'S INDEPENDENCE

Hon. David Crombie (Rosedale): Mr. Speaker, the reason the Minister is excited about the matter is because he knows he speaks with a forked tongue on it. The reality is that the Canada Council has been fully accountable to this Parliament through that Minister, and has been fully accountable to the Auditor General and therefore does not need this legislating. The Clark Government excluded the Canada Council specifically because it wanted to defend a principle. That principle is that the Canada Council will not have its political independence violated and be subjected to political control and interference by the Government. That is a principle worth defending.

Why, in its hour of need, has the Minister of Communications not been willing to defend the Canada Council, and the cultural agencies of the country against the political activity of this Government?

Hon. Francis Fox (Minister of Communications): Mr. Speaker, I suggest the Hon. Member check the record of some of the statements made by Members who sit on his side of the House. The Hon. Member is suggesting that all of the Crown corporations involved in the cultural sector ought not to be accountable for the way they spend their money. I am talking of approximately $1 billion a year in expenditures. They are not accountable now.

Mr. Crombie: They are accountable now. You know it.

Mr. Fox: Second, as I indicated to the hon. gentleman, there are two exemptions—

Mr. Crombie: And they are accountable to the Auditor General.

Mr. Fox: If the Hon. Member does not want me to answer his question, I will not.

Mr. Crombie: Yes I do.

Mr. Fox: If the Hon. Member wants me to answer his question I suggest to him that he read the Crown corporations Bill. I also suggest that he examine the way the Government is handling all of the Crown corporations under its jurisdiction,

and compare that to the way the Government proposes to handle the Crown Corporations active in the cultural field. He will see that only in the cultural field have we made two exemptions. One is a substantive exemption on the nature of the judgments that Canada Council and other corporations of that nature have to make. The second is a procedural exemption. Those exemptions do not apply to any other Crown corporation, and that indicates the very strong resolve of the Government to maintain and enhance the independence of the Council and other cultural agencies.

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INCOME TAX

EXPENSE DEDUCTIONS FOR VOLUNTEER FIREMEN

Mr. Laverne Lewycky (Dauphin-Swan River): Mr. Speaker, my question is for the Minister of Finance. It concerns the matter of tax deductions for our country's volunteer firemen. Does the Minister know that yesterday this House debated a Private Member's Motion which called for an increase to the inadequate $500 maximum deduction presently allowed volunteer firemen for expenses incurred during the performance of their duties? Is he aware that Members in all Parties gave their enthusiastic endorsement to this Motion?

My question to the Minister is quite straight-forward. Will he consider increasing the present level of tax deductibility allowed volunteer firemen for the costs they incur in the performance of their duties?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, my answer to the first question is yes. To the second, naturally . . . I always consider all questions and all representations made to me concerning any future budget.

[*English*]

Mr. Lewycky: Mr. Speaker, I am glad that the Minister is heeding this representation.

INCREASE SOUGHT

Mr. Laverne Lewycky (Dauphin-Swan River): Mr. Speaker, can the Minister assure the House that in the course of his study he will give the same sort of consideration to any increase in tax deduction applying to all volunteer firemen, whether or not they presently receive a token allowance for services they may have rendered?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I have already said that I have knowledge of the discussion in the House. I heard the representations and I will examine them.

[*Translation*]

TRADE

CAR IMPORT QUOTAS

Mr. Marcel Dionne (Chicoutimi): Mr. Speaker, my question is directed to the Minister for International Trade. For some time now we have been imposing import quotas on foreign-made cars. Considering the soaring sales and profits of North American companies, and the fact that the quotas will expire at the end of this month, I would like to ask the Minister if he intends to increase import quotas to allay the fears of consumers and perhaps restore the competition which prevailed two years ago and which has all but disappeared because of our import quotas?

An Hon. Member: Hear, hear! Good question.

Hon. Gerald Regan (Minister for International Trade): Mr. Speaker, I believe that it is very important to protect Canadian workers, but we also want Canadian consumers to be able to buy cars at competitive prices.

[*English*]

I think the Hon. Member raises a very serious question which requires a very balanced approach. It is important that there continue to be quotas on the importation of Japanese cars until we are able to see what investments they are prepared to make in our country. They now have a very substantial share of the Canadian auto market, at 21 per cent or 22 per cent. At the same time I would view it in a very serious way if the Canadian industry were to take advantage of the limitations on the flow of cars from other sources as a reason for increasing the prices of domestic automobiles unnecessarily. I have no reason to believe they are doing so. However, it is an important question which I will examine carefully.

* * *

[*Translation*]

EMPLOYMENT

REQUEST FOR ADDITIONAL FUNDS TO CREATE JOBS FOR YOUTH

Hon. Roch La Salle (Joliette): Thank you, Mr. Speaker. My question is for the Minister of Finance.

Yesterday, the Minister said that his Budget included a proposal to set aside $1.3 billion for job creation initiatives intended for young Canadians. The Minister is certainly aware that under the Canada Works Program, the budget for summer jobs for students is providing enough funds for only one-third of the projects submitted. In view of that, the Minister will certainly understand the relevance of my question. I would like to ask him whether he intends to double this budget so that at least 66 per cent of the projects submitted may be approved to help young Canadian students.

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I am sorry that the Hon. Member's Leader has decided to leave after his short five-minute weekly visit to the House. I would have liked him to hear the question asked by the Hon. Member and my reply.

In any case, I would like to inform the Hon. Member that I have added $150 million to the budget allocated to young people under this program. This will bring up to $1.3 billion the amount set aside to provide assistance to unemployed young Canadians. These funds will be distributed by the Cabinet Committee in charge of social affairs, with particular attention being given of course to the recommendations received from the Minister for Youth and the Minister of Employment and Immigration. As soon as these decisions are made by the Cabinet Committee, I am certain that the Ministers will inform the Hon. Member and the public.

REQUEST FOR MINISTERIAL ACTION

Hon. Roch La Salle (Joliette): Mr. Speaker, the Minister of Finance will admit that it may be somewhat difficult to direct questions to the Minister of Employment in view of his current ambitions. However, I think that the Minister of Finance is familiar with the question I want to ask him today. He certainly knows that the budget available to create jobs for students is definitely inadequate.

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the Hon. Member is well aware that it is never possible to approve all the applications submitted by those who would like to help to reduce unemployment in Canada.

However, I appreciate his party's and his own belated interest in issues which concern young people considering that the position of the Progressive Conservative Party has always been to cut back on social programs. When they were in power for a short stint in 1980, the first thing they did was to abolish the job creation programs designed to help the unemployed throughout the country, including those intended for unemployed young people. Even today, all we hear them say is that we must reduce our expenditures and the deficit, but at the same time, they rise in the House to ask us to double our funding.

Mr. La Salle: Do you want to do anything about it or not? That is the question.

Mr. Lalonde: I think that the Hon. Member should recommend to his colleagues that they put a stop to their hypocrisy and make up their minds on this issue.

Mr. La Salle: It would be indecent if you were not to do anything!

Mr. Lalonde: Either they seriously want to help the unemployed as we do—

Point of Order—Mr. Olivier

Mr. La Salle: If you do not want to do anything, it is ridiculous then!

Mr. Lalonde: —or else they want to mislead the population as they are trying to do.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF TWO TOGOLESE MINISTERS

Mr. Speaker: Order, please. May I draw the attention of the House of Commons to the presence in the gallery of two distinguished visitors from Togo, Messrs. Anami Kouma Akokto Ahiango, Minister of External Affairs and Co-operation and Bariy Moussa Barque, Minister of Public Works, Mines, Energy and Water Resources.

Some Hon. Members: Hear, hear!

• (1500)

Mr. Speaker: The Minister of State (Fitness and Amateur Sport) (Mr. Olivier) on a point of order.

* * *

OFFICIAL REPORT

Hon. Jacques Olivier (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I should like to draw to your attention the following title on page 2472 of *Hansard:*

Federal Sports Lottery

There is no such thing from a legal point of view and I would like to have a correction made.

In the French text, on page 2472, the title is:

La loterie sportive fédérale.

There is no such thing. It is:

La corporation des paris sportifs

or the

Sport Pool Corporation

Mr. Speaker: I have taken good note of the Minister's statement.

[*English*]

Mr. Paproski: On a point of order, Mr. Speaker.

Mr. Speaker: The Hon. Member realizes that it is not really a point of order. What the Hon. Minister has done is to make a correction to *Hansard.*

Mr. Paproski: It is not a correction.

Mr. Speaker: The Minister has made a statement which will be examined by the Chair and the appropriate note taken.

Time Allocation

PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members to the House on Tuesday, March 27, 1984, meet the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

VISIBLE MINORITIES

PRESENTATION OF FIRST REPORT OF SPECIAL COMMITTEE

Mr. Robert Daudlin (Essex-Kent): Mr. Speaker, I have the honour to present the first report of the Special Committee on Visible Minorities in both official languages, entitled "Equality Now", "L'égalité ça presse".

* * *

PETITION

MR. KRISTIANSEN—NATIONAL FILM BOARD FILM ON ABORTION

Mr. Lyle S. Kristiansen (Kootenay West): Mr. Speaker, as the Member of Parliament for Kootenay West it is my duty and privilege to present a petition signed, among others, by some 20 residents of my constituency from the cities of Trail, Rossland and Nelson, British Columbia.

To the Honourable the House of Commons and Parliament assembled, the petition of the undersigned residents of the Provinces of British Columbia and Ontario, who now exercise their right to present a grievance, humbly sheweth that we strongly protest the use of federal funds by a federal agency, The National Film Board, to produce a film which glorifies a citizen's open flaunting of the Canadian law on abortion. The petition further suggests that Dr. Morgentaler should not be receiving federal financial aid to promote his efforts to change laws, illegally. Therefore, the petitioners conclude that the five-part docu-drama entitled "Democracy on Trial" should not be completed or released.

* * *

BUSINESS OF THE HOUSE

ALLOCATION OF TIME TO CONSIDER SECOND READING STAGE OF BILL C-21

Hon. Roy MacLaren (Minister of State (Finance)) moved:

That, in relation to Bill C-21, an Act to provide borrowing authority, one sitting day shall be allotted to the consideration of the second reading stage of the Bill; and

That fifteen minutes before the expiry of the time provided for government business on that day, any proceedings before the House shall be interrupted, if required, for the purpose of this Order and, in turn, every question then necessary in order to dispose of that stage shall be put forthwith and successively, without further debate or amendment.

He said: Mr. Speaker, as Hon. Members are aware, under the Financial Administration Act, statutory borrowing authority must be obtained by the Government from Parliament. The Bill now before the House seeks new borrowing authority of $29.5 billion. This amount is equivalent to the $25.5 billion financial requirements set out in the recent Budget, plus a non-lapsing contingent amount of $4 billion.

As Hon. Members are also aware, the amount of borrowing authority granted for the last fiscal year was $26.7 billion, an amount equivalent to the financial requirements forecast in the April, 1983 Budget and slightly below the financial requirements forecast in the latest Budget. The borrowing program for 1983-84 was planned to approximate the size of the financial requirements and thereby use up all the borrowing authority granted for the fiscal year. With the fiscal year 1983-84 now drawing to an end, the Government seeks by the Bill now before us to replenish its borrowing authority for the fiscal year 1984-85.

As I said earlier in our debate, the Government, like any responsible borrower in the private sector, must be in a position to conduct its borrowing operations without timing constraints. It is for that reason that we have moved for time allocation on Bill C-21. The full Estimates of the Government have been provided to the House and the debate on the Budget has been completed. Thus, the essential prerequisites for determining the level of borrowing authority, which are the planned sources of revenues and expenditures of the Government, have now been provided in complete detail. The Opposition has been given full information and has had ample time to study this question. Bill C-21 was tabled on February 17. It has been debated for eight days, two more days than the time allotted to the Budget itself.

• (1510)

I should like to underline again the importance to the Government of having unrestricted access to the capital markets so as to take advantage of market opportunities and to minimize debt charges. Given the size of the financial requirements and the relative size of the Government's debt operations in the capital markets, timing can be of critical importance. The level of outstanding Government debt will increase by an average of about $2 billion every month. In addition, previously issued debt is coming due and must be refinanced. Each new issue is carefully tailored to meet the prevailing market conditions and investor demand. Any disruption in the ongoing borrowing program could lead to unnecessary dislocation and erratic pressures in the capital markets. In turn, this could lead to pressures on interest rates, higher debt charges for the taxpayer and higher borrowing costs for individuals and businesses across Canada.

Even a savings of a small fraction of one per cent involves significant dollar amounts. Given the relative importance of

public debt charges in total government expenditures, it is the primary goal of the Government to minimize all such charges. This goal can only be achieved if ample borrowing authority is always available so as to ensure that the large borrowing operations of the Government do not interfere with those of other levels of Government or of the private sector. We have a collective responsibility to see that the goal of minimizing public debt charges is vigorously pursued.

Members may want to recall that the first fiscal quarter, the quarter about to begin, is usually a period of particularly heavy seasonal cash requirements because of tax refunds and several other factors. Such a cash drain must be financed by market borrowings.

I should like to refer now, in a general manner, to some of the comments that have been made in the course of our debate on Bill C-21.

Some comment was offered to the effect that the Government has not made any effort to restrain wasteful expenditures of the type described in the Auditor General's report. This is simply untrue. Since 1975 the federal Government has been committed to restraining the trend growth in spending to no more than the trend growth in our GNP. This commitment does not mean that the growth of expenditures must equal the growth in GNP each and every year. During a cyclical downturn in our economy, expenditures would generally be expected to grow faster than the GNP, since a deterioration in our economic conditions would naturally put upward pressure on government expenditures and economic growth would of course be slower. Similarly, the ratio of government expenditures to our GNP would be expected to decline during the recovery phase of the cycle.

The Government has been successful in meeting its expenditure targets. In the 1975-76 fiscal year, total outlays were 23 per cent of our GNP; by 1980-81 they had fallen to 19 per cent. Slower growth in the GNP, the associated upward pressure on spending from low activity levels, rising public debt charges and limited discretionary measures available to the Government resulted in total outlays rising to an estimated 23 per cent of GNP in the current fiscal year. The ratio of total government outlays to our GNP is projected to decline continuously from 1984-85 onward, being reduced to some 21 per cent by 1987-88.

Government deficits are not an indication of fiscal irresponsibility. A rise in the deficit during a period of cyclical weakness in our economy provides an important, even an essential, cushion to the overall level of activity and helps to reduce individual hardship during a recession. Attempting to offset the automatic effects of recession on the Budget balance would simply make a downturn more severe and individual hardship more difficult to sustain. Indeed, it is appropriate for the Government to undertake discretionary measures to reduce taxes and increased expenditures to offer additional support to the level of economic activity during a period of cyclical weakness, a point that has been stressed throughout our recent debate by Members on this side of the House. From 1975 to 1978 the federal deficit rose significantly in order to stimulate our economy; but from 1979 to 1981 there was a steady reduction in our deficit.

Mr. Blenkarn: When we were in power.

Mr. MacLaren: In the absence of the 1981-82 recession, further progress in reducing the deficit would certainly have been made. The fact that the deficit helps stabilize cyclical swings in our economy is consistent with attaining a deficit level in keeping with the long-run needs of our economy.

The Acting Speaker (Mr. Guilbault): Order, please. The Chair regrets to interrupt the Hon. Minister, but his allotted time has expired. The Hon. Member for Mississauga South.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, the Minister speaks glowingly about the efforts of this Government at restraint. The House should know that the administration costs of this Minister's Department have increased 75 per cent since the Estimates filed in March, 1981. The administration costs have gone up from $26 million to $44.5 million. That is what this department will spend in the year ending this March.

The Minister speaks glowingly of the Government's projections and how he is going to handle the deficit. I call the attention of the House to a report by Susan Clark, an economist with Richardson Greenshields, in an article filed by Don McGillvray of Southam News which appears in today's paper. Briefly, Susan Clark estimates that the Ministry of Finance has underestimated deficits in the past six years by an average of 21.5 per cent. That is for current deficits. If they hold true, and there is every reason to believe they will hold true, the deficit this year could well be $35.5 billion. Susan Clark goes on to estimate that on previous years, if you go for a two year projection, the Department of Finance undershoots the mark by 55 per cent, which would indicate that the deficit for the year 1985-86 is likely to break $42 billion. So much for restraint. So much for the Department's estimates. So much for the projections and so much for the Department's credibility.

It is a sad day in the House when we cannot come to grips with the problems of the House by negotiation, and closure has to be imposed. For the past two and a half weeks negotiations with the Government have been entered into by this Party and by the New Democratic Party with respect to how this House of Commons can come to grips with the financial problems of the country, the deficit and the borrowing requirements.

The House will know that this Government will cease to exist very shortly after June 16 next. A new Prime Minister will undoubtedly be sworn in well before the end of June, 1984. There will be a new government in place which may go to the country or which may decide to call Parliament back in the fall and present a new budget, a new economic direction and a new policy on handling the affairs of Canada. In any case, the Budget of February 15 has gone by the boards. It is dead, finished. This Government is gone by the boards, dead, finished on June 16. To proceed with this Bill on that basis is wrong. Our negotiations were on that basis and we thought we

had some agreement on that basis. We were prepared to give the Government enough money to carry through to November. The Government said it needed enough money to carry through for the full calendar year. That is why the amendment of the Hon. Member for Hamilton Mountain (Mr. Deans) is before the House.

• (1520)

We were talking about enough money to carry the Government until, say, the first of 1985. But, all of a sudden, negotiations are cut off. No effort is made to trust the House of Commons. No effort is made to come to grips with the deficit, which may be $35.5 billion or may be $42 billion. Who knows where we are going, because there is no control on spending.

Mr. Riis: No accountability.

Mr. Blenkarn: Over this past month we have seen interest rates rise. The Government is prepared to pay 13.6 per cent for 20-year money on its bond issue of April 1, and 12.5 per cent for one-year money.

There is something wrong going on and we as Members of Parliament do not have the right to give a blank cheque. We cannot do that, particularly in view of the fact that this Government will cease to exist come the middle of June. Therefore, it is with sadness that I rise to say that we should not now be talking closure, we should be settling this Bill and getting organized to handle the deficit problem in order to come to grips with economic reality, interest rates and unemployment, the real problems affecting Canadians.

Yes, Mr. Speaker, we should give the Government enough borrowing authority to carry on for perhaps the balance of this year. Then a new Government, whether it be Liberal or Progressive Conservative, will be able to present a new program which gets this country on the road again. But this Government refuses to listen. It refuses to face reality.

If you look at today's Order Paper, Mr. Speaker, you will see that not only does the Government demand $29.55 billion, but there is notice of a supplementary borrowing authority Bill as well.

Mr. Kristiansen: They never get enough.

Mr. Blenkarn: Not only does it want $29.55 billion, and it wants it through closure, but it wants more in a supplementary Bill. Where is the limit to the Government's appetite?

Mr. MacLaren: There is none.

Mr. Blenkarn: The Minister yells across, "There is none". There is no limit to the Government's appetite, to its abuse of Parliament or to the prerogative of the Crown. The Government stamps on the right to object and the right to free speech. It stamps on the rights and privileges of my children and your children. We cannot go on in this fashion. The same thing will happen here as has happened in other countries in the past. Borrowing will get to the point where we cannot pay the interest, as is the case in Argentina, Brazil and Mexico. Then what will happen to the value of our currency as the Government prints and prints and prints money, as it defrauds pensioners, savers and retired people of their savings by counterfeiting and destroying the value of our currency?

Sir, we in this House must be responsible and demand accountability from this Government. We cannot go on any longer with a program of borrowing and borrowing and borrowing, deficit on deficit on deficit, *ad infinitum*. That is a funny word, is it not? Is that not the word of a certain company with an annual meeting tomorrow? Another loser! Sir, this country has had enough of losers. Let us get on and do something with winners. I say to you that this motion should not pass, this Government should be forced to the negotiating table, and we as parliamentarians must cut back on the deficit and the borrowing powers of this Government.

Mr. David Berger (Laurier): Mr. Speaker, I am somewhat astounded at how the Hon. Member for Mississauga South (Mr. Blenkarn) can stand up and talk about how the Government must be responsible and at the same time make such an irresponsible speech. He referred to Argentina and Brazil. He talked about how the Government could not continue to borrow until the day we could no longer pay interest. He somehow tried to compare the situation in Canada with that of Brazil. The fact is that he knows that is not true. He knows our situation is vastly different, because we are not borrowing from foreigners; we are borrowing money from Canadian citizens. The interest payments go to Canadian citizens and they stay in our economy. That is the fundamental difference which he chooses to ignore.

He also referred to the Budget of February 15. He said that on the day after the Liberal leadership convention that Budget will be gone by the board, it will be "dead" to use his words. Of course, he ignores the fact this Budget is built upon the Budget of April, 1983. He ignores the fact that the economy continues on a day-to-day basis, that people continue to spend money. He ignores the fact that this Government has incorporated in a series of budgets a number of progressive measures and investments which are going to benefit Canadians for years and years to come. He forgets programs such as that of the Canadian Industrial Renewal Board, the Industry and Labour Adjustment Program, and the special recovery projects which were introduced in the Budget of last April. These policies are designed—

Mr. Hawkes: To re-elect Liberals.

Mr. Berger: —to invest in Canadian infrastructure and industries of the future, in order to ensure the prosperity of Canadians for years to come. I suggest to the Hon. Member for Mississauga South that our economy, thanks to efforts made by successive Liberal Governments, is adapting to international competition much better than the American economy, which he holds up as such a great example.

Our country, Mr. Speaker, as you are probably aware, has known for the last couple of years a series of record trade

surpluses. The United States has recorded substantial trade deficits. Why is that? Even though their economy is expanding fairly rapidly, it is probably due to the fact that a phenomenal portion of their expenditures is on the domestic armaments industry. It does little to add to the international competitiveness of their economy. We in Canada do not have a commitment to arms expenditures which resembles anything like the American commitment. We have chosen to spend money in a manner which I and many Canadians consider to be much more socially productive and which will improve the long-run competitiveness of the Canadian economy.

• (1530)

I suggest that the Hon. Member read an article which appeared in the May 11, 1982 edition of *The New York Times*. The article written by Robert Heilbroner is entitled "Deficits and Deficits". He was responding to the idea that a constitutional amendment be adopted in the United States to enforce a balanced federal budget. He suggested that those who advocated such a proposal might also consider making it unconstitutional for businesses to spend more money than they take in.

Mr. Heilbroner points out that if there were a prohibition on so-called business deficits, it would bring an end to much economic expansion. Corporate borrowing and spending is not called a deficit; it is usually called a business investment. If it is advisable for businesses to borrow money and invest in the future of a company, why is not the same true of government? What is wrong with a government borrowing money to invest in the present and the future of the Canadian economy and the Canadian people?

As the Minister of State for Finance (Mr. MacLaren) pointed out, in the recent downturn it was only normal that expenditures of government rise, such as social expenditures, unemployment insurance payments, manpower training and so forth. What would the result be if we cut out those expenditures? Is the Hon. Member suggesting that we remove the safety net, allow people to starve in the streets, do not invest in the future of our people and do not provide Canadians with resources to build their country?

In conclusion I wish to refer to a couple of fundamental aspects of this Bill. As the Minister indicated in his speech on March 7, the Government seeks new borrowing authority of $29.5 billion; $25.5 billion for the financial requirements set out in the current Budget, plus a non-lapsing contingency amount of some $4 billion. I point out to the Hon. Member for Mississauga South that the financial requirement is $1.5 billion less than the estimated requirements for the current fiscal year. This is a substantial decline over the current year. It represents an acceleration in the growth of budgetary revenues and slower growth in expenditures. It reflects the recovery that occurred in 1983.

The contingency has two purposes. One is to accommodate the impact of large unpredictable foreign exchange operations on our financial requirements, and the second is to ensure that Government can continue its regular debt program if the House is not in session or, if it has been dissolved, the Government must be able to borrow without time constraints. It must be able to take advantage of market opportunities so as to minimize overall debt charges. To do otherwise, to follow the course suggested by the Hon. Member for Mississauga South, certainly would be irresponsible.

The Acting Speaker (Mr. Guilbault): The Hon. Member for Simcoe North (Mr. Lewis).

Mr. Lewis: Mr. Speaker, thank you for giving me the opportunity—

Mr. Riis: Mr. Speaker, I rise on a point of order. It does not reflect in any way on my colleague. However, it has been the tradition that we alternate political Parties when responding to a motion on time allocation. Traditionally the Chair has not only recognized Members on the Government side and the Opposition. I am curious to know whether that tradition has now been broken.

The Acting Speaker (Mr. Guilbault): The House being in debate on a new motion, with all due respect to the Hon. Member for Simcoe North, possibly he would wait for a while and the Chair could recognize the Member from the other Party so as to have a first round of speakers from each Party. Is that agreeable?

Mr. Lewis: Mr. Speaker, I am in agreement with the suggestion that we carry out the tradition of the House.

Mr. Hawkes: Mr. Speaker, I have no objection to the procedure you are outlining in terms of the first round, but I want to be sure that our right of having more speakers in this debate than the New Democratic Party is protected, that we are entitled to representation that is roughly equivalent to our proportion in the House.

The Acting Speaker (Mr. Guilbault): The Chair will see that the right of the Official Opposition is protected.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I thank my colleague for recognizing again that we have a tradition in this House that has been in place for many years. That tradition is that in the first round of speakers, each political Party has a representative to state its point of view. I thank the Hon. Member for enabling this to occur.

I speak today with a heavy heart. We have indeed spent a number of days on Bill C-21, an Act to authorize the borrowing of $29.55 billion. Recognizing that that figure includes $4 billion of a non-lapsing contingency fund, I suggest to the Minister of State for Finance (Mr. MacLaren) that by debating such a large borrowing Bill, the largest in Canadian history, spending a few days discussing the merits of the Government's programs and hearing suggestions from Members opposite is a wise use of Parliament's time.

I have sat here for eight days listening to my colleagues suggesting countless examples of how Government spending has been questionable, inappropriate and misallocated. Time

and again I heard my colleagues suggest what the Government ought to be considering in terms of getting our economy back on track. Suggestions were made for kick-starting our recovery back to life, how to improve the forest industry, how to improve construction opportunities, what to do about the failing fisheries industry, how to assist agriculture, and how to provide assistance to small and medium-sized businesses in this country. One could go on and on.

The last number of days in which we have reflected on Bill C-21 have been very useful. When I look down the long list of suggestions and proposals put forward by Hon. Members, I believe that eight days on a borrowing Bill of nearly $30 billion is not an unwise use of the time of this House. I remind the Minister of State for Finance, who is responsible for this Bill, that when you peel away all of the rhetoric around this question, you find that there are basically two reasons why we have a federal Government. The first is to collect taxes through a system that is fair and in a manner that is equitable. The second is to take those taxes which have been collected in a fair and equitable manner and expend them in a wise way. This will result in an improvement in the economic stability of the country and an improvement in the lot of the average Canadian citizen. By and large, Mr. Speaker, I believe that that is the role of the Government.

• (1540)

Just the other day, it was brought to the attention of Hon. Members that Wood Gundy, a very reputable firm, sent out a letter to its clients and prospective clients suggesting that if one's income was at least $40,080 a year, Wood Gundy could arrange one's financial affairs so that one would pay no income tax at all. In other words, Wood Gundy was saying that it could take advantage of the 200 and some loopholes provided in the Canadian tax system and arrange one's finances so that one would have to pay no income tax at all. Of course, the Minister of Finance (Mr. Lalonde) has brought forward a number of budgets in the past session as well as in the present one which include a handful of tax concessions or, as I like to call them, tax loopholes for select groups of Canadian citizens. I believe that you would have to look long and hard, Mr. Speaker, to see how Canada is advantaged by these tax loopholes.

The other day in Toronto, the President of the Bank of Montreal, Mr. Mulholland, made the case that the corporate sector of Canada is awash in tax concessions. In other words, one of the chief executive officers of Canada's banking establishment is saying that we cannot take any more tax concessions from the people of Canada simply because we cannot invest them as wisely as we should.

I have talked about the collection of taxes, which brings me to the question of how these tax moneys are expended. Are they always expended in a wise way? Are they always expended by a Government that has thought through the implications of government expenditures? When looking at the track record of this particular administration, there is absolutely no way that one could make the case that a great deal of thought has gone into the expenditures we are asked to approve on a regular basis. I will use two or three examples of that that have been brought to our attention as of late, Mr. Speaker.

The other day we were debating the decision of the Minister of State for Small Businesses and Tourism (Mr. Smith) to expend a number of dollars south of the border in order to attract Americans to visit Canada on holidays. It seems to be an honourable goal to spend millions of taxpayers' dollars to attract visitors to Canada so that our hospitality and tourist industry could be stimulated. On the other hand, we have just found out that, as a result of other legislation, the Government has increased through the tax system the cost of gasoline in the country. When American visitors drive their vehicles into Canada, the avenue of transportation which most would pursue, they find that their travel costs are significantly greater than at home. This would certainly act as a retardant to visiting Canada. As well, taxes are levied on such commodities as alcohol. When someone from the United States come to Canada and wants to have a glass of wine with his dinner or a small cocktail before or after his dinner, he finds that the costs are significantly higher in Canada than they are in the United States.

There is an absence of any overall conceptual planning for the hospitality and tourist industry of Canada. Provincial governments are acting independently and in many cases are imposing room taxes and additional food taxes on our visitors. At first glance, those food taxes may appear to be fair and equitable but, like most taxes, they are not. I refer to the 7 per cent tax on food in the Province of British Columbia, which tends to tax family-oriented restaurants most heavily. In small eating establishments, people must pay a 7 per cent provincial tax on any bill over $7. It does not apply to the Wendy's or McDonald's chains. In other words, the national or international fast-food chains do not pay the 7 per cent food tax.

Mr. Blenkarn: Don't you know the tax in Ontario applies to hamburgers?

Mr. Riis: I am talking about the tax in British Columbia at the moment. The point I am making, Mr. Speaker, is that even a tax that has been instituted by the Province of British Columbia works against the development of a strong and vibrant tourist industry.

In summary, I say that our taxes are being collected unfairly. The tax system is inequitable and is biased in favour of the large corporate sector at the expense of the small and medium-sized businesses. Our tax system is biased in favour of the upper income earner at the expense of the average and low income earners of Canada. There is no rhyme or reason to the expenditures of the Government. There is very little if any planning being done. There is very little strategic thinking about how we can best invest the taxpayers' money to ensure economic returns in the future.

The Government comes before Parliament and asks for authority to borrow $29.55 billion and hears countless hours of suggestions, which the Government simply ignores. It simply turns a deaf ear on the dozens and dozens of positive, creative

and innovative suggestions of Hon. Members. The Government is then forced, in its arrogance, to bring in something called time allocation, a fancy term for closure, to muzzle parliamentarians, to close off debate and to close off any further discussion and analysis of the collection and expenditure of $29.55 billion.

We on this side of the House tried to negotiate an arrangement to allow relatively rapid passage of this borrowing request. We tried our best to ask the Government to borrow a certain amount of money until the end of this calendar year. The New Democratic Party put forward an amendment which in effect said to the Government: "Take what money you require up until the end of the year and we will debate the request for any other funds in 1985 as warranted by expenditures and planning." We tried to facilitate the movement of this particular Bill through the House. We tried to make an arrangement that was satisfactory to both sides, but we failed in that endeavour and the Government simply went blithely ahead with its original plan and indicated that it is not interested in hearing the voices of parliamentarians opposite or on its own benches. That is something that we feel very strongly should not have occurred, and for that reason, we will be voting against this motion at the first opportunity.

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, I would like to say that I have enjoyed this debate on Bill C-21, the borrowing authority Bill, which has lasted for several days. At various times I have been more than moderately amused by some of the comments made by Members opposite. I like hearing the ranting and railing about too much government spending and large deficits. I have heard a lot of rhetoric, Sir, and I have seen a lot of posturing. However, it is interesting that what Members opposite do not say is so very revealing.

Members opposite do not say where significant cuts could be made in the Government's overall spending program which amounts to some $94 billion. The critic for the New Democratic Party spoke about suggestions that have been made in the House. We receive suggestions every day about how we as a Government could spend more money. Rarely do Members of Parliament tell us specifically where we could cut spending in very significant ways. I like the company of Members of Parliament, but the conversations that go on in that company are never about cuts but are, rather, about how the Government can do more. How often do we talk about where taxes could be increased and who will be hit hard? Very rarely. However, we are all in favour of tax decreases.

The critic for the New Democratic Party spoke about closing tax loopholes. We would not have to worry about that if we simply used the income tax system as it now exists and obliged Canadians who legitimately owe taxes to pay those taxes. However, if we do that we get a huge howl from opposition Members. They howl that Revenue Canada is somehow undermining democracy by collecting the taxes that are authorized by the House.

• (1550)

The Opposition says that we have too much spending and deficits which are too large. But where should we cut, Mr. Speaker? Where will the additional money come from? There is a great servant of this House, one whom every Member of Parliament respects, and that is the Auditor General. If we were to take all of his suggestions and carry them out carefully, using a scalpel with the skill of a surgeon rather than using a chopping axe as has been done in some parts of the country, notably British Columbia in its recent budget, and if we were very, very skillful, we would still have to borrow money, perhaps not $29.5 billion, perhaps only $29 billion but we would still have to borrow money. We must borrow because there are some very big needs in the country and they must be met. That is the legitimate reason for borrowing money.

The needs I refer to, Mr. Speaker, are health care, the unemployed, job creation, pensions, economic development, defence, and Indian affairs and northern development. These are expenditures that must be met, but today the revenues coming to the Government of Canada are less than they would be in a booming economy. There has been a recession and only now are we moving into a period of recovery. During that recovery we cannot forget those in our society who have needs.

Where could we get more revenue? Certainly not from the working poor or from the middle class who have been eloquently defended here in recent days. The New Democratic Party would say that we should go after companies and corporations, but not many of them are making huge profits these days. Sometimes we are told that we could collect deferred taxes, but that might result in plant closings, a reduction in research and development or less exploration. Tax increases are not "in". To help the recovery we should probably have more tax decreases than are now allowed by law in accord with the increase in the rate of inflation, a 5 or 6 per cent decrease in taxes this year.

Some Hon. Members have put forward the idea that governments should be run like any Canadian household. I look at a lot of households, Mr. Speaker, and find that they borrow. If a new house is needed, they go out and get a mortgage. If they need a new automobile—

Mr. Munro (Esquimalt-Saanich): They pay it back.

Mr. Penner: The Hon. Member says that they pay it back. That is the kind of empty statement that Hon. Members opposite toss out. When has my hon. friend bought a government bond or any other financial instrument that he has not paid back? They are always paid back. If someone needs an automobile he can get a personal loan. If there is a student in the family going to university or college who needs money for tuition fees, money for books or living away from home, it is not uncommon for the family to borrow. People borrow on the basis of need. I could tell my hon. friends that there are needs in our society and that the role of government is to respond to those needs.

Unemployment insurance is one need that is costing the Government a great deal. Do my friends opposite still argue against unemployment insurance? I remember the 1972 election campaign waged by the Conservative Party which wanted to beat the Liberals on the basis of the new unemployment insurance plan. Do they still talk of doing away with unemployment insurance? Do they put that forward as a way to cut government expenditures? If they do, they should say so. I have heard Hon. Members opposite ridicule government job-creation programs that are giving thousands of Canadians an opportunity to do something useful in their communities. If we do not want to allow the Government to borrow, if we do not want an increase in taxes, then we should obviously cut expenditures.

I have listened carefully for suggestions from the Opposition for major cuts. I have waited for the Opposition to put forward its program for the next election. I have heard the word "more". I heard that opposition Members would spend much more on national defence, I have heard that they would spend much more on research and development; I have heard that they would give more to the provinces for post-secondary education, that under the new health care Act the provinces should get more money for health care. I have heard them say they would like to do away with Canada's aerospace industry.

At the moment we know and everybody knows that it is necessary for the Government to borrow because there can be no significant cuts. Although my friends opposite rail about government spending, they know there can be no cuts in Old Age Security, the child tax credit, unemployment insurance or job-creation programs.

From whom do we borrow, Mr. Speaker? Some may think that we go offshore to borrow large sums of money. We know that is not true. Only a small amount of money is borrowed offshore; most of it is borrowed from Canadians who have large amounts of savings. The Government borrows these savings and uses them for growth and development and the humanization of our society. I find it difficult to believe that if Hon. Members opposite were in government they would not want to continue with most of this and would come asking us for the right to borrow money.

Mr. Doug Lewis (Simcoe North): Mr. Speaker, I appreciate the opportunity to enter this debate. When I was asked to stand down in favour of my colleague in the New Democratic Party, I did it in favour of history. Years from now, when people ask me what the New Democratic Party stood for in Parliament, I want to be able to say that in its last year, 1984, I assisted it in participating in the proceedings in the House.

I should say that I am sorry to participate in this closure debate. No one likes closure. I want to refer to some of the speeches that have been made, however, particularly that of the Hon. Member for Cochrane-Superior (Mr. Penner).

Like many Members on this side of the House, I was shocked to hear the Hon. Member come down squarely in defence of the collection practices of the Department of National Revenue. When he goes back to his riding I think he will find that the people there are not very impressed with his defence of the auditing and collection techniques of the Department of National Revenue.

There certainly are big needs in the country, Mr. Speaker—the need of Maislin Transport for $34 million, or the big need to rent the Centennial Tower so that we can lease three out of fifteen floors. That is the kind of need the Liberal Party has developed over the years.

I do not want to say that the previous speaker lied when he said that this party was in favour of doing away with the aircraft industry, because that would be unparliamentary; I would only say that he has come as close to the truth as one can without actually lying.

Let us get down to real facts now, Mr. Speaker, and why the Liberal Party wants closure. Why did it bring in closure on this Bill? I think there are two or three reasons for that. The first is that the Liberal Party is feeling the heat throughout the country because of its mismanagement of the economy. There is increasing unemployment in Canada. Someone had the nerve to refer to the problems of the U.S. economy. One of its problems is that it has only 7.8 per cent unemployment; we have an 11.3 per cent unemployment rate. We keep bringing this to the attention of the Minister of Finance (Mr. Lalonde), who obviously has no answers, so the Government decided to cut debate. But closure is the problem of the Liberal Party.

• (1600)

Let us deal with the specifics, the leadership campaign. Five out of the six candidates for the leadership of the Liberal Party were directly involved in the creation of the deficit, to pay for which we must borrow. Those are the people going out across the country explaining to Canadians how different it is going to be if they are only chosen in the next election. This debate on the borrowing of more money is of supreme embarrassment to those leadership candidates. It is no wonder they want closure enforced so the debate can come off the floor of the House of Commons.

Let us talk about the other candidate, the one out of the six who is not a Member of Parliament, that colleague of the Members opposite who quit and went back to practise law on Bay Street at $300,000 a year. Let us talk about that candidate who is now going to come back and save the country by running for the leadership of the Liberal Party. It is that candidate, Mr. Speaker, who started the trend of deficit in the first place. He also wants closure on this Bill. He wants it out of the House of Commons.

I did not have an opportunity to speak in the original debate because closure was brought forward. I am pleased to have this opportunity now to speak to just exactly what the Government is doing. It is trying to borrow some $29 billion to fund runaway spending.

The Bill contains a contingency fund which is far more than it needs. What bothers us on this side, Mr. Speaker, is the fact that when deficits are projected, they never seem to be able to get the figure right. The projected deficits are always increased when it comes down to the final facts. The govern-

ment never seems to be able to come under the projected deficit. It is always over. Spending in 1984-1985 will be up a further 9 per cent. Here is a government, Mr. Speaker, with a large deficit already, which cannot seem to come to grips with the economic realities of today. Therefore, the only solution it has to the problem is to borrow, borrow, borrow.

What is going to happen? What will the results be from what the Government is doing? What are the costs to the Canadian people? I was amused when the Minister introduced the closure motion and talked about the goal of the Government to minimize interest charges. We all remember, Mr. Speaker, in the fall of 1981, how it minimized interest charges by bringing in a Liberal interest rate of 19.5 per cent for Canada savings bonds. That was part of the Liberal high interest rate policy which carried on through 1980, 1981, 1982 and 1983. That policy was responsible for record high bankruptcies, record high foreclosures, record high powers of sale, and record high farm bankruptcies. That was the result of the Government's policy.

What are the costs? The Canadian people have the cost of paying the interest on this ever growing burden. It is our estimate, Mr. Speaker, that servicing the debt in 1984-1985 will cost an estimated $20 billion. That is $800 for every man, woman and child in Canada. It is $1900 per taxpayer. Interest on the national debt will be 4.7 per cent of the Gross National Product of Canada.

What is the second cost to Canada? It is the loss of fiscal flexibility. I was also amused when one of the previous speakers talked about the importance of the Government having access to financial markets. No government could possibly go to financial markets as often as this one. In fact, in 1968-1969, $1 in every $9 raised by the Government was needed to service debt. Today, $1 in every $3 is used by the Government to service debt. Now when the Government goes to these markets it talks about, what does that do to the money market? Well, it is quite clear what it does. It crowds out the other borrowers. It crowds out businesses which do not want to throw money away like this Government but want to create jobs, and it raises their costs of doing business. That is one of the economic costs we find from the practices of the Government. Further more, if those people cannot get the money in the money markets in Canada, they are forced to go out of the country to borrow. That means they are going to pay higher interest rates.

The last cost, Mr. Speaker, is perhaps the cost we should be most concerned about, that is, the lack of confidence which the continual borrowing brings about in the minds of the Canadian people and in the minds of the international markets which watch us. I believe that is the cost we are all paying right now.

I regret that my time is cut short. I appreciate that that is a rule of parliamentary procedure. It is very unfortunate that the Liberal Party is cutting off debate on this Bill and, naturally, our Party will be voting against the motion to cut debate.

[*Translation*]

Mr. Alain Garant (Parliamentary Secretary to Minister of State (Finance)): Mr. Speaker, I take great pleasure in addressing the House on one of the most important Bills it is now considering—the Borrowing Authority Act.

Mr. Speaker, we must realize the vital implications of this Bill for all Canadian citizens, wherever they may be. Needless to say, Hon. Members have commented at length on the size of the deficit, and Opposition attacks in this respect have not been lacking. However, I think it is time to look at the facts.

The Canadian people will realize that in the middle of the recession we have just experienced, this Government acted responsibly. No Mr. Speaker, it was not easy, during the recession, to reconcile social and economic considerations. However, our Government managed to maintain our achievements in two areas that are so essential to the well-being of Canadians.

The problem was how to help those who were most severely affected by the economic recession, while injecting the necessary funds to sustain levels of economic activity, lessen the impact of the recession and thus create much-needed jobs. Mr. Speaker, we chose to pursue our humanitarian policies, although it would have been very easy to shirk our social responsibilities.

The better times we are experiencing today are proof that we did the right thing. The economy is improving regularly, and the Government is continuing to introduce economic policies aimed at bringing down inflation, increasing employment, cutting Government expenditures, thus reducing the deficit but doing so in an orderly and responsible manner.

How can the Opposition maintain its arguments, which do not hold up under closer analysis? How can they claim the Canadian Government is spending rashly when it has been proven, and the figures are there, that half of the increase in the deficit recorded since 1981 is directly due to the impact of the recession on public revenues and expenditures, and especially unemployment insurance benefits.

A substantial portion of the remaining increase in the deficit is due to increased public debt charges. Thus, only a relatively small proportion of the expected rise in the deficit is due to official and discretionary measures taken by the Government.

● (1610)

Mr. Speaker, this Government has decided to accept a relative increase in the deficit in order to support economic activity in periods of cyclical weakness, because it realize that continued recovery will automatically bring about an orderly reduction in the deficit, as could already be seen in the last Budget brought down by the Minister of Finance (Mr. Lalonde).

Mr. Speaker, on what basis are Opposition Members claiming that the level of the federal deficit demonstrates this

Government's inability to control its expenditures? They should look at the facts.

Since 1975, the federal Government has been committed to keeping the trend growth of Government expenditures within the trend growth of the GNP. However, this commitment does not mean that every year the Government must intervene to the same extent. During the downward phase of a cycle, it is reassuring to be able to rely on greater support by the Government, while during the upward phase, the Government can and must withdraw gradually in favour of the private sector. That is exactly what this Government intends to do, and what has helped it to achieve its spending objectives.

During the 1975-76 fiscal year, total Government spending was 22.9 per cent of GNP; in 1980-81, it had dropped to 19.1 per cent of GNP. During the present fiscal year, because of a general slow-down in all western economies, the Canadian Government's spending should be allowed to rise to 21.6 per cent of the GNP trend, a level that is still substantially lower than that for 1975-76. It is expected that this percentage will keep on dropping until 1987-88.

Mr. Speaker, how can Opposition Members possibly conclude that the Government has been inconsistent in financial matters? I repeat, they should look at the facts. In times of cyclical weakness, an increase in the deficit substantially alleviates the impact of a general drop in economic activity and ensures that the problems facing individuals during a recession are not excessive. Any attempt to nullify the automatic impact of the recession on the Budget balance would merely aggravate the recession itself.

The Acting Speaker (Mr. Guilbault): Order, please. I am told that apparently, the Hon. Member is reading a prepared text, which is not customary in the House. The Hon. Member may occasionally consult notes or he may quote from a document, provided he indicates his source, but he may not read a prepared text.

Mr. Garant: Mr. Speaker, during an economic slow-down, it is up to the Government to take discretionary measures to reduce taxes and increase expenditures in order to sustain the level of economic activity. Between 1975 and 1978, the federal deficit was substantially increased in order to stimulate the economy. From 1979 to 1981, however, there was a continuous drop in the deficit. If there had not been a recession in 1982, Mr. Speaker, the deficit would have continued to drop.

The fact that the deficit contributes to cushion the cyclical fluctuations of the economy does not fly in the face of our efforts to achieve a deficit whose trend goes a long way indeed towards meeting long-term economic requirements. And that, Mr. Speaker, is what the short-sighted views of Members opposite prevent them from understanding.

And to top it off, they argue that the deficit of the Canadian Government fuels inflation and leads to soaring interest rates. Here again the facts belie those statements. Mr. Speaker, the evolution of the situation since 1981 shows that there is no direct relation between deficits and inflation, nor between deficits and interest rates. As a matter of fact, the recent increase in the federal deficit came at the same time as a considerable decline in inflation. Besides, despite the higher federal deficit, interest rates are still a long way from the pre-recession peaks.

Mr. Speaker, all that goes to prove that deficits can be an effective and appropriate economic budget management tool when business slows down. As to the suggestions made by the Opposition, I must admit quite frankly that I have been unable to reconcile them. How can they say that they are really intent on reducing the deficit even more, when the few concrete suggestions they made this past year would see a reduction in Government revenues or an increase in public expenditures—

The Acting Speaker (Mr. Guilbault): Order, please. The time allotted to the Hon. Member has expired. The Hon. Member for Ontario (Mr. Fennell).

[*English*]

Mr. Scott Fennell (Ontario): Mr. Speaker, I wanted to check the number of times I have spoken on closure in the last five years. Closure is the mechanism put in place by the Liberal Party to shut us up. It is a disgrace to Parliament. It is a disgrace to my constituents and to Canadian citizens at large. It has been overused and must be stopped.

We listened to a speech by a government Member just now. Regrettably I must tell you that the statistics he was quoting are totally inaccurate. I do not know whether he has ever been to a finance meeting. I do not know whether he has ever read statistics. However, there was no accuracy. As an example, he stated that in 1978 they had to increase the percentage of deficit. In 1978 the deficit actually decreased from the previous. I do not know where he got his figures, Mr. Speaker, but they are out of line.

We are debating borrowing authority and being clamped down on it. March 31 comes this weekend. On March 31, prior to the present Prime Minister (Mr. Trudeau) and his gang taking over, the total deficit of the country was $18 billion. One year from this weekend the national debt will be 10 times that amount. It will be $180 billion plus. This country is in bankruptcy, Mr. Speaker. The Government is bankrupt of ideas. It is providing nothing to improve the private sector.

The Member who spoke previously also stated that it is up to the private sector to bring us back. Ninety-two per cent of our personal savings go to fund the Government. That leaves 8 per cent. How can the private sector compete at reasonable costs?

• (1620)

It is ridiculous to invoke closure on this Bill which concerns such an important subject. It will affect every child in this country and his or her children for generations to come. I have five children. My grandchildren will have to face up to this

debt some day, and they will not be proud of what the Government of Canada has done to them.

The Government tells us that the deficit and its borrowing requirements are not so bad. I would point out that the Government's borrowings and its debt is very serious. The United States has a deficit of 4.7 per cent of its GNP, while our deficit is 6.9 per cent of GNP and rising. It is rising because the economy is declining.

The Government will not generate the revenue that it has anticipated. Furthermore, the Minister of Finance (Mr. Lalonde) has already initiated a supplementary borrowing Bill when we have not even finished with this Bill. He realizes that he did not tell the Canadian public the truth six weeks ago when he said that the deficit would be down. When he was in committee last week he did not deny that he would have trouble getting the deficit down. But we are faced with a higher deficit in the coming year than we have faced in the past. That is why we are objecting to the Bill. The Government will not tell us all of its intentions for this money or tell us about all the gimmicks it has up its sleeve. It is playing games with the Canadian public, who are getting sick and tired of it.

Mr. Chénier: Wait until the next election. You will be out of here.

Mr. Fennell: I will not be out of here. I am sure that a lot of your colleagues will be out of here.

The Canadian public only has to realize that in 1968 we spent 17.4 per cent of our GNP and last year we spent 25.3 per cent. I will wager that it will go up to 26 per cent next year. The Government is sending us downhill on a rapid slide. Wonderland in Toronto has nothing compared to the slide into the drain upon which the Government is putting us.

The Government has been unfair and untruthful to the Canadian public. Let me illustrate this by quoting some statements made by the Government. One of the best quotes is from the Minister of Finance, who said, "Deficit spending is good for economic growth". The Government has spent throughout the 1970s when we were in good times, but that did not do us any good when the crunch came in the 1980s. The Government's actions have been damaging to the country. It states that there is a deficit because of the positive initiatives of the Liberals. One of the most important factors in the present circumstances is economic mismanagement. The Government does not know where the money is coming from and does not know where it is going. It also said that there is nothing wrong with having a large national debt. It will be the generations of the future which will realize the damage.

History has shown that any country that has experienced a high deficit such as this has had to resort to printing money. That is the only solution for that bankrupt bunch across the way.

The Government keeps telling us that there is nothing wrong with a short-term deficit. A deficit from 1968 to 1984 that has risen by $162 billion is not a short-term deficit; it is long-term spending.

Another rather amusing quote from the Government is, "Over the next few years the deficit will fall dramatically". And this quote particularly strikes me, "Relative to other nations, our deficit is not out of line". Based on GNP, the United States will have a deficit of $1.25 trillion. If the deficit in the United States were at the same level as that of Canada, it would be $2.5 trillion.

When we compare our debt to that of the United States, it shows that we are in trouble. Yet the Government is putting the clamp on us and saying that we cannot discuss this Bill any longer. According to the Budget, the Government does not need the funds that it is requesting. It has between $4 billion and $8 billion in the bank. While it asks for $29.5 billion, we are told it will spend only $29 billion. There is something dishonest about the way the Government is dealing with this country and Members of the House.

Mr. Chénier: You can't count.

Mr. Fennell: I hear the yelling from the other side. I understand that.

Mr. Chénier: Nobody is yelling.

Mr. Fennell: They are nervous about the fact we are giving statistics that will hurt those Members. The interest burden which we are forced to carry is now 20 per cent of our total expenditures. This burden has removed any fiscal flexibility that we might have.

There have been no new plans to get the engine growth moving again. There has been nothing. The Government has put us on a downhill slide.

Mr. Chénier: You are repeating yourself.

Mr. Fennell: I will repeat myself many times in order to get the point across that what you have done to this country is serious. Besides its spending program, one of the major costs the Government is placing on the country is a lack of confidence in Canada. We have totally lost the confidence of the rest of the world. Our productivity is at an all time low. While the Minister of Regional Industrial Expansion (Mr. Lumley) has worked hard to increase productivity, it cannot be done overnight. The Government is spending the same amount on research and development as it did in 1968, whereas Japan has increased its expenditure threefold.

I appreciated the opportunity to speak to this Bill, but I am very annoyed about having to speak to closure. It should not be permitted in the House, and I hope that this is the last time I am faced with closure in the House.

[*Translation*]

The Acting Speaker (Mr. Guilbault): The Hon. Parliamentary Secretary to the Minister of Regional Industrial Expansion (Mr. Cousineau) on a point of order.

Mr. Cousineau: Mr. Speaker, I just want to set the record straight. The Hon. Member spoke about closure, whereas, in fact, the motion is asking for a time allocation.

[*English*]

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I want to re-emphasize the comments made by my colleague, that this is not closure but simply time allocation. The reason for time allocation is that since debate on Bill C-21 started, there have been 93 speeches made on second reading in the House on the Bill, the amendment and the subamendment.

Mr. Fennell: I notice that you did not speak much on it.

Mr. Ferguson: There were 17 speeches by government Members, 64 by the Official Opposition, and 12 from the NDP. The Bill has had approximately eight days of debating time before the House of Commons. When one considers that six days are allocated for the Budget debate, I suggest it is time that this debate was brought to an end.

The Hon. Member spoke about the increase in our deficit. If one looks at the Budget documents, particularly the fiscal plan at page 63, a review of the last 16 years shows that the GNP increased more than fivefold since 1968. In fact, the preliminary estimate for this coming year is $389 billion for the GNP. When we have the ability to repay, the deficit can be adjusted accordingly.

The Hon. Member for Ontario (Mr. Fennell) suggested that government borrowings may be as much as 90 per cent of Canadian savings. I should like to point out to him that the ratio of financial requirements to private domestic savings in the 1984-85 fiscal year is projected to be about one-quarter, rather than 90 per cent as cited by the Hon. Member. Financial requirements are projected to be $25.6 billion in 1984-85 and private domestic savings are expected to be just under $100 billion, using the national accounts definition of savings. Such statements as this concern us, certainly those of us on this side of the House. He made comparisons that really paint a distorted picture of our financial position, of our ability as a nation to provide the safety net for our seniors, the disadvantaged and the unemployed. But we as a Government are obliged to look after the welfare of the people, particularly those in most need.

• (1630)

In reality, when we look at the amount of borrowings in Canada by the Government, much of the borrowings are borrowed from Canadians themselves. Consequently it is a much different perspective than that of other nations where a large percentage of their borrowings are from outside their boundaries. The broad economic objective of the Budget, as with the April 19, 1983 Budget, is to initiate and sustain an investment-led expansion and an economic activity that will create employment without the resurgence of inflation. Certainly this Budget has to be looked upon as an expansionary Budget to ensure the people of Canada that the Government's objective is to assist small business to expand and create the much needed jobs for Canadians.

I find it most difficult to listen to members of the Opposition complain about various sectors of our economy, suggesting they are not doing very well at all. I should draw to their attention what is happening under the National Energy Program. In 1983 we had the best year in history for oil wells drilled and completed. Over four thousand in Canada were completed. The best year previous to that was 1980 when slightly over 2,600 oil wells were drilled and completed. I am not referring to gas wells because we have a huge surplus of natural gas in Canada. Approximately 11,000 gas wells are capped in the Province of Alberta alone with no markets available at the present time. Consequently searching has been diverted to the oil sector. To date there has been a tremendous increase over 1983 for the first two months of the year. This tremendous increase occurred not only in Alberta but in Saskatchewan and other oil-producing provinces. The program has been accepted and is showing the fruits of the thought put into it.

I should also like to point out that in the month of January, 1984 we had the biggest trade surplus on record, in the amount of $2.1 billion. This shows that Canadians are aggressively competing in and pursuing world markets.

Let me point out also that since the recovery began Canada has created 424,000 new jobs for Canadians. In the month of February alone over 54,000 new jobs were created, most of them full-time job opportunities. It is in this context that the Government is quite correct in the policies that it is pursuing. But in so doing, we have to make sure the vehicles are in place to assist the expansion as the recovery is gathering momentum.

I am alarmed at the situation in some areas of our economy and society, but there is nothing there that a stable hand at the helm cannot overcome. I am concerned about some of the things confronting those going to our post-secondary schools and universities. The Government of Canada is providing funding for these universities. Approximately 58 per cent of the cost of post-secondary school education in the Province of Ontario is borne by the Government of Canada. Students pay about 19 per cent through tuition fees and the province picks up the balance. But while the federal Government's share in Ontario has increased by about 78 per cent since the Established Programs Financing Act came into place in 1977-78, the proportion provided by the province has decreased during that period. Consequently I am most alarmed about this. I hope the demand for opportunities for higher education will be recognized by the provincial government and the necessary changes made to provide educational opportunities for those who wish to continue.

I should also like to touch briefly on the continuation of the recovery. This will automatically result in the narrowing of the deficit. During the recessionary period we came through, revenues were down compared to what they would have been under normal circumstances. Naturally payments were higher. During that period more people were collecting unemployment insurance. As more jobs are created those payments will be

less demanding on our federal treasury. But by the same token, revenues will accrue from the other side of the ledger. It is in this context that we have to recognize that if at all possible the recovery is expansionary and responsible.

Development over the past year and a half or so demonstrates that there has been no clear connection between interest rates and the deficit, and interest rates are considerably lower than in the pre-recession peak despite a rise in the federal deficit. This is not to suggest, however, that the interest rate developments are not affected by current events in the country to the south of us. Rather, during a cyclical downturn private demands—

The Acting Speaker (Mr. Guilbault): Order, please. The Chair must interrupt the Hon. Member to advise him that his time has expired.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, it is an incredible day. Here we are engaged in a two-hour debate in which the Government has decided to use its voting power to close off freedom of speech on a borrowing Bill. On the same day, Mr. Speaker, we notice on the Order Paper the Government's intention to borrow another $4 billion. Here we are closing off freedom of speech on the major Bill and yet at the same time introducing a motion which will lead to the Government's attempt to borrow another $4 billion on top of $29.55 billion. As I say, this is an incredible day.

I listened to the Hon. Member who just spoke. I wonder whether or not we could convince him to brag on the front page of his electioneering pamphlets about standing up in the House of Commons some 20-odd times to invoke closure, to invoke the denial of speech in this House. That is what Liberal back-benchers have done. They have supported the Government some 20-odd times in their declaration that freedom of speech is to be denied Members of this House. That is what they intend to do later this day.

Why, Mr. Speaker? Why do Members opposite prefer a society in which a Cabinet, a small group of elected people, in some cases elected and in some cases appointed, deny the freedom of speech? What would they replace it with? If they carry this propensity toward closure far enough, what will we have? We could have a dictatorship in which everybody submits. That is one of the logical, long-term consequences. I do not think Canadians, indeed North Americans, would stand for that. But what will we resort to if our freedom of speech is to be denied? Do we have to resort to fists? Do we have to resort to bullets and revolution?

• (1640)

The framers of the rules of the House of Commons put in place a provision to allow a government, the majority of the Members of this House, to cut off debate. But do any of us in our wildest imagination think that rule was put in place to be used routinely? That Members elected to this Chamber were not allowed to speak on matters of importance to the Canadian people? I do not think so. I think the rule was placed in the rule book to be used very, very sparingly, on occasion, when a minority of Members were clearly abusing the House on something not particularly important. That is why the rule was put in there.

I suggest, Mr. Speaker, that the majority Members of this House are abusing the rule. Looking back, I remember the Government advertising on television, with some $6 million worth of flying geese, for the need for a new Constitution. Here we had the fundamental law of the land about to be changed. It was like a thunderbolt out of the blue; none of us had ever seen it, no provincial Premier had ever seen it. The Government laid it on this Chamber and two weeks later invoked closure to cut off debate. Two weeks, Mr. Speaker! That is an abuse of the rules of this House.

Today we stand here looking at a Bill to borrow $29.55 billion. This will hurt businesses, hurt people on fixed incomes, and it will lead to increased unemployment. It is a fundamentally important Bill and the Government wants to cover it up by depriving Members of this House of the right to speak on the Bill, the right to alert Canadians to its implications. A little later this day the Government is going to ask us to vote on the motion and I suspect the Liberal Members will stand up and vote for closure. It will be more than 20 times that they have done that in the life of this Parliament. I suggest democracy is at risk through the abuse of the rules of this House and the willingness of the Liberal Party to participate in that kind of abuse.

This is a fundamentally important piece of legislation, Mr. Speaker. I heard Members opposite stand up earlier this day and say that we are just borrowing the money from Canadians, that all the interest will stay in the country. Mr. Speaker, technically that may have been a correct statement. In practical terms it is far from the truth. Canadians are net borrowers. This country cannot exist in this set of circumstances without borrowing money from abroad. Each time we do that, then some of the interest goes abroad. The Government of Canada might think it is borrowing Canadian money from Canadian banks, but lying behind that is the need of the Bank to borrow money abroad. What does that do? It drives down the value of the Canadian dollar, thereby increasing inflation.

When we stand in this House and ask for the right to debate the need to borrow this money, and the Liberal back-benchers are ready to stand up and say "No, we will deny you the right of free speech", then Canadians should ask themselves what is the Government trying to hide? What is it trying to cover up? The Government has told us it is going to be short $24 billion this year but it is asking to borrow over $29 billion. There is another motion in the Order Paper to borrow another $4 billion. The Government wants to borrow $9 billion more than it has told us it is going to spend. Why?

Do you think, Mr. Speaker, that perhaps the Government wants to create slush funds, to plough the money into Liberal ridings to try and bribe the voters? Do you think that is a possible explanation, Mr. Speaker? It is a burning question. In light of that, why does the Government want to move closure? It would just as soon the Canadian people never found out why the Government wants to borrow $9 billion more than it has

told us it is going to spend. Will we see more flying geese on our television screens?

In Question Period we started to look at some advertising programs. The Minister of Transport (Mr. Axworthy) has ads out across this country which are full of inaccurate information. The Minister of Regional Economic Expansion (Mr. Lumley) has ads out across this country, more to get his picture across the country than to do anything good for Canada. The Minister of Employment and Immigration (Mr. Roberts), a candidate for the leadership, has had tremendous increases in advertising about the marvellous things Canada Manpower Centres are doing. Well, Mr. Speaker, what those dollars are doing is creating false expectations in the minds of Canadians.

Borrowed money is being used to tell Canadians that programs exist for training, for job creation, but when people go to the Canada Manpower Centres they find that the budgets are spent and the job creation opportunities do not exist. I urge Members of the Liberal Party to consider whether or not the interests of Canada would be better served through further open debate on the need to borrow this money. I urge them not to vote for over the twentieth time to stifle this House, to deny Members of this House the right to freedom of speech.

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I have listened now for a few days to Tory arguments against the borrowing authority Bill. In reviewing some of those arguments, I see they have ranged from that of the hon. gentleman who just spoke, who said that this extra money would be used as an election slush fund in Liberal ridings.

Quite frankly, Mr. Speaker, I wish that were the case. I have felt for some time that the Government of Canada is really not spending enough money in Liberal ridings. When you run for re-election you have to tell the people what you are able to accomplish for them. They say that because we are on the Government side, we should have far more power than those on the Opposition side. That is straight reality. Over the years, the Government has always operated, and I have not seen anything to the contrary, in a manner whereby all constituencies are treated equally. I would venture to say that the majority of Government funding has gone more to urban areas than rural areas. This is because with many programs, government operates through the Public Service. A good example is the Summer Student Employment Program. A constituency allocation is made for direct job creation in summer student employment and another allocation that operates through the Public Service. If there are no Government offices in your riding, you do not get any of that rather large chunk that is allocated.

● (1650)

The Opposition say that this contingency amount might be used as an election slush fund. They question accountability. They say that the Government should be held to account to control expenditures and that it should show leadership. They question management, calling it fiscal irresponsibility. They say that nothing is being done to address the problems of waste. Certain opposition members have pointed out where they believe government programs should be cut. There are certain areas where one could see a distinct difference between Progressive Conservative policy and that of the Liberal Party. There is no doubt about it, there are certain areas, such as job creation. When the Conservatives were last in government, direct job creation by the federal Government was discontinued in favour of, as they put it, allowing the private sector to create jobs. Unfortunately, private enterprise does not exist as far as business opportunities are concerned in certain areas of this country. Unfortunately, a great many rural and economically depressed areas have no private enterprise on which to build.

What do you say when you adopt a policy like that? Do you say that because there is no private enterprise, you have to remain on welfare? Do you tell people they cannot have government services such as community building, water and sewer facilities or wharves because there is no private enterprise? That is the basic difference between the Conservative Party and the Liberal Party of Canada.

No government will be able to do away with direct job-creation programs such as Canada Works, community development programs, the LEAD Program and the like. Listening to the former Conservative Minister of Finance, I am surprised that the Conservative Party still enunciate that as being an area that should receive a cut. He says there is a waste of money in government expenditures. If the former Conservative Minister of Finance is ever again the Minister of Finance and the Conservatives remain in power long enough to carry through that policy, no Conservative Member will have a hope in the world of ever again collecting any votes. It would be an absurd, silly, cruel act to discontinue direct job creation in rural and high unemployment areas. It is unthinkable that any political party would ever advocate that action, yet they do it time and again.

With regard to the comments of opposition members, there are some facts that should be laid on the table. In checking this contingency amount, I have discovered that a contingency amount has traditionally been included in requests for borrowing authority. Either it has been requested or it has not. If it has been requested, and if it has always been the case, what in the world are opposition members talking about? What kind of scheme is the Opposition cooking up to convince the Canadian people that for the first time this Liberal Government, going into an election this year, is creating this large fund to be used for political purposes? A mere check with the authorities and those who know would show that this is normal procedure. The reason it is there is to cover the impact of a large or unpredictable foreign exchange operation concerning financial requirements and to ensure that the Government will be able to continue its regular debt program if the House is not in session or has been dissolved. In essence, the contingency is designed to avoid any disruptions in the borrowing program which might lead to further disruptions. That is a fact. It is a normal course of action. It is not as some Members opposite would have Canadians believe.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I am sure anyone watching this afternoon would not have the faintest idea what we are doing. I cannot help but wonder at the way in which the arguments have been presented. The arguments themselves are certainly valid, but they are not relevant to what is before us. I want to talk about why time allocation is being brought forward and why we are opposed to it.

The Government has done two things. In the time that I have been here, at least, the Government has developed a pattern of asking for all of the borrowing authority in one Bill and asking for more than it can reasonably justify at the same time. On this occasion it has asked for $29.5 billion for the fiscal year 1984-85. It is not only a lot of money but it is $4 billion more than the Government can justify on the basis of its own accounting.

On top of that, it is my conviction, a conviction shared by most of my colleagues, that if the Government is to be accountable it ought not to ask for all of its projected borrowing needs at one time. There ought to be an opportunity during the course of the fiscal year for Members of Parliament to judge the performance of the Government on the basis of its borrowing needs and to pass judgment as to whether the Government has managed the affairs of the nation in a reasonable way, whether it has borrowed only for those which can be seen by the majority to be necessary projects.

● (1700)

This time we did what we have always done and attempted to present an argument to the Government. We recognize that the Government, whether it be the Liberal Government of the day, the Conservative Government of yet another day or a New Democratic Party Government, will from time to time be required to borrow money. However, we feel that it is important that the Government not be allowed to borrow at any time more than it requires for six months. We presented that argument to the Government. It has been put forward by myself and by many of my colleagues. The Hon. Member for Kamloops-Shuswap (Mr. Riis) and other members of the New Democratic Party who speak on finance matters regularly have often argued that borrowing authority for six months is all that the Government can reasonably expect to receive through one Bill. That would mean that at this point in time, the Government would require an amount not exceeding $15 billion and probably something less than that.

Had the Government brought forward legislation along those lines, we would have been prepared to deal with it reasonably and expeditiously and to have proceeded to the other important matters that ought to be taking up the attention of the House of Commons. We offered the Government that argument and it was not accepted. We were then asked to look at the possibility of a need for borrowing authority for more than six months, because this is an unusual year and there is the prospect of an election looming. It was thought that perhaps under these circumstances the Government ought to be given authority to borrow for more than six months but less than a full year. We considered that argument and on the recommendation of my colleague, the finance critic for the New Democratic Party, the Hon. Member for Kamloops-Shuswap, we thought that allowing the Government authority to meet its needs and commitments for nine months or until the end of the calendar year would be appropriate in the circumstances.

I know that my colleague the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie), a Member who is constantly involved in matters such as these, was a little doubtful about whether we should extend the period of time to nine months. However, after considerable discussion, even he agreed. He is known throughout the House as being a frugal man who is vitally concerned about fiscal responsibility. In fact, all Members of the House have paid tribute to the fine work he did on the committee which studied fiscal responsibility and fiscal transfers.

In any event, we agreed among ourselves that we would extend the amount of time to nine months. Had the Government been willing to bring forward legislation along those lines, we would have accepted the request for authority to borrow a sum of money in the order of $18 billion or $19 billion, with the requirement that the Government return to the House of Commons to request the additional borrowing authority that it required when it required it and if it required it. We think that that is an appropriate approach for a government to take to borrowing, whether it be this Government or any other government. I suspect we will never find out whether the Government would have accepted that argument or not. We did in fact move an amendment to a motion to that effect but it is not likely to be accepted.

The public of Canada, who may well be riveted to their television sets with the eager expectation of seeing a vote take place in the House of Commons very soon, should understand what this is all about. I think that by explaining the situation as I have, perhaps they now appreciate that the reason we could not give approval to the borrowing of $29.5 billion or $29.6 billion is that it is more than the Government has proven it needs and it is for a complete fiscal year. We disagree with that in its entirety. We draw the line at that. Therefore, using the only method available to us, we had our speakers rise and, in an intelligent and compassionate way, explain what our position was and beg the Government on frequent occasions to consider that position and accept it as reasonable. However, the Government has, for one reason or another, failed to respond properly.

I do not think that the public of Canada would want this Government, the Government of Saskatchewan, the Government of British Columbia in particular, the Government of Ontario or any other government, to be given *carte blanche* to borrow far more than it needs. It is therefore incumbent upon us to make sure that that does not happen. It is because of our opposition to allowing the Government to do so that the Government has chosen to use time allocation.

I am not like members of the Conservative Party who say that time allocation is an inappropriate tool. It exists in the

rules to be used on occasion. However, this is not the right occasion. I can imagine that there may well be an occasion when it might be appropriate but this certainly could never be considered by any thinking individual as the right time.

I want the public to understand why we are opposed to what is happening here today and why we feel that what the Government is doing is wrong. I want the public to understand why we do not necessarily align ourselves with all the Conservative verbiage which has gone on.

Further, before I sit down, I wish to say that it does not surprise me that the people of Canada do not have a lot of confidence in the House of Commons. We are asking them to accept the fact that we should be allowed to do something which they themselves would never, ever be prepared to allow. The Government is asking them to accept that it should be given this massive borrowing authority in one lump sum which the people of Canada, who have to pay the bills, would not want the Government to have.

I would like, therefore, to suggest to the Government that when it asks for borrowing authority in the future, it should make it for no more than six months at one time and it should be held accountable for its actions. I think it will then find from this Party some willingness to look seriously at those kinds of requests.

Mr. Deputy Speaker: Order. It being 5.07 p.m., the two hours provided for the consideration of the motion now before the House under the provisions of Standing Order 82 have expired.

[*Translation*]

Accordingly, under this Standing Order, I have the duty to interrupt proceedings and to put forthwith every question necessary to dispose of the said motion.

[*English*]

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the yeas have it.

And more than five Members having risen:

Mr. Deputy Speaker: Call in the Members.

The House divided on the motion (Mr. MacLaren) which was agreed to on the following division:

(*Division No. 33*)

YEAS

Messrs.

Allmand
Axworthy
Bachand
Baker
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (Cardigan)
Chénier
Comtois
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Guilbault
Harquail
Henderson
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Leduc
Lefebvre
Loiselle
Lumley
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
McCauley
McRae
Munro (Hamilton East)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Regan
Roberts
Robinson (Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Schroder
Smith
Tardif
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Whelan
Yanakis—126.

NAYS

Messrs.

Althouse
Andre
Anguish
Blaikie
Blenkarn
Broadbent
Cardiff
Carney (Miss)
Clark (Brandon-Souris)
Cook
Cooper
Corbett
Cossitt (Mrs.)
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Darling
Deans
de Jong
Domm
Ellis
Epp
Fennell
Fraser
Fretz
Friesen
Gamble
Gass
Gurbin
Gustafson
Hamilton (Swift Current-Maple Creek)
Hargrave
Hawkes
Heap
Hees
Hovdebo
Jelinek
Keeper
Kempling
Kilgour
Knowles
Kristiansen
Lambert
La Salle
Lewis
Lewycky
MacDonald (Miss) (Kingston and the Islands)
Malone
Manly
Mazankowski
McKenzie
McKinnon
McKnight
McLean
McMillan
Miller
Mitges
Mulroney
Munro (Esquimalt-Saanich)
Murta
Nickerson
Nielsen

Messrs.

Nowlan	Schellenberger	Thacker
Nystrom	Scott (Hamilton-Wentworth)	Thomson
Orlikow	Scott (Victoria-Haliburton)	Towers
Paproski	Shields	Vankoughnet
Parker	Speyer	Wilson
Patterson	Stevens	Wise
Riis	Stewart	Wright
St. Germain		Young—86.
Sargeant		

● (1730)

Mr. Speaker: I declare the motion carried.

* * *

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed the following Bills: Bill C-27, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1984; Bill C-28, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1985.

I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill S-10, an Act to amend the Act of Incorporation of United Grain Growers Limited, to which the concurrence of this House is desired.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 387, 536, 592 and 594.

[*Text*]

NFB—DIRECTORS

Question No. 387—**Mr. Howie:**

As of January 1, 1984 what were the names of the directors of the National Film Board and to what remuneration was each entitled during the current fiscal year?

Hon. Francis Fox (Minister of Communications): I am informed by the National Film Board as follows:

1. Board of Trustees from April 1, 1983 to March 31, 1984

Mr. James de B. Domville
Government Film Commissioner and Chairman of the Board
(term expired January 7, 1984)

Mr. Paul Fortin
Vice-Chairman of the Board
(as of January 8, 1984 Acting Chairman of the Board)

Mr. François Macerola
Acting Government Film Commissioner
(as of January 8, 1984)

Mr. Mervin I. Chertkow
Kamloops, B.C.
Lawyer

Ms. Merle Shain
Toronto, Ontario
Writer

Mr. John Godfrey
Halifax, N.S.
President of King's College

Mrs. Nora Harvey
Winnipeg, Manitoba
Member of Fort Garry School Board

Mr. de Montigny Marchand
Ottawa, Ontario
Deputy Minister for Foreign Policy
Department of External Affairs

Mr. Pierre Juneau
Ottawa, Ontario
President—Canadian Broadcasting Corporation

Mr. David P. Silcox
Ottawa, Ontario
Assistant Deputy Minister, Arts and Culture
Department of Communications

2. Concerning remuneration, please see the report on Governor in Council appointees tabled in the House of Commons on November 17, 1983.

CNR—EXECUTIVE AND BOARD OF DIRECTORS

Question No. 536—**Mr. Howie:**

What are the (a) names (b) positions of the persons who occupy positions on the Executive and Board of Directors of the Canadian National Railway Company and, in each case, what amount was he/she paid in respect of that position in the fiscal year ended March 31, 1983?

Hon. Lloyd Axworthy (Minister of Transport): The management of Canadian National Railways advises as follows:

(a) and (b)

Directors	
Hon. J. H. Horner, P.C. Chairman of the Board	Mr. G. D. Mandel Director
Dr. J. M. LeClair President and Chief Executive Officer	Mr. D. G. A. McLean Director
Mr. G. Di Battista Director	Mr. E. A. Pratt Director
Mr. J. S. Hinds, Q.C. Director	Mr. F. D. Rosebrugh Director
Mr. B. Joncas Director	Mr. J. T. Sears Director
	Mr. G. T. Urquhart Director

Officers

Hon. J. H. Horner, P.C.
Chairman of the Board

J. M. LeClair
President and Chief Executive Officer

H. J. G. Pye, Q.C.
Vice-President and Secretary

G. M. Cooper
Vice-President and Assistant to the Chairman

A. R. Williams
Corporate Vice-President
Western Canada

Corporate

Y. H. Masse
Senior Corporate Vice-President and Chief Financial Officer

L. L. Atkinson
Vice-President
Human Resources—Corporate

G. C. Church
Treasurer

E. D. Pinsonnault, Q.C.
Vice-President
Law—Corporate

S. D. H. Thomas
Corporate Comptroller

Divisions

CN Rail

R. E. Lawless
President and Chief Operating Officer

J. L. Cann
Vice-President
Operations

J. Horrocks
Vice-President
Finance and Planning

W. H. Morin
Vice-President
Employee Relations

J. H. D. Sturgess
Vice-President
Marketing

P. A. Clarke
President and General Manager
TerraTransport

D. L. Fletcher
Vice-President
Prairie Region

J. R. Lagacé
Vice-President
St. Lawrence Region

R. G. Messenger
Vice-President
Atlantic Region

G. A. Van de Water
Vice-President
Great Lakes Region

R. A. Walker
Vice-President
Mountain Region

A. E. Deegan
Vice-President
Administration

R. Boudreau, Q.C.
Vice-President—Law

P. J. Foliot
Vice-President
Purchases and Materials Management

CN Enterprises

R. C. Franklin
President

D. H. Burstow
President
CN Real Estate

D. C. Campbell
President
CN Communications

J. B. Griffith
President
Transport Route Canada Inc.
and
President
CNX

D. S. Oberlander
President
CN Hotels Inc.

M. L. De Pellegrin
President
Canac Consultants Limited

R. J. Tingley
President
CN Marine Inc.

W. H. Waddell
President
CN Exploration Inc.

CN Investment Division

T. Cedraschi
President and Chief Executive Officer

Grand Trunk Corporation

J. H. Burdakin
President

Compensation. See the Report on Governor in Council Appointees tabled in the House of Commons on November 17, 1983. Compensation for all other positions not listed in the report is regarded as proprietary information to the Canadian National Railway Company.

SOCIAL SCIENCES AND HUMANITIES RESEARCH COUNCIL

Question No. 592—**Mr. Howie:**

What are the (a) names (b) positions of the persons who occupy positions on the Executive and Board of Directors of the Social Sciences and Humanities Research Council and, in each case, what amount was he/she paid in respect of that position in the fiscal year ended March 31, 1983?

Hon. Francis Fox (Minister of Communications): I am informed by the Social Sciences and Humanities Research Council as follows:

(a) and (b)

Members of the Executive and Board of Directors

April 1, 1982 to March 31, 1983

Name	Position		(Dollars) Salary	Fees	Travel
Dr. William E. Taylor, Jr. from October 28, 1982 to March 31, 1983	President	DM-1	75,360 to 88,610	—	2,097

				Royal Assent	
André Fortier from April 1, 1982 to October 26, 1982	President	DM-2	82,150 to 96,670	—	2,674
T. H. B. Symons	Vice-President		—	33,000	12,649
G. Bouliane	Treasurer	EX-3	57,980 to 68,150	—	1,510
A. Forster	Secretary	SM	45,250 to 53,210	—	4,639
J. G. Nicholson	Executive Director	EX-5	69,110 to 83,100	—	8,380
Elizabeth Arthur	Council Member		—	—	562
Naomi Black	Council Member		—	—	552
Jean Cadieux	Council Member		—	—	1,481
Robert K. Crocker	Council Member		—	—	4,690
Marie-Josée Drouin	Council Member		—	—	0
Stefan Dupré	Council Member		—	—	1,176
Claude Garcia	Council Member		—	—	541
Gustave Gingras	Council Member		—	—	2,898
Jacques Henripin	Council Member		—	—	0
Jean Jones	Council Member		—	—	2,488
Douglas Kenny	Council Member		—	—	4,236
Gerald L. Kristianson	Council Member		—	—	2,396
James W. Lightbody	Council Member		—	—	6,714
Jean-Guy Paquet	Council Member		—	—	251
Alexander K. Paterson	Council Member		—	—	355
Edward F. Ryan	Council Member		—	—	2,351
Denis W. Stairs	Council Member		—	—	4,612
David Walker	Council Member		—	—	9,199

Vice-President and members serve without remuneration but each member is entitled to be paid reasonable travelling and other expenses while absent from his ordinary place of residence in the course of his duties.

NATURAL SCIENCES AND ENGINEERING RESEARCH COUNCIL

Question No. 594—**Mr. Howie:**

What are the (a) names (b) positions of the persons who occupy positions on the Executive and Board of Directors of the Natural Sciences and Engineering Research Council and, in each case, what amount was he/she paid in respect of that position in the fiscal year ended March 31, 1983?

Mr. Rolland Dion (Parliamentary Secretary to Minister of State for Economic and Regional Development and Minister of State for Science and Technology): In so far as the Natural Sciences and Engineering Research Council is concerned, the names of persons occupying positions on the Executive and Board of Directors as of March 31, 1983, and moneys paid them with respect to these positions are as follows:

G. M. MacNabb — DM-2 salary range ($86,250 — 101,500)

Council Members	Travel	Honorarium	Total
René J. Lévesque, Vice-President	5,146.60	6,375.00	11,521.60
Peter F. Adams	6,825.75	900.00	7,725.75
Bernard Banachewski	3,856.83	375.00	4,231.83
André Biron	4,802.62	3,750.00	8,552.62
Arthur N. Bourns	7,321.57	3,525.00	10,846.57
David M. Brousson	1,110.31	—	1,110.31
Robert B. Church	7,298.79	300.00	7,598.79
John A. Coleman	661.19	450.00	1,111.19
Allan R. Crawford	7,743.79	—	7,743.79
John H. Dinsmore	149.50	—	149.50
George Just	988.78	300.00	1,288.78
John W. Ker	3,363.31	300.00	3,663.31
Eric G. Manning	7,395.71	2,175.00	9,570.71
Douglas E. Ryan	2,703.10	300.00	3,003.10
Yoginder N. Sadana	2,704.16	300.00	3,004.16
Theodore P. Schaefer	6,358.71	—	6,358.71
David F. Strong	2,297.76	—	2,297.76
John D. Turnbull	7,449.13	300.00	7,749.13
Danielle Zaikoff	1,496.27	300.00	1,796.27
Total	79,673.88	19,650.00	$99,323.88

Vice-President and members serve without remuneration but each member is entitled to reasonable travelling and other expenses incurred by him while absent from his ordinary place of residence in the course of their duties.

[*English*]

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

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

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

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

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

Some Hon. Members: Agreed.

* * *

● (1740)

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the House that I have reviewed the following communication:

Borrowing Authority Act

Rideau Hall
Ottawa

Sir:

I have the honour to inform you that the Honourable Antonio Lamer, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate chamber today, the 28th day of March, 1984, at 5.45 p.m., for the purpose of giving Royal Assent to certain Bills.

I have the honour to be,
Sir,
Your obedient servant,
Edmond Joly de Lotbinière
Administrative Secretary to the
Governor General

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1984-85

MEASURE TO ESTABLISH

The House resumed from Tuesday, March 27, consideration of the motion of Mr. MacLaren that Bill C-21, an Act to provide borrowing authority, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs; and the amendment of Mr. Darling (p. 2292); and the amendment to the amendment of Mr. Deans (p. 2299).

Mr. Douglas Fisher (Mississauga North): Mr. Speaker, it is a difficult time to begin a debate on this particular subject matter, particularly after the time allocation motion we have just had. However, perhaps that is why I was asked to begin the debate at this stage, because as a former Parliamentary Secretary I must say that I have had a lot of experience with time allocation on government borrowings.

We have followed the same pattern with all of these borrowing Bills. The Opposition speaks for as long as it can, it raises what I believe are many serious points in its debates, and eventually the Government decides that it must govern and introduce time allocation. While it is not an easy circumstance, I believe it is necessary.

I know the concerns that are raised by the Opposition Parties and I respect them. I have seen the Tories argue consistently in the House that a dollar that is borrowed could be reduced to 50 cents. There is nothing the matter with that argument. I think it keeps the Government on its toes.

Equally, the Tories argue that borrowing Bills should be relatively small and that the Government should come back to Parliament to justify itself on a regular basis. Again, I think that is a respectable argument and is one that I commend. On the other hand, all of this needs to be kept in balance. We need an efficient Parliament and an efficient, smooth borrowing process with the Government.

Although we have heard some very good and, I must say, traditional arguments surrounding time allocation, in this particular case I believe it is time we got on with the job. I believe there is enough in front of Parliament that we should get on to some of the other legislation.

Any debate on borrowing authority is a debate about government support for the economy and specific people within the economy. It is a debate today about how much support should be given, how much money the Government should borrow and spend to support the economy. The current debate focuses on whether we are causing any damage to the economy as a consequence of our borrowing. I do not believe we are. I believe we have stimulated our economy and the recovery through our borrowing and spending. We are helping those who need help. We are in a very good position in our international circumstances.

It is interesting to watch the Conservatives in this same debate. Let me remind the House that only a few weeks ago the former Conservative Finance Minister said that future Tory policy would be mean, tough and nasty-minded. The Member for Etobicoke Centre (Mr. Wilson), who hopes to be a prominent Tory economic spokesman in the future, says that he would cut right across the board in every department, despite demonstrated needs or despite demonstrated service.

Some Hon. Members: Shame!

Mr. Fisher: Equally, in *The Globe and Mail* on the weekend, we saw an article that reinforced our view that the Tory Party will attack universal social programs.

Some Hon. Members: Shame!

Mr. Fisher: There was a quote in *The Globe and Mail* that said that the Leader of the Opposition (Mr. Mulroney) wanted to study and remove the universality in our social programs even if that meant that we would have to have means tests.

Some Hon. Members: Shame!

Mr. Fisher: These are not claims that I am making; these are claims that one can read in *The Globe and Mail* and in *The Toronto Star*.

Mr. Deputy Speaker: Order. There is so much noise surrounding the Hon. Member that I cannot hear him from the Chair even with my speaker turned on full blast.

Mr. Fisher: Mr. Speaker, I know that my colleagues feel passionately about the Government's support for the economy and they feel passionately that the Conservative Party should not be allowed to do these things. Therefore I understand the spontaneous demonstrations that we are hearing among these high-minded people.

I ask you, Mr. Speaker, to look at the way the Canadian Government is supporting the economy. You will note, for example, the very clear parallel between our commitment to Canadair and de Havilland, on the one hand, and the historic Tory move to destroy the Avro Arrow 25 years ago. If we

follow the advice of the Tory Party, we would sink de Havilland and Canadair in the same way that they sunk the A.V. Roe Company in my riding. Thousands of people with good products and markets and with great technology would be out on the street if the Tory Party had its way. We should know the consequences of Tory policy. We should know that Canada would be denied access to these high technology products. Canada would be denied jobs. Our best brains in the industry would once again go south, to the United States, the way they did in the 1960s. That is the kind of Tory policy that we on this side reject. We are prepared to support our economy and to support our businesses.

We did the same thing with Chrysler. The House will remember that we were criticized for supporting the Chrysler Corporation, yet we were prepared to do that because of the thousands of people employed directly there and the hundreds of small businesses that rely on the Chrysler Corporation for their livelihood. We made a commitment to the future of the Canadian economy by supporting the Chrysler Corporation. Today, that commitment is paying off. That corporation is back on its feet. The partnership that it formed with the Canadian Government has proven to be fruitful and has proven to maintain a basic institution in our economy.

One can say the same thing for small businesses. Thousands of them have had support from us from the Federal Business Development Bank, the Small Business Bond Program and the hundreds of other efforts we have made in smaller ways for each of these businesses. We are prepared to spend money to get our economy going again. That is the spirit of the Special Recovery Program. Look at how it reaches out to weaker industries, flat industries, tourism, for example, or the construction industry. The Special Recovery Projects are ways to stimulate those soft parts of our economy until the participants are able to stand up on their own two feet and support themselves.

• (1750)

Equally, Mr. Speaker, we are ready to reach out to individual Canadians who are in need. We are ready to support home owners through our mortgage insurance plan. We are ready to support pensioners through higher guaranteed income supplement. We are ready to support people with their pension planning through bigger RRSPs. We are ready to support employees with profit sharing plans. We are ready to help unemployed youth with greater dedication of funds to the Youth Opportunity Fund. Look at all of our commitments to job creation. It does not matter which category. What about Canada Works, Summer Canada, and Environment 2000? All of them represent a partnership where we take the resources of the federal Government and put them to work on behalf of individuals who need their help. That, Mr. Speaker, is a Liberal approach.

We support our economy and we support individuals who need our help. We are doing all of this in the context of an economic recovery.

It is important as people get jittery these days to remind ourselves that the economic recovery is actually under way. We hear lots of doom and gloom but the recovery is here. We know that. We can see that our inflation rate has dropped dramatically. Even though we are nervous about interest rates and our dollar, we can still look to the deepest days of the recession and see how far we have come toward recovery. These events surrounding our dollar and our interest rates are events forced upon us from the outside world by the American economy, its dollar that is so strong on international markets and by American interest rates which are so high.

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

Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: Is the Hon. Member rising on a point of order?

Some Hon. Members: Sit down.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is the following. Mr. MacLaren, seconded by Mr. Lumley, moves that Bill C-21, an Act to provide borrowing authority, be now read—Shall I dispense?

Some Hon. Members: Dispense.

Mr. Deputy Speaker: The question is on the amendment to the amendment. Mr. Deans, seconded by Mr. Young, moves that the amendment be amended by deleting the word "fiscal" and substituting the word "calendar" therefor. Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Call in the Members.

And the division bells having been rung:

Mr. Speaker: Order. After consultations with the Parties involved I have decided to stop the bells and suspend the sitting until nine o'clock tomorrow morning.

At 6.26 p.m. the sitting was suspended.

SITTING RESUMED

The House resumed at 9 a.m., Thursday, March 29, Mr. Corbin in the Chair.

● (1110)

And the division bells having stopped at 11.09 a.m.:

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

(*Division No. 34*)

YEAS

Messrs.

Althouse
Anguish
Blaikie
Blenkarn
Broadbent
Cardiff
Clark (Brandon-Souris)
Cook
Cooper
Corbett
Cossitt (Mrs.)
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Darling
Deans
Dick
Domm
Ellis
Fennell
Fraser
Fretz
Friesen
Gamble
Gass
Gurbin
Gustafson
Hargrave
Hawkes
Heap
Hees
Hovdebo
Howie
Keeper
Kempling
Knowles
Korchinski
Lambert
Lawrence
Lewis
MacDonald (Miss) (Kingston and the Islands)
MacDougall
Malone
Manly
Mazankowski
McDermid
McDonald (Ms.) (Broadview-Greenwood)
McKinnon
McKnight
McLean
McMillan
Miller
Munro (Esquimalt-Saanich)
Nickerson
Nielsen
Nystrom
Oberle
Orlikow
Paproski
Patterson
Riis
St. Germain
Sargeant
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Skelly
Speyer
Stevens
Stewart
Thacker
Thomson
Vankoughnet
Wenman
Wilson
Wise
Young—77.

NAYS

Messrs.

Axworthy
Bachand
Baker
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Campbell (Miss) (South West Nova)
Campbell (Cardigan)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Duclos
Dupont
Dupras
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Guilbault
Harquail
Henderson
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Johnston
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Leduc
Lefebvre
Loiselle
Lumley
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McRae
Munro (Hamilton East)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Regan
Roberts
Robinson (Etobicoke-Lakeshore)
Rompkey
Rooney
Roy
Schroder
Smith
Tardif
Tessier
Tobin
Tousignant
Trudeau
Turner
Whelan
Yanakis—121.

Mr. Speaker: I declare the amendment to the amendment lost.

Mr. McRae: Mr. Speaker, I rise on a point of order. I was a little disturbed at the voting procedure. As far as I could tell the Hon. Member for Spadina (Mr. Heap) came in when you were well into reading the motion, took his seat and voted. Two other Members right behind him stayed at the back and did not vote. I just wonder if we should look at that procedure and see whether that vote should be counted.

Mr. Heap: Mr. Speaker, I did come in while you were reading the motion. I heard the motion but I came in while you were reading it.

Mr. Speaker: Is that acceptable? In the circumstances—The Hon. Member for Yukon (Mr. Nielsen).

Mr. Nielsen: I believe the Government House Leader will be rising on a point of order, Mr. Speaker.

Mr. Speaker: Would the Hon. Member please take his seat? In the circumstances the Chair is going to allow the vote of the Hon. Member for Spadina to stand.

Mr. Pinard: Mr. Speaker, I just wanted to be polite and let you rule on the point of order raised by the Hon. Member for Thunder Bay-Atikokan (Mr. McRae). That is why I was waiting to rise.

Mr. McDermid: He was not saying anything.

Mr. Pinard: Yes, I know.

Mr. Speaker: The Chair has difficulty in reading the minds of Hon. Members.

Mr. Pinard: Mr. Speaker, I realized you were about to say something.

BUSINESS OF THE HOUSE

Mr. Pinard: Mr. Speaker, last night I had conversations with both House Leaders of the Opposition, the Hon. Member for Yukon (Mr. Nielsen) and the Hon. Member for Hamilton Mountain (Mr. Deans). We agreed that today we would deal with third reading stage of Bill C-3. I think they would corroborate that.

Mr. Speaker: Is it agreed unanimously that notwithstanding any Standing Order the House will sit again later this day?

Some Hon. Members: Agreed.

At 11.20 a.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, March 29, 1983

The House met at 11.20 a.m.

Prayers.

GOVERNMENT ORDERS

[*English*]

CANADA HEALTH ACT

MEASURE TO ESTABLISH

Hon. Monique Bégin (Minister of National Health and Welfare) moved that Bill C-3, an Act relating to cash contributions by Canada in respect of insured health services provided under provincial health care insurance plans and amounts payable by Canada in respect of extended health care services and to amend and repeal certain Acts in consequence thereof, be read the third time and do pass.

She said: Mr. Speaker, this is probably the last time that an opportunity will be given to me as Minister of National Health and Welfare to speak on Bill C-3, which is being debated on third reading today. This Bill may not be a Bill which received unanimous consent from parties all over Canada, but it is a Bill of consensus, and that is important. That is the Canadian way of doing things, to make improvements to what exists, thereby building up what has been the social fabric of this country for so long.

I, therefore, would like to thank all Members of this House, and in particular, of course, the members of the Standing Committee who have devoted so many hours to meeting with witnesses, studying their claims and viewpoints and making their best efforts to improve the Bill. If I may, I would like to single out the Hon. Member for Provencher (Mr. Epp), the Hon. Member for Oxford (Mr. Halliday) and the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie), as well as my colleagues on this side of the House. I do not know if this is the tradition, but I believe it is very important for all Canadians to know that this Bill—without presuming the outcome of the vote—will be passed unanimously, based on indications given to me by all three Parties, and will not have expanded but consolidated, I believe for years to come, our health care system in Canada.

What this Bill accomplishes is modest, but it is an essential step. It has been a difficult decision to make. We would have preferred time to have settled the problem. However, time was rather against medicare in the sense of pressures from all sides, starting with the recession itself, which were pushing some of the players into overcharging patients, through extra billing by some doctors and specialists and by user fees charged by some provinces. This Bill, therefore, is needed to clarify the existing rules of the game and to make sure that the weak spots, if I may say so, in the existing legislation will be consolidated, explained and defined in a way in which all Canadians, through a relatively simple, written piece of new legislation, can understand the rules of the game and know what their rights are. In that way they can protect themselves and will be able to see both the tremendous powers and the limitations of our health care system.

As I said, although it was a difficult decision to make, I believe this Bill is essential. Everyone will agree that I should name Mr. Justice Emmett Hall in particular, and through him all the key players, political and public, who have given Canadians over the last 25 years the medicare we know and enjoy, the medicare which is one of the best in the world. I am sure all Members will recall what Mr. Justice Emmett Hall said about the erosion of our health care system, an erosion which would have sooner or later made the house collapse because its foundation would have been too much eroded by the overcharges to Canadians.

I would like to say a word about the federal-provincial relations aspect of this Bill. Health in Canada is primarily, and I am sure everyone knows it now, a matter of provincial jurisdiction. Personal health services must be delivered by the provinces. In fact, I believe it is fair to conclude, after having travelled and heard witnesses from all over the country, that we have 12 different health care systems, including the two Territories, all functioning according to local traditions, but offering basically the same services to Canadians, and operating around the same five basic conditions of free accessibility and comprehensiveness of services, which means the basic list of ensured free services is the same for all Canadians wherever they live.

However, these services are delivered according to the corner of the country in which a particular patient lives. Patients who live in the far north will be transported to the best and closest hospital. If they live in downtown Toronto, in the suburbs of Vancouver or in the east end of Montreal, they will be transported downtown to the closest hospital. They will in both places receive the quality care we are used to in Canada and which we want to keep.

Federal-provincial relations are a major dimension of this piece of legislation. If I had had a chance to speak to my provincial colleagues to this platform, I would have liked to reassure every one of them that the meetings we had in January had been brought to realization by the amendments made to Bill C-3 in the standing committee of this House of Commons. I believe each of them would be rather pleased with

what we have done. The members of the committee have worked together very seriously on this, and we have done our utmost to improve the Bill while respecting the basic rules of the game to which I had given my commitment. By that I mean, in particular, that in no way should we be imposing on the provinces, directly or indirectly, additional charges to the heavy financial burden they now have. Any Member who knows enough about the Bill can see that we have honoured that commitment.

• (1130)

We have tried to make it a better Bill, and I was pleased at the end of the committee work to hear senior officials, the people who have been implementing medicare in the last 25 years, saying spontaneously how pleased they were that it was not partisanship which had governed the work of the committee but excellent improvements made by the Opposition and the Government to make the Bill better. I think we can be proud of what will be a workable piece of legislation, which is the purpose of any Bill.

We have recognized the concerns of different players who at times may be seen by some of the parties in that complex system as "enemies", in the sense they would make demands on the system for money, equipment or for changes in orientation. We have tried to recognize their legitimate concerns without imposing anything on the provinces which is not our place to impose.

Perhaps I should refer in particular to one clause which is causing worries, it seems, in the last hours, although to my knowledge without reason. I am anxious that all parties have a chance to study carefully the revised version of the Bill with all its amendments, in particular Clause 12(2). In that clause we are adding a possible choice for the provinces who want it by defining a model process for negotiations between the medical associations and the provincial governments. This process originates from the medical associations, more precisely from the Canadian Medical Association. It was put forward first by the Official Opposition, and followed by a counter-proposal in which no mandatory dimension was included.

I know some Members would have liked to see a real process of negotiation enshrined in the law as the way to do things between doctors and provincial governments. We all know that we did not have that power under the Constitution; therefore we did not impose it on the provinces. It would have been wrong. Instead, we added to the old rule of the game, which has been there for 15 years, which says that doctors must receive reasonable compensation. That stands; it is the cornerstone of medicare in Canada.

We added a possible model which all Members thought could be tested, promoted and eventually become the way to do things in Canada. It will work only if the parties want it to work. It will be for provincial medical associations and provincial governments to decide if it is workable. If not, they can choose any other model of labour relations with the medical associations to reach reasonable compensation for doctors. I think this is a key point and I wanted to stress it.

Why do I single out only one occupation in the health system? I do so in a way to do justice to people who are key players in the system and who have been more or less outside of the federal-provincial political scene. They have expressed their views differently but I want them to know, together with other players, that I think they have been heard, that they have advanced their cause and we have to honour a commitment to them by proposing, wherever provinces want to use it, a possible new model of labour relations which can literally respect the dignity of both parties.

[*Translation*]

Mr. Speaker, perhaps I may be allowed to say a few words about my home province. I must say I was disappointed when Quebec opted for political confrontation instead of a dialogue on Bill C-3. I thought it was most unfortunate but I am happy that we have been able to allay the fears they had raised in the health services field in Quebec, and I think that now, the word has gone out that there was no problem and no reason to be alarmed. I am glad that in the process, Quebec officials came to meet with our officials at my Department here in Ottawa, and the point was clearly made that there would no longer be user charges in Quebec for patients or convalescents, and I am referring to what might be called the short-term chronically ill. This practice which started with the separatist Government was spreading, unfortunately, and the Quebec Government, and I am referring to Mr. Lévesque's Government, has acknowledged that it was against the Health Insurance Act, and that in Quebec, patients who must stay in hospital for longer periods of time, for instance, three, four or seven months, before going home, can no longer be charged user fees, irrespective of the length of time they must stay in hospital. I believe this is important, and that we should all be glad we were able to deal with this problem and with a practice that goes counter to the philosophy of health insurance.

Mr. Speaker, I see my time is running out, and I would like to finish my comments regarding the future.

[*English*]

I am sure members of the committee, who were not necessarily specialists in health matters but who have become specialists in health matters after all the briefs they read, the witnesses they heard, the reading they did on the Bill, including the amendments and the background documents, would agree that most participants, if not all, spoke of that Bill as the first step. Some even went overboard and said it was not even important, but everyone agreed that it had to be done. Well, it takes time to pass a Bill through the House and it will be done very soon. It will be behind us very shortly.

I think one of the great advantages of this Bill and its process was to put health back on the map of Canadian concerns. I think Members will share the view that probably because of the recession, having such an expensive proposal, everybody preferred not to talk about it in order not to do it any damage. But all the participants have really said far more

than the Bill itself. They have said that we have to fix these financial barriers and get rid of them, but; and they each had a "but". They wanted to speak of where health was going. Depending on where they come from in the system, they wanted to speak of costs that should or could be reduced by allocating resources differently and using them in the most effective way.

• (1140)

Being a woman, I am sure no one will mind if I refer to the nurses, as a group of players *par excellence* who are somewhat in second place in the system, if I may say, in terms of social prestige. They are still a key participant and probably spend the greatest number of hours with patients who are in the hospital. The nurses spoke of the lifestyle and asked if the environment and lifestyle was helping the cause or not. They spoke of aging and challenged us to see if we were ready for new demands on the system from an aging Canadian population. They spoke of death and how dying has lost its human aspect. They spoke of the palliative care units and how their own role could be very different.

In turn, consumer groups spoke of self-help and asked why ordinary Canadians who are not particularly knowledgeable on technical health matters could not still make a contribution and in some way control their own health. In other words, they are no longer passive.

Women question the way the conventional hospital-based birth process takes place. Is it the only way of doing it? They talked about midwives as another method in the birth process. The discussions always concerned choices as opposed to everybody being put into one mould and having to follow one procedure.

It has been very important to have the chance to debate health in Canada, to debate its orientation and the need to speed up the reorientation of health toward health promotion and prevention, as well as establishing where our great system needs improvement or more money and specific areas ensuring that we do not lose the excellence and momentum we have built.

Therefore, I would like to reiterate, since the need for the dialogue has been expressed so clearly, that to respond to such an obvious need and to move ahead with innovative ideas, I am proposing to initiate a national conference on health to provide an opportunity for dialogue with all the interested groups. None of the existing processes permits all the groups to get together in a workable manner and this conference would give everyone a chance to be equal in expressing their views.

I do not intend to dictate how this forum will be organized. I hope that all Members of the House who have done such a good job in committee would find the forum a way to remain connected to the health system. This will be a conference of all interested parties and partners in the health system. Its organization and planning will be undertaken jointly. My officials will soon be in touch with all those who are interested in order to plan the content and launch the conference.

Let me conclude by saying that we do not want this to be simply a meeting; we would like to see these discussions have a real influence on what will happen in the health field. I have listed but a few of the topics which it could cover.

This is almost an emotional moment for me, due to what this health Bill represents for Canadians, as well as the difficulties attached to it because of the contradictory interests and problems of so many parties involved. I will finish by reading from a handwritten letter by an Ontario physician who said: "As a physician, I urge you to continue your work and to actualize the Canada Health Act. Please resist the temptation to compromise—" The letter continues.

That is what we have all done. I hope we have done our work well, which I am sure we have, so that Canadians will enjoy the best health system in the world for years to come.

Mr. Deputy Speaker: Questions or comments?

Mr. Friesen: Mr. Speaker, I appreciate the Minister's positive statements in the closing debate as well as throughout the entire debate. One of the policies that she has underscored most consistently has been her opposition to extra billing and user charges. I understand her concern about that very well. What is her position regarding the extra billing and user charges imposed on the clients of Dr. Henry Morgentaler?

Miss Bégin: Mr. Speaker, may I ask the Hon. Member to be more specific? I do not know what he is talking about.

Mr. Friesen: It seems plain that Dr. Henry Morgentaler operates a business on a fee for service basis and it is supposed to be, in his jargon, health care. Does she support that kind of extra billing?

Miss Bégin: Mr. Speaker, I do not see why I should start naming doctors who extra bill or do not extra bill. Bill C-3 is very clear that extra billing is an overcharge on the patients that is totally against the law.

Mr. Blaikie: Mr. Speaker, the Minister has indicated her intention to begin the process of setting up a national conference on health. I think that is a good idea on the face of it.

One of the amendments that was moved in committee, by me actually, concerned setting up a national health council. It was a suggestion that was made as early as the parliamentary task force, I believe, and was called for by the nurses. Is the Minister open to the idea of there being some permanent opportunity for dialogue and constructive discussions between all the players in the health care system and having something permanent come from such a conference?

In other words, if it is the will of the people who attend that conference that it not simply be a one-time event, would the Government be open to that kind of opportunity?

Miss Bégin: Mr. Speaker, the answer is yes. The idea of a national health council which was promoted so well during the debate in committee, particularly by the Canadian Hospitals Association, is a very good one. The first time I heard of it was

when I became the new Minister of National Health and Welfare six years ago. There are some groups who care about this idea and lobby for it.

However, when I put this idea to my provincial counterparts, some time ago now, they did not approve of it. Since it was some time ago, if the idea is suggested again at a conference in which they will be the key participants, perhaps all interested parties could see the interest in it. In such a case, we will surely entertain such a project.

Mr. Hawkes: Mr. Speaker, the Minister has had a request for a meeting with provincial ministers regarding some of the amendments in Bill C-3. Has she complied with that request? Does she intend to meet with them or will we pass the Bill before such a meeting takes place?

Miss Bégin: Mr. Speaker, the member refers to telegrams which were received from provincial health ministers in the last few days and from the minister from Alberta in particular, probably in the name of other ministers since he will be the host of their annual joint meeting next September. I immediately sent back one telex. Today I asked officials to send back another telex to explain what their main concern seems to be. From my own conversation with some of them it is what I addressed earlier today, namely, the new section on doctors' negotiations with the provinces. Their concern is that the committee members imposed that on the provinces. I think the original amendment put forward by the Tory Party would have imposed it, but we defeated the amendment in committee. We wanted it simply as a model to give the choice to the province.

• (1150)

Mr. Keeper: Mr. Speaker, the Minister in her remarks acknowledged that the biggest weakness with this legislation is the lack of being able to deal adequately with preventive health care. She made particular reference to midwives. Given the fact that having a child at home in the case of a normal birth would save a great deal of money and at the same time adds to the bonding between mother and child, what can the Minister tell us that will assure us she is going to do something that will be effective in terms of making sure the opportunity to have a midwife in attendance is available to Canadians and that this conference will not be just a way of letting things slide?

Miss Bégin: Mr. Speaker, the Hon. Member touches on a perfect example, among thousands, of what health is all about in the sense that it is a provincial responsibility as to personal delivery services. The recognition of midwives in the child birth process can be given at any time by any province under the existing and the new Canada Health Act. But it is a totally provincial matter—totally. It is at the choice of province x, y, or z to set into motion whatever licensing—I do not have with me the details according to each province—is needed, to make it official either on a pilot project basis or across a given province according to its own priorities in health delivery.

Mr. Flis: Mr. Speaker, I would like to congratulate the Minister of National Health and Welfare (Miss Bégin) and also the Members from all three Parties who served on the committee for coming up with a first-class made in Canada health Bill and service. As the Minister pointed out, the delivery of the services now lies, and always did, in the hands of the provinces.

This creates many difficulties for a lot of senior citizens who live part time with children in one province and then part time with children in another province. I have many examples where senior citizens in their 80s and 90s live six months or three months in the Province of Quebec and then another six or three months in the Province of Ontario. They run into the problem of a waiting period to qualify for health services. One province has a three-month waiting period to qualify for medical services. Therefore, these seniors are in a bind. Do they have to go back to the province which still covers them to get the service? Are they faced with a province saying: "Sorry, you have to wait three months"? Does the Bill address this problem of so many senior citizens who have the right to live part time in one province and part time in another province?

Miss Bégin: Mr. Speaker, I will have to check the exact details of the situation but the general principle has been clearly established in this Bill. One of the five conditions is portability. The Hon. Member has a very good point. We did not hear much about portability. The media spoke much more about accessibility and comprehensiveness, universality. But portability raises quite a practical problem for border towns, towns exactly like Hull and Ottawa, for seniors who travel a great deal in the country to see their children and families.

I do not have the exact details but, in the case of an emergency, citizens are treated anywhere in Canada and that should not pose a problem. Again, details escape me right now. Officials of the provinces have been working, I think for at least a year now, on a detailed protocol of portability and the rules of the game both within Canada and outside. This Bill reinforces the concept of portability for all Canadians within the country.

Mr. Gamble: Mr. Speaker, did I understand the Minister of National Health and Welfare (Miss Bégin) to suggest in response to one of the questions asked by my colleague, the Hon. Member for Surrey-White Rock-North Delta (Mr. Friesen), that extra billing was illegal, to use her words? If, indeed, that is what she said, could she clarify that for the House, having regard to the specific provisions in the preamble to the Bill which clearly indicate that it is not the intention of this Bill either to abrogate or to derogate from any of the provisions of the Constitution Act of Canada, and having further regard to the well-recognized fact that the provision of medical services lies entirely within the control of the provincial governments?

Mr. Deputy Speaker: Order, please. The time provided for questions and comments has expired. Perhaps the House will allow the Hon. Minister to reply. Is that agreed?

Some Hon. Members: Agreed.

Miss Bégin: Mr. Speaker, I appreciate the courtesy of all Members. I will answer rapidly. The Hon. Member for Surrey-White Rock-North Delta (Mr. Friesen) asked me specifically about Dr. Morgentaler. To clarify that, I should say that Dr. Morgentaler's services are not insured services under provincial plans because he does not perform them in a hospital the way the Bill provides. The services that are insured must respect the Criminal Code and they must be performed in hospitals. I did say in answer to the Hon. Member that extra billing would be a breach of the Act. I repeat, and I hope the Hon. Member knows what extra billing means—

Mr. Gamble: Yes.

Miss Bégin: Extra billing is a breach of this federal legislation. The Hon. Member will not get me into a big constitutional debate because that would not help anybody. We made sure this Bill respects fully the Constitution by which the provinces are in charge of health care. I think I said it several times in my speech this morning. But what we buy for close to $10 billion a year does not include extra billing. We do not buy it. The Bill has spelled out why extra billing would be a breach of the Act.

Mr. Deputy Speaker: Debate. Is the Hon. Member for Crowfoot (Mr. Malone) rising on a point of order?

Mr. Malone: Mr. Speaker, I thought you had extended time to the Minister and if that was the case—

Mr. Deputy Speaker: The House agreed to allow the Hon. Minister to reply to the previous question. It was not a general extension of time. However, the Chair is in the hands of the House. If there is a wish to prolong time for questions and comments I will ask the House if it is so disposed. Is it agreed?

Some Hon. Members: Agreed.

Mr. Malone: Mr. Speaker, as I am sure the Minister and all Members of the House are well aware, the costs for medicare for a period of time now have been escalating upward at a very significant rate. I think we have probably come to a period when there has been a levelling off from those reasons that have forced prices up in the past. However, I think we are through the door now and into a new age where technology will cause new mechanisms to make the old methods of hospital treatment rapidly obsolete. We will have new machinery coming in rapidly.

Does the Minister have any concerns about the new wave of technology with respect to cost? If she has, apart from this Bill, has she any recommendations as to how we as a society might keep both the best medicare and be able to afford it in light of what the chip may do to us in an extremely rapidly exploding advancement in technology?

Miss Bégin: Mr. Speaker, this is a relevant and a pertinent question. The Hon. Member comes from a riding in Alberta. His province, for example, is one of the two provinces in Canada that we pay just a little below 50 per cent; I think we pay 48 per cent of the medicare costs. It is because that province, as one of its priorities, added a major element to its expenditures when it decided a few years ago to build beautiful new hospitals in almost every small town. They are now faced with a very heavy added, ongoing cost to their health systems. I was reading the Alberta budget yesterday or the day before. This year health in Alberta will receive 10 per cent more from the provincial government. I am giving something like 10 per cent more myself to the provincial government of Alberta this year in federal payments.

• (1200)

Technology alone is only one of the heavy components. Everyone wants to use high-tech and get the best and latest gadgets, often for reasons of prestige locally. If the provinces are interested, one thing which could be introduced is a small, independent national institute which would be absolutely independent of government. It would be publicly funded, of course. It would be autonomous and would assess all new technologies, which often come from the United States, Japan and West Germany. It would give confidential, detailed reports to each provincial health minister to equip them with enough good arguments in order that they could resist temptations and pressures. That is one way of getting at it.

Mr. Blaikie: Mr. Speaker, I have a quick question for the Minister. It relates to something which many times I wanted to bring up in committee. I had even considered whether an amendment in this direction might have been in order. It has to do with the Territories. Could we get an assurance from the Minister that, upon passage of this Act, action will be taken by her to ensure that there is no extra billing or user fees in the Yukon or the Northwest Territories? These are areas of the country over which she has a great deal more influence than she has, for instance, in the provinces. The Act ensures that if certain things continue they will have consequences for provincial governments. Could we have an assurance from the Minister that she intends some action with regard to the Yukon in particular, where I believe user fees have existed in hospitals?

Miss Bégin: Mr. Speaker, I wish my officials had signalled to me when I asked them for the detailed answer on the Northwest Territories and the Yukon. I will give them a pair of glasses for the next time!

I do not have the answer. I know why the Member asked the question. It is because of the federal privilege linked to the Territories. Of course, we will not permit in the Territories what is not permitted in the rest of Canada. To my knowledge there is no extra billing or user fees in the Northwest Territories. As to the Yukon, I must say I do not recall the situation at this particular moment, but I believe it has been abolished.

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, the Canada Health Act is now back in the House for final reading. As I have throughout this debate, I listened to the Minister today with great attention. One of the new

proposals she put forward was for a national health conference to continue the debate which I think has been well dealt with in committee. She did not ask us for any specific proposals today with regard to the health conference. I might suggest to her some dates for the conference. Perhaps the dates June 14 to 17 would be a time when she would consider holding such a conference. She might think that would be a better debate to take place than some of the other things that might be going on at that time.

As the House and those of us who have been following this debate will be aware, the Progressive Conservative Party has supported this Bill. It supported it at second reading when we were debating it in principle and has supported it at committee stage. But Mr. Speaker, I do not want the House to come to the conclusion that because the Progressive Conservative Party has lent its support that means that we are totally satisfied with this Bill. Throughout the debate we have said that we consider it to be too narrow, too restrictive, and that it really does not come to grips with the basic issue of how to provide for a more effective and efficient health care system in the country or how such a system could be adequately funded. Those things were not dealt with in this Bill. In some ways, as has been said so often in this debate, even the title of the Bill itself is a misnomer.

Our criticisms throughout were aimed at improving the Bill. We tried to do that conscientiously. We did not do it by trying to obstruct or hold up the workings of the Bill in committee. Throughout committee sessions and at report stage of the Bill we put forward amendments which we believed would improve the Bill. Some of them were accepted, at least in concept, and others, I regret to say, were turned down. Nevertheless, we did work as responsible committee members to try to make the Bill more acceptable to the groups who were intimately concerned with it. As we did this we always kept in mind the health care needs of the Canadian public.

In this regard, Mr. Speaker, I would like to pay particular tribute to the work done by the Hon. Member for Provencher (Mr. Epp), the health critic for the Progressive Conservative Party. Because of a long-standing commitment in Manitoba today he is unable to be here. When he left last night he was not aware that the health care Bill would be up for debate today. He has been diligent and untiring in his efforts not only to improve the Bill, but also to contact and discuss it with the various groups concerned—the Canadian Medical Association, the Canadian Hospitals Association, the Canadian Nurses' Association and the provincial health ministers. He met and discussed with all those who had a particular interest in the Bill in order to reduce the controversy which has swirled around it.

I would also like to commend my colleague from Oxford (Mr. Halliday), another full-time member of the committee. He also is unavoidably absent today. However, he has single-mindedly devoted his time and attention to this Bill over the last several months.

Upon its initiation in 1966 medicare was acclaimed as one of the greatest triumphs of our political system. It remains so to this day. My colleague from Provencher put it very eloquently at second reading when he said:

> Medicare is more than medicine and economics. Medicare is a service for individual Canadians and one of the critical bonds of Canadian federalism. Without it, we would suffer both as individuals and as a country.

Those were the remarks made by our Party's critic on health and welfare at second reading of the Bill when we approved that Bill in principle. We did so, Mr. Speaker, in part at second reading stage because of the objectives and purpose of the legislation as spelled out in Clauses 3 and 4. We thought the objectives and the purpose of the Bill were its very heart and core. You can imagine our surprise and astonishment, Sir, and indeed the surprise and astonishment of the many witnesses who had appeared before the committee, when, after all the witnesses had been heard, the Minister moved to change substantially these key clauses with little or no explanation to this date.

I would like to cite the policy objectives which were removed from the original Bill to show the way in which the purpose of the Bill was narrowed when the Minister belatedly changed her mind and brought forward these amendments. I will state what was in the original Bill and what was removed. She deleted from Clause 3 these objectives:

● (1210)

> It is hereby declared that Canadian health care policy should be designed and administered (a) to encourage effective allocation of the nation's health resources; (b) to facilitate the provision of adequate health services throughout Canada—

From Clause 4, the purpose of the Bill, she removed this paragraph:

> The purpose of this Act is to advance the objectives of Canadian health care policy while recognizing the primary responsibility of the provinces for the provision of health care services—

Those were critical statements, objectives and purposes which were removed from the Bill before us today. In that respect, it makes it a lesser Bill than it was at the beginning. Many witnesses with whom I spoke after those amendments were introduced and pushed through by the majority of Government Members of the committee felt that they had been duped, that they had been misled. They appeared before the committee on the basis on which the Bill had been presented to them in which the objectives and the purposes had been spelled out clearly. They provided their testimony on those criteria, not on the radically altered criteria that appear in the Bill today. We argued this at committee stage. I want to point out once again that I think that the changes that have been made in Clauses 3 and 4 by the Minister diminish the Bill.

I wish to turn my attention for a few minutes to two amendments which, after lengthy argument and debate, were accepted by the Government. At least the concept was accepted. The first deals with the question of guaranteeing medical practitioners a reasonable payment for their services. As Mr. Justice Hall pointed out to the committee, the elimination of extra billing should require that a mechanism be put in place that would guarantee, or at least allow for, a fair and equitable level of compensation for medical practitioners. When Mr.

Justice Hall appeared before the committee, he said on February 14, at page 510 of the committee hearings:

> Accepting that physicians have a right to be fairly and adequately compensated can be stated this way, no more, no less, and the state has a right to be concerned with the problem.

Not only because of his testimony but because we as members of the committee and as an Opposition Party felt there should be fairness and equity in the system if extra billing was to be eliminated, as it is in this Bill, we proposed, and the Minister referred to this this morning, that Clause 12 be amended to add a new section. That proposal was put forward by my colleague for Provencher. He said that the new Bill—

> —must provide for reasonable compensation for insured health services rendered by medical practitioners and dentists by the enactment of a law providing for negotiation of compensation with the provincial organization representing a majority of the practising physicians in the province and for the settlement of disputes by conciliation on binding arbitration at the option of the medical profession's organization by a panel.

This panel was to represent both medical professionals and the Government to ensure that all parties were equally treated. We thought that would be a proper mechanism to be built into the legislation. I quoted the amendment at length. I did so because I wanted to ensure that I made a specific point. While the Government did not accept our amendment, feeling that perhaps it was too strong and had gone too far, nevertheless it did force the Government to agree to the concept that we were advocating.

Later, government members introduced a watered-down version of that amendment. That was no small achievement in itself. It was not what we thought would be adequate, but it at least introduced the concept of fair and adequate compensation. We tried to strengthen that at report stage. While it was not all we wanted, it has gone some way to meeting the concerns that we, members of the medical profession and I believe the public at large feel, realizing that this system has to have measures of equity and fairness built in.

Similarly with the second amendment. We listened to many representations, notably that of the Canadian Nurses' Association who argued so eloquently and presented their case so strongly that the definition of those who provide health care services in this country should be broadened to include those other than doctors and dentists. That was a very great concept to put forward. It meant that doctors and dentists would no longer be the sole point of entry into the health care system, thereby permitting the future reorientation of the system from one of illness treatment to one of illness prevention and non-hospital care. Without a doubt, that is one of the major changes that has been made to this bill.

If I may be permitted to refer to the original amendment that was put forward in committee by myself, our version stated as follows:

> Health care practitioner means a person lawfully entitled to practise a health care profession in the place in which the practice is carried on by that person.

It would have done more to reorient our health care system to a "wellness" concept than an "illness" concept. Even though the Government did not accept it in its entirety, it did accept the concept. That has been a major step forward in the system of health care delivery in this country.

I would like at this point to bring to the attention of the Minister a concern that has been raised with me since the Bill came out of committee. It is one which had not been dealt with in committee and which is now causing some concern. I may be wrong in my interpretation of the rules, but before debate ends at third reading, the Minister has the option of closing off the debate with a few words. If she does that, I would urge her to address the concern that I raise. It is something the committee did not deal with and it may be that there was a minor oversight that should be addressed.

I speak of the funding of research in teaching hospitals and the adverse effects that this new Bill may have upon that funding. This point was raised in a letter that was sent to the Minister, a copy of which was forwarded to me by Dr. Lawrence Wilson, Dean of the Faculty of Medicine, Queens University. He wrote to the Minister in this regard. He said:

> In examining the possible consequences of passage of the Canada Health Act, I am concerned about one of the provisions of the Hospital Insurance and Diagnostic Services Act which will be repealed. The regulations under the latter act clearly set out that the indirect cost of research in hospitals was an "allowable" cost under the Hospital Insurance Plan.
>
> If the Act is repealed and no reference is made to such costs, we can expect a further reduction of funding of our teaching hospitals. And this would occur in a climate where significant under-funding already takes place. This in turn will have a most discouragingly negative effect on the research potential of Canadian medical schools.

● (1220)

Dr. Wilson brought that to the attention of the Minister and myself and he describes the situation most clearly. It may be that the committee failed to come to grips with that particular concern and, if so, I would hope that the Minister and her officials would look into the matter and see whether or not the point that Dr. Wilson raises is a valid one and whether or not the regulations in the former Act have in fact been transferred to the new Bill so that that issue will be covered. After all, medicare involves the quality of medical service and not simply its cost. It is that quality that is tied up with research and the funding to research in medical schools.

There is one area, however, in which the quality of medical service and its costs are inextricably linked. I refer to the question I raised earlier, which is the reform of our health care system from one of acute hospital care to one of preventive and, to a lesser degree, non-hospital care. That no doubt was an issue that was addressed by almost every witness who came before the committee.

As I indicated earlier, the use of the term "health care practitioner" and not just that of "medical practitioner" opened the door to such a reform. I must say, however, that that opening is little more than a crack which will be of small use if no further action is taken by other governments.

Dr. Helen Glass, the President of the Canadian Nurses' Association, wrote to me the other day after the Bill had come out of committee. Her letter included this statement:

> In our view, this change—

She means the inclusion of the term "health care practitioner".

—allows for a better, more appropriate use of all health care practitioners in the delivery of health services which can better meet the health care needs of Canadians. While it is not all we had hoped for, it will open the window to the future, in assisting all those involved with health care delivery to begin the process of matching health care needs to insured services which must be available to the Canadian public.

That statement was made by the National President of the Canadian Nurses' Association in response to the changes that were made in committee. That association welcomes those changes but, as I said, it thinks it is only a small step forward and there is a great deal yet to be done.

One obvious question arises from the statements of Dr. Glass and from the statements of others we heard from in committee regarding this very issue. Why is such a reform necessary? Why should we move from the situation that prevails at the present time where the front line of medical care lies with medical practitioners and the hospitals? Why should we move the front line from that very critical area of care into the communities and into a preventive health care system? Why should that come about? What possible advantages could result from that?

Well, Sir, I believe that the answer to this question is two-fold. First, by reducing the emphasis on acute hospital care, there would be a much greater incentive and willingness to treat the sick and the elderly in their own homes, in community clinics or in places where they cannot now receive front line treatment. Such a move, I think, would greatly reduce the trauma and the emotional upheaval that is so often associated with entering hospitals. As well, it would begin to make us as a society much more conscious of the need to begin to take care of our own health rather than always leaving it in the hands of someone else. There is a responsibility upon us as Canadians to begin to say to ourselves that we have a need to take care of our own health. We need to know the ways in which we can take care of our own health and not always leave it up to someone to take care of us when we become ill. I think that is the direction in which the reform of the whole health care system can be moved.

Just as important as that is the fact that over the long term, and I emphasize the long term, by concentrating a great deal more than we do at the present time on preventive and outpatient care, we could greatly reduce the staggering financial burden which our health care services impose upon society. If we could begin to move these health care services into the community, it could eventually begin to reduce the tremendously high-cost services that are now delivered in hospitals by medical practitioners. I would think, Sir, that that would be a facet of the situation which we would want to take into consideration. However, I say that knowing that it will not happen overnight and that, indeed, the paradox of it might be that in the short term it might have to cost more. I am not going to hide from that particular fact. We know that it would require additional new funds to reform the system. In close co-operation with the provinces, the federal Government would have to pay its share for an expanded number of insured services as well as perhaps some of the capital costs involved with new buildings, new equipment and support services. However, if we are to truly rationalize our health care system in the country, I believe this move to be essential.

If this matter is so important, and I believe it is, one could rightly ask why the committee did not deal with it. The problem comes back to this Bill. This Bill does not really allow us to deal with that most fundamental question. It deals with the adequate funding of the health care system, the expenditure of additional funds and the changing expenditure of additional funds, but that can only be introduced by the Government after very meaningful consultation with the provinces. It could not be introduced by opposition members in committee. Opposition members could not bring forward the expenditure or reallocation of moneys now in the system because we are not permitted under the rules of Parliament to do so. Nevertheless, Sir, on many occasions we indicated that we do not believe that the funding is as efficiently carried out as it should be at the present time. Indeed, the committee was powerless to act in this regard but I think it has spoken up and raised enough concerns about it that we know that that is the way we will have to proceed in the future.

We on this side of the House will continue to work toward what we consider to be real health care reform. We do not believe this Bill really comes to grips with what we call meaningful health care reform. We will continue to work toward that goal. We were successful, we believe, in improving Bill C-3 in some regards but the changes, though minor, were a step in the right direction. The hearings of the committee, however, proved to all of us that there is much work that remains to be done. The challenge to us is self-evident. All that is required is the courage to get on with it.

In closing, therefore, I would like to reaffirm my Party's support for this Bill. I would also reaffirm, Sir, the support of this Party for the larger question of improving the entire field of health care services in the country.

• (1230)

[*Translation*]

Miss Bégin: Mr. Speaker, thank you for allowing me to put a question to the Hon. Member for Kingston and the Islands (Miss MacDonald).

[*English*]

Some parts of the Hon. Member's speech I could debate but really, we agree to disagree. I wonder if she would be kind enough to contact Dr. Lawrence Wilson, the Dean of Medicine at Queen's University? I do not have the right to speak in any other final way at third reading; that is only permitted on second reading.

The problem of research in hospitals in that for 18 years, subject to federal-provincial negotiations and agreements, some of the overhead cost of research in hospitals was cost-shared on a 50-50 basis. All the cost-sharing agreements disappeared when block funding came into effect about seven years ago. The overhead cost of research that was included in

cost-sharing was built into the new financial base and is therefore in the block funding grants, but it is no longer attributable to any particular hospital. The province gets the money.

Of course, the MRC and the NHRDP programs continue their medical research funding. The problem is that since block funding, Dr. Wilson or any other medical researcher, can no longer put their overhead under special cost-sharing but it is included in what we pay to the provinces. I do not know how it is passed on.

Miss MacDonald: Mr. Speaker, I am not sure that the rules permit the Minister and myself to get into a dialogue at this point. I appreciate the way she has posed the question, asking me to get in touch with Dr. Wilson. This is a complicated issue and I have raised it so that the Minister and her officials will look at it.

I appreciate the way she has posed her question and also the information she supplied but perhaps the Minister could respond to Dr. Wilson's letter and be good enough to send me a copy of her reply.

Mr. Blaikie: Mr. Speaker, I have a question for the Hon. Member for Kingston and the Islands (Miss MacDonald). She will be aware of this last-minute flurry of concern on the part of the provincial health ministers which was referred to earlier by the Hon. Member for Calgary West (Mr. Hawkes). Their eleventh-hour concern has a lot to do with the amendment on binding arbitration and the relationship between provincial government and doctors set out in Clause 12 of the Bill.

I wonder if the Hon. Member could undertake to speak to those of her Progressive Conservative colleagues who are Ministers of Health in most of the provinces and tell them, as I have endeavoured to do with the Minister of Health who is of this Party, that the clause is not what they think it is; it is not binding. In fact, that is the complaint that the Hon. Member and the Hon. Member for Oxford (Mr. Halliday) had. Indeed, the Hon. Member for Oxford moved an amendment which, if accepted, would have made the clause binding. I should like to ask the Hon. Member if she would be willing to get the message across—perhaps she has already endeavoured to do so—that this is not what it appears to be; it is not binding.

I hope we will not find ourselves in the position that I had an inkling of from the remarks of the Hon. Member for Calgary West and other members of the Progressive Conservative Party that they might be calling for the Minister to meet with the provincial health ministers over a concern that the Conservatives feel is not there in the Bill.

Miss MacDonald: Mr. Speaker, I can say that I have been in touch with certain ministers. The Hon. Member will know of my close association with the Minister of Health in the Province of Ontario. Representing the same constituency, as we do, we have had an opportunity to discuss this. I have attempted to bring to this clause the clarification that the Hon. Member has outlined. Prior to introducing the motion that we did, which, as has been pointed out, was a much stronger motion with regard to mechanism that would have introduced a fair and reasonable compensation for the medical profession, we had conveyed it to the health ministers. They knew our intentions.

Mr. Blaikie: Mr. Speaker, it is not often one gets a chance to question Conservatives so one must take every opportunity that is presented.

The Hon. Member for Kingston and the Islands raised the question of funding and said that we were not able to do some of the things she wanted done, that I wanted done, that other members of the committee and witnesses before the committee wanted done, because there was not a willingness on the part of the Government to reopen the question of federal funding or a political willingness to provide more federal funding.

Having that in mind and the commitment made by her Leader this summer that a future Progressive Conservative Government would provide more federal funding for medicare, could I ask the Hon. Member if the commitment stands? Would a Progressive Conservative Government provide more federal money for health care and would it be willing to renegotiate—

Mr. Deputy Speaker: Order. I should remind the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) that comments and questions must relate to remarks made by the previous speaker.

Mr. Blaikie: They do.

Mr. Deputy Speaker: I may have missed the point. The Hon. Member for Kingston and the Islands (Miss MacDonald) will reply.

Miss MacDonald: Mr. Speaker, I would reinforce the commitment made last year by my Leader with regard to funding of the health care system in this country. He said what he would do—the additional funds he would want to see put into the system. I would ask the Hon. Member to go back to Manitoba and urge the good folk of Manitoba to vote Conservative in the next election. That way they will be sure of getting better health care services in this country.

Mr. Blaikie: Mr. Speaker, I should like to indicate that there are many other ways for the people of Manitoba to accomplish the same end with a happier political effect.

Mr. Deputy Speaker: Debate. The Hon. Member for Winnipeg-Birds Hill.

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, this is one of those rare opportunities one is presented with in political life, and I hope there are more, when one has been able to follow a political issue through what we might call a chapter in history—in this case of medicare. I believe that chapter began in 1977. What we are seeing now is an effort on the part of the federal Government to shore up and correct some of the consequences of the mistake it made in 1977 when it went to

block funding and gave up some of the control and influence it had over medicare prior to that time.

I say it corrects some of the consequences, not all of them. The federal Government also needs to be willing to reopen the federal-provincial relationship. I have had much to say about that all along and I still believe it to be the case. Nevertheless, we are coming to the end of a chapter in the history of medicare which I am particularly pleased to have been a part of, having called on the Minister many times in the four years in which I have been the New Democratic Party health critic to do something about extra billing and user fees, to bring in some legislation. I remember commenting on the recommendations of Mr. Justice Emmett Hall in September, 1980. I was a member of the task force on federal-provincial arrangements in 1981, which called for many of the things we now see before us in the Canada Health Act, particularly the increased flexibility on the part of the federal Government to respond to violations of the principles of Medicare by the provinces by being able gradually to withhold moneys from those provinces. That was one of the key recommendations of the task force. One does not always have the satisfaction of being able to point to things which one had an opportunity to recommend, along with other Hon. Members of Parliament, and to see them come into force.

• (1240)

Mr. Deputy Speaker: With the indulgence of the Hon. Member, may I be allowed to interrupt his remarks briefly so I may convey a message to the House?

* * *

THE ROYAL ASSENT

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

Government House
Ottawa

March 29, 1984

Sir,

I have the honour to inform you that the Honourable Roland A. Ritchie, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 29th of March, 1984, a 12.45 p.m., for the purpose of giving Royal Assent to certain Bills.

I have the honour to be
Sir,
Your obedient servant,
Edmond Joly de Lotbinière,
Administrative Secretary
to the Governor General

CANADA HEALTH ACT

MEASURE TO ESTABLISH

The House resumed consideration of the motion of Miss Bégin that Bill C-3, an Act relating to cash contributions by Canada in respect of insured health services provided under provincial health care insurance plans and amounts payable by Canada in respect of extended health care services and to amend and repeal certain Acts in consequence thereof, be read the third time and do pass.

Mr. Bill Blaikie (Winnipeg-Birds Hill): Could I have some clarification, Mr. Speaker? Does that announcement mean that in a few minutes we are all going to rise and go to the Senate and watch a little lawn bowling and then come back? I would like the people who might be watching, Mr. Speaker, to know exactly what is going on and why things are being interrupted in this particular way.

As I was saying, we are at the end of a particular chapter in the history of medicare. The history and the future of medicare is something which we in the New Democratic Party take particularly seriously, having been instrumental from the beginning in seeing it pioneered in Saskatchewan. The first time hospitalization insurance was introduced was in Saskatchewan in 1948. The first time medicare happened was in Saskatchewan in 1962. Recently, we have had a part to play all along in the development of medicare, from warning the Government in 1977 about the consequences of block funding to our opposition to the unilateral federal cutbacks in 1982, and to our participation over the last few years in calling on the Government to do something about extra billing and user fees.

I am, therefore, proud to stand here, Mr. Speaker, I hope very much in the tradition of people like Tommy Douglas, Stanley Knowles, Woodrow Lloyd, and others who have had so much to contribute to the development of medicare in this country. I hope that what is accomplished here today, and in subsequent days through the third reading and passage of this Bill, will come to be seen as a significant development in the history of medicare. But history will have to judge that. We cannot because the jury is still out. There is still no verdict as to whether this Bill will have the effect which the Minister, and I imagine all Hon. Members, hope it will; that is, the elimination of extra billing and user fees.

Why is the Bill so important, Mr. Speaker, despite its flaws? It is important, Mr. Speaker, because of the consensus it represents. I am very grateful and delighted that the unanimous support for the Bill has held through committee and despite whatever pressures there may have been on other Parties in this House to be more critical of the Bill. I am very happy that the consensus against extra billing and user fees has held, and it shows every sign of holding until the day very soon from now when we can all rise in our place and vote for this Bill. There is a chance now, Mr. Speaker, that the—

Here they come, Mr. Speaker; they are calling on us to go to the Senate. All the more reason to abolish them, Mr. Speaker, because they are interrupting our business in this way.

THE ROYAL ASSENT

[*Translation*]

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

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

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

• (1250)

And being returned:

[*English*]

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

Bill C-27, An Act for granting to the Majesty certain sums of money for the Government of Canada for the financial year ending the 31st March, 1984—Chapter No. 3;

Bill C-28, An Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending the 31st March, 1985—Chapter No. 4.

Mr. Blaikie: Mr. Speaker, it is always refreshing to be back in the House of Commons after a trip down the way to the museum at the other end of the building. I wonder if I might—

Mr. Speaker: With all due respect to the Hon. Member, the practices of this House are such that references to the other place are not made with disrespect. I am sure the Hon. Member would wish to observe the traditions and practices of this House.

Mr. Blaikie: Mr. Speaker, it is always nice to be in the House of Commons after having been to the other place. I was wondering if we could not agree to call it one o'clock?

Mr. Speaker: Is that agreed?

Some Hon. Members: Agreed.

Mr. Speaker: It being one o'clock, I do now leave the chair until two o'clock later this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

S.O. 21

STATEMENTS PURSUANT TO S.O. 21

[*English*]

VOLUNTARY ORGANIZATIONS

TAX CREDITS AND ALLOWABLE POLITICAL ACTIVITY

Mr. Walter McLean (Waterloo): Mr. Speaker, in November of 1974, the then Secretary of State, the Hon. Hugh Faulkner, told the first Conference of National Voluntary Organizations that he was creating a national advisory council on voluntarism. Four areas were identified for investigation and recommendation for government action. First in importance was the need to modernize the definition of "allowable charitable advocacy", that is, to permit government support to groups that oppose its policies or urge other action.

Now, ten years later and six Secretaries of State later, the Government is promising a task force but no incentives to encourage Canadian voluntary groups.

Beginning this Sunday, April 1, the National Voluntary Organizations, representing the 125 largest national agencies, will meet in Ottawa for "Consultation 84". Conscious of the pending general election, the delegates will develop strategies around the question: "What kind of Canada do we want for 2001?"

Mindful of a decade of broken Liberal promises, Canada's NVOs continue to ask for government action in two priority areas: first, the implementation of the give and take 50 per cent charitable tax credit; and, second, an agreement on the definition of allowable political activity by charities.

* * *

[*Translation*]

AIR TRANSPORT

SERVICES IN EASTERN QUEBEC

Mr. André Maltais (Manicouagan): Mr. Speaker, eastern Quebec is very discouraged about the whole issue of air transportation. When I say eastern Quebec, I mean the North Shore, of course, and the Gaspé.

Mr. Speaker, Quebecair has shown its contempt for the people of these regions by completely changing its schedules and the kind of aircraft it is using to carry passengers, and it has done so without consulting with the communities concerned, I am referring to the Madgalen Islands, the Gaspé, the North Shore and Quebec's northernmost regions.

I therefore ask that the Canadian Transport Commission consult as soon as possible with the people concerned, with a view to providing safe and efficient air transportation that will be available to all users in these regions.

On the North Shore and in the Gaspé, air transportation is an essential service for the travelling public, and I think it is absolutely vital that the Canadian Transport Commission rule

on the issue once and for all. Mr. Speaker, I would also ask that Air Canada, from now on, use its licence to cover the route Sept-Îles-Quebec City-Montreal, and Montreal-Quebec City-Sept-Îles, in order to compete with the existing service, because at the present time, both the North Shore and the South Shore have no choice but to fly Quebecair, and it is impossible to get decent service.

Even if the region is experiencing economic problems, it is not right that two companies that are financed by Quebec taxpayers should keep these people in a state of deprivation as far as air services are concerned and for such a long time.

* * *

[*English*]

LABOUR CONDITIONS

YOUTH UNEMPLOYMENT

Mr. Gerry St. Germain (Mission-Port Moody): Mr. Speaker, generations have been lost in wars, generations have been lost in economic depressions. Another generation is adrift in the chaos of Liberal economic mismanagement.

Our youth today are victimized, jobless, and untrained. They are dropped like loose change as they wait to inherit the bill for this Government's reckless, unchecked credit card approach to financial management.

The Government's legacy to our youth is the national debt that has provided them with neither training nor employment. The bloated deficit spews forth higher interest rates, crushing the hopes of our youth.

Under the pressure of sliding self worth and despair, too many are collapsing into crime, alcoholism, drugs, prostitution, and suicide. The 15 to 24 age group has the largest incidence of suicide of any group. That is the highest price imaginable for man or woman to pay.

Let us remember this stark horror when we think about the Liberal slush funds that cheat the unemployed and patronize the friends of the Liberals.

As the dishonesty of the last Budget becomes more vivid every day, there is nothing forthcoming from the Government to deal with youth unemployment, the national catastrophe, the horror story of this century. It does not have to be this way. With a decent Government, the youth of this country can realize their dreams.

* * *

CANADIAN ARMED FORCES

SIXTIETH ANNIVERSARY OF FOUNDING OF ROYAL CANADIAN AIR FORCE

Mr. Stanley Hudecki (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, I rise today to express my concern that an outstanding event in our national history might pass without due recognition in the House. I refer to the sixtieth anniversary of the founding of the Royal Canadian Air Force.

From its inception on April 1, 1924, and throughout its 44-year history, the RCAF earned a reputation for dedication and excellence that placed it second to no other air force in the world. The preservation of peace was the RCAF's most important task, and its successes in this regard are now well chronicled for history. Also important were the contributions made by the RCAF in the exploration and development of our vast country, the provision of personnel and equipment for civil and humanitarian assistance, and the building of strong citizens and leaders for our communities.

Many Canadians, civil as well as military, contributed to the success of the RCAF. Their sense of vision, high ideals and standards, and their traditions are carried on today in the air element of the Canadian Forces. I am certain that I can speak for all Canadians when I express pride in our great Canadian air heritage, and congratulate all those associated with the Royal Canadian Air Force and, more recently, the Canadian Forces.

* * *

MULTICULTURALISM

EQUALITY NOW REPORT RECOMMENDATIONS—NEW DEMOCRATIC PARTY SUPPORT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, it is unusual for Party Leaders to participate in this time period which is normally used by other Members of the House, but I do so today because of the great importance of the subject matter. I refer to the report by an all-Party committee of the House entitled *Equality Now*. It is a report that concerns the multicultural nature of our country.

We in our Party believe that multiculturalism should become a day-to-day reality in every aspect of Canadian life and not merely a token gesture that occurs from time to time in the political bodies of this land. The NDP has previously committed itself to many of the key recommendations of this report and, in particular, I want to underline five of them which we think should be acted upon immediately by the Government of the day. These include: first, the creation of a full fledged Department of Multiculturalism with its own Deputy Minister; second, the establishment of a permanent Standing Committee on Multiculturalism in the House of Commons; third, affirmative action programs for the visible minorities in the Public Service; fourth, the establishment of CRTC guidelines to prevent stereotypical and inadequate portrayal of visible minorities in the media.

Mr. Speaker: I hesitate to interrupt the Hon. Member, but the time normally allotted has expired. Is there unanimous consent for the Hon. Member to continue?

Some Hon. Members: No.

Mr. Broadbent: I urge the House to adopt the recommendations.

* * *

INCOME TAX ACT

EXTENSION OF TUITION EXPENSE DEDUCTIONS SOUGHT FOR PARENTS OF UNEMPLOYED YOUTH

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, my colleague, the Hon. Member for Mission-Port Moody (Mr. St. Germain), has just underlined the devastation that is facing a generation of our youth, the age group between 15 and 24 who are largely unemployed and the most hardest hit sector of our unemployed population. For many of them this is a time of disorientation, discouragement and, in fact, a total waste of time. Yet this would be an excellent time for them to spend their time in educational institutions, a time at which they could prepare for the coming technological age, not only for jobs but also for leisure time. At the same time it is a time when they are broke and they cannot afford that kind of expense to pay the tuition.

• (1410)

For many of them their parents would be willing to pay the tuition fees even if the children are of the age of majority if they could use that expense as a tax deductible item. I would urge the Minister of Finance (Mr. Lalonde) to look at the plight of these unemployed, encourage them to go to school, allow the parents to deduct the tuition expense as a tax deductible item in order that the young people could prepare themselves for the coming technological age, and also in order to use that time for better use as leisure time.

* * *

EMPLOYMENT

LACK OF OPPORTUNITIES IN RURAL AREAS

Mr. Arnold Malone (Crowfoot): Mr. Speaker, some federal constituencies received a total of $3 million of support funding from Canada Works and "LEAD" Programs this year. In my constituency, Crowfoot, only the bare minimum of $100,000 was allocated.

The vast majority of government assistance programs are based on data collected by Statistics Canada with respect to rates of unemployment. Government officials and policy makers argue that a high rate of unemployment is the single legitimate reason for infusion of government incentives. This mentality, at first blush, seems logical, but in reality is robbing vast regions of rural Canada of opportunities for growth. There has not been a smoke stack in my constituency since Chief Crowfoot's teepee caught on fire some time in the last century.

So ingrained is the belief in many parts of rural Canada that the surrounding hamlets, villages, and towns have no industries and, therefore no jobs, that any student who is worth a pinch of coon's breath, automatically and deliberately leaves for a larger centre as soon as he or she exits high school. Rural communities export their unemployed.

There are, of course, fewer unemployed persons in rural Canada. It does not follow in logic that we can then conclude that employment opportunities are plentiful.

It is high time that we look beyond the mirrored veil that has led Governments to false conclusions about why unemployment exists.

Rural Canada is forced to export the unemployed. Most of the unemployed from my constituency are on lists in Lethbridge, Calgary, Red Deer, or Edmonton.

Mr. Speaker: I must interrupt the Hon. Member to advise him that his time has expired.

* * *

HOUSE OF COMMONS

PRINCIPAL BUDGETS OF MEMBERS OF PARLIAMENT

Mr. Bill Blaikie (Winnipeg-Birds Hill): I rise today, Mr. Speaker, on behalf of the entire NDP caucus to denounce the March 22 announcement by the Commissioners of Internal Economy that the principal budgets of MPs would be increased by a mere 4 per cent.

This decision by a group of Liberal cabinet Ministers flies in the face of the recommendations of an all-Party committee that the principal budgets of Members should be increased substantially to allow Members to give their assistants just and equitable pay increases and bring staff salaries in line with those of other House of Commons employees.

The NDP caucus cannot accept the injustice inherent in the decision of the Commissioners of Internal Economy. All Members of this House know that their assistants work long hours with no extra compensation, have little or no job security, and now they have been condemned to remain second class employees in relation to other House of Commons staff.

This is an issue that transcends party lines and I, on behalf of the entire NDP caucus, urge all Members of Parliament to voice their indignation and outrage at the arrogant and grossly unfair decision of the Commissioners of Internal Economy.

ORAL QUESTION PERIOD

[*English*]

NATIONAL REVENUE

REASSIGNMENT OF DEPUTY MINISTER

Mr. Chris Speyer (Cambridge): Mr. Speaker, my question is for the Minister of National Revenue. On February 24 the

Minister had seven occasions on which he could have given a vote of confidence to his Deputy Minister. He refused to do so. This morning, in a formal way, the axe fell on Bruce MacDonald. Clearly he is the scapegoat. He is the one to carry the can.

I ask the Minister two questions. First, will the Minister please clearly state the reasons why Mr. MacDonald was dumped? Second, what responsibility does the Minister assign to himself for the tremendous chaos that exists within Revenue Canada? What responsibility does the Minister assign to himself for the maltreatment and the maladministration of his Department?

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I first want to correct the Hon. Member's question. The Deputy Minister of National Revenue was not fired.

An Hon. Member: He escaped.

Some Hon. Members: Oh, oh!

Mr. Bussières: He was reassigned to other responsibilities in the Privy Council Office.

Second, I want to tell the Hon. Member that I want to continue with my work with the officials of the Department—

Mr. Crosbie: What work?

Mr. Bussières: —in order to serve the Canadian taxpayers.

Some Hon. Members: Hear, hear!

Mr. Crosbie: Feeble applause.

Mr. Speyer: Mr. Speaker, Mr. MacDonald is being used as a sacrificial lamb. He is the one the Liberals have assigned to carry the can for the irresponsibility of the Minister.

Some Hon. Members: Hear, hear!

MINISTER'S POSITION

Mr. Chris Speyer (Cambridge): Mr. Speaker, does the Minister of National Revenue have any intention whatsoever, because ministerial responsibility is assigned to him, of tendering his resignation?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker—

Some Hon. Members: Oh, oh!

Some Hon. Members: Hey, hey!

Mr. Trudeau: I am glad on this side we have a Leader that the other side can say "Ho, ho, hey!" at. But when does their Leader show up?

Some Hon. Members: Never.

Mr. Trudeau: Never.

Some Hon. Members: Hear, hear!

Mr. Nielsen: He asked you a question yesterday.

Mr. Crosbie: Try to be relevant.

Mr. Trudeau: I would want to answer that question very simply, Mr. Speaker. If the Minister had any idea of retiring, I would have dissuaded him and refused his resignation.

Some Hon. Members: Hear, hear!

Mr. Speyer: It is very interesting to me, Mr. Speaker, seeing a lame duck Prime Minister defending the indefensible.

Some Hon. Members: Hear, hear!

FARLINGER STUDY

Mr. Chris Speyer (Cambridge): Mr. Speaker, I have another question for the Minister of National Revenue. Over two months ago Mr. Farlinger was assigned the task of looking into the administration of Revenue Canada. He was to report to the Minister on an interim basis on what he found.

Has the Minister talked to Mr. Farlinger? Has he talked about the administration of the day-to-day activities of Mr. MacDonald? Was any weight placed on Mr. Farlinger's representations in the reassignment of the Deputy Minister?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have to make it clear that the Hon. Member does not know what he is talking about. Deputy Ministers are not reassigned by Ministers. Deputy Ministers are appointed on the recommendation of the Prime Minister, not of the Minister.

Some Hon. Members: Hear, hear!

SUGGESTED APPOINTMENT OF OMBUDSMAN

Mr. John McDermid (Brampton-Georgetown): Mr. Speaker, my question is also addressed to the Minister of National Revenue. The Minister appointed Mr. Farlinger to investigate the Department. The Prime Minister fired the Deputy Minister as he just stated. The Department is now putting cute little ads in the paper to try to appear to be helpful. It is the first time the Department has done so in six years.

Mr. Nielsen: At a cost of $300,000.

Mr. McDermid: The Minister is saying that Members should contact district offices to solve the problems. Then, lo and behold, last weekend the Minister went out to Vancouver, admitted he could not solve the problems of his Department, and suggested that the Government appoint an ombudsman to solve the problems of the Department. Don't you think that is enough evidence to demand the Minister's resignation?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Hon. Member stated something which is false in his question, that Mr. MacDonald had been fired. He has not been fired, Mr. Speaker.

Mr. Crosbie: Dispensed with, emasculated, removed.

Mr. Fraser: Wasted.

Mr. Trudeau: If I did not have extreme confidence in the competence of Mr. MacDonald, first, he would not have stayed in his Department for six years and eight months, because that is way above the average, that is way above the three to five years that have been recommended by the Lambert Commission as a normal assignment time. Therefore, I kept Mr. MacDonald there because I believed, and I still believe, that he was doing a good job. I also believe that Mr. Farlinger's report will show that he was doing a good job. He was reassigned. He was not fired.

Second, he was reassigned to the Privy Council Office, and that is not a place where we take incompetents. That is a place where we take people who can do a job.

Some Hon. Members: Hear, hear!

• (1420)

MINISTERIAL RESPONSIBILITY

Mr. John McDermid (Brampton-Georgetown): It is interesting to note that the Deputy Minister has been there for six years, but after six months of heat he is soon moved out of there and hidden somewhere in the back of the Privy Council Office where no one will see or hear from him again.

Does the Minister accept any responsibility for the mismanagement of that Department at all? If so, why does he not do the honourable thing, submit his resignation and admit he has been a complete failure?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, Members opposite have been complaining for at least six months about how badly this Government,—this Department—had been administered.

Some Hon. Members: Right on.

Some Hon. Members: Hear, hear!

Mr. Trudeau: They have been asking the Minister almost daily why he did not take a grip on that Department, why he did not deal with some officials who were displeasing the Canadian taxpayers and why he did not intervene with officials at various levels. Now they are suddenly discovering that everything was perfect in that Department and only the Minister is wrong. If anybody was to blame, perhaps I should have considered moving Mr. MacDonald earlier, but I did not want to do it until the Tory task force has finished its hearings and is prepared to make some kind of recommendation.

Mr. Crosbie: Sixteen years of irresponsibility.

Mr. McDermid: There is enough evidence to prove he should be moved.

Mr. McKnight: You are not helping him, Pierre.

Mr. Trudeau: The only thing that is certain is that the people sitting on that side should not be moved. They should stay there for a long while yet.

Mr. McDermid: It is not going to happen and you know it, Prime Minister.

* * *

FINANCE

INCREASE IN BANK OF CANADA INTEREST RATE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the Minister of Finance. We have just learned that the Bank of Canada has increased interest rates again for the sixth week in a row. This is bad news for farmers, small businesses, home owners, and for the more than 1.5 million Canadian men and women who would like to get a job. This is bad policy from the Government of Canada.

Some Hon. Members: Hear, hear!

Mr. Broadbent: The Minister is always talking about the necessity of sending appropriate signals out to Canadians to build confidence in the future. Why did the Government of Canada not send the right signal out today by saying no to this increase in the interest rate by the Bank of Canada?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, last week when the Hon. Leader of the NDP was travelling in northern Ontario he had some hallucinations, no doubt coming from the aurora borealis, to the effect that there was a great conflict between the Governor of the Bank of Canada and myself. That was absolutely without foundation and was an irresponsible statement for a man, who claims he is a responsible man, to make.

Today he is no more knowledgeable when he speaks about terrible increases in interest rates and what that will do to farmers, small business people, et cetera.

First of all, the Bank of Canada does not set the rate. That rate is set by the market for Treasury Bills every Thursday.

Some Hon. Members: Oh, oh!

Mr. Lalonde: Mr. Speaker, the Bank of Canada rate went up today by two one-hundredths of one per cent. That is a terrible increase which is going to stop the economy dead in its tracks no doubt, if we listen to what the Hon. Leader of the NDP is saying. He knows very well that a change like this does not, and will not, make any difference to the interest rates, whether the prime rates at the banks, the consumer loans, or the mortgage rates. We do not expect any impact from this development today on the interest rates which are being charged to Canadians.

Oral Questions

GOVERNMENT POLICY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister says they do not expect any impact. If they do not expect any impact why did they go ahead and do it?

The Minister also notes that this incremental increase is really not that important. Two years ago we went through such incremental increases week after week and the Government did not do anything about it. Interest rates went right up to 22 per cent. That type of thing can happen. We in this Party want the Government to take action to stop it.

After interest rates went up for the fourth time a question was put to the Government which linked unemployment with increases in the interest rates. I will repeat that question to this Minister now. The question was : "—will the hon. gentleman tell the House whether the Government intends to abandon its policy of deliberately creating unemployment—" by pursuing these high interest rates? I would like to ask the Minister that again today.

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the answer will be very short and very quick. It is exactly the same as the one I gave to the previous question. The Government policy is not to maintain high interest rates, but to keep them as low as possible. Our policy is to create as many jobs as fast as possible in Canada. It is not a policy such as the one advocated by the Hon. Member.

[*English*]

EFFECT OF INTEREST RATES ON UNEMPLOYMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I would like to tell the Minister that that question came after the fourth interest rate increase that occurred in 1979. The interest rates were then raised by the Conservative Government of the day. The question came from the Hon. Member for Windsor West. The Minister's answer today was exactly the same answer that the Hon. Member for St. John's West gave a couple of years ago.

Mr. Crosbie: Think up your own answers, Marc.

Mr. Deans: It is because they both think alike that they give the same answers.

Mr. Broadbent: If it was true in 1979 that high interest rates increased unemployment when the Conservative Party was in government, will he please provide his wisdom to the people of Canada and tell us why unemployment will not worsen when a Liberal Government increases interest rates?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I answered that question several times last week. I suppose my hon. colleague was once again not in the House, and perhaps he could read *Hansard* from time to time. If he does, he will realize that I explained that in spite of the increase in interest rates in Canada and the United States during the last few weeks, we should not necessarily conclude this will have a negative impact on employment and the growth rate of the Canadian economy any more than it does on the U.S. economy. In fact, although interest rates in the United States started to go up in January and February, the American economy's rate of growth was higher than it had been for many months. So there is no automatic and immediate connection between a slight increase in interest rates and slower growth and increased unemployment. Such a connection cannot possibly be established as directly and simplistically as the Hon. Member suggests. I may remind him that in Canada, in 1980 and 1981 for instance, interest rates rose rapidly, and for several months the Canadian economy continued its growth and unemployment continued to drop, despite the fact there had been an increase in interest rates.

The Government does not favour an increase in interest rates. Once again, our policy is to have the lowest possible interest rates, although I realize that people would prefer to have rates that are lower than those we have at the present time. However, I repeat that we cannot adopt the NDP's philosophy which boils down to saying: Stop the world, I want to get off. We are living in the real world, we are on the North American continent, and the Canadian and U.S. economies are extremely interdependent. To ignore this elementary fact is to be totally unrealistic, which is, I would say, rather typical of the NDP.

* * *

[*English*]

THE ECONOMY

CONFERENCE BOARD OF CANADA FORECAST

Hon. John C. Crosbie (St. John's West): Mr. Speaker, my question is for the Minister of Finance. I would like to point out to the Leader of the New Democratic Party that the Minister of Finance faces the same problem I did. I faced 12 years of irresponsible Liberal Government wreckage of the economy. He faces 16 years of the same. That is why the interest rates are going up.

We have a very sombre forecast from the Conference Board today. It predicts a slowing in the pace of economic growth. It predicts just 3.3 per cent this year and .5 per cent for next year, with the possibility of a recession in 1985. It says the unemployment rate shows no improvement and in fact will be rising over the next few months. It says the most notable factor causing this outlook is the continuing high level of the interest rates.

• (1430)

The Minister has consistently downplayed the influence of high interest rates. When will he make the adjustments that he said last Monday he could make? When will the Minister start making those adjustments? When will the Minister bring in a

Budget that has an effect on the economy rather than no effect, leaving people in the pickle they are now?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the Hon. Member will have to explain. I know the Liberal Government and Liberal Party have been in charge of this country for most of the last 16 years. I told my friend I was going to make an important speech on the subject yesterday. I invite him to read it. In fact I have taken the trouble of personally sending him a copy. I hope he will read it from beginning to end. He will find that, compared to any other industrialized country, over the last 16 years the record in Canada compares favourably. In fact it is better than most other industrial countries during that period.

In order to save time and to help educate the Hon. Member, I will send him a copy now across the aisle. It will be very helpful if he gets this important address delivered to La Chambre de Commerce de l'Outaouais in Hull, Quebec last night.

Second, if he wants to blame us for the rise in interest rates, he will have to explain to me why they have risen by the same amount in the United States in the last few months. In fact they started to rise in the United States before they began to rise in Canada.

Finally, my friend refers to the Conference Board forecast. He knows that for the last several months this has consistently been the most pessimistic of all forecasts. Instead of spending his time trying to find the gloomiest possible forecasts, I invite him to look at the most recent figures for growth in the gross domestic product. He will find that in January the gross domestic product, the Canadian economy, grew by 1.3 per cent in that single month. If he were to project that over a full year, which I do not, it would generate something like 16.3 per cent growth. That would be totally unrealistic, but the economy is not in a state of going into a recession. It has gone from a stage of recovery to a stage of expansion. We intend to continue our policies to achieve that purpose.

REQUEST FOR STOP TO TAX INCREASES

Hon. John C. Crosbie (St. John's West): Mr. Speaker, the weaker the Minister's ground, the more gaseous he gets. The trouble with the Minister's speeches is that the unemployed cannot eat them. I want to ask the honourable ostrich this—the Conference Board forecasts continuing high interest rates for Canada, with all the bad consequences that has for consumer spending, residential construction and so on. It notes that tax increases in Canada sharply contrast to the United States where they have real growth and real job creation. Will the Minister now take action to stop these tax increases in Canada, the 1 per cent increase in sales tax in October and the increase in income tax? Will he stop that so that we can get growth in jobs and growth in the economy like they have in the United States?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, hearing the Hon. Member, the Canadian public will have no difficulty in concluding why they should continue to leave that Party in opposition for another 16 years. The only outlook they give to the country is one of pessimism, doubt, self-doubt, a lack of confidence in this country, and an outlook that offers no hope to this country. I invite my friend to look at the figures again. Look at the forecasts that have been made in this country. They forecast real job growth. They forecast real growth in the economy in 1984, not the kind of gloom and doom that the Conservatives are offering as the only alternative.

Some Hon. Members: Hear, hear!

Mr. Crosbie: Feeble applause from Bussières again.

Mr. Nielsen: It sounds like Hull to me.

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BANKS AND BANKING

POSSIBLE DEFAULT BY ARGENTINA ON LOAN REPAYMENTS

Hon. Sinclair Stevens (York-Peel): Mr. Speaker, my question is for the Minister of Finance, who undoubtedly is concerned about the possibility of the Argentine defaulting by not paying interest on its international loan commitment. Will the Minister indicate how our banks, under his supervision, got into this unfortunate situation where they have about a $14 billion loan position with various Latin American countries, in sharp contrast to roughly $7 billion to Canadian farmers and only $1 billion to Canadian small business men? Will the Minister explain how, under his supervision, Canadian banks got so exposed? In short, can he assure the House that the loans will be repaid without default?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, since the Hon. Member himself was once involved in certain banking operations—about which I will say no more today—he ought to know that the Minister of Finance has nothing to do with the lending activities of banks.

In fact, Canadian banks have been lending a lot of money to many foreign countries and, generally speaking, those loans have quite often paved the way for the purchase of Canadian goods and services, thus contributing to job creation in Canada. Canadian banks are very active on the international scene and, like banks in other countries such as Europe and the United States, they are doing a great deal of international business which helps Canada. Mexico, Argentina, Brazil and Romania did have some difficulties. I would refer my colleague to the events in recent years, when the international banking community and other international institutions cooperated to make arrangements with those various countries to make sure that they would pay back the money owed to Canada as well as to Canadian banks and other countries.

International organizations and banking institutions are now involved in international negotiations. The best indications are that the Government of Argentina, which is now under a democratic régime, will take the necessary steps with a view to respecting fully all its international commitments. Indeed, the Argentinian Government did say that it knows full well that Argentina's real and long-term interests will best be served if it meets its international obligations.

[*English*]

ROLE OF EXPORT DEVELOPMENT CORPORATION

Hon. Sinclair Stevens (York-Peel): Mr. Speaker, my supplementary question is directed to the Acting Secretary of State for External Affairs, who is in charge of the Export Development Corporation. Has any move been made in that Corporation, presumably at the Minister's direction, to require the Corporation to extend no further credit to the Argentine until matters are clarified? In answering the question, will the Minister indicate what is EDC's current exposure with respect to loans to the Argentine?

Hon. Gerald Regan (Minister for International Trade): Mr. Speaker, the nature of the confidence that I have in the management of the Export Development Corporation is such that it is customary to allow them, with their executive officers and board of directors, to determine the method and amounts of credit that, according to their formula, are appropriate for various countries. The question of lines of credit for Argentina or any other country would be determined in the way that they have always functioned. I have to say that at the present time Argentina is not regarded as a very good credit risk.

* * *

LABOUR CONDITIONS

PLIGHT OF OLDER UNEMPLOYED WORKERS IN HAMILTON, ONT.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is for the Minister of Finance. Due to a merger between Consolidated-Bathurst and MacMillan Bloedel, Consolidated-Bathurst closed its plant in Hamilton about a year ago. Of the 225 who lost their jobs, 75 were over the age of 50. They now have no job. They will not qualify for UIC benefits as at the end of next month. There does not appear to be anything under the labour adjustments program that will permit them to be compensated. They have no hope left. Is there anything for them within any of the Government programs presently in effect? Is there anything that the Government can offer that will guarantee that those older workers who lost their jobs through no fault of their own will not have to live in poverty until retirement age?

• (1440)

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, the hon. gentleman speaks in terms of a guarantee. No one can give absolute guarantees to workers who have lost their occupations as a result of technological change or as a result of a recession. There are extensive programs for training and for retraining which are available, particularly to those who are receiving the benefit of unemployment insurance payments. Something close to $500 million worth of funds is available for training throughout the country. Much of that is available to people who are in the condition described by the Hon. Member.

Mr. Deans: Mr. Speaker, I must say that that answer is simply not good enough. The fact of the matter is that the Minister knows full well that, for people over age 50, the opportunity to be retrained for any kind of meaningful employment is dramatically reduced as compared to other age groups. He also knows that in the Hamilton area very few employers are employing individuals who are currently unemployed.

RETRAINING PROGRAM INQUIRY

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is quite simple. What about those people who have lost their jobs because of a merger, a decision made by Consolidated-Bathurst and MacMillan Bloedel, and who are now at an age when retraining is virtually impossible and finding another job is almost equally impossible? What kind of program can the Minister now offer to those people to guarantee them that between now and the time they are able to retire legitimately, they will have some kind of income to keep themselves and their families from starvation?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, the hon. gentleman has asked an impossible and obviously flawed question. If he makes the assumption that it is not possible for those people to have jobs, and if he makes the assumption that it is not possible for them to receive training, then obviously it will not be possible to respond to the situation in which they find themselves. He has stacked his question in such a way so as to ensure that there is no possible answer that can be given to it. I am not nearly as pessimistic as he seems to be about the possibility of people of this age finding job opportunities and retraining programs to assist them.

* * *

EXTERNAL AFFAIRS

SRI LANKA—INTERNAL CONFLICT

Mr. Jesse P. Flis (Parkdale-High Park): Mr. Speaker, my question is directed to the Secretary of State for External Affairs, but in his absence I would like to direct it to the Minister of External Relations. In July of last year it was reported that hundreds of Tamils were killed and thousands were left homeless in Sri Lanka because of conflicts between government troops and Tamils who were demanding independence for their northern province.

Today I received a call from a representative of the Association of Tamils in Canada who was concerned that 42 Tamils were massacred by government troops in the North of Sri Lanka. His facts differ from the information reported in today's *Globe and Mail*. To defuse any wild rumours and accusations, could the Minister tell the Tamil Canadians and the House whether his Department was in touch with the High Commissioner, and when, and could he give a status report to the House on the conflict in that country?

Hon. Gerald Regan (Minister for International Trade): Mr. Speaker, in response to the question of the Hon. Member, the Department keeps in regular contact with our ambassador in Colombo regarding the situation in that troubled land. Canada, of course, expressed its concern in relation to the events of a tragic nature that occurred there some number of months ago. Regarding the circumstances to which the Hon. Member refers today, I am not aware whether there has been a report from the High Commissioner within the past 24 hours, but I will make inquiries in that regard.

* * *

[*Translation*]

EMPLOYMENT

REQUEST FOR ADDITIONAL FUNDS TO CREATE JOBS FOR YOUTH

Hon. Roch La Salle (Joliette): Mr. Speaker, my question is directed to the Minister of Employment and Immigration.

Since in its last Budget, the Government had set aside $1.3 billion for measures aimed at helping young people find jobs, and considering the fact that the Minister is surely aware that the funding earmarked for Summer Canada-Student Employment will cover only one project out of three that are proposed . . . In the circumstances . . . I have the impression my question should be put to the Minister of State for Youth. Therefore, as the Minister is well aware, there are indications that the funds earmarked for students this summer will cover one project out of three.

Could the Minister inform the House whether she has already made recommendations for additional funding within the $1.3 billion envelope, to give students a better chance?

Hon. Céline Hervieux-Payette (Minister of State (Youth)): Mr. Speaker, I wish to thank the Hon. Member for his question. Hon. Members, both on the Government and Opposition sides, have made a number of representations for additional funding for the Summer Canada Program. Representations have been made to the Committee on Social Development, and next week I will be able to announce how much additional funding our colleagues will receive for the program in the ridings.

NUMBER OF PROJECTS TO BE FUNDED

Hon. Roch La Salle (Joliette): Mr. Speaker, I think the Hon. Minister's answer is far more informative than the one given by the Minister of Finance yesterday, and I congratulate her.

In the circumstances, since the Minister is aware that this budget covers only one project out of three, could she perhaps inform the House what percentage of the projects that have been presented will be approved, also considering the importance of the purpose of this program, which is to provide jobs for students this summer?

Hon. Céline Hervieux-Payette (Minister of State (Youth)): Mr. Speaker, I can assure the Hon. Member that the $150 million will be spent in a way that is satisfactory to all young people in Canada, and that a sizeable portion of this amount will be earmarked for programs for students this summer.

[*English*]

DISTRIBUTION OF FUNDS

Hon. John Wise (Elgin): Mr. Speaker, my supplementary question is directed to the Minister of State who is responsible for youth programs and is supplementary to the question put by my colleague, the Hon. Member for Joliette. We are certainly encouraged by the Minister's comments. However, could we have the assurance that when additional funds are secured, those additional funds will be given out riding by riding in relation to need, separate and apart from any political affiliation which is the way a senior Minister distributed funds with respect to an earlier program?

Hon. Céline Hervieux-Payette (Minister of State (Youth)): Mr. Speaker, I can assure the Hon. Member that the $150 million will be spent for youth, and a good amount of that will be spent for student employment this summer. Not only will funding to this program be increased, it will never be cut by our Government.

* * *

PETRO-CANADA

ALLEGATION OF GASOLINE PRICE FIXING

Mr. Bill Domm (Peterborough): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources who has been continually leaving his seat. In his absence, I would direct my question to the Minister of Consumer and Corporate Affairs. I see that the Minister of Energy, Mines and Resources has returned to his chair, Mr. Speaker, and I will therefore direct my question to him.

Just a few days ago, the Minister said in the House that if some indication of price fixing by Petro-Canada which was causing consumers to pay more for gas was brought to his attention, he would investigate it. I would like to advise him that a major independent service station chain, Seabrooke

Motors Ltd. in East-Central Ontario, has had its supply affected by Petro-Canada. It has been charged more for fuel than it can retail it for in the market today.

Petro-Canada is showing favouritism to its own company-owned and operated service stations, thus cutting off supply to independent dealers. This is driving the price of gasoline up and fixing it at that level. Would the Minister responsible for Petro-Canada, Canada's own oil company, be kind enough to look into this matter and confirm to the House today that there is price fixing, not only at the refinery gate but at the retail level as well?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Mr. Speaker, I cannot confirm such an allegation, but I will look into it. I think that Petro-Canada deals with these matters like any other oil company does. The mandate that it has received from the House of Commons is to do in the marketplace what is commonly done. If something is being done which is unusual or against the law, the Minister of Consumer and Corporate Affairs has the mandate to make sure that there is no price fixing and collusion among the companies. I think that Petro-Canada is subject to the same laws as any other corporate citizen in the land.

Mr. Domm: Mr. Speaker, I am sure that the Minister of Energy, Mines and Resources is aware of the fact that this investigation by the Minister of Consumer and Corporate Affairs has been going on for eight years. Evidence that has been before the courts has been reported in the newspapers. No one but the Minister is responsible for Petro-Canada, and the Minister of Consumer and Corporate Affairs is responsible for the consumer.

• (1450)

REQUEST FOR MINISTERIAL ACTION

Mr. Bill Domm (Peterborough): Mr. Speaker, my supplementary question is for the same Minister. If he has the interests of the consumers of Canada at heart and if he will tolerate a 50 cent per gallon change in price on a phone call from Petro-Canada, discriminating against the private, independent chains of petroleum stations across Canada, why will he not do something? Why would he not direct Petro-Canada to stop this price fixing at the refinery gate and at the retail pumps of Canada?

[*Translation*]

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Petro-Canada's job is to do business just like the other oil companies. It must serve its customers competitively while taking market trends into account. Prices are changing regularly on the markets in Quebec, Ontario and elsewhere, and Petro-Canada certainly operates along the same standards and under the same laws as other Canadian companies.

[*Translation*]

UNEMPLOYMENT INSURANCE

EXTENSION OF COVERAGE TO TIP INCOME EARNERS IN QUEBEC

Mr. Jean Lapierre (Shefford): Thank you, Mr. Speaker. My question is for the Minister of Unemployment and Immigration.

As he is aware, thousands of Quebec hotel and restaurant workers who receive tips are impatiently awaiting the results of his discussions with the Quebec Minister of Revenue about their entitlement to Unemployment Insurance benefits. I would like the Minister to tell us about the results of his discussions with Mr. Dean yesterday in Quebec City.

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, I met my provincial counterpart, Mr. Dean, yesterday morning to discuss the Quebec Government proposal and examine the situation in this regard. I indicated that it would be impossible for the federal Government to agree with the Quebec proposal at this time because there is now a case before the Supreme Court on the issue. In addition, the Quebec proposal generally concerns the provisions of the law. We would therefore have to consult the other Provinces in order to learn their views before taking any action. The third aspect of the Quebec proposal will certainly require an amendment to the legislation, and it will take some time for this to come before the Canadian Parliament if we do decide to proceed along that line.

I cannot provide any assurance for the short term to the Quebec Government, but I have suggested that it might be worthwhile to raise this issue with the other provincial governments. We would then have to wait and see whether a consensus can be had in the recommendations made by all the Provinces.

* * *

[*English*]

MULTICULTURALISM

EQUALITY NOW REPORT—CONTRACT COMPLIANCE LEGISLATION

Mr. Cyril Keeper (Winnipeg-St. James): Mr. Speaker, I have a question for the Minister of State for Multiculturalism. The report entitled *Equality Now*, which was released yesterday, documents the existence of systemic discrimination in Canada. While that discrimination may not be intentional, the impact is to exclude visible minorities from full and equal participation in Canadian society. I know that the Minister has made positive comment on the report, but I should like to inquire about a specific recommendation.

The report recommends that the Government introduce contract compliance legislation which would require people who contract with the federal Government to introduce affir-

mative action programs for visible minorities. Is the Minister prepared to act on that recommendation?

Hon. D. M. Collenette (Minister of State (Multiculturalism)): Mr. Speaker, first of all I should congratulate my colleague, the Hon. Member for Essex-Kent, and members of the committee, for this report.

Some Hon. Members: Hear, hear!

Mr. Collenette: The fact that it has been well received by people generally, especially those in the visible minority communities, is testament to the good work they have done.

With respect to the whole question of affirmative action, and that is what we are really talking about when we talk about contract compliance which was one of the recommendations, I should inform the Hon. Member that we do indeed have a program already. It was announced by the President of the Treasury Board only last year and it has been worked on since then. When one talks of affirmative action one has to distinguish between the voluntary approach which we have taken so far in Canada, and which I believe has met with some success, and the compulsory approach which was taken in the United States after the enactment of the civil rights legislation in 1964 and the directive on contract compliance.

This is a serious question and I should like to hear the views of all Hon. Members, the Parties generally, and the Canadian public, before the Government takes this very difficult step. I will be discussing this with my Cabinet colleagues in the next few weeks and I would ask the Hon. Member to be patient.

Mr. Keeper: Mr. Speaker, the Minister should know that Members of Parliament have already expressed their opinions with regard to contract compliance in the report *Equality Now*.

RECOMMENDATION TO ESTABLISH SEPARATE DEPARTMENT

Mr. Cyril Keeper (Winnipeg-St. James): Mr. Speaker, I have a supplementary question for the Minister about the multiculturalism policy for which he is responsible. He knows that ethnic groups across the country, including visible minorities, have been calling for a higher priority on multiculturalism. The report that was issued yesterday calls for a Multiculturalism Act which would create a full Department of Multiculturalism, with a Deputy Minister. Is the Minister prepared to act on this recommendation?

Hon. D. M. Collenette (Minister of State (Multiculturalism)): Mr. Speaker, first of all I should like to correct the Hon. Member's impression of what happens in Parliament. When the report was tabled, that was simply an expression of seven Members of Parliament; there has been no motion to concur in that report and therefore there is not yet an endorsement from Parliament as a whole. When the Hon. Member said that all of Parliament has expressed its views on the subject, that is a little different from the actual tabling of the report.

The Hon. Member asked about an Act. Last December's Throne Speech gave a commitment to introduce a Multicultural Act. That is now progressing through Cabinet and I hope to be able to make some positive statement on it very soon.

On the question of a full Department of Multiculturalism, it seems to me that the Prime Minister answered that question rather explicitly last October. I should like to advise the Hon. Member, and perhaps warn him and those who feel that the answer is to upgrade multiculturalism to a full Department with a full Deputy Minister, that if this were done there would be a danger that we would ghettoize multicultural policy once and for all in this country. I do not want to work toward that, and I am sure that the Hon. Member does not either.

* * *

INTEREST ACT

INTRODUCTION OF AMENDMENTS

Mr. Bill Kempling (Burlington): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. Will the Minister advise why she is holding up the introduction of a Bill dealing with mortgage rate insurance and amendments to the Interest Act? Will she tell us why she is waiting? Will she also let us know how high mortgage rates must rise before she will move to introduce this legislation which was promised in the Throne Speech?

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Mr. Speaker, I wish to assure the Hon. Member that those amendments are being drafted now and will be presented as fast as we can get them to the floor of the House.

PLIGHT OF HOME OWNERS WITH HIGH INTEREST MORTGAGES

Mr. Bill Kempling (Burlington): Mr. Speaker, the Minister, her predecessor, and the Minister of Finance gave 750,000 Canadians trapped with high interest rate mortgages some hope for relief through their pious statements. Then they abandoned them. Will the Minister tell us whether she has been able to lever some special treatment from the mortgage industry for these unfortunate people, because she appears to have yielded to industry demands for changes in the Interest Act and then hung out to dry the 750,000 Canadians trapped with high interest rate mortgages?

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Mr. Speaker, we have made every effort to go to bat for every one of those people. Thousands of them have come to us for assistance through the Department of Finance and the Department of Consumer and Corporate Affairs. We have written to every financial institution in every case, and very often we have been able to get a measure of help for these people. I have said that we will not be able to legislate retroactively. We intend to bring forward legislation that will address the problem, but in the meantime we will continue to be of every assistance possible to people who are in difficulty.

Oral Questions

WESTERN GRAIN TRANSPORTATION ACT

INVESTMENT BY RAILWAYS—FARMERS' FREIGHT COSTS

Hon. Don Mazankowski (Vegreville): Mr. Speaker, my question is addressed to the Minister of Transport. He will be aware that farm bankruptcies in western Canada are up 110 per cent this year over last year. He will also be aware that the position of farmers in western Canada has deteriorated as a result of the new freight rate regime enacted as a result of Bill C-155.

Given the fact that the railways have now expressed the view that they will not invest the $16.5 billion as was promised, and that it will be closer to $12 billion, what corresponding reduction can the Minister promise to farmers? They were asked to pay more to get more, and now that investment will not take place. Is he considering any action to reduce the burden on the farmers in a corresponding way?

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, as the Hon. Member knows, the investment that will be made by the railways will still be on target in terms of developing the major expansion of the capacity of the rail system in western Canada. There is no reduction or diminution in the commitment. The realignment of the forecast is simply because of economic circumstances that have changed. Fortunately we have had a substantial reduction in the inflation rate, and this means that the actual dollar cost of the project has been reduced substantially but the work will still go ahead. There is no reduction in that respect.

• (1500)

Some of the projects related to other aspects of the transportation system, particularly in the coal area, have been put off for a longer period while waiting for a pickup of the export market in the coal and natural resource area.

I can tell the Hon. Member that we will hold the railways very clearly to their responsibility to expand the railway system substantially so there will be no blockages and no handicaps in the movement of our grain. We will continue to monitor the situation and, if they do not live up to those commitments, we will apply the sanctions and penalties which I am capable of applying under the Act.

REQUEST THAT ADVERTISING CAMPAIGN BE CANCELLED

Hon. Don Mazankowski (Vegreville): Mr. Speaker, the Minister acknowledged before the Standing Committee on Transport the fact that there would be a reduction in railway investment. The railways have said there would be a reduction in investment, and there will be a reduction in the number of jobs. There is a reduction in the traffic forecast. As a minimum, would the Minister cease and desist the false and misleading propaganda which is being perpetrated on Canadians across the country through an expensive ad campaign which is insulting not only to the Canadian taxpayer but, indeed, to the farmer? Would the Minister at least do that much in acknowledgment of the fact he admitted in committee the other day?

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, I do want to point out to the Hon. Member that the purpose of the information program is to alert Canadian businesses to the many opportunities this rail expansion program offers. It is one of the largest economic development projects ever undertaken in the history of Canada. It is very important that Canadian manufacturers and suppliers are able to bid for that work so that they will receive the maximum value out of the program.

Mr. Mazankowski: Tell the truth.

Mr. Axworthy: They will not receive that value if they are not aware of the wide range of opportunities available. That is the reason we have the information program.

Mr. Mazankowski: Would you tell the truth?

* * *

PETITIONS

MR. KRISTIANSEN—NATIONAL FILM BOARD FILM ON ABORTION

Mr. Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table the report of the Clerk of Petitions stating that he has examined the petition presented by the Hon. Member for Kootenay West (Mr. Kristiansen) on Wednesday, March 28, 1984, and finds that the petition does not meet the requirements of the Standing Orders as to form.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Speaker: The Hon. Member for the Yukon on the usual question on House business?

Mr. Nielsen: Yes, Mr. Speaker. Would the Government House Leader reaffirm that tomorrow will indeed be an allotted day and inform us as to the business of the House as far as he can take us into next week?

While he is answering that question, he will know that there is on yesterday's Notice Paper notice of the introduction of a supplementary borrowing Bill which, I am informed, is in the amount of $4 billion, pursuant to a House order which was made last year. Is it the intention of the Government to move for leave today to introduce that legislation?

Mr. Pinard: Mr. Speaker, on the first question, I want to confirm that tomorrow is indeed an Opposition Day, as I indicated yesterday. In so far as the business for next week is concerned, I had a meeting this morning with my colleagues, the House Leaders, and indicated to them, after asking them a

few questions, that I could not be in a position to be very specific at that time, unfortunately. I should be in a position to be more specific a bit later. I am waiting for some information. It is not clear if Bill C-21 will be called on Monday or on Tuesday. That is one of the items I hope to receive information on rather soon.

In so far as the special order to which the Hon. Member referred a moment ago dealing with supplementary borrowing authority up to $4 billion, indeed notice has been given to introduce this Bill. Of course, if the Bill were to be introduced, I can, in the name of the Government, put on the record—as I indicated to my colleagues earlier today—that whatever amount of money would be borrowed out of that $4 billion would be deducted at the committee stage from the amount specified in Bill C-21. This is now on the record. This is a commitment of the Government.

I want it to be clear that if we introduce and proceed with the Bill for the supplementary borrowing authority as provided for by the special order, this will be done because in the short term it is necessary and urgent to get some money for April to be able to spend, and to be authorized to borrow. Such an amount of money, up to $4 billion, once again, would be deducted by amendment to Bill C-21 before it is completely disposed of.

Mr. Nielsen: Dealing first with the House business once again, I can understand the difficulty in determining whether it is going to be Bill C-21 on Monday or Tuesday. We can expect that uncertainty to be clarified when the Minister has the information which he says is about to come to him. However, what do we do on Wednesday and on next Thursday, if he can take us that far?

With respect now to the notice concerning the supplementary borrowing authority of $4 billion, we are now debating in Bill C-21 a measure which would authorize the Government to borrow $29.5 billion. Regardless of the Minister's reassurances, we know that there are $8.1 billion of cash deposits available to the Government now. It seems to us to be totally unreasonable to be introducing borrowing authority for a further $4 billion in addition to the $29.5 billion when the Government has this kind of cash deposit at its disposal to meet its April commitments.

[*Translation*]

Mr. Pinard: First of all, I have no intention of arguing the point Mr. Speaker, but I think that he should double-check his information. Also, the Hon. Member should be aware that April is the month when the Government needs cash because of greater expenditures. He should know, therefore, that reserves are artificial and if Bill C-21 is not referred to the committee until next week it is as a result of the stalling tactics of the Official Opposition, period. At 6.15 p.m. last night, we were ready for the vote. Hon. Members were in the House, but for no reason at all, the Official Opposition decided to delay the taking of the vote until this morning and demanded as a prerequisite that Bill C-21 be not referred today to a committee, delaying again by a few days the consideration by a Standing Committee of this important piece of legislation. The Hon. Member should know that basic to our Parliamentary system is the Government's ability to levy taxes, as well as borrow and spend money.

For the first time since I was appointed Government House Leader several years ago, we have had the good fortune of having the budget tabled in the House almost on the eve of the presentation of an act to provide the Government with a borrowing authority to meet its requirements up to $29.5 billion.

The Hon. Member is well aware of all that. So, when he claims that because it has some $8 billion in cash deposits, the Government should not avail itself of previously adopted regulations and ordinances of the House, he is mistaken, and if he really wants to demonstrate his good faith and desire to let the Government operate normally, he should end this filibuster and allow the House to pass Bill C-21 as soon as possible. I repeat that we are ready to negotiate in good faith, and that Members on the opposite side should do likewise. If we fail to come to an understanding, the Government will have to assume its responsibilities. If we have to introduce other bills, therefore, we shall do so in a manner consistent with our Standing Orders and Parliamentary practice.

[*English*]

Mr. Nielsen: Mr. Speaker, I will be very brief and will not respond in a partisan way whatsoever. Will the Minister answer the simple question: Is it the intention of the Government today to move for leave to introduce that supplementary borrowing Bill?

Mr. Pinard: Mr. Speaker, I think the answer is obvious, but I suppose the Hon. Member will have to wait and see when we reach Introduction of Bills. Certainly, we want to introduce that bill as early as possible. It is an urgent plea.

Mr. Speaker: The Hon. Member for Yukon; then the Hon. Member for Nanaimo-Alberni.

Mr. Nielsen: Then under those circumstances and in order that we can despatch the business of the House in an orderly fashion, and for the reasons I stated in my preamble, I move, seconded by the Hon. Member for Kingston and the Islands (Miss MacDonald):

That the House do now proceed to Orders of the Day.

If there is any doubt at all, Sir, about the acceptability or propriety of that motion, I would like to speak to it.

Mr. Pinard: That is moved on a point of order and so it is out of order.

Mr. Mazankowski: Axworthy moves motions on points of orders.

Mr. Speaker: Moved by the Hon. Member for Yukon, seconded by—

Mr. Pinard: I understand, Mr. Speaker, that the Hon. Member for the Yukon, who still wants to paralyse Parliament, was recognized on a point of order to ask questions on House business. Therefore, I suggest it is out of order to move such a motion on a point of order.

• (1510)

Mr. Speaker: The Hon. Member was recognized, and the language the Chair used was the usual question relating to Government business, which is not a point of order. It has become a practice of this House to recognize at this time on a Thursday a question relating to the business of the House. That is the understanding of the Chair. Certainly the Chair did not interpret this as a point of order, or as an appeal to a point of order, at that time. Therefore the Chair has no alternative but to accept the motion.

Mr. Nielsen, seconded by Miss MacDonald, moves:

That the House do now proceed to Orders of the Day.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Speaker: Call in the Members.

And the division bells having been rung:

Mr. Speaker: Order. Since it is 6 p.m., the usual hour of adjournment for the House, obviously the Orders of the Day cannot now be read. Accordingly, the motion before us has lapsed pursuant to Standing Order 8(1). I do now leave the Chair until tomorrow at eleven o'clock a.m., pursuant to Standing Order 2(1).

At six o'clock, the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, March 30, 1984

The House met at 11 a.m.

• (1105)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

TOURISM

IMPORTANCE TO ECONOMY

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I want to stress the importance of the domino effect of tourist dollars, and I wish to appeal to the House for support in bolstering the ailing tourist industry.

The dismal economic forecast is likely to have a detrimental effect on tourism this year. A large percentage of the population in my riding depends on tourism to keep bread on their tables. I believe it is crucial to recirculate tax dollars back into the tourism industry to fight unemployment through job creation.

The injection of funds into tourism invariably results in a highly desirable domino effect whereby all sectors of society may benefit. A strong tourist area is usually accompanied by healthy cottage and tertiary industries which may be unrelated to tourism.

We must regard tourism as an investment in the future of this country. It is an underdeveloped resource at this point and, so long as this is the case, Canadians will continue to miss the boat.

Obviously, escalation of the tourist industry will create widespread employment and revenue. We already have the natural resources. What we need most is a Government capable of capitalizing on what God has given to all of us.

* * *

[*Translation*]

FORESTRY

GOVERNMENT'S PARTICIPATION IN FORESTRY DEVELOPMENT

Mrs. Éva Côté (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I may remind the House that last Friday, in Rimouski and New Richmond, the federal Minister of the Environment (Mr. Caccia) announced a $19 million forestry program. The purpose of this program is reforestation and improvement of private woodlots in the Lower St. Lawrence and Gaspé regions. With this contribution, which will be in the form of professional and technical, as well as financial assistance, the Canadian Government has shown its awareness of the fact that forests are a major natural resource and a necessary source of income for our region's producers and workers in the forestry sector. Under this program, farmers who also own private woodlots will be able to go to the Environment Canada office in Rimouski and receive any services they need for woodlot improvement.

On my own behalf and on behalf of owners of private woodlots in the Lower St. Lawrence and Gaspé regions, I want to thank the Government for doing its share to develop the forestry industry in our region, an industry that has suffered severe damage in recent years as a result of the spruce budworm epidemic.

* * *

[*English*]

AIR SAFETY

DANGERS OF SMOKING ON COMMERCIAL AIRCRAFT

Mr. Geoff Scott (Hamilton-Wentworth): Mr. Speaker, I rise to express a purely personal opinion on a matter which has concerned me for some time, namely, smoking on commercial aircraft. During several recent flights I have discussed at length, with air crews of both Air Canada and CP Air, the hazards they face from smoking.

The staggered smoking and non smoking sections on the average commercial airliner are a joke. Most aircraft ventilation systems blow sidestream smoke all over the place and make life miserable for those in border line rows near the smoking sections.

Of far greater concern to flight attendants are the people who have a few drinks, fall asleep, and drop lighted cigarettes on scattered newspapers or on the upholstery. Such incidents have the potential of turning the most sophisticated airliner into a flying inferno, 35,000 feet up. Ground fires on aircraft, as we have seen, can be just as devastating.

Smoking is a luxury. On commercial airliners it is a very dangerous luxury.

While we can do nothing about long haul international flights, we can protect passengers and flight attendants from the annoyance and dangers of smoking on domestic airlines.

Even as a pipe smoker, my own personal desire would be to ban all smoking on domestic commercial airliners in Canada. Since that proposition raises all kinds of questions, such as the effectiveness of smoke detectors in washrooms, I want to see

this issue ventilated through a full public hearing by the Canadian Transport Commission.

Surely lives are more important than the luxury of lighting up on Canadian airlines.

* * *

• (1110)

LABOUR RELATIONS

FAIR WAGE GUIDELINES—APPLICATION TO KAMLOOPS ARMOURY CONTRACT

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, the Davis-Bacon Act in the United States of America establishes a federal fair wage guideline for all federal Government construction projects. In Canada we also have a federal fair wage guideline that accompanies most federal Government contracts. There is some question whether these federal fair wage guidelines are being followed by certain contractors and their sub-contractors on major federal construction projects. For example, with the federal Government's armoury construction contract in Kamloops there have been suggestions that perhaps the federal fair wage guidelines are not being followed.

Since many of these federal contracts have been awarded to non-union contractors, it is very important that Labour Canada ensures that these guidelines are being adhered to. These guidelines are the only real protection that workers on these sites have to ensure that they receive a fair and equitable wage. Therefore I urge the Government to take whatever action is necessary to monitor federal projects in an effort to ensure contract compliance with federal fair wage guidelines.

* * *

NATIONAL REVENUE

PROGRESSIVE CONSERVATIVE PARTY TASK FORCE HEARINGS

Mr. John McDermid (Brampton-Georgetown): Mr. Speaker, the Progressive Conservative Task Force on Revenue Canada has completed its cross-Canada hearings. People from all walks of life made representation to the members of the Task Force, most capably chaired by my colleague, the Hon. Member for Wellington-Dufferin-Simcoe (Mr. Beatty), and all Canadians owe this Task Force a debt of gratitude.

Constituents of mine, Lou and Doris Kannon, bravely appeared before the Task Force and told their story of the tax Department presently threatening them with seizure of their property if they missed another payment of $700 a month. In 1980, Lou Kannon was in a coma after a serious fall, and the tax Department demanded $4,300 in taxes. The family contacted me early in 1981 and arrangements were made to pay $400 a month, plus a cash payment of $1,000 to Revenue Canada.

Because of health problems, a payment was missed. Then Revenue Canada demanded $700 a month payments. While Mr. Kannon is just now back at work, it was impossible to meet last month's payment on time. Then there was the threat of seizing their property, the last thing they have besides each other. Lo and behold, after their appearance before the Task Force, officials of Revenue Canada are now willing to sit down and negotiate a realistic repayment schedule.

The Progressive Conservative Task Force on Revenue Canada made the point loud and clear that this harassing must stop, and humane and fair treatment must be the watchword of Revenue Canada. Could this action mean they are starting to listen? For the sake of all Canadians, I hope so.

* * *

[*Translation*]

INDIAN AFFAIRS

INDIAN RIGHTS IN LABRADOR

Mr. André Maltais (Manicouagan): On several occasions, Mr. Speaker, I have risen in the House to censure the Province of Newfoundland for denying native people in the Labrador region of Quebec the right to go fishing, trapping and hunting in the Labrador region of Newfoundland. Time and again the Minister of Indian Affairs and Northern Development has made representations to the Newfoundland Government to make sure that the rights of native people would be respected in Newfoundland's Labrador region.

Bearing in mind that negotiations have repeatedly ended in a stalemate, very soon I will join the Quebec Montagnais and Naskapis of the Labrador region and march on Newfoundland territory to uphold their right to trap and fish in that province's Labrador territory.

Mr. Speaker, I would suggest that a show of solidarity is needed so that at long last the Indians will be free to live according to their traditions in those northern reaches of Quebec and Newfoundland. Since Newfoundland has so far turned a deaf ear, as Member for Manicouagan representing those people, I will march right along with them on Newfoundland territory to show peacefully that Indians do have rights which must be respected throughout Canada and that the Government of Newfoundland is ill advised to prevent them from living in accordance with Amerindian customs.

* * *

[*English*]

MEDICAL CARE

NURSING SERVICES IN NORTHERN COMMUNITIES

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, over wide areas of Canada's North, medical services in the settlements are provided by nurses in the employ of the Department of National Health and Welfare. The dedication and hard work of these nurses are to be applauded as they have been responsible for upgrading community health standards for many years. Since these nurses work alone without direct

supervision from doctors, the nearest of whom may be located hundreds of miles distant, it is imperative that they be highly trained, not only in southern nursing practices techniques but also in fields such as diagnosis, drug prescription, X-ray interpretation, midwifery, and how to cope with emergencies of many kinds.

The nurse-practitioner program at the University of Alberta provided training in these needed skills, and nurses from remote areas learned much of great value to them and, as a result, saved many lives and reduced considerable suffering. It therefore comes as complete shock to find that Health and Welfare is discontinuing its support of the nurse-practitioner program. While the Liberal Government has millions of dollars to spend on imposing official bilingualism in the North, how, Sir, can it be so callous as to cut out the training programs for nurses who serve in an area where the infant mortality rate, for instance, is nearly double the national average?

• (1115)

Mr. Speaker: I must interrupt the Hon. Member. His time has expired.

ORAL QUESTION PERIOD

[*English*]

NATIONAL REVENUE

REASSIGNMENT OF DEPUTY MINISTER

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Mr. Speaker, yesterday we saw the disgraceful and cowardly spectacle of the Government sacking the Deputy Minister of National Revenue in the hope of distracting attention from the complete abdication of responsibility of the Minister. In view of the fact that the Minister of National Revenue refused pointedly on seven separate occasions in one day during Question Period in the House of Commons to back his Deputy Minister, will he deal honestly with Members of the House of Commons now and tell us in a straightforward way what was his recommendation to the Prime Minister? Did he recommend the transfer of his Deputy Minister?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker—

Some Hon. Members: Oh, oh!

Mr. Trudeau: Ho, ho, ho, ho! Ho, ho, ho, ho! Where are they this morning?

Some Hon. Members: Hear, hear!

Mr. Trudeau: Mr. Speaker, if the Hon. Member were sincere in his desire to stand up for the Deputy Minister and to show his respect for him, he would not have said that we have sacked him. He knows that this is a way of showing his contempt for that man, and that is not our position.

Mr. Beatty: Mr. Speaker, on the strength of the Minister's performance to date, I can understand why the Prime Minister does not want to allow him to answer questions.

MINISTERIAL RESPONSIBILITY

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Mr. Speaker, I would like to put my supplementary question to the Minister. We will see whether or not the Minister of National Revenue will attempt to hide and refuse to give answers to this question. In view of the repeated revelations over the course of the past several months that ordinary Canadians have suffered because of the Minister's gross neglect of his responsibilities, I would like to ask him what personal responsibility he feels that he carries as Minister for the conduct and activities of the officials of his Department. What personal responsibility does he have as Minister for the people whose rights have been taken away?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I wish the Hon. Member would revise his notion of ministerial responsibility. I can say that I take every responsibility with respect to my Department that is in line with those ministerial responsibilities.

[*English*]

Mr. Beatty: Mr. Speaker, the Minister would have us believe that he has been held hostage by his officials for the past year and a half as if he were a ministerial Patty Hearst. If the Minister had integrity, he would have resigned if he could not run his Department.

REQUEST FOR MINISTER'S RESIGNATION

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Mr. Speaker, why is the Minister not prepared to do the honourable thing? Instead of trying to place the blame for his abdication of responsibility on his Deputy Minister, why does he not tender his resignation now?

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I am aware that yesterday, the Hon. Member was busy elsewhere. I suggest that he read the answers given by the Prime Minister, and I wish to repeat what I have said to him previously, that I intend to continue to perform my duties to the best of my ability, bearing in mind the need for fair and just administration of our Income Tax Act and our tax system in general.

[*English*]

Mr. Bosley: Mr. Speaker, if the Minister spent half as much time looking after his Department as he does looking after patronage in Quebec City, we would be better off.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

DEPARTMENT'S ADVERTISING CAMPAIGN

Mr. John Bosley (Don Valley West): Mr. Speaker, my question is directed to the Minister of National Revenue. Members opposite want to laugh about the hundreds of Canadians across the country who are in desperate straits because of the activities of that Department. The Minister knows that hundreds of Canadians are stuck in an assessment appeal process whereby they are having their appeals heard by the same people who assessed them. Yet this Minister has $300,000 per week to spend on advertising to puff his image. If the Minister has the money, why does he not fix the system before he runs ads?

● (1120)

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, here is another glaring example of the way Opposition Members tend to ignore the Canadian taxpayer.

The advertisements we put in the newspapers during the past few days are a response to the taxpayers' need for simple, straightforward information on the tax returns they must file. At this time of the year, when people have to file their tax returns, we want to make every effort to inform them quickly, simply and effectively, to help them comply with the various provisions of the Income Tax Act. That is our objective, and not the twisted attitude the Hon. Member is reading into these advertisements.

[*English*]

Mr. Bosley: Mr. Speaker, what the ads mean is that the guide is incomprehensible.

INCOME TAX GUIDES

Mr. John Bosley (Don Valley West): Mr. Speaker, the Minister is running a bunch of ads but he is not bothering to run an ad to tell Canadians that what the guide says about Canada Savings Bond interest is wrong. He is not bothering to tell Canadians that they have the right to treat some of that interest as capital gains because of a court case he lost.

Let me ask the Minister this question in general about the guide, about the ads and about what has happened. Either the Minister knows, as we have discovered, that the system and the way the Department is treating taxpayers is in a shambles, in which case he ought to resign, or he is going to have to explain to the House how it is that after two years he does not know it, in which case he ought to resign.

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, the Hon. Member is showing his ignorance on two accounts. First of all, he is showing his abysmal ignorance with regard to the Department of National Revenue, because it is a Department that functions well. Second, the Hon. Member shows his level of comprehension is lower than that of the average Canadian taxpayer, because according to tests of our ads, the vast majority of Canadians think they are straightforward, easy to understand and useful.

Since the Hon. Member failed to understand the ads, this means he scores well below the intellect of the average Canadian taxpayer.

* * *

[*English*]

INCOME TAX ACT

DEFERRED CORPORATE TAXES

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I should like to pursue this line of questioning but to move away from the collection of taxes to the tax system itself. To a growing number of Canadians it seems to be becoming increasingly inequitable. In 1983 major corporations in Canada had deferred taxes of more than $22 billion, which was roughly equal to the 1983 deficit. What do these taxes mean? An executive of Consolidated Bathurst is quoted as saying: "If you ask me when I expect to pay, I'll tell you, never." This company currently owes the Government $218 million in deferred taxes and it received a $3.6 million tax credit for 1982.

What benefit do the people of Canada receive from allowing corporations to accumulate deferred taxes, particularly when they are of the opinion that they will never repay them?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I would be surprised if this executive were proven right. If he is, I doubt if his company would want to keep him for very long because, if the company does not end up repaying those taxes, that would only be because it will not be making profit for quite a few years. If I were a corporate executive I would expect that I would want my firm to get back into a position of making substantial profits and thus be in a position to pay taxes.

I suppose I can understand any corporate executive, like any individual citizen, preferring not to pay taxes. The fact is, however, that the tax incentives that have been given through the Income Tax Act to corporations, for instance, are on the basis of investment that the companies are encouraged to make in this country to create jobs, and to expand. As the Hon. Member knows, once those investments are made, either in expanding plants or buying new equipment and machinery,

people are entitled to claim depreciation and expenditures against profits.

• (1125)

If the company is, indeed, spending at least as much in terms of expansion and depreciation which it can claim, as it makes profits, obviously it will not be paying taxes. However, eventually, unless it keeps on expanding and adding constantly to its plant, it will be called upon to pay taxes. It is the same for any individual who can claim losses in a particular year. If he keeps on making money he will pay taxes later on. This is the situation which applies both in the personal income tax area and in the corporate income tax area.

What my friend has to remember is that these tax incentives are built in so as to expand plants in Canada, expand investment and create jobs for Canadians, which I am sure my friend would also want to see happening more and more.

Mr. Riis: Mr. Speaker, the question which was posed to that executive was not if he planned to pay taxes in terms of the corporation, regarding deferred taxes, but when. His response was, I believe, very typical of many senior executives today, Mr. Speaker. "Never" does he plan to pay those particular taxes. It is a real shell game, which goes on and on.

TAXES PAID BY SMALL BUSINESSES

Mr. Nelson A. Riis (Kamloops-Shuswap): My second question directed to the Minister of Finance is this. According to the Canadian Federation of Independent Business most of the job-creation, as we all know, occurs in the small business sector which pays an average tax rate of 24 per cent. However, the Minister of Finance will know that a few years back Shell Canada paid no income tax, Trans Canada Pipe Lines paid a tax rate of 7 per cent, Husky Oil paid a tax rate of 5 per cent, and the Royal Bank of Canada and the Bank of Montreal paid no taxes in 1982.

How long does the Minister of Finance plan to stand idly by, continually asking the small business sector to maintain its particular share of taxes when, because of his Government's tax incentives or, as some people like to call them, tax loopholes, major corporations are making considerable profits and paying no income tax? How long is the Minister prepared to stand back and let this system continue as it is?

Hon. Marc Lalonde (Minister of Finance): First of all, Mr. Speaker, I believe my friend needs help in terms of logic. You cannot compare an average when you look at the small-business sector and say the average is such a percentage of taxes, then take individual large corporations and say this one and that one has not paid taxes. I could make, I suppose, a list of hundreds, probably thousands, of small businesses which also pay no taxes.

What my friend has to look at is the effective tax rate which is being paid by large and small businesses. If my friend looks at the figures he will find that, indeed, when one looks at the effective tax rate being paid by small and large businesses in this country, as far as the tax rate itself provided by the law is concerned, small businesses pay proportionately less in terms of the effective tax rate than the larger firms.

I have announced a number of measures in the Budgets of last year and this year which are aimed specifically at giving greater incentives and support to small businesses. I have made it a priority of my responsibility as Minister of Finance to come to the support of the small and medium-size business sectors because, indeed, I believe they are the main creators of jobs in this country.

Again, I want to refer only to the last Budget in which I announced a measure which would cut by three-quarters the income tax legislation dealing with small business, and would generate about $150 million of tax savings to growing small and medium-sized businesses.

Mr. Riis: Mr. Speaker, the Minister of Finance will know that if you take the average of all the corporate taxes paid, the effective tax rate last year came in at 23 per cent. That is the average corporate tax rate in this country. I suspect that amply demonstrates that the corporate sector is not paying its fair share of taxes.

SHARE OF TAXES PAID BY CORPORATIONS AND INDIVIDUALS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my third question refers directly to this point. Back in 1950 the corporate sector and the personal sector paid on a 50-50 basis. All income tax collected by the federal Government was on a 50-50 basis. Since 1950, Mr. Speaker, 75 per cent of the tax burden imposed by the federal Government falls directly on the individual taxpayers of Canada, on the personal income tax side of the ledger. I ask the Minister how much longer can we expect the Government to have in place a tax system which moves more and more of the tax burden onto the backs of individual taxpayers in order to allow more and more corporate bribes?

• (1130)

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, my friend will have to reflect a little bit on the nature of corporations when he says they are paying less taxes. Corporations are legal entities, but in the end they do not have an individual physical existence. Behind corporations you have shareholders and employees, et cetera. My friend refers to the percentage of taxes in the 1950s. I would like to know what his Party's objective would be for an ideal division of the tax load between the corporate sector and the personal sector.

I invite him to reflect on how many corporations would establish and carry on businesses in this country if you ended up with a tax situation where they would be paying, let us say, twice as much as they would be paying in the U.S. or Europe. You have to watch constantly the evolution of the situation in industrialized countries and make sure your tax burden on corporations does not get seriously out of line with what is happening amongst your competitors. This is for the very obvious reason that the corporations and the jobs will move to

those countries; they will not come here. It seems to me that it is quite obvious that this would be the reasonable and normal conclusion that any sensible Canadian would reach.

* * *

NATIONAL REVENUE

OFFICIALS' TREATMENT OF FISHERMEN'S FAMILIES

Mr. Tom McMillan (Hillsborough): Mr. Speaker, my question is directed to the Minister of National Revenue. The P.E.I. Minister of Fisheries told the PC task force on Revenue Canada in Charlottetown that Revenue Canada officials, aided by the RCMP, descended upon fishing families there and used "criminal-interrogation techniques" in their audits of law-abiding citizens. That Minister said that "Revenue Canada has terrorized communities, demoralizing our people and creating fear and mistrust among them."

Knowing as he must that he, the Minister of Revenue, is ultimately responsible for such wrongdoing against decent, law-abiding people, how can he in good conscience refuse to tender his resignation so that confidence can be restored in the tax system and in Revenue Canada, not only in Prince Edward Island, but right across Canada?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I wish the Hon. Member would show more common sense. I am convinced that that statement is a gross exaggeration of the facts. That is a far cry from Revenue Canada's internal policy with respect to Canadian taxpayers.

[*English*]

Mr. McMillan: The Minister has just called the Minister of Fisheries of Prince Edward Island a liar.

FUNCTIONING OF DEPARTMENT—MINISTER'S POSITION

Mr. Tom McMillan (Hillsborough): Mr. Speaker, for months the Minister of Revenue has proven himself administratively incompetent. He has misled Parliament and, through Parliament, the people of Canada, with respect to auditors' quotas in his Department. By all accounts his Department is completely out of control. Every taxpayer in the country has lost confidence in his ability to be fair. What would it take—a major tax revolt—for the Minister to tender his resignation?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, the Hon. Member claims that the Department is completely out of control. I must point out to him that we are now processing over 17 million tax returns and that, up until a few days ago, we already had refunded in excess of $500 million to Canadian taxpayers. We are now more than a month ahead of last year's pace, Mr. Speaker, and if that is not a sure sign of the Department's efficiency and sound management, I really do not know what it is.

[*English*]

TAX STATUS OF NATIONAL CAPITAL REGION CIVIL LIBERTIES ASSOCIATION

Mr. Walter McLean (Waterloo): Mr. Speaker, my question is to the same Minister regarding his control of his Department. In testimony yesterday before the PC task force on Revenue Canada, officers of the National Capital Region Civil Liberties Association reported that early in 1982 the Association received almost $10,000 in donations to assist a Canadian citizen, based on the compelling nature of his case.

In the fall of 1982, President Don Whiteside made a routine inquiry with the Minister's officials about filing on behalf of the Association and was told, to his amazement, that their charitable tax status had been cancelled a couple of years previously. Will the Minister explain why he permitted this attack on this Association's important work? Why were they not given notice that their status was being revoked, and why did they not have time to appeal?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): First of all, Mr. Speaker, I should like to remind the Hon. Member that it is very difficult for me to comment on a particular case, for the simple reason that I am prevented from doing so under the provisions of the act. Secondly, had he had the courtesy of bringing that case to my attention, I would have examined the facts.

However, perhaps I should tell him that when an organization fails to abide by its contract with society—charitable organizations must indeed operate within strict parameters if we want the system to be administered in all fairness—it receives a warning to that effect.

Supposing that a mistake might have been made in this case, I would urge the Hon. Member not to draw a general conclusion. Surely he knows enough about the administration of that division to refrain from jumping to such a conclusion.

[*English*]

Mr. McLean: Mr. Speaker, it is difficult for Canadian voluntary agencies to have confidence in the sense of fair play of the Minister and his officials when there is not even an element of courtesy when a decision is being made. In answer to the Minister, I have raised in recent weeks the case of the B.C. Human Rights Association, and that of l'Association des services de réhabilitation sociale du Québec, which have also been treated in an arbitrary manner.

ADVOCACY ACTIVITIES OF CHARITABLE ORGANIZATIONS

Mr. Walter McLean (Waterloo): Mr. Speaker, will the minister confirm the report that the Department has authorized the engagement of five additional lawyers to investigate advocacy activities of Canadian charities?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, the Hon. Member is making completely unfounded and quite unacceptable allegations. It is contrary to Department practice, and he knows it, to make arbitrary decisions about the tax situation of any taxpayer. The same thing goes for charitable organizations. I would ask him to act more responsibly and, before making judgments, to wonder if in some instances there might not be some facts which justify the Department taking action against charitable organizations which run afoul of the law.

If the questions put by the Hon. Member are meant as an open invitation to charitable organizations to break the law, Mr. Speaker, he is being irresponsible.

* * *

[*English*]

WESTERN GRAIN TRANSPORTATION ACT

WESTERN PROCESSING INDUSTRY—IMPACT OF FREIGHT RATES

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is directed to the Minister of Transport. During the Crow debate the Government made various promises, one of which was that the processing industry in western Canada would be greatly supported by the change in the Crow rate. Right now the crushing industry in western Canada is in trouble, part of which is due to the minimum compensatory freight rates to eastern Canada. Can the Minister tell us his position on these compensatory rates? If it is a position of protection for the farmers and industry in western Canada, will he take that position to the Cabinet and get a favourable decision for western farmers?

• (1140)

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, in the Hon. Member's question he indicated that the compensatory rates were a problem. I am not sure I understand that, because in fact the rates are still in existence. They still provide a subsidized rate for the movement of canola products into eastern Canada. If he is saying that removal of those rates might present a problem, I tend to agree with him. We are presently working to find a solution for that.

I would like to remind the Hon. Member that, during the examination of the grain transportation Bill in committee, it was indicated and written into the Bill that those products would now be eligible for the new Crow rate. They are able to provide for a new rate which will allow export, particularly through the port of Vancouver, and therefore will open up markets. My colleague, the Minister of Agriculture, and I are presently working on a proposal to ensure that there still is assistance. We have a very strong commitment to the maintenance of the canola industry. The Hon. Member should rethink his proposition that the present MCRs are a problem. They are not a problem, and in fact are a great assistance.

Mr. Hovdebo: Mr. Speaker, I recognize the error I made in the present expenditure.

POSITION OF MINISTER OF AGRICULTURE

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my supplementary question is for the Minister of Agriculture. In a speech he made last week in Toronto the Minister of Agriculture was less than direct about his position on MCRs in the future.

Mr. McDermid: "Less than direct". That was kind.

Mr. Hovdebo: In the past the Minister has waffled on this matter. Again I point out that the passing of Bill C-155 was based in part on protection and increase of processing in western Canada. Would the Minister of Agriculture give us an indication of where he stands on this matter and whether he is going to take it to the Cabinet in support of western farmers and western processors?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the Hon. Member knows fully well that the one concern which both the Minister of Transport and I have, is to make sure that the industry stays healthy, whether east or west, and to work out a program for that. The Minister of Transport told the Hon. Member pretty straightforwardly what we are doing. We are working together on a program at the present time.

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VETERANS AFFAIRS

PENSION REVIEW BOARD—DELAY IN HEARING APPEALS

Hon. Bud Cullen (Sarnia-Lambton): Mr. Speaker, my question is for the Minister of Veterans Affairs. This past week Mr. Cliff Chadderton, who, I think has some 30 years experience representing veterans, made his 30th appearance before the Veterans Affairs Committee. Among the areas that he expressed concern about was the Pension Review Board. Appeals are now building up. We had backlogs with the Entitlement Board, and it now looks as though we have backlogs with the Pension Review Board. What action is the Minister taking to head this off? Is he expanding the size of the Board or training people? Would he also comment upon whether counsel has been found for this particular Board?

Hon. W. Bennett Campbell (Minister of Veterans Affairs): Mr. Speaker, we looked at the issue of the backlog before the Pension Commission some two and one-half years ago and took administrative measures to speed up the processing of claims to clear up the backlog.

It was obvious to me and to the members of the Commission that, as the backlog was cleared up at the first level, there would be implications for the Entitlement Board and the Pension Review Board area. We have now reached the point where the increased number of entitlement boards and increased number of cases before the Pension Review Board

are benefiting from the clearing up of the backlog at the first level. We are examining ways and means by which we can accelerate that process to ensure that the backlog and increased number of cases at that level are dealt with expeditiously.

In terms of the Member's second question on legal counsel to the Pension Review Board, that is presently under consideration by the Board and we anticipate we will have a replacement very shortly.

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NATIONAL REVENUE

CONDUCT OF SPECIAL INVESTIGATIVE BRANCH

Hon. Sinclair Stevens (York-Peel): Mr. Speaker, my question is for the Minister of National Revenue. He has surprisingly taken credit this morning for returning to taxpayers the amounts they have been over-assessed. He says that is to the credit of his Department.

Mr. McDermid: He is giving them back their own money.

Mr. Stevens: Would the Minister tell the House whether he has any twinge of conscience for what he has been doing to my constituent, Tom Murphy, who was unfairly assessed $200,000, and appealed to the Tax Review Board? Mr. Frost of the Tax Review Board held that this was a case showing that on occasions taxpayers are victimized. He went on to say that this taxpayer has lost his business, his money, and his credit, because of most improper conduct on the part of the Special Investigative Branch of National Revenue in Ottawa. Why have the Department and the Minister persisted for eight years in refusing to give this constituent of mine proper compensation?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, considering his many years of experience in the House, the Hon. Member should know that I could not comment on individual tax returns.

Because he behaves often as a newcomer, I am not at all surprised by his question. All I can say is that my Department is trying to run a system which is both fair and equitable towards all Canadian taxpayers.

[*English*]

Mr. Speaker: The Hon. Member for York-Peel may have a supplementary question, bearing in mind the problem on individual tax returns.

Mr. McDermid: This is a little different from a tax return.

Mr. Stevens: Mr. Speaker, as you have undoubtedly noted, the Minister acknowledges he knows this case.

Mr. McDermid: He knows this case full well.

MINISTER'S POSITION

Hon. Sinclair Stevens (York-Peel): Mr. Speaker, my supplementary question is also for the Minister of National Revenue. Can you explain to the House why you have refused to tell your solicitors—

Mr. Lalonde: Order. Order.

Mr. Stevens: —to accommodate this man's sad plight and give him fair compensation?

Mr. Lalonde: You cannot ask questions like that.

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I can only repeat what I have just said. In spite of his pestering, I refuse to comment on individual tax returns.

[*English*]

DETENTION OF TAXPAYER

Mr. Arnold Malone (Crowfoot): Mr. Speaker, in response to the Member for Wellington-Dufferin-Simcoe just a few moments ago the Minister of National Revenue said that he tries to run a fair and equitable system. I would like to ask the Minister about Christopher Collins who got a speeding ticket near Perth, Ontario, while en route to Chicago on March 2. An allegation showed up on the police computer that he had not paid tax in 1978. He was detained and jailed. He was threatened with 30 days in jail by the RCMP from Ottawa. He paid the RCMP $345 in cash in order to continue his trip. Upon his return he found a T4-62 slip dated June 25, 1981, indicating no tax payable and no tax refundable. Will the Minister tell us—

Mr. Lalonde: You cannot ask questions like this in the House. Order. Order.

Mr. Speaker: Order. I must bring to the attention of the Hon. Member that a very specific question such as he has posed should be on the Order Paper. If he wants to ask a general question regarding relationships between one tax authority and other collection agencies in the country, that is permissible. However, if he is asking about an individual case in the level of detail he has posed, it should be on the Order Paper.

Mr. Malone: A supplementary question, Mr. Speaker.

Mr. Lalonde: You cannot have a supplementary question on an illegal question.

Mr. Malone: It is not illegal. The question is about fairness, equity—whether the Minister can run that kind of Department, and whether the RCMP are the collection agency.

Would this incompetent Minister try to tell us whether he accepts that as fair and equitable, whether that is the kind of system he runs, and whether he thinks that is in concurrence

with the honourable nature of Parliament that the people of this country expect?

• (1150)

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, the Hon. Member has chosen to ignore your admonition and to make wild allegations.

He should know that it is not the RCMP but the Department of National Revenu which is responsible for collecting back taxes.

[*English*]

Mr. Speaker: The Hon. Member for Winnipeg-Birds Hill.

Mr. Malone: Mr. Speaker, I have a supplementary question.

Mr. Speaker: The Hon. Member has been permitted to ask a question. The Minister has replied. The Hon. Member for Winnipeg-Birds Hill.

Mr. Malone: A supplementary question, Mr. Speaker.

Mr. Speaker: The Hon. Member for Winnipeg-Birds Hill.

* * *

CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

LOSS OF QUEBEC CITY RADIO STATION'S LICENCE

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I have a question for the Minister of Communications who is responsible for the CRTC.

Mr. Malone: The Minister of Revenue has no honour at all. He should resign.

Some Hon. Members: Oh, oh!

Mr. Blaikie: I am just waiting for the Hon. Member for Crowfoot to calm down, Mr. Speaker.

The Minister will be aware of the FM station in Quebec City, CJMF that will lose its licence to broadcast at midnight tonight, due to the CRTC ruling that CJMF has contravened its promise of performance. CJMF in Quebec City has an audience of over 300,000 people. They have collected names on a petition, to the tune of 142,000.

[*Translation*]

Does the Minister intend to take action to allow that station to broadcast until the case is heard in the Supreme Court?

Hon. Francis Fox (Minister of Communications): Mr. Speaker, I know exactly what kind of suggestion the Hon. Member would like to make. If he referred to the Broadcasting Act he would see what are the cabinet's powers as far as the decisions of the CRTC are concerned. He would see for example that the cabinet cannot interfere in the delivery or renewal of a permit or its amendment.

Parliament has not given the cabinet the power to intervene when the renewal of a permit is denied. Therefore, the government cannot take any action at the moment considering the quasi-judicial nature of an organization such as the CRTC.

[*English*]

COMMISSION'S DECISIONS

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, may I ask the Minister why it is that the CRTC gets tough on a music station, when it does not get tough on pornography, or Canadian content regulations on TV? There are plenty of things on which we would like to see the CRTC get tough but it does not do anything. Here we have this one instance where we have 142,000 people indicating that they would like—

Mr. Speaker: Will the Hon. Member please ask his question?

Mr. de Jong: What is wrong with rock and roll?

Some Hon. Members: Oh, oh!

Mr. Blaikie: Could the Minister tell the House why it is that the CRTC is under instructions to be firm in this case and not firm in so many other cases when firmness is warranted much more?

Hon. Francis Fox (Minister of Communications): Mr. Speaker, I am delighted to see the Hon. Member's new found interest in communications matters. I think it is the first time he has risen in his seat in the House to raise such a question. The CRTC, to answer his question, has nothing against rock radio stations. There are a number of rock radio stations in the country at the moment. The CRTC feels, however, that when someone applies for a licence, in fairness to the other people who apply for licences, the licensee must live up to his promise of performance. In this case, according to the CRTC, the individual licensee did not live up to his promise of performance, thereby being unfair to all other applicants who made applications for that licence.

There are a number of rock licences that are available in the country at the moment. There is nothing to prevent the present licensee from reapplying for a licence, and this time indicating the type of radio station he is going to operate.

I am sure that if the CRTC modified licences in the way the Hon. Member is justifying, then he himself would be on his feet saying that the CRTC was being unfair to other applicants across the country.

Oral Questions

NATIONAL REVENUE

DEPARTMENT'S TREATMENT OF ARTISTS

Mr. Geoff Scott (Hamilton-Wentworth): Mr. Speaker, my question is for the Minister of National Revenue. It is very general, but the situation is certainly disturbing. Why is Revenue Canada continuing to harass and reassess Canada's artistic community in spite of repeated calls for a moratorium? How can the Minister justify actions against artists even while a special sub-committee of this Parliament is meeting to discuss Revenue Canada's procedures? This is a disgraceful contempt of Parliament, Mr. Speaker.

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, the Hon. Member does not seem to be aware of the most basic rules of this House. What is even worse, he does not even show the least respect for legislation passed by Parliament. What he is asking me to do, in view of the fact that a certain matter is being considered by a committee, is to suspend the application of some of the Income Tax Act provisions for the benefit of a specific group of taxpayers. The Hon. Member should try and learn a little bit more, first about the practices of this House, and second about how our laws are applied.

As long as the Minister of Finance has not decided to change our fiscal policy and has not proposed amendments to the Act in this House, the Minister of National Revenue must apply the statute as it is written.

I must also point out that we are not chasing after artists specifically. I can even tell him that two out of three artists who have written to me, after my invitation to these artists to call on their District Office, have told me: "We went as you suggested and we are very satisfied with the way we were able to come to terms with your officials." I can also add that I announced last week that we had accepted the first of the three recommendations made by the Canada Council with respect to the way artists are treated by the Department of Revenue. We have accepted the first recommendation. We are considering the other two which concern the Council grants, and I can tell the Hon. Member that our way of treating this group of taxpayers is as equitable as possible.

[*English*]

Mr. Scott (Hamilton-Wentworth): Mr. Speaker, I am glad to see the Minister reads his own press release, and that we did not have to get this through the freedom of information provisions.

Some Hon. Members: Hear, hear!

REQUEST FOR POSTPONEMENT OF PROCEEDINGS AGAINST ARTISTS

Mr. Geoff Scott (Hamilton-Wentworth): Mr. Speaker, I have another question for the Minister of National Revenue. Why has the Minister not gone one step further in the interest of fairness and ordered all proceedings against artists to cease at once—

Mr. Lapointe: It is impossible.

Mr. Scott: —at least until the special subcommittee of this Parliament has completed its work?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I find it difficult to understand the Hon. Member's way of looking at equity and fairness. He is telling me this: "Do not apply the law; go against it; go against Parliament; go against the court rulings because some issue is being considered."

Mr. Speaker, if this is the Hon. Member's idea of fairness and equity, I have serious doubts about his approach.

[*English*]

DEPARTMENT'S AUDITING PRACTICES—TRAINING FILM STATEMENT

Miss Pat Carney (Vancouver Centre): Mr. Speaker, my question is also for the Minister of National Revenue. Last night on CBC television a Revenue Canada training film was shown in which it was stated that Revenue Canada auditors treat audits as fishing expeditions. Is that the policy of the Minister's Department, that audits are fishing expeditions? If it is not, why is the Minister using the film?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, the Hon. Member is referring to a film used to train a very specific group of auditors, and I am referring to those who audit large corporations. The Hon. Member is quoting part of a sentence spoken in the film which, if I am not mistaken, lasts about forty-five minutes and is meant to stimulate discussion at seminars held by our auditors.

After the film is shown, the auditors are asked to share their experiences, to see how they can improve the performance of their duties when auditing the files of large corporations.

Therefore, I think it is ridiculous of the Hon. Member to take a sentence and quote it out of the general context in which a training film is used.

[*English*]

Miss Carney: Mr. Speaker, the Minister's answer is a red herring. Considering the fact that we have repeatedly asked to have that training film made available to us and he has refused to do so, he can hardly complain that we are taking things out of context.

TRAINING OF OFFICIALS TO ANSWER TELEPHONE INQUIRIES

Miss Pat Carney (Vancouver Centre): Mr. Speaker, my supplementary question is addressed to the Minister of Na-

tional Revenue. If he feels there is a need to inform Canadians about Revenue Canada, and he is spending $300,000 on an advertising program—

Mr. Beatty: A week.

Miss Carney: —why is the Minister not spending that money up-grading the people who answer the telehones in Revenue Canada, considering that a Toronto newspaper found 40 per cent of them this week could not even answer the questions? Why is the Minister not using that money for training instead of advertising?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I am happy to inform the Hon. Member that we spend a lot more than that on training people who answer the phone, not only money but time, and a staff of experts is available to the employees who answer calls from the public.

I can inform the Hon. Member that this training is not given two minutes before they start their duties. Training is on a daily and weekly basis, with meetings with supervisors, when they review the type of questions they have been asked and look at more satisfactory ways of answering taxpayers.

* * *

● (1200)

[*English*]

PROCEDURE AND ORGANIZATION

RINGING OF DIVISION BELLS—REFLECTIONS OF MR. SPEAKER

Mr. Speaker: I am now ready to share with the House my reflections arising out of the events of Monday and Tuesday, March 19 and March 20, reflections, I may say, which have been reinforced by the events of Wednesday and Thursday, March 28 and March 29.

Ever since the occasion in March, 1982, when the division bells were allowed to ring indefinitely, the House has been confronted with a problem which it has yet to resolve. The situation which occurred when the bells continued to ring for 15 days was unprecedented in our practice and the Chair was faced with a dilemma. Had the Speaker ordered the bells to stop, she would have been accused of partisanship on behalf of the Government. By not stopping the bells she was exposed to criticism for failing in her duty to ensure that the House was able to function. It was a classic "no win" situation.

When the deadlock was finally resolved by the Parties, Madam Speaker Sauvé made a statement in which she underlined the agonizing conflict of duty with which the Chair was confronted. She quoted the well known parliamentary authority, Redlich, who wrote:

> Protection of a majority against obstruction and protection of a minority against oppression are both alike functions of the Chair. It is hardly too much to say that they exhaust the duties of the high office held by the impartial guardian of parliamentary law.

[*Translation*]

She spoke of the impossibility of reconciling these two functions in the face of the situation in which she found herself. She pointed out that the House had a responsibility to give guidance to the Chair and I should like to quote some of her words:

> The Speaker is the guardian of the rules of the House. He does not invent them. It is up to the House to decide what changes are necessary. I merely point out that there is a problem. In the meantime, the Chair will continue to be vulnerable until the House provides it with guidelines which would lead to settled practices regarding those very difficult and highly controversial questions, where the rules and practices appear to be less than satisfactory.

[*English*]

She concluded her statement by stating:

> It is my hope that such a situation will never again occur in this House. However, should it occur again, the Chair, unless it is provided with firm guidelines, would need to consider its course of action with very great care under the new circumstances. I trust that in the overriding interests of this honourable institution, the House will take steps to make known its will as to how the Chair should act before any such situation occurs again.

Shortly after the bells crisis, a special committee was appointed to consider the reform of the procedure of the House. A number of changes recommended by the committee were adopted on a provisional basis. It is within the framework of these changes that the House is currently operating. Many of us hope that the committee would address the problem of the bells and bring in a recommandation which the House might have found acceptable. However, it did not do so.

In the absence of any guidelines, certain initiatives have been taken by the Chair. Dilatory motions have been declared to have lapsed if not voted on by the hour of automatic adjournment.

On three occasions, when the question before the House has been a substantive one, the bells have been suspended overnight and have continued the following day. This practice in no way interferes with the indefinite ringing of the bells when substantive questions are before the House. It came about as a result of the humane considerations referred to by the Hon. President of the Privy Council (Mr. Pinard) when speaking to the point of order raised by the Hon. Member for Yukon (Mr. Nielsen) on March 20.

The Chair was also influenced by the need to maintain the dignity of the House. The spectacle of a lone occupant of the chair and a gowned clerk, during the fullness of the night in an otherwise empty House, the prisoners of a theoretical assumption that the House might be ready to vote at any time appeared to the Chair to be absurd.

I should now like to deal with the arguments raised by the three House Leaders when they spoke on this matter on March 20. The Hon. Member for Yukon asserted that the Chair exceeded its authority in suspending the sitting and the bells. He said:

> The suspending of a sitting overnight in the midst of a division is almost without precedent.

There was, of course, only one such precedent, on May 9, 1983. We now have another resulting from the bell which

commenced on March 28. He went on to say that he could find no text or precedent which supported the authority of the Chair to suspend a sitting "at whim". I agree with him. I assure him that the action I took on March 19 was not taken lightly. I looked at precedents. I engaged in consultations. I waited until almost the very last minute in the hope that the representatives of the Parties would notify me of their intentions.

The Hon. Member for Yukon referred to the power of the British Speaker to adjourn or suspend a sitting in circumstances of grave disorder. Let me assure him that the thought of justifying my action in terms of this procedure never entered my head. There was no grave disorder. This practice has no bearing on the situation which faced us. There is nothing in the British practice and precedents which could assist us in resolving any problem related to the bells. This problem is uniquely Canadian. I know of no parliamentary jurisdiction outside Canada where the bells can ring for an unlimited period prior to a recorded vote.

The position taken by the Hon. Member for Yukon was that the timing of a vote rests entirely with the Whips because a division is an expression of the will of the House, not of the Chair. Thus, in his view, even the suspension of the bells overnight is beyond the authority of the Chair, without the consent of the Whips, even though such action cannot affect the length of time the bells may ring nor the outcome of the vote. That is his view and I respect it.

[*Translation*]

The Hon. President of the Privy Council, while supporting the action of the Chair in suspending the bells, agreed with the Hon. Member for the Yukon that the decision as to the timing of a vote was a matter for the Whips. He pointed out that there are no standing orders to provide any direction as to the Speaker's role where the bells are concerned. Neither is there any jurisprudence except in relation to the lapsing of dilatory motions and the suspension of the bells overnight when a substantive motion is before the House.

The question which arises, therefore, is: how is the Speaker to assist the House without a standing order or a resolution of the House to guide him? How is he to fulfil his duties when he finds himself trapped in a situation whereby, whatever he does, his action will appear to be partisan? With nothing but common sense to guide him, he can only do what appears to be sensible in the circumstances.

[*English*]

The Hon. Member for Hamilton Mountain (Mr. Deans) made a number of significant comments. He said that at some point the House has to come to grips with the problem that threatens to be a potential disaster for the parliamentary system. He pointed out that the rules of the House are intended to protect each and every Member. And he underlined the embarrassment for the Chair when it finds itself in a situation such as occurred on March 19.

He has my full sympathy in the expression of these views. Let me assure him that the Chair is ever mindful of its duty to protect minorities. However, where voting is concerned, there is little the Chair can do as long as the timing of a recorded vote remains exclusively in the joint control of the Whips of the Government and the Official Opposition. In practice, total control can be exercised by only one of the two, acting on his own, because under our present practice the vote cannot take place unless both Whips approach the Table together. Perhaps, in taking account of the problem, the House or the House Leaders might give some thought to the position and rights of a third party.

Let us consider the implications of allowing the bells to ring indefinitely. When taken to an extreme, the practice can paralyse Parliament completely. We have seen in Manitoba how the Government was forced into proroguing the legislature because an indefinite bell was used by the opposition to prevent a vote on an important government measure. We can imagine a government in a minority situation using the indefinite bell to avoid facing defeat on an issue of confidence. We have also seen how the bells can disrupt the arrangements for signifying the Royal Assent to bills. While the House is fully within its rights in ordering its affairs as it sees fit, I suggest that the other place and the representative of His Excellency the Governor General were subjected to a grave discourtesy as a result of what happened on March 28. Do we in this House of Commons really want to enshrine this device permanently in our practice?

It seems to me that the House has three options. The bells can be controlled by the Whips, by the Speaker or by Standing Order. I think the House should consider the pros and cons of all three options. If the Whips have unrestricted control over the bells, we all know what the possibilities are. It means that either the Government Whip or the Official Opposition Whip can exercise an absolute veto over the taking of a vote. Perhaps this suits the purposes of the Government and of the Official Opposition. Is it satisfactory to the House as a whole? Is it acceptable to back-benchers? Is it fair to a third party?

• (1210)

If the Speaker were to control the bells, it could place a very grave responsibility upon him. The advantage to the House would be that the control of the bells would be in the hands of an impartial arbiter. He would, to repeat the words of Mr. Redlich, have regard to the "protection of the majority against obstruction and protection of a minority against oppression". Thus he could be expected to intervene if the bells were used to obstruct a government measure indefinitely. He could also be expected to intervene if the Government were trying to prevent a vote it expected to lose.

The third solution would be to adopt a Standing Order which would place a limit on the length of time the bells may ring and possibly also provide for the scheduling of votes at pre-determined times during the week. In this way, all Hon. Members would know in advance the amount of time available to them to reach the House in order to vote. I believe this

would be the ideal solution. Only the adoption of a Standing Order could settle this issue once and for all, and I suggest to the House such a Standing Order is sorely needed.

I shall, as has been suggested, be consulting with the three House Leaders with a view to regulating this very important procedural question. For the time being, pending an agreement to change the practice or until I receive other instructions from the House, I shall continue to follow recent precedents. Dilatory motions will be deemed to have lapsed at the ordinary hour of adjournment if not disposed for earlier. In the case of substantive questions, if not disposed of before the ordinary hour of adjournment, the sitting and the bells will be suspended until 9 a.m. on the following sitting day, unless the Chair is notified of a specific intervening hour at which the Whips intend that the vote should take place.

I am not suggesting that either of these practices provides a satisfactory answer to the problem. Without a limit on the bells, we shall continuously be facing a potential procedural dilemma.

[*Translation*]

The House is master of its own procedure. The authority of the Chair comes from the House. In areas of uncertainty, the Chair can only do its best to interpret the will of the House and protect the rights of its Members. Without the support of the House, the Chair is powerless. I think we should learn from recent experience. The problems we face have been exposed. I would like to thank Hon. Members for their contribution to this discussion. It has been instructive for the Chair and I hope for all Hon. Members.

Above all, I believe it has been instructive for this great institution which we all cherish. The Chair stands ready to co-operate with the House in any attempt to regulate this difficult and pressing problem. The House should, however, be aware of the Speaker's position. He should not be placed in a situation where he is confronted with conflicting duties.

[*English*]

Until the House comes to grips with this problem, it will remain a constant threat to the efficiency of the House and the security of the Chair. I suggest the credibility of the parliamentary institution is at stake. I believe we have the duty to protect it.

• (1220)

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Mr. Speaker, I have no intention of arguing the issue again since in your comments today, you already referred to the views expressed previously by the Parliamentary House Leaders. However, considering recent events and the comments of the Chair in this respect, I feel it is my duty, as Leader of the Government in the House, to say very briefly what my reactions were. My first reaction was extremely positive, with respect to the Chair intervening, because you have shown a very real concern for seeing this institution operate in a normal way, and I believe that in the circumstances, the House can hardly have any reservations about the intentions of the Chair, which were to make a contribution while respecting the will of the House towards making it possible for Parliament to be respected and operate in a normal way.

The Chair also referred, very appropriately, to recent, sometimes appalling, events which I would nevertheless like to touch on very briefly to justify your action as well as the suggestion I would like to make to the Chair. The latest incident . . . and there have been three during the last two weeks, Mr. Speaker, in which the public, which was unfortunately unable to intervene, witnessed a constant ringing of the division bells. The latest incident was yesterday. I think it is shocking, because the division bells were used to achieve two negative and entirely unacceptable objectives. The first was to prevent Parliament from sitting, which is intolerable when we consider the number of people to serve and the volume of legislation before the House, and the second, to prevent one of the parties to a contract from meeting its obligations. In my view, the latter is just as shocking and intolerable.

The House will recall that last June, we had a Bill in which the Government asked for authority to borrow a certain sum of money. The Government negotiated with the Official Opposition and made a deal. An agreement was reached. The deal was: "We are going to cut the amount but you will let us ask Parliament for the difference, with a three-day debate, subject to certain conditions". We met these conditions, Mr. Speaker. The conditions were very straightforward. They were laid down in a special Standing Order of the House, so this was being taken very seriously, and the purpose of the Standing Order was to prevent the Government from losing its part of the deal in a new session, and under the Standing Order we were only obliged to introduce a Bill by the end of March. Therefore, entirely legitimately, we gave notice as required under the Standing Order. We advised the Official Opposition of our intention to act on this agreement, and we made it abundantly clear that we wanted to request, on short notice, a borrowing authority of $4 billion, according to the Bill appearing on the Order Paper. We even informed the Official Opposition that we were ready. I made a solemn commitment on behalf of the Government—it is on the record—yesterday, that we were prepared to subtract the $4 billion from another Bill that is before the House, so that the Opposition would not lose anything, and the Government was not trying to get more out of the deal made with the Official Opposition than it had obtained when the Opposition gave its word that the Government, if it did so within a certain period, could have a three-day debate; $4 billion in order to meet its obligations, pay income tax refunds to Canadians, and so forth. So where do the division bells come in? The Conservative Party used the bells to prevent the Government from acting on the rights it had under this agreement with the Opposition, although the Government held up its side of the agreement. It is absolutely

shameful to use the bells to break your word and prevent an agreement, consecrated by a special Standing Order of the House, from being executed. The second appalling aspect of the attitude of the Progressive Conservative Party yesterday, when it let the division bells ring until 6 p.m., was that, in a democratic country, they were preventing the Government from introducing a Bill. What is more fundamental to our freedom? We have a Charter of Rights and a Constitution, we have established the importance of Parliament and the freedom of citizens to be elected members thereof and to pass laws, and one of the simplest ways of passing legislation in this country is to allow a democratically elected Government, to introduce a Bill, during the normal sitting hours. Granted, the Opposition may not agree with the substance, it may debate the Bill and there are rules governing debate. But by preventing Parliament from sitting simply to make it impossible for a democratically elected Government to introduce, not to adopt but to introduce a Bill, are they not running roughshod over democratic principles and insulting the Canadian people? I am saying that it is shameful and totally unacceptable, and I suggest that you, Mr. Speaker, are quite right to intervene at this time and urge all parties to seek ways of enabling the Chair to put a stop to the efforts of a political party bent on bringing Parliament to a standstill, ignoring democracy, flouting its contractual commitments and thus giving the people a pitiful example which ought not to be followed anywhere. That, Mr. Speaker, is the first instance of the Progressive Conservative Party resorting to bell-ringing tactics in recent days.

The second instance has to do with the incident which occurred at 5.40 p.m. the day before, or two days before, when Hon. Members had just voted on a time allocation motion to put an end to filibustering. A few minutes later, the question was put on an amendment. Hon. Members were still on Parliament Hill since they had just voted a few minutes earlier. The Progressive Conservatives knew that the Governor General or his representative was standing by in the Senate, waiting for Members before giving Royal Assent to a supply Bill. They knew that the messenger was at the door and that, in a show of respect for Her Majesty, we had to go to the other place for Royal Assent at six o'clock or shortly after. Despite all that, rather than let the vote be taken rapidly since Members were present, they decided to let the bells ring throughout the night until morning, after the beginning of the day, that is after the regular sitting hour. They openly admitted that they wanted to wrench compromises from the Government through blackmail, saying: If you do not make the concessions we want, Parliament will not sit today, Royal Assent notwithstanding. That was an unspeakable insult to the Senate and particularly to the Governor General or his representative.

Here again, it seems to me to be the kind of abuse we have been witnessing and which is so reprehensible that you are seeking a remedy by appealing to Hon. Members. Here again, in a totally unacceptable and unwarranted tactical expedient, the Progressive Conservative Party completely ignored the Members who were quite prepared to vote and said: No, we are walking out, we will be back tomorrow. The bells will ring, forget about Royal Assent and we will even prevent the House from considering a Bill tomorrow unless you make certain concessions. That is quite unacceptable. That is blackmail, an act of sabotage against this institution, hijacking Parliament!

If we consider what has been happening in Manitoba, again it looks as though the provincial Conservatives took their cue from the federal Progressive Conservative Party which had let the bells ring for 16 days, an incident to which you referred in your remarks. The Conservative bells have been used to impinge on the rights of the Franco-Manitobans. Such an occurrence in Canada is completely unacceptable and shameful. The blue bells, the Conservative bells, the bells used to strike against Canadian freedoms are the bells which were used for the first time by the Progressive Conservative Party in this House two and a half or three years ago, when, for 16 days, before the whole world, news flashed that in the world's foremost freedom-loving country a parliamentary institution was paralyzed because some people on the Opposition side had decided that, to boost their own political interests, it was more relevant to prevent Parliament from operating than to allow democracy to prevail and a government to rule normally and let the people pass judgment on its accomplishments every four or five years as provided for in the Constitution.

Mr. Speaker, those are the abuses which you wanted to help eradicate in presenting your comments this morning, and I congratulate you for it. You have been sitting for 25 years in this House as a parliamentarian and as a politician. I have only been here ten years. However, I am lucid enough to understand that you cannot build anything in our society by knocking down our democratic institutions, the first and most important being the Canadian Parliament.

As a parliamentarian and a Member of this House, I am convinced, Mr. Speaker, that my role is not that of a helpless witness to such irresponsible and destructive acts, that my duty as a parliamentarian does not allow me to remain passive and silent. I have been House Leader of this Government for 4½ years and, for a number of years, I have witnessed actions which are absolutely repugnant to a parliamentarian. The comments you made this morning, Mr. Speaker, have given me an opportunity to say so publicly and to mention some rather recent examples of a behaviour which should certainly not be repeated if we want not just to protect this institution, but also to enhance the credibility of politicians in the eyes of the public.

I suggest that those who use such tactics not only should refrain from doing so, but should also apologize publicly and determine not to do so again. We are still in March; there is an Order of Business for today. We shall request the unanimous

consent of the House to introduce a Bill and we shall ask the Opposition strictly to agree to respect the rights devolved to us by way of honest negotiations and provided by Standing Orders which were agreed upon by all the Members of this House. Following the discussions I had with the Hon. Member for Yukon (Mr. Nielsen) yesterday, I expect that the Members opposite will not agree to that unless I have been able to convince them to show some common sense. If they fail to agree, we shall not insist. I would not want to lower myself and prevent this House from sitting today on the grounds that this is an Opposition day. I shall not let my behaviour be influenced by the bell ringing tactics of the Opposition the way the Manitoba Conservatives let theirs be influenced by the Federal Progressive Conservatives. We shall simply refrain from introducing the Bill if there is not unanimous consent, but the people at large will know that this type of obstruction on the part of the Official Opposition is unworthy of a nation which takes pride in the fact that its people are free and that it sets a democratic example for the rest of the world. Whoever will have prevented us from having unanimous consent and who will continue to threaten to use these extreme measures will bear the responsibility for it. We shall see how the public will pass judgment on these facts; we shall see how the public will distinguish between the Progressive Conservative Party before and after Mulroney. Is the civility to which he refers less noisy than it was at the time of the bell ringing for the energy Bill three years ago? Do the bells we have heard these last three days show a change of spirit or attitude on the part of the Progressive Conservative Party in the House? It is unfortunate that the Leader of the Official Opposition is not here at this moment. He is never here and even when he is, he very seldom has any question to ask. He is the new Quiet Man, the "Mr. Muffler" of Canadian politics.

Mr. Speaker, I do not want to go on much longer, but Canadians have a right to our respect. They have the right to see their Parliament and their Members of Parliament debate issues in the House. As Members of Parliament, we have no right to prevent debate from proceeding by letting the division bells ring. The Progressive Conservative Party started this new fad of paralyzing debate, infringing on our freedom of speech, and preventing Members of Parliament from passing legislation. One would have hoped that, with the new Leader of the Progressive Conservative Party, there would have been a change in attitude, so that Canadians would no longer have to put up with these unfortunate incidents. However, that is not the case, and the public can judge for itself that in the final instance, the Members opposite are the same ones who let the bells ring for sixteen days during the energy debate. They are the ones who undermined Parliament's credibility, who took this institution hostage, and who now, under the leadership of the new Member for Central Nova (Mr. Mulroney), have not changed one bit. It is the same clique, the same old gang of obstructionists that is preventing Parliament from functioning, and, Mr. Speaker I say this is very unfortunate, and I am certainly not convinced that the change in leadership on the Progressive Conservative side was a change for the better. On the contrary, it has become a leadership that is silent on policy and very vocal through its use of the division bells. It is both regrettable and intolerable.

Mr. Speaker, you said that, pending adoption of a Standing Order, the Chair would let itself be guided by common sense. About two weeks ago, and this is my third example, when the bells rang somewhat longer than expected because of the weather, the Chair consulted with Party representatives and found out, at least as far as we were concerned, that it was true the weather was bad in eastern Quebec, that there was fog in the Maritimes and that weather conditions would have prevented Hon. Members from exercising their sacred right to vote in the House. I think it is a matter of common sense. When the division bells ring for such reasons, the Chair having consulted with Members on both sides of the House, it seems to me, Mr. Speaker, that it is only common sense and only logical, and that the public is prepared to accept this.

However, with respect to the two most recent examples, the Manitoba issue and the energy legislation bell-ringing incident three and a half years ago, you have every right to try to convince the Parties to reach an agreement so that you will have guidelines to follow and avoid finding yourself too often in situations where you might appear to favour one side over the other.

In the meantime, Mr. Speaker, I hope that parliamentarians will continue to seek a solution and work together to find a way out. I am prepared to sit down with you and discuss the question, as you have suggested, along with the Opposition spokesmen if they are interested—or without them—with a view to improving the situation. However, until such time as we do settle the issue, surely we ought to rely on common sense. We agree with you and, as far as we are concerned, we want to impress upon you that we have never considered nor do we consider now resorting to bell-ringing tactics. Still, we are not going to let the Opposition continue to breach freedom in Canada by playing bell games as it has been doing so shamefully both here and in the Manitoba Legislature.

• (1230)

[*English*]

Hon. Erik Nielsen (Yukon): Mr. Speaker, we, of course, will want to study your very thoughtful reflections that were obviously given a great degree of care in preparation. Certainly, I for one would be very happy to meet with you, if I took it from your remarks that there is a suggestion that we do so. In the meantime, because the Chair raised the precedents, allow me to say that the manner in which the Government House Leader has referred to the precedents is very saddening to me. What he has done is that not once, not twice, but three times today he has attempted to use this occasion to use French-English rights in this country as an instrument of division rather than one of unity.

Some Hon. Members: Hear, hear!

Division Bells Procedure

Mr. Nielsen: I deplore that kind of conduct when we on this side have displayed in this House of Commons our adherence to using that issue as an issue for unity rather than disunity.

The roots of this problem go far deeper than most Members here can recall. One or two of us sat here in 1957, 1958, 1959, 1962 and 1963. That was an occasion when the Liberal Opposition of the day had some 45 Members against the overwhelming majority of the then Prime Minister Diefenbaker. As Mr. Pearson himself called it, "that happy band of warriors" held up in the House the Estimates of the day for 49 days, refusing supply, deliberately obstructing the House and, indeed, forcing the Government of the day to go to Governor General's warrants in order to pay the salaries of the Public Service. Yet in this day and age, when we as a responsible Opposition attempt to use the tools remaining, we are called obstructive. When the Government does it, it whines about the weather, or about uncontrollable events; but when we do it, it is called obstruction.

I have no quarrel with what was done by the "four horsemen of the apocalypse", as they were called in those days—Mr. Chevrier, Mr. Pearson, Mr. Pickersgill and Mr. Martin. They were magnificent parliamentarians all, doing what they thought was a responsible job in opposition—and it was, Mr. Speaker.

Therein lies the root of the problem. After the 1963 election we of course changed sides; Mr. Pearson and his Liberal Party took office and we moved to this side of the House. One of the first things that the Government did was look at the Standing Orders and say: "By George, we cannot ever be caught in a situation where we can be prevented from getting our program through, as we did to the Conservatives when they were in office".

The method used to avoid being subjected to the same terms as we had been subjected to when they were in opposition, was to change the Standing Orders. In the process the effectiveness of the Opposition was weakened. The tools it had hitherto possessed in order to discharge its responsible function as an Opposition were taken away. In doing that, the Opposition was left with precious few tools with which to oppose when it believes that opposition is warranted. All it is left with are the tactics that we have used that focus on ringing the bells or moving dilatory motions such as the one moved yesterday. That is all the Government has left any opposition as tools with which to perform its functions.

In effect, we have reached the stage where the Prime Minister's oft-quoted remark is closer to the truth than many people believe—that Members of Parliament, when they are 50 feet off the Hill, are nobodies—because the place is becoming irrelevant in terms of the institutional structure itself—a parliamentary government and a parliamentary opposition.

I agree with the Government House Leader that the Government is there to govern; that is its mandate. But the Government has to admit that the Opposition has a function to perform as well, and that function is to oppose where Opposition—in its view, not the Government's—is essential. It has to be provided with the tools to present that opposition.

We are left with a psychology where we are compelled to the conclusion that unless we do things the way the Government thinks we should do them, we are guilty of obstruction. That is not a good approach to the maintenance of this institution and what it is supposed to be in the parliamentary sense.

Now I want to say a word about yesterday. The Government, through the Minister of Finance (Mr. Lalonde), tells us that the borrowing Bill before us for $29.5 billion will be sufficient to cover its needs right through to March 31, 1985. That is what he said; that is all the money the Government needs. We believe that is an overstatement, but nonetheless we are debating the Bill now. Then the Government came along the day before yesterday with a notice—

Mr. Evans: Don't mislead the House.

Mr. Nielsen: I will not even bother—

Mr. Evans: You had better not.

Mr. Nielsen: —replying to that inferential charge from an Hon. Member who has not been here long enough to appreciate the implications of what he is saying.

After telling the House that all it needs to cover its entire requirements for the fiscal year is $29.5 billion, two days later the Government puts a notice on the Order Paper asking for authority to borrow a further $4 billion, which makes the total $33.5 billion.

Mr. Evans: What did our House Leader say yesterday?

Mr. Nielsen: If the Hon. Member would just keep quiet for a moment, as I did when his House Leader spoke, and allow me to complete my remarks, I will get to his question. I think he should at least extend the same kind of courtesy that we extended to the Government House Leader and bless us with his silence.

• (1240)

The Government says that if we give it that further $4 billion worth of borrowing power, whatever portion it uses it will deduct from the $29.5 billion—I see the Minister of State for Finance (Mr. MacLaren) nodding in agreement with that—by way of an amendment to be introduced at the committee stage. We do not question that. We do not question the validity of the Government's word in that regard. What we do question is that it needs it.

Why is it bringing forward a Bill for a supplementary $4 billion when it has cash deposits of $8.1 billion? April, we know, is a heavy expenditure month. All the bills come in and all the refunds must be made, and the like. However, there are enough cash reserves to cover the demands up to the end of April by more than two times now on deposit with the Government. I see the Minister of State for Finance disagreeing with me there, but that is our advice.

In committee, we asked the Governor of the Bank of Canada and the Minister of Finance (Mr. Lalonde) to explain

why the cash deposits now available to the Government are so far beyond those which were available last year, more than double. They will not answer. They will make no disclosures and give no explanations. In the absence of explanations and in the absence of answers, and in the presence of the fact that it has that $8.1 billion there, what are we to do to act responsibly? We must oppose by any means available to us on the basis of the information which we have or have not received despite repeated attempts to get it. The only manner in which we can oppose, Sir, is to prevent the introduction of that Bill.

I am convinced, Sir, that it is false to say that not giving government this supplementary borrowing Bill of $4 billion will hold up the payment of income tax refunds. That is a political statement and it is a sad one, to my way of thinking. In any event, it is false.

One last thing, Sir. It will take the Government, by the application of Standing Order 8(3), five days to get its $29.5 billion. It would have taken three days—not much of a short-cut—if we had permitted it to go the supplementary borrowing route. It was not necessary and it would have had a hangover in that $4 billion for which we were being asked to provide authority. That is what we are objecting to. If the Government House Leader was really serious about parliamentary reform which would permit governments to govern and permit oppositions to discharge their responsibilities, he would bring forward for quick passage all of the outstanding reports of the parliamentary committee on reform. These reports were dropped from the Order Paper at the prorogation of the last session, but are still there, as the Government House Leader told me before. They are in the public domain, but they are sitting on the shelf, no longer on our Order Paper. If the Government was really serious, it would bring all of them forward and let us pass them before the end of June. Let us give them quick debate and bring about meaningful reform in this place.

I, for my part, and on behalf of Her Majesty's Loyal Opposition, with whatever tools have been left to it, will be very pleased to sit down and have a very serious discussion with the House Leader and with you, Sir, and with the House Leader of the New Democratic Party, to see if we can design some method of bringing those reports before the House, agreeing on a time limit for their debate—a short time limit—and for their very quick and expedient passage.

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, in the absence of our House Leader today, I would just like to make a few comments concerning your reflections, the remarks of the Government House Leader and those of the House Leader of the Official Opposition.

First of all, I would like to join with others in commending you for deciding to deal with this very difficult issue within the limitations, as you yourself pointed out, of what the Speaker is able to do about this issue in the absence of any clear instruction from the House, and in the absence, I might say, of any clear political will to do something about it. I believe you are to be commended for taking your responsibilities as Speaker seriously in trying to do what you can within the very real limitations which you yourself pointed out. I will have more to say about those limitations in a moment, Mr. Speaker.

I hope that co-operation between the House Leaders will be possible in the near future and that some kind of agreement could be reached with respect to a Standing Order which would give the Chair more instruction, more clear guidance, with respect to the taking of votes, but perhaps leave some discretion with the Chair for special circumstances or whatever. But that is just a personal view of mine. I do hope that there could be that kind of co-operation.

However, my concern is that the remarks of the Government House Leader were not, in my view, designed to create that kind of co-operative atmosphere. He did not go anywhere toward creating that possibility. If anything, he damaged that likelihood by bringing in things which have nothing to do with what is going on here in the House of Commons, in the federal Parliament. The Government House Leader would have been well advised not to have commented on the things he did comment on and to have stuck to what our responsibilities are here in the House of Commons in ensuring that we conduct our business in a way which commands the respect of the Canadian people.

I feel we do have to do something about the bell ringing episodes. I am sympathetic with the comment of the Hon. Member for Yukon (Mr. Nielsen) that very few tools are left to oppositions to indicate to government: "Hey, we are really serious about this". I do not always agree with the Official Opposition as to what it decides to get its back up about and go to the wall for. In fact, I very seldom agree with it. However, I do agree that very few tools are left to oppositions which, for one reason or another, make that decision. Fewer tools, I might say, are left to an opposition Party which is not the Official Opposition. So there is a problem.

I ask my Progressive Conservative colleagues to consider, especially since they regard themselves as defenders of the parliamentary traditions despite the damage which has been done to that tradition by the Liberals over the years, whether, in spite of the legitimacy of the argument that this is one of the few tools left to the Official Opposition, we are not, by having these bell ringing episodes, doing damage to the very institution which I believe the Progressive Conservative Party genuinely cherishes. The public really does not understand, and I believe no one can really understand, just what is going on with the empty Chamber and the ringing of the bells. It is always an embarrassment to me, Mr. Speaker.

For instance, yesterday afternoon there must have been people here who had only one day in Ottawa. They come here to watch the debates of the House of Commons and all of a sudden the Speaker says "Call in the Members", a bell starts to ring, and everyone takes off. Surely people who watch us all the time on TV must be getting used to it by now so they know what is going on. But people who come here out of the blue to see their Parliament in action must really wonder what the devil is going on when the bells start to ring. I do not know if they are told, or if they could be told: "Don't bother sitting around because there is not going to be a vote today". "Well, I

have four hours". "Sorry, there will not be a vote". "Well, they were all just in here". "I know, but they have all taken off".

• (1250)

I think what you were pointing to, Mr. Speaker, is that this does not lend itself, to understate the case, to enhancing or even preserving the dignity of the House of Commons, or the perception of democracy as something conducted by adults in a reasonable manner within which context there are rules for disagreement. I certainly agree with everyone who has said we have to do something about this. If doing something has to be part and parcel of giving more genuine power and input not just to opposition Parties per se, but to back-benchers and Parliament itself, then so be it.

I have a special interest in this, as you know, Mr. Speaker, as Vice-Chairman of the Special Committee on Standing Orders and Procedure. I regret that we did not come up with a solution to the bells problem, but in order to do that we would have had to come up with a solution to the over-all problem that Members of Parliament in general, and opposition Parties, official or otherwise, do not have enough genuine input into the process around here. That is the problem and delay becomes the only mechanism by which people can indicate they are dead serious about their opposition to something. They want the opportunity through delay to allow public opinion perhaps to mobilize or whatever.

Delay does have its benefits. Delay is not always the bad thing that the Government House Leader would have us believe. The word "efficiency" is thrown around too loosely. I would like this place to be as efficient as possible, but what the Government House Leader means by that word is not what I have in mind. Quite often he means the Government getting its legislation through as quickly as possible regardless of the contrary views here in the House of Commons.

What I wanted to point out, Mr. Speaker, is that there should not be too much self-righteousness on either side of the House in this issue. Some of the tactics employed by the Opposition have been embarrassing. Although I have not been here very long, I paid attention to the role of Parliament for a long time before I got here, and no one has done more damage to Parliament over the years as the central political institution in this country than the Liberal Party of Canada. They have done this by making major policy announcements outside of the House, by Ministers refusing to make statements in this House so that people can respond to them. They have done this through some of the rule changes they forced through unilaterally in 1968. The list goes on, Mr. Speaker, of the way in which the Party now in power has taken away from Parliament as an institution. So let us not have the Government House Leader get up and wax eloquently and self-righteously about his appreciation for Parliament. If he has that appreciation as an individual, then he ought to do something about his Party and he ought to be more honest about the role they have played in downgrading this institution. Then maybe we can take him seriously.

You have laid out the options with respect to the bells, Mr. Speaker. Either we can continue as we have, with the decision on when a vote is taken resting completely with the Whips, which I hope everyone regards as unacceptable; or you could have more authority as the Speaker to decide; or we could have a Standing Order. What I want to say goes back to the recommendations made by the special committee, which were mentioned by the Hon. Member for Yukon. Right now the Speaker does not have that kind of authority. This is no reflection on your personal competence or ability to do the job; it is a reflection on the structure here. That is why we recommended that the Speaker be genuinely elected by the House of Commons; that there be a process for electing the Speaker which would give the Speaker of the House of Commons more genuine moral authority in the House. Then option number two would, I think, be much more acceptable.

However, going beyond the question of the bells, I think this is an opportunity for us to reflect on why it is that the Chair in its present circumstances feels the limitations it does. This is because of the way in which the Speakership has grown up over the years in Canada. This again is a peculiarly Canadian problem. The Speaker of the House of Commons in Westminster has much more moral authority than the Speaker of the House of Commons in Canada has ever had because the appointment is much more removed from the perception that it is the will of the Government only and not that of the House of Commons. This is an opportunity for us to reflect on that.

Having said that, I would just like to say one more thing before I sit down with respect to the comment the Prime Minister (Mr. Trudeau) is reported to have made some time before I got here, in 1979 I believe, that when Members of Parliament get 50 feet off the Hill they are nobodies. Mr. Speaker, my contention, having listened to many witnesses in the special committee and from my own experience as a Member of Parliament, is that it is just the other way around. When we get off the Hill and we are in our constituency, or speaking at a conference, or anywhere but in the House of Commons, we are somebody because our people expect that Members of Parliament have a larger role to play in how this country is run than we actually do.

Some Hon. Members: Hear, hear!

Mr. Blaikie: It is when we get into the House of Commons that we are nobodies. For the most part we have absolutely no effect on what goes on around here. There are exceptions, but one of the things we have to do to revitalize this institution is change our political culture and the way we now regard Parliament. A big change in that respect will have to come from that side of the House because they are the Government, they are one of the Parties which is a contender for government in the next election, and because they in all likelihood—God forbid, but this is the way Canadian history works out—might be the Government again.

Mr. Stevens: Hear, hear!

Mr. Blaikie: Sinc Stevens is clapping at the fact that the Liberals might be the Government again.

Mr. Stevens: Oh, no!

Mr. Blaikie: I think he must have misunderstood me. In any event, there are great changes to be made and I think the Government ought to show a little leadership. Instead of being so self-righteous about it, why do they not do what the Hon. Member for Yukon suggested, and what I and other Members have suggested many times, and get on with implementing the recommendations of the Special Committee on Standing Orders and Procedure? Then we could take the Government seriously.

Mr. Speaker: The Chair would like to thank all Hon. Members who participated for their comments. They have obviously been well motivated and thoughtful.

I wonder if we might now, since it is one o'clock, take up the rest of Routine Proceedings at two o'clock today?

Some Hon. Members: Agreed.

Mr. Speaker: It being one o'clock, I do now leave the chair until two o'clock later this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Pinard: Mr. Speaker, I have had consultations with the Hon. Member for Yukon (Mr. Nielsen). I cannot see anyone from the NDP present at this stage but I suppose they will not object. We propose to suspend Routine Proceedings until after the third speaker on the motion to be debated on this Opposition Day. That will give us time to continue with the debate we began before the lunch hour. If you seek unanimous consent to postpone Routine Proceedings until after the third speaker has spoken on the Orders of the Day today, I think it would be agreeable to us and to the other Party.

Mr. Nielsen: Mr. Speaker, that is quite agreeable. I hope that each of the three speakers will take their full 20 minutes.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 62—INTEREST RATES

Mr. Nielsen: Mr. Speaker, in the absence of the Hon. Member for St. John's West (Mr. Crosbie) we will have to seek consent for the motion to be moved by the Hon. Member for York-Peel (Mr. Stevens).

Mr. Speaker: Is there unanimous consent that the Hon. Member for York-Peel will move for the Hon. Member for St. John's West?

Some Hon. Members: Agreed.

Hon. Sinclair Stevens (for Mr. Crosbie) moved:

That whereas the depreciating dollar and increasing unemployment, inflation and interest rates endanger economic recovery and undermine job creation through their damaging effects upon agriculture, small business and business investment, this House regrets the government's failure to include in its February 15th Budget, or to adopt at any subsequent date, policies to provide the necessary conditions for a reduction in interest rates and the strengthening of the Canadian dollar and calls for the immediate resignation of the government.

● (1410)

He said: Mr. Speaker, the Hon. Member for St. John's West (Mr. Crosbie) hopes to join this debate as it proceeds. Unfortunately, he is detained at a luncheon meeting and has been unable to finish his speech to get here in time to join in the debate.

I would hope in discussing the motion now before us that we can do so in a comparatively non-partisan way. We are actually dealing with something that is a terrible tragedy not only for hundreds of thousands but for about two million Canadians. I am, of course, referring to our unemployed, our jobless. It is fine to talk about those big figures, but let us look at what has happened since 1980. I think we sometimes forget the human aspect when we talk about raw unemployment figures. If we go from town to town across Canada we find that Saint John, for example, had an unemployed population in 1980 of 4,000. There are now 7,000 people unemployed; 3,000 more are now out of work in Saint John.

In Montreal we find 74,000 more out of work today than in 1980, that figure having risen from 124,000 to 198,000 currently. To express that in percentage terms, it means 13.7 per cent of the work force in Montreal have no jobs. They are out of work.

However, if you look at the Ottawa-Hull area, you find a startlingly different picture, Mr. Speaker. While unemployment has gone up, it has gone up only 3,000, from 29,000 to 32,000. I suggest that is one of the problems we live with at the federal Government level. People, certainly the bureaucracy in an area such as Ottawa, get isolated. They do not, as people in other towns do, sense the magnitude of the unemployment that is occurring in Canada.

Sudbury has had a 100 per cent jump in unemployment, from 5,000 persons to 10,000, since 1980. Toronto, usually looked upon as a comparatively full employment area, has seen 75,000 people added to its unemployed list since 1980. In Toronto there are now 156,000 unemployed. Hamilton has seen its unemployment almost double from 17,000 persons to 33,000 currently. I emphasize to all Members, even to the socialistic Members because they seem to care so little for these things, that this jobless situation has occurred in just

three years. In the case of Hamilton, in percentage terms unemployment has jumped from 6.4 per cent to 11.9 per cent. Winnipeg has seen a jump in its jobless total from 18,000 to 32,000 people.

Then we come to the tragic situation in Calgary and Edmonton. Isn't it strange, Mr. Speaker, that I am in the House of Commons on March 30, 1984, talking about declining economies in what only four years ago were two of the most prosperous cities not only in Canada but in North America? While our economy was doing poorly, certainly in the late 1970s, we at least had the Province of Alberta where the economy was comparatively buoyant. Then came the National Energy Program. An industry that was relatively successful in Alberta may have hit some decline, but the National Energy Program accelerated that decline beyond belief. As a result in Edmonton, where there were 14,000 out of work in 1980, there are now 46,000 out of work, a jump of 32,000 persons. A total of 32,000 people is roughly the population of the largest town, Newmarket, in my riding. It means, in effect, that every man, woman and child is out of work in Newmarket. Or you could say that the entire population of Newmarket, 32,000, is out of work in Edmonton alone. In percentage terms, unemployment has tripled, from 4.1 per cent to 12.1 per cent in Edmonton.

Then we have Calgary. Twelve thousand was the number of people looking for work in 1980. I do not have to remind Hon. Members that was when, unfortunately, we got turfed out of power. There are now 45,000 people unemployed in Calgary, up 33,000. In percentage terms the figure has almost tripled, from 3.6 per cent to 12.2 per cent.

In Vancouver we find 48,000 more people out of work today than in 1980, the figure having jumped from 36,000 to 84,000 persons, meaning that 12.3 per cent of the population of Vancouver are out of work.

I wanted to mention those figures because when we look at some of the points in our motion before the House, we gloss over what we are talking about in human terms. I want to refer to the depreciating dollar, inflation, the interest rate increases that we are experiencing and the general lack of growth in our economy. All of this need not have happened, yet when you look back over the years, in my case since 1972 when I first became a Member of this House, you can see how predictable it was, how the Government of the day was taking step after step that would lead to the present malaise as sure as the sun will rise tomorrow.

What brought me into this House was the way the Government went about the income tax revision, blatantly ignoring the public initially and putting tremendous consternation on Canada's whole economy. There was an indication even back in the late 1960s and early 1970s that the Prime Minister (Mr. Trudeau) was bad news for the nation. His priorities were wrong. He was fascinated, as history has demonstrated, with things that disunited Canada, that essentially focused the nation and certainly this House on things other than getting our economy first and foremost operating satisfactorily, and secondly giving Canadians the prosperity to which they were entitled.

That is the chronic problem with which we have been living. I suggest it started to show up most vividly during those hung years when we had a minority Liberal government aided and abetted by the socialists between 1972 and 1974. It was during that period that we found that, in the Liberals, desperate anxiety to retain power, the then Trudeau Government accepted virtually any ultimatum thrown its way by the socialists to our left. The net result was, with the weak Minister of Finance then in place, spending soared.

● (1420)

I thought we had lost that Minister at the federal level but now I understand that he believes he should not come back as a new Minister of Finance—heaven forbid—but as the Leader of the Liberal Party and presumably Prime Minister. Of course, I am referring to John Turner. When he was Minister of Finance I was able to watch him, for some time as a critic, double government spending before he left after 40 months. He doubled federal spending and introduced the nation to peacetime deficit financing for the first time. By the time he left office, the deficit had soared from one which was well below a billion dollars. If we go back a number of years in which there were some years in surplus and some years in deficit, he left us with a deficit of $5.6 billion. Some now say that this is the man who was responsible, a man of fiscal restraint. I would invite anyone who wants to say that to look at the record first. Inflation and unemployment went up while the rate of growth in the economy went down, along with our dollar. That was the beginning of the colossal catastrophe which faces the country now.

After he established these spending programs to which I referred, which doubled federal spending during that 40 months, he then brought in indexing. The Government became involved in that very awkward fiscal position in which there was virtually no control over the spending side, which was not indexed except in reverse, where inflation would make expenditures soar, while revenue was indexed so that it plateaued. Having set in place the fiscal stance that saw a levelling of revenue but an ever-growing expenditure line, he then not only quit as Minister of Finance but went back to the private sector and made hundreds of thousands of dollars a year presumably advising people about what was wrong in Ottawa, if one believes his private letters of the time.

That is what we have inherited. We have inherited a regime that has left a gap between revenue and expenditures of over $30 billion. As has been pointed out, on a per capita basis that is 50 per cent more than the deficit which the Americans are so worried about in their country. The deficit not only sops up the savings money of the country, it drives up interest rates and is putting us into the position where 30 per cent of every tax dollar that comes into the federal treasury must be earmarked to pay interest alone. That is what is happening.

The Government will admit that 20 per cent of their expenditures goes out in interest to service the debt, but it is not so

quick to admit when speaking about the $100 billion of expenditures that it only has approximately $66 billion in revenue. This means that for every $1.50 that it spends, it only has $1 to cover it. That is why I say that 30 cents out of every dollar it has in revenue must go to pay someone, and it is more frequently the foreigner who picks up that 30 cents, or part of it.

This is the scenario in which we find ourselves. The Government likes to say that other countries are presumably as bad off as our country. I know from your years of attentive study in this field, Mr. Speaker, that you know that is untrue. Let me confirm what you know to be untrue. For example, the best comparison we have for our economy is easily the American economy. We plunged into the recession, which we now refer to as past history but which may or may not be true, sooner than the Americans. We went deeper into the recession than the Americans and our recovery from that recession has been much slower. If our economy had performed under the emperor as well as the American economy has performed under their President, there would be 448,000 more Canadians working in Canada today. The truth is that the Government, rather than the Yankee battering which it loves to do, should perhaps admit its failure to the Canadian public, because if our economy was running at least as well as the American economy, almost a third of our unemployed would not be out of work at all.

Let me give some other facts. Each Canadian employee today would have $967 more per year in after-tax income if we were doing as well as the Americans. Our industrial production would be $4 billion higher than it currently is. It would also mean that our Gross National Product would be $13.2 billion higher. I could give other comparisons. For example, while our unemployment level on a national basis is 11.3 per cent, the American unemployment level is 7.8 per cent. During the past three months U.S. prices went up 4.4 per cent on a seasonally adjusted annual rate basis while Canadian prices went up 7.4 per cent.

I am putting this on the record because I think if we are honest with our constituents it is not just enough to acknowledge what a mess we are in but we should also acknowledge that it did not have to be that way. Certainly the situation in the United States demonstrates that our situation did not have to be so bad.

I also said that we should not be overly partisan about this subject because I believe that there are solutions. If I may, I would like to recommend, in attempting to decide on solutions, that all members, certainly Liberal members, and even the socialists if they care to read, as well as ourselves, should read a book that has just come into our offices. It is a book written by the late Maurice Lamontagne entitled *Business Cycles in Canada: The Post-War Experience in Policy Directions*. I invite Hon. Members to read this book because I believe that the senator repeatedly asked us to consider some of the options, such as the research and development potentials, the technology potentials and the trade opportunities. In short, he tried to have us think about the future that could be as opposed to dwelling on that philosophical, academic cross-purpose that the Prime Minister led us into.

This book allows us to learn some of the senator's thoughts even after his death. I would invite many in the House to read what the late senator had to say because I can assure Hon. Members that if we would accept some of the suggestions that are being made, the future in Canada can be one where indeed we will have 500,000 more working than are projected to be working under the present Minister of Finance's projections through to 1987. Inflation will be lower. Interest rates will be lower. The deficit will be less. However, before we can reach that goal, we must do what the motion calls for—demand the resignation of the Government and let somebody who knows how to run things in a business-like manner get into office.

● (1430)

Mr. MacLaren: Mr. Speaker, I am surprised that the Hon. Member who has moved the motion of, in effect, censure on the Government is not able to be here today to give substance to his allegations. On the other hand, while stating in his motion a number of dreadful things that he sees this Government doing, the same man not many months ago said he would do exactly the same thing. Here we have the Hon. Member for St. John's West (Mr. Crosbie) saying that the Government has failed in a number of respects, yet a few months ago he said that if he were in government he would continue with the general approach taken by the Finance Minister. I don't doubt in those circumstances that the Hon. Member finds it difficult to be in the House—

Mr. Deputy Speaker: Order. The Standing Orders provide for a ten-minute question and comment period after each speaker. May I inquire from the Minister if he rose to make a speech, make a comment or put a question?

Mr. MacLaren: Mr. Speaker, as I informed the Chair earlier it was my intention to ask for the floor following the—

Mr. Deputy Speaker: I appreciate the Hon. Minister's comment. Nevertheless, the Chair is bound by the Standing Orders to inquire if any Members wish to pose questions or make comments following the previous Member's speech.

Mr. Fennell: Mr. Speaker, the previous speaker referred to the years 1972-74. It was a great insight for me to find out where we really got into trouble. I was aware it was during the day of the support of the red rump that the Liberals brought in these extra policies that caused us trouble. Could the Hon. Member expand? Did the total deficit in those two years amount to $5 billion, or was it each of those years? Can he expand on what he was telling us about that two-year period and what happened subsequently?

Mr. Stevens: Mr. Speaker, the period that the Hon. Member is referring to is, of course, that period between 1972 and 1974. We find that in the very early 1970s there was a comparatively balanced budget position. One year there was even a fair surplus. Then the deficits start to mount. By 1975 the deficit was $5.4 billion in that year alone. It was caused by

high spending prgrams being put in place without the corresponding funding. Unfortunately, that was not the end of the story. With the indexing that I referred to that the then Minister of Finance, Mr. Turner, brought in, the revenue in subsequent years tended to plateau, yet his big spending programs—and incidentally we found this out in Treasury Board—never costed out.

Mr. Pepin: As recommended by your Leader.

Mr. Stevens: As a result you have that yawn, that gap between revenue and expenditures, that is now producing a $30 billion deficit. The Minister of State for External Relations (Mr. Pepin) says "as recommended by your Leader", who was the then Leader of the Opposition, Mr. Stanfield. That is typical of how the Liberals only listen to part of what we say. What Mr. Stanfield said at the time was that the only way we could once again get control of expenditures in this country was to cut off from government what they call their tax dividends.

With our personal income tax structure the way it was, if there was a 10 per cent increase in the economy—let us say it was pure inflation—taxes went up 17 per cent. He said you have to index that because as long as you hand that kind of a melon to a government, it will start spending it. The other side, and this is obviously what the Government and the Minister of State for External Relations have forgotten, was that you have to bring in government restraint hand-in-hand with indexing your revenue. That is something this Government and certainly Mr. Turner never did. We are now rueing the day.

Mr. Nickerson: Mr. Speaker, I must apologize for disrupting the train of thought, if any, of the Minister of State for Finance (Mr. MacLaren). I have a question for the Hon. Member for York-Peel (Mr. Stevens) knowing that he has some knowledge of the banking industry. Will the fact that Canadian banks have extended great amounts of money by way of loans to countries such as Argentina, Brazil and Mexico, which are having a great deal of difficulty repaying these loans, affect interest rates in Canada in the near future and the level of economic activity? What are the relationships between moneys that have been loaned abroad and moneys that have been loaned to Canadian businesses or the Canadian Government? Could this state of affairs have been prevented by some form of government policy? Is that a reasonable suggestion?

Mr. Stevens: Mr. Speaker, I thank the Hon. Member for the question. I believe it is important that we remember just what did happen with respect to this sizeable exposure of Canadian banks to what are generally regarded, as the Minister of State for International Trade (Mr. Regan) said the other day, as not good credit risks. Our banks have an exposure of approximately $14 billion in loans to various Latin American countries, mainly Mexico, Brazil, the Argentine and certain others. This has become a tremendously worrisome asset on their balance sheet. While some rescheduling has been taking place, there is that deep down feeling that they are just fudging things. Unless the loans are rescheduled, they are just not current. This weekend we may find that the Argentine will say: "We are not going to play the game any more. We are not going to pay the interest. We are not going to reschedule. We just think the terms are too severe".

Mr. Pepin: They said they would.

Mr. Stevens: If they said they would, that is good. What I am saying is that it is a very anxious thing for any banking group to have to live with. It is worth remembering that what that causes the banking community to do is widen its spread between the cost of its money and what it charges its customers. We have a very wide spread at the present time. The banks need that spread to provide for future losses that they feel may occur. Second, it makes them come down exceedingly hard on commercial borrowers in this country. Commercial loans in this country have been reduced by about $12 billion over the last couple of years. They are calling in that money. Guess where they are putting it? They are bailing out the Government, buying Government debt. That puts pressure on the Canadian businessman. That is why the farmer who, in the aggregate, has access to only $7.5 billion from Canadian banks is being forced as hard as he is to pay up or be foreclosed.

• (1440)

In short, the system can only take so much expansion. If one part of the system, such as foreign credits, becomes questionable as far as security is concerned, it means that the better part, the domestic part, takes severe pressure both in interest rate rises and in the collection and recall of those loans.

Mr. Munro (Esquimalt-Saanich): I wonder if the Hon. Member for York-Peel (Mr. Stevens) could deal again with this matter of foreign loans through the banks. Perhaps he could deal with the degree to which the federal Government is involved in the operation, either indirectly through the EDC or as a guarantor of some of the loans that have been made for the purchase in Argentina, for example, of the Candu reactor.

Mr. Stevens: Mr. Speaker, again I thank the Hon. Member for his question. As he undoubtedly recalls, the Export Development Corporation, a corporation which carries the full faith and credit of Canada behind it, has loaned the Argentine something over $300 million. Not only did the corporation loan that money on the strength of its directors' decision but it also went through another section of the Act and got a direct loan from the Government of Canada approved by the Cabinet Ministers as opposed to the directors of the corporation.

In short, not only did the EDC extend what it felt was wise in the case of lending to Argentina but, when it ran out of money, it then had the Government indicate that that was still not enough and add another one hundred million some odd dollars to be authorized directly by the Cabinet. I hope that that money will be repaid in due course. Again, it puts the Government in a position of being exposed on a loan that is shown as an asset today but may never be recovered in full.

Hon. Roy MacLaren (Minister of State (Finance)): Mr. Speaker, we are faced today with a motion presented by an Hon. Member who, as I noted earlier, is not present in the House. In any event, the motion is at variance with the Member's own stated view that, if he were Finance Minister, he would do exactly what the Government has been doing. It is also, of course, at variance with the facts. If the Hon. Member opposite had taken the trouble to search out the facts, he would have seen that the allegations made in his motion cannot in fact be substantiated. The motion is, however, at one with the gloomy view of the economy which he always tends to bring forward. He has become sort of an apostle of doom and gloom and I am not surprised that he takes advantage of this occasion, against the evidence, to present an exceedingly gloomy picture of Canadian economic prospects.

The heart of the resolution is an interesting one. It attempts to suggest that somehow the Canadian Government can avoid dropping the value of the Canadian dollar *vis-à-vis* the U.S. dollar and at the same time hold down interest rates if at the same time U.S. interest rates are rising. That is the situation we are facing today. As a result of principally two factors, U.S. interest rates have increased over the past few months. There is an expectation that those interest rates will grow again in the time ahead. Why is that? Principally because the United States is running a very substantial structural deficit.

Let us pause for a moment to describe a structural deficit. I dare say that there are one or two Members opposite who may want, as they often do, to point out that in per capita terms the Canadian deficit is somewhat higher than the U.S. deficit. The fact is that the Canadian deficit reduces automatically as tax revenues increase and as the costs of social programs diminish during the period of recovery. The United States deficit, by contrast, is one which is fixed until such time as the United States Government does decide explicitly to reduce its deficit spending.

At the same time as it is engaged in high levels of deficit spending, the United States has experienced a period of substantial economic recovery. There is an anticipation in the U.S. capital markets that a crowding out shall occur unless the United States Government reduces its deficit spending. In anticipation of that type of crowding out of private investors in the money markets of the United States, U.S. interest rates have been rising.

Attracted by those rising United States interest rates, foreign money, including Canadian speculative short-term money, flows into the United States. A Canadian speculating on the U.S. dollar may buy U.S. dollars and pay for them with Canadian dollars, thus drawing down the value of the Canadian dollar. In those circumstances, what will happen in Canada? We can either respond by adjusting our interest rates or we can let the Canadian dollar reduce its value.

The Chicken Littles across the way say: "My goodness, the sky is falling. Look what is happening. Interest rates in the United States are going up, Canada will have to respond and interest rates will go through the roof". They cry out in horror that the sky is falling and wonder what we are going to do. I shall tell them what we are going to do, Mr. Speaker. We shall go on doing what we have been doing. We shall moderate any sharp reductions in the exchange rate of the Canadian dollar with the U.S. dollar and we shall equally move to ensure that there are no sharp or rapid increases in interest rates in Canada.

I see no evidence, Members opposite cite no evidence and indeed economists who write in the newspapers and elsewhere cite no evidence, that we need fear very rapid increases in interest rates in Canada or indeed that we need fear rapid devaluation of the Canadian dollar. Members opposite know that the reason this is so is that fundamentally the Canadian economy is exceedingly strong. There is ample evidence of that at hand, some of which I shall cite in a moment.

If the Member opposite is suspicious of any evidence that I may cite, I would draw his attention to the Conference Board of Canada, an institution much favoured by Members opposite because it often presents, as they do, a very gloomy view of the prospects for the Canadian economy. The most recent quarterly statement of the Conference Board of Canada forecasts that the inflation rate is to decline for the remainder of this year, easing from about 5.8 per cent in 1984 to about 4.6 per cent this year.

Mr. Stevens: How about real growth?

Mr. MacLaren: The Conference Board goes on to note that unemployment is expected to decline during the coming year. The fact is, Mr. Speaker, that there shall be real growth of a substantial nature in the Canadian economy during the calendar year of 1984. The Member opposite alleges that there shall be no real growth in the economy. That, of course, is nonsense.

Mr. Stevens: No.

Mr. MacLaren: There shall be very substantial growth in the economy.

Mr. Stevens: Tell us how much.

Mr. MacLaren: If he thinks for one moment that the rapid rate of increase experienced during the initial period of a recovery is to continue indefinitely, then of course he is at variance with all economic forecasts. The initial spurt of economic recovery in any such cycle is typically followed by a period of sustainable and stable growth, and indeed of slower growth. We have said that from the beginning. We knew it would happen. The Hon. Member opposite must have known that it would happen, yet the Chicken Littles are saying: "My goodness, the sky is falling". We are saying, we have said and are continuing to say that there shall be sustainable and real growth in the Canadian economy in 1984.

Let me deal for a few moments with the economic forecasts for the future. However, I also wish to spend a moment dealing first with the question of the impact of the United States interest rates and the United States fiscal policy generally on the Canadian situation. As I have suggested, the United States has had rapid economic growth in the last few months

matched with a substantial federal deficit. The Chairman of the Federal Reserve Board in the United States has noted that those two factors combine to pose a "clear and present danger to the sustainability of growth and the stability of markets both domestically and internationally". He calls on the United States Government to take action to reduce its deficit spending in order to permit greater private sector borrowing in the economy as the expansion goes forward. If the United States Government does not make that move, then there is a danger that interest rates there will continue to climb.

• (1450)

As I have said, Mr. Speaker, I do not anticipate a sharp increase in interest rates in the United States during the course of this year. I suggest to the Hon. Member opposite that there is no way in which the Canadian people can immunize themselves from the effect of interest rate increases in the United States if that should occur. The fact is that the Canadian economy is part of a total North American economy. We operate open borders for the flow of capital, goods and services, and unless the Hon. Member somehow thinks that we can revert to wartime circumstances and successfully impose on an infinitely more complicated economy sustained by electronic transfers of payments a system of exchange controls, then I think he is talking through his hat.

What we have to do in Canada over the longer run is to ensure that we are more productive and more internationally competitive. That is what the Government has been promoting over the past year and a half during our period of economic recovery, the first milestone being the April, 1983 Budget and the more recent Budget of February.

Our competitive position in Canada, since the recovery began, has improved substantially because we have succeeded in bringing down the rate of inflation in Canada. Wage settlements and inflation in Canada have declined dramatically and, accordingly, productivity has increased dramatically.

Our friends opposite often want to compare Canada with the United States so let us make some comparisons. In the final quarter of 1983 the level of wage settlements in Canada was lower than that of the United States. Our unit labour costs have moderated considerably compared to those of the United States. Our surplus on merchandise trade has grown and has reached record levels, unlike the situation in the United States where that country is running a major, unprecedented trade deficit. Canada is reaching record levels of export trade and the United States is experiencing the very opposite trend.

These and other developments are positive elements that have made for confidence in the Canadian dollar in the first year of our recovery, and there is every reason to believe that full confidence will continue. Obviously we want to sustain that recovery by a stable dollar and stable if not lower interest rates. The downward pressures on the exchange rate of the Canadian dollar with the U.S. dollar pose some difficult economic choices for Canadians. On the one hand we know perfectly well that downward pressure on the exchange rate can introduce inflation into Canada, but equally we know that large increases in interest rates can also cause problems for our economic growth. As I mentioned earlier, we have been working to ensure that any such changes are moderate and that there is no substantial devaluation in the Canadian dollar or sharp increases in interest rates.

I said that the real assurance that neither of these deleterious circumstances will occur rests on the fundamental strength of the Canadian economic recovery. I want to cite for the Hon. Member opposite, who seems to choose his statistics in a most curious fashion—

Mr. Stevens: But they are accurate.

Mr. MacLaren: —that, for example, in January we had a record merchandise trade surplus of $25 billion at an annual rate. The Hon. Member opposite may wish to belittle that achievement but it is one of which all Canadians can be proud. For my part, I would see Canada experiencing very real growth in export trade during the remainder of 1984.

Mr. Stevens: That is what we are saying, the economy is moving.

Mr. MacLaren: Partly as a result of that factor and other factors, real domestic product increased by 1.3 per cent in January. That means an increase of 16 per cent at annual rates. No one expects the economic recovery to bound forward at such a pace indefinitely but I say again to the Hon. Member opposite that he can be certain, if he will take the trouble to look at the forecasts, that we will achieve very real growth during the remainder of this year. Retail sales increased some 3.1 per cent in January alone. That is more than a one-third increase over the similar period last year at annual rates.

Regarding manufacturers' shipments, Hon. Members opposite may wish to consider, in terms of what inventory replacement means and what manufacturing expansion means, that manufactured shipments rose by almost 7 per cent in January and new orders by some 9 per cent. That would be in both cases of manufactured shipments and new orders almost a doubling of those of last year. Unemployment was up some 54,000 jobs in February and housing starts rose for the fourth consecutive month.

All those factors are at least on a par with the situation in the United States and in several respects exceed the economic pace in the United States. I do not know what purpose Hon. Members opposite have in seeking to undermine confidence in the economic recovery in Canada and the growth we are now entering upon, but I would suggest to them that in their ever present comparisons with the United States they should recognize that in Canada we are experiencing a period of very real, sustainable growth.

In earlier discussions a number of Members, indeed the Hon. Member who introduced the motion today, have drawn attention to the fact that in Canada we have had a high level of unemployment that can only cause concern to us all; but they neglected to point out that some three million more Canadians are at work now than there were in 1968. After

warnings from economists that 1983 would produce more job losses, in fact the economy responded in 1983 by creating some 403,000 new jobs. A year or more ago most forecasters called for continuing declines in unemployment. For example, the Conference Board of Canada forecast 163,000 fewer jobs, but business fooled the forecasters and by December the economy had restored three-quarters of the jobs lost during the recession. Last week Statistics Canada reported that our recovery from the recession is now complete and that we are entering a period of real growth.

• (1500)

How does our employment performance look as compared to that of our major trading partners? I have said that there are now three million more Canadians who work today than there were in 1968. That means that some 40 per cent more Canadians are at work today. The comparable figure for the six major summit countries is less than 13 per cent. In other words, job creation in Canada has proceeded at more than three times the average rate of the summit countries.

I believe it is time, Mr. Speaker, that we all recognized the remarkable performance of the Canadian economy in absorbing the increase in new workers. All of us welcome the fact that women today are working far more than before, that the young people of the baby boom years are now entering the work force, and the Canadian economy has met the challenge of absorbing many more new entries into the work force than are the European countries or, indeed, than has been experienced in the United States.

With our labour force growing faster than in virtually every other country in the industrialized world, we have nevertheless provided jobs for a very substantial number of Canadians. I, for one, Mr. Speaker, am confident that during the coming year we will see a further reduction in the levels of unemployment in Canada as our dynamic economy creates more jobs for Canadians.

Mr. Stevens: Mr. Speaker, the Hon. Parliamentary Secretary in his remarks passed off what he referred to as the Canadian deficit as being less worrisome than the American deficit.

Mr. Riis: Minister of State for Finance.

Mr. Stevens: I am sorry. Yes, I am referring to the Minister of State for Finance (Mr. MacLaren), which makes what I have to say that much worse. He passed off our deficit as something which we should not be too worried about because, after all, it is not a structural deficit as in the United States. Our revenue, he said, will be popping up very shortly and will knock it off. Would the Minister of State for Finance explain to the House why, if that is so, his Minister of Finance (Mr. Lalonde) said on February 15 that our projected deficit for this year would be $31 billion; for next year, $29.6 billion; for the next year, $27.9 billion; for the next year $27.1 billion, and for 1987-1988, $26.1 billion. That is a total of $142 billion in deficits shown in the projections by the Minister of Finance. Is that not, surely, a structural deficit which the Minister said was something we did not have in this country?

Mr. MacLaren: No, Mr. Speaker, the fact is that if the Hon. Member will look at the numbers again, he will see that those forecast reductions represent a magnitude of 10 per cent plus or minus for each of the next five years. Those are substantial reductions. We have set out in the Budget papers and, indeed, in the paper on the deficit which accompanied the April, 1983 Budget, our thinking on how, during the time ahead, we are going to have a gradual reduction in the level of deficit spending in Canada. But make no mistake about it, Mr. Speaker, this side of the House, this Party, is not going to cut back drastically on government spending in the way which our friends opposite seem to think is not only desirable but, apparently, in their view, is quite possible.

Who is it who is telling us that we should cut back on government spending? It is the Member who, when he was in office, would have reduced very substantially, as he said, the Public Service. Perhaps that still remains his view. However, is he not also saying that in reducing the number of those public servants, he is going to reduce substantially, if he were in office, a vast array of government programs? What is he talking about? If we are spending approximately $90 billion a year, are we going to cut out the social programs of which Canadians are rightly proud and which, during the period of recession through which we have passed, provided a safety net for those who could not provide for themselves?

His desk mate told us that his Party would eliminate universality. Then his Leader said, no, they would not eliminate universality. Then his desk mate said, yes, they would, and the Leader said, no, they would not. So I am not quite sure where that Party is on the question of social spending in Canada. However, unless the Hon. Member opposite; if he were in office—which is most unlikely—were committed to a policy of cutting out major social program spending on universities, medicare or old age, there is no way, Mr. Speaker, that deficits in Canada can be reduced overnight by 50 per cent or something of that magnitude. They can be reduced in the way I have described at 10 per cent or so a year, which is substantially different from what is done in the United States, which has, as I have said, a structural deficit of a character and nature fundamentally different from that in Canada.

Mr. Crosbie: Mr. Speaker, it is quite humorous to note the reply of the Minister of State for Finance (Mr. MacLaren). The whole economic program of the gentleman he is supporting for the Liberal leadership, Mr. John Turner, is that the deficit must be reduced. The only economic policy he has announced to date is that the deficit must be reduced and that under his stewardship and leadership it will be reduced, contrary to what has happened for the last ten years. As a matter of fact, an Hon. Member for the same Cabinet, the Minister of State for Economic and Regional Development (Mr. Johnston), said, "The deficit is a very pragmatic restraint which people do not see. I mean, people have to understand that government simply can't borrow and borrow". However,

apparently the Minister of State for Finance, who should be one Minister in that Government who would observe that, is absolutely uncaring. My question, therefore, to the Minister is this: How can the Minister support the candidate for the leadership who is going to make his main economic plank a reduction of the deficit? And how can the Minister at the same time stay in the Cabinet with his colleague, the Minister of Finance (Mr. Lalonde) who suggested on November 4, 1982 that the baby bonus, known as the family allowance payments, might be eliminated for wealthier people who do not need it and who also said that he disagrees with his colleagues who say that the basic principle of Liberal philosophy is universality? How can the Minister of State for Finance stay in the Cabinet with such a Minister? How can he stay in the Cabinet with the Minister of Indian Affairs and Northern Development (Mr. Munro) who said on November 7, 1982 that the Government is, " . . . wasting millions of dollars by sending monthly pension cheques to wealthy senior citizens and baby bonuses to families who don't need the money. Such funds should be directed to help the most needy"?

How can the Minister support a man who says his objective will be to reduce the deficit, and also stay in the Cabinet with two others who are opposed to universality and who have made savage attacks on the whole principle of universality? What bunk and hypocrisy the Minister has spouted!

Mr. MacLaren: Mr. Speaker, the Hon. Member opposite is ill advised, I would have thought, to speak of hypocrisy when he brings forth the resolution today, not many months after he told us he would do exactly what this Government is doing and what the Minister of Finance is doing. He cannot have it both ways. If he is going to endorse the policies of this Government—

Mr. Crosbie: Answer the question.

Mr. MacLaren: It seems incongruous that the same time he says he disagrees with the policies of the Government, he says he agrees with them.

On the question of deficit reduction, I do not know that we want to carry on a discussion on the floor of this House about what leadership candidates in the Liberal race have to say.

Mr. Crosbie: Why not? Is it embarrassing?

Mr. MacLaren: However, I am quite happy to pursue the subject by drawing attention to the fact that the Hon. Member quoted only part of what Mr. Turner, the candidate to whom he referred, said. He quoted only part of what Mr. Turner said.

Mr. Crosbie: Give us the rest of the weasel words.

Mr. MacLaren: The Hon. Member opposite is a past master of selective quotations and he chose to read only the first part of what Mr. Turner said. Mr. Turner, when he announced his candidacy, said that the deficit should be reduced over a period of time. That is what this Government says. But Mr. Turner has also said, as all of us on this side have said, that the deficit reduction will not be carried out on the backs of the poor, the aged or the sick in our society. We will do it in a gradual and reasoned way, reducing programs where possible and increasing government revenue as necessary. In that way the deficit will be reduced as set forth in the paper accompanying the 1983 Budget and confirmed again in last February's Budget. There is no discrepancy; we are on track and we are going to achieve a substantial reduction in the deficit by the end of the next fiscal period.

• (1510)

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, when listening to the Hon. Member for York-Peel (Mr. Stevens) and the Minister of State for Finance (Mr. MacLaren) I was reminded of a book by Kathleen Hough called *How To Lie With Statistics*. I suspect that these Members have developed a fine art of selecting statistics to suit their purposes. The Minister of State for Finance says we on this side are presumably of the Chicken Little variety, concerned that the sky is falling. He went on to say that Canada is experiencing very real, sustainable growth, the Canadian economy is strong, and therefore the Government of Canada is going to go on doing what it has been doing.

Mr. Stevens: A point of order, Mr. Speaker. I think that in all fairness a Member should not be allowed to throw out an insinuation that a former speaker has lied with statistics without specifying what statistics he disagrees with. Does he say that what I said about the number of unemployed in Edmonton and Calgary is not accurate? What specifically does he feel was inaccurate?

Mr. Deputy Speaker: I am afraid that that exchange is in the nature of debate. Unless the Hon. Member for York-Peel makes a specific accusation, I must take the Hon. Member's comments as being simply a contribution to the debate. It is not a point of order.

Mr. Riis: Mr. Speaker, perhaps I can assist the Hon. Member by referring to the one comment, out of, I suppose, a whole number, which first caught my ear at the very outset of his presentation. He was condemning the Government for its national energy policy and commenting upon the level of unemployment in Edmonton and Calgary as a direct result of that policy. He was thereby implying that if he had the opportunity as a Member of the Government he would change that. Yet I remember very distinctly that when the Leader of the Progressive Conservative Party was in Edmonton not too many weeks ago, he said he would make no substantial changes to that policy.

Mr. Stevens: That is not true.

Mr. Riis: He was in a sense quite prepared to accept that. That was his exact phrase. It stood out on the front pages of *The Edmonton Journal* and *The Calgary Herald*.

Mr. Dick: Read the speech.

Mr. Riis: I did not have the opportunity to read the speech in full—

Some Hon. Members: Oh, oh!

Mr. Riis: —but I read the reports. I did not hear a single denial of the Leader when he said that. It is so easy for Members to stand up and hurl these insults and criticisms and imply that they would not do that. Yet I remember that when the Hon. Member for St. John's West was asked how he would change the course which the present Minister of Finance (Mr. Lalonde) was taking—I believe it was in an interview in the city of Montreal—he said, that no, he would not change the present thrust of policy presented by the Minister of Finance. One assumes that because they are criticizing the Government for what it is doing, they would not want to repeat the same error. Yet we now have ample evidence to suggest that that is simply not the case. I say again that the national energy policy is something that the Leader of the Progressive Conservative Party said he would not change in any substantive way.

Mr. Dick: Mr. Speaker, I am just wondering if the Hon. Member is aware that the Canadian Press issued an apology to the Leader of my Party for those comments, which they made erroneously.

Mr. Deputy Speaker: Order. There should be no undue interruption of the Hon. Member's speech. An opportunity will be provided later on—

Mr. Stevens: But these are untruths.

Mr. Deputy Speaker: —for questions and comments. I suggest that if Members disagree with the Hon. Member's comments, they will have the opportunity to rise in the 10-minute question period.

Mr. Dick: Point of order, Mr. Speaker.

Mr. Deputy Speaker: On a point of order, I hope.

Mr. Dick: Yes, Mr. Speaker. This Chamber is meant, hopefully, for saying the truth. I can prove that what he is saying is untrue, and he knows it.

Mr. Deputy Speaker: Order. That may or may not be the case. The Hon. Member will have an opportunity later on to rise and make his comments.

Mr. Crosbie: The hon. gentleman just misquoted what I was alleged to have said. I certainly said nothing in Montreal. He is talking about an interview in a Toronto newspaper and conducted in Ottawa last November, when I said that the general thrust of the last Budget had been the correct one. That is a long time ago and has no relevance to the present situation in which the thrusts are entirely misplaced; in fact, there has been no thrust in the Budget of February 15.

Mr. Deputy Speaker: Order. The point raised by the Hon. Member for St. John's West (Mr. Crosbie), under Standing Order 41(1), is well taken.

Mr. Riis: Mr. Speaker, I suppose I must say that I feel badly that I had misplaced the place of the interview and the source—

Mr. Crosbie: That is how accurate you are.

Mr. Riis: —but the former Minister of Finance in the Conservative Government said that, by and large, he agreed with that Budget put forward by the present Minister of Finance. When you consider what was in that Budget, that is quite a statement. I suspect that what he said in the House today will come back to haunt him in future weeks.

I want to go back to the point being made by the motion we are debating today. By and large it is a condemnation of the Government's economic and fiscal policies. Consider that the Minister of State for Finance has indicated that we have very real, sustainable growth taking place today. Our economy is quite strong. I wonder how on earth he can say those things when he knows perfectly well that interest rates are once again going up in what is now, I believe, the fifth week in succession. Unemployment is again increasing substantially. Inflation is increasing month by month. The Canadian dollar is falling, and would probably fall more if the Bank of Canada were not intervening on an almost daily basis to purchase Canadian dollars in order to keep it at an artificial level. Corporate investment in Canada is falling in spite of what the Minister has indicated. The misery index is on the increase.

By and large one has to ask the question: How could anyone, with those general trends before them and listening to any serious economist or financial adviser, say that the economy of Canada is healthy? You have to wonder whether the Minister has travelled throughout the country and looked carefully at the forest industry of Canada. After looking carefully at the forest industry of Canada, could you really say we have a healthy economy? After examining the West Coast, East Coast or inland fishery and talking to the people involved in the fishing industry, could you say our economy is strong and growing substantially? After looking carefully at the mining industry which stretches from one end of the country to the other, how could the Minister say that that particular sector is strong? After visiting the farming communities of Canada from Nova Scotia to British Columbia and really talking to the people involved in the production of food in this country, how can the Minister of State for Finance stand in his place and say that that sector is strong?

• (1520)

I am reminded of a quote by Mr. Michael Walker of the Fraser Institute. Not long ago he was quoted in Vancouver as saying that the Canadian economy is going full tilt. Presumably he did not say in what direction it was going full tilt, Mr. Speaker. A senior adviser to the right of center of today's society is suggesting to us that the economy of Canada is going full tilt. On what evidence is he saying this? How can people say that? That was said in the Province of British Columbia where the Fraser Institute is located. In that province there is

a Conservative Government which has literally devastated that part of Canada.

Mr. Munro (Esquimalt-Saanich): A Social Credit Government.

Mr. Riis: The Hon. Member for Esquimalt-Saanich (Mr. Munro) corrects me. I stand corrected. It might be called a Social Credit Government but it is being advised by the Fraser Institute. It is employing ultra-conservative policies and is made up primarily of card carrying Conservatives. Call it what you like, I call it a Conservative Government in the Province of British Columbia which has literally brought that economy to its knees.

Mr. Crosbie: Don't be so silly.

Mr. Riis: I challenge Hon. Members in the House to oppose the position that I take when they have an opportunity to rise. The economy of British Columbia is literally on its knees. Under that particular regime and with those particular policies in place the economy cannot by definition become healthy in the months and years ahead. It is a devastating situation, Mr. Speaker. I listen day after day as my friends in the Conservative Party complain about the deficit. I share that complaint. By implication there is the suggestion that if a Conservative Government were in power in this country the deficit would automatically be reduced.

I use two examples. I look to the Conservative Government which is in place in the United States and see what it has done with its deficit. Has it done what it promised the people of the United States it would do? When President Reagan campaigned in the last presidential election he literally promised the people of the United States that he would reduce the deficit in that country. Has he? Of course not. The deficit is significantly increased today. All implications and indicators show that it will continue to increase for many years.

We do not have to look at the United States, Mr. Speaker. We can look at our own country, and in particular at the Province of Saskatchewan. Today the Province of Saskatchewan has a debt that is increasing. It has not always had that debt. It has not always been in a deficit situation. For decades under the New Democratic Party led by individuals such as Tommy Douglas, there was no debt. There was absolutely no deficit or debt year after year, decade after decade. However, as soon as the Conservative Government took over in the Province of Saskatchewan, they had deficits and debts.

An Hon. Member: That happened before.

Mr. Riis: Yes, that happened before under Liberal Governments. When the New Democratic Party took over power in the Province of Saskatchewan, there was a debt. It was committed to reducing that debt. Not only did it reduce it, it eliminated it. For decades there was no deficit or debt. However, as soon as the Conservative Government took over in that Province, there was a deficit.

Myths can be perpetuated in this House by people presenting so-called facts which are unsubstantiated, very selective and highly edited. No wonder the people of this country are somewhat confused. No wonder the people of this country wonder what on earth the Federal Government and some of the provincial Governments of the country are doing. For example, Mr. Speaker, the Budget that the Hon. Member for St. John's West (Mr. Crosbie) referred to, a Budget which he supported, was a Budget which brought a substantial number of tax concessions to the corporate sector of Canada. The Minister of Finance indicated clearly at that time that with a number of tax concessions—

Mr. Crosbie: Mr. Speaker, I rise on a point of order. I should not be misquoted here. I never said I supported the Budget of April 1983. I said it had some general thrusts that I agreed with. I have not said I supported the Budget. In fact, I voted against the Budget. The hon. gentleman should not say I supported the Budget of last April.

Mr. Riis: Mr. Speaker, I thank the Hon. Member very much for that intervention. I appreciate the Hon. Member for St. John's West clarifying the point that he supported the general thrust and a number of the—

Mr. Crosbie: Some of the general thrusts.

Mr. Riis: —some of the general thrusts of that Budget, Mr. Speaker, but perhaps not in its entirety.

To continue with what I was saying before I was interrupted, Mr. Speaker, the Minister of Finance told the people of Canada that we must have patience, must be prepared to sacrifice, and must be prepared to share the burden of this recovery. He promised us that giving huge concessions to the corporate sector of the country, and in some cases to the upper income earners, was in our best interest because those individuals who had tax concessions provided to them would take the extra money and invest it in the economy in new plants, new equipment and new economic activity. As a result, jobs would be created for the unemployed in Canada, and this would go on year after year. Only part of that proposal worked, Mr. Speaker. Indeed the corporations received a considerable number of tax concessions. As a matter of fact, the President of the Bank of Montreal, Mr. Mulholland, was quoted as suggesting in a speech, made I believe in the City of Toronto, that the corporate sector of Canada was awash in tax concessions. He was really saying that the money saved through tax concessions could not be wisely invested in new plants and new equipment because of the under-utilization which was taking place in manufacturing in industrial Canada.

The Minister of Finance told only half the story when he said that by giving these huge tax concessions eventually economic development would occur, jobs would be created and unemployment would decrease substantially. With unused capacity in the 60 per cent to 70 per cent range, that reinvestment was simply impossible. One is not criticizing the corporate sector for not investing in new plants when present plants are operating at only 50 per cent, 60 per cent or 70 per cent of

their capacity. One is not saying that one would necessarily do anything differently. The point is that that did not work.

The Minister of State for Finance is saying that they are going to continue to do what they have been doing because they feel it is the right thing. It is obvious that the present policies of the Government will not get the economy of Canada going as we would like to see it and as the people of Canada ought to see it. In comparison with countries around the world, many of them our economic competitors, Canada unquestionably has the greatest growth potential. Unquestionably we have more natural resources, energy resources and capital resources at our disposal. We have more expertise and more high-tech at our disposal. We have a population that is relatively well trained and well educated, although that is being threatened by the Government today. The only thing we lack, Mr. Speaker, is the political will to do the job.

Many people say it is difficult these days to have political will to do the job. I want to remind Hon. Members that we have seen Governments have political will and we have seen programs implemented relatively quickly. I will use the national energy policy as a case in point. The decision of the Government was to introduce a national energy policy, and within a matter of a very few months we had a national energy policy in place. I also recall the Prime Minister (Mr. Trudeau) deciding that the country needed a bilingual policy. By the stroke of a pen, a policy was created and put into place overnight which has created a different Canada in relation to bilingual issues. Also with the stroke of a pen the Government of Canada decided that we should have a metric program in place. Indeed, within a very short period of time that program was launched and it has literally changed the measurement system of Canada. We have seen identifiable examples of where the political will is in place and there is no question action follows. There is a need now as never before for the Government of Canada to work co-operatively with provincial and regional governments, to work carefully with the industrial business and labour sectors in order to draft a co-operative economic international strategy.

• (1530)

What about our successful competitors? I think of some western European countries and countries such as Japan which have had an approach in place for some years and as a result are, by and large, much more competitive and productive than we are. People have some sense of where they are going. People have some sense of their country's destiny. People see where they fit in, whether they are corporate leaders, labour leaders, individuals or governments. People see where they fit into the overall strategy. But what if we do not have a strategy? Then we find many of our important corporate areas, and in some cases very strategically corporate areas, in trouble. In this case I refer to such corporations as Dome, Chrysler, Maislin, Massey-Ferguson, Canadair, de Havilland, Cooperative Implements, Consolidated Computers, White Farm Equipment, Pioneer Chain Saw, St. Anthony's Fisheries and Electrohome Limited. The list could go on and on. When major corporations get into financial difficulties, the best we have been able to do is to come in with some rather simplistic bailouts. Some have worked, some have not. In a sense, by definition, lacking any over all comprehensive economic and financial strategy, these bailouts cannot work because these corporations are not being bailed out in any particular context. If we had a national strategy in which all of the players were agreeing and participating, then perhaps we could view these so-called bailout requirements in some context. We could say in some cases, yes, it makes sense for the federal Government to use taxpayers' money to keep companies afloat and to encourage them into a more productive areas. In others we may decide that, no, because of the obvious direction in which this country is moving all the participants agree that this particular bailout does not fit into the overall strategy.

In summary, I suppose I support the general thrust of this motion put forward by the Hon. Member for St. John's West. I believe the Government has misrepresented the people of Canada in introducing appropriate economic and financial policies. I believe that one of the major items required in order to develop a sustainable economic growth and recovery in Canada is an economic strategy in the development of which all of the participants play a role.

Mr. Nickerson: Mr. Speaker, I listened intently to the Hon. Member for Kamloops-Shuswap (Mr. Riis). I found his speech very enjoyable but somewhat lacking in concrete recommendations as to what he or his Party might do to save us from the economic ills that have been visited upon us by the Liberal Government. He came in at the very end and made the pitch that his Party has made on several past occasions, that there should be some kind of a national strategy, some kind of centralized economic plan for the whole country. I do not really want to ask the Hon. Member a question, but I want to comment on that view even though he did not outline what might be contained in that plan.

I think there are great dangers with that type of approach to life. Is that not how they organize things in the Soviet Union?

Mr. Riis: Try Japan.

Mr. Nickerson: What about the people who want to dissent? What if somebody does not want to fit into that plan? What if they do not want to take up their assignment in the salt mine, or the potash mine in Saskatchewan or wherever they are told to go by a socialist government? This is a great danger that I behold in this idea where there is someone at the pinnacle somewhere in Ottawa who assigns every manufacturer, every farmer, or every worker in Canada into his little slot according to this plan, Sir. I stand up to dissent. I think the people who want to go fishing should be able to fish in whatever lake or sea they want. I think that if we were to have that freedom of choice in Canada, which is rapidly disappearing, then a lot of our economic ills from which we now suffer would be solved. We should not be going farther down the road to centralized planning.

Mr. Riis: Mr. Speaker, I can say that that is probably the most ridiculous statement I have ever heard raised in the

House of Commons. I have heard what I consider ridiculous statements made in the House, but that one takes the prize by leaps and bounds. What I was suggesting was planning with all of the players involved. One sees this in countries such as Japan, Austria, Switzerland, West Germany—

Mr. Nickerson: In China.

Mr. Crosbie: In Czechoslovakia and Poland.

Mr. Riis: —in Belgium, Norway, and Denmark. When you hear arguments put forward such as that of the Hon. Member for Western Arctic (Mr. Nickerson), it is no wonder that people have questioned the validity of this House. After an attempt to deliver what I thought was a suggestion for consideration to hear Members stand up and purposely and consciously ridicule that suggestion, knowing that that suggestion is in place in the most progressive economics in the world today, is to misrepresent, misinform, slant, and present a biased picture. It does a disservice to this House and to the institution of Parliament. As he made his statement, I will let that go for my own.

Mr. Crosbie: Mr. Speaker, one does not want to disturb the serenity and the capacity of thought of Members of the New Democratic Party. They have not had a new view or a new idea in at least twenty years. I want to test the Hon. Member now.

The Conference Board of Canada has just given its quarterly Canadian forecast. Mr. Maxwell, the chief economist, said when he released the forecast that the Keynesian theory that you can spend your way out of recession "simply is not working". We have surely seen the proof of that in the last couple of years. We have just ended a year with, I believe, a deficit of $31.6 billion. We have $29.5 billion deficit forecast for this year. We have had deficits in the last few years totalling in excess of $90 billion. We are spending, spending, spending. But we still have a bad recession, terrible unemployment, and all the other ill effects. I want to ask the Hon. Member a two-part question. First, does he agree with Mr. Maxwell? Has the New Democratic Party come to its sense? Is the New Democratic Party now ahead of the Liberal Party in realizing that this approach does not work? The whole system today is shagged up. Our whole economic system is wrecked with these government deficits and borrowings. That is why we do not have any real recovery. Would the Hon. Member agree with that?

Second, would he agree that one of the differences between the piteous state of the Canadian economy today, and the American economy which is booming ahead with real growth, with much better employment prospects, is its lower deficit? The American economy is ten times the size of ours, and its deficit is about 50 per cent lower than Canada's. We have had tax increases in Canada. This is in sharp contrast to the expansionary fiscal stance of the United States. We have increased taxes; the Americans have reduced taxes. The only reason the Americans have a deficit that is so large is that they have also increased defence spending. Would the Hon. Member for Kamloops-Shuswap not agree that this accounts for the difference between the two economies?

However, would the Hon. Member first agree with Mr. Maxwell that you cannot simply spend your way out of recession anymore? Are not the last four or five years living proof of the bankrupt policies of the establishment opposite, which is now tottering on its last legs toward a final cataclysmic event when the election comes?

● (1540)

Mr. Riis: Mr. Speaker, I think it is much more complicated than the question put by the Hon. Member for St. John's West. I think he wants a glib response that no, one cannot spend one's way out of a recession.

I believe that the more sensible way to approach it is to suggest that one can invest one's way out of a recession. I believe that now is the time when we have to find ways and means for encouraging average Canadians to invest in our economy once again, to encourage the corporate sector to invest in the Canadian economy once again and also to invest in the public sector in terms of developing the necessary infrastructure that an economy such as ours requires. To do that does not always result in increased government spending.

For example, I know that the Hon. Member feels strongly about the bribes that the Government presently gives to some of the major oil companies for exploration purposes. They amount to many billions of dollars for the last number of years and into the future. I do not think any serious economist would suggest that those bribes are necessary to encourage our oil companies to explore off of our coasts and in our frontier areas. If we were to take some of that bribe money that is given to the oil companies and perhaps if we were to collect some of the taxes that are presently called deferred corporate taxes, we would have a substantial amount of money to invest in the infrastructure that a country like Canada must develop in order to get on with developing our economy. Just so there is no mistake in the Hon. Member's mind, by infrastructure I mean better port facilities, better transportation facilities and perhaps some assistance to small business and the farming sector of our country. That is how we will get our economy going again.

Mr. Dick: Mr. Speaker, there are a number of inaccuracies that I know the Hon. Member for Kamloops-Shuswap (Mr. Riis) would not want to leave on the record. There was the inaccuracy about the speech made by our Leader in Calgary and Edmonton to which he referred and about which I am sure he knows the Canadian Press issued a retraction saying that the reports were in error. There was also an editorial in the Ottawa *Citizen* at that time stating that the press had not served our Leader very well because it had distorted the facts. Does he think it is fair and honest, in making his speech, to compare the Government of Mr. Douglas, which did not have deficits, the Government of the 1940s and early 1950s when indeed there were surpluses at the federal level and when Douglas Abbott, the Minister of Finance, was referred to as Sunny Abbott because he always had such glowing surpluses,

with a situation 35 years later when we are in the midst of the deepest recession since the Great Depression?

Does he not recognize that Mr. Blakeney, the immediate predecessor of Grant Devine of Saskatchewan, also ran with deficits through the late 1970s and early 1980s? That might be a more fair comparison, instead of referring to a sunny period in our times when we were in a reconstruction 35 years ago?

Mr. Riis: Mr. Speaker, I believe the record will show that the point I was trying to make was that at that time in Canadian history—in fact, Hon. Members can pick whatever date they desire, the late thirties, forties, fifties and sixties—while Conservative governments in all other provinces in this country were chalking up deficits that were placing their people in debt, including Atlantic Canada, parts of prairie Canada and central Canada, there was a single government in this country that was not. That was the New Democratic Party Government in the Province of Saskatchewan. That was the point I was trying to make.

Mr. Pinard: Mr. Speaker, I understand that we are reverting to Routine Proceedings. I am rising on a point of order at this time under Routine Proceedings.

Mr. Deputy Speaker: As agreed to earlier, the House will now proceed to Routine Proceedings, and I recognize the Hon. President of the Privy Council (Mr. Pinard) on a point of order.

ROUTINE PROCEEDINGS

[*English*]

BUSINESS OF THE HOUSE

DISPOSITION OF BILL C-21

Hon. Yvon Pinard (President of the Privy Council): Mr. Speaker, I want to confirm that we had consultations and that negotiations took place with the other Parties. I am happy to report that we have come to some agreement which will make it unnecessary for us to introduce today any Bill dealing with borrowing authority. The agreement is on Bill C-21. I believe, Mr. Speaker, you would find the unanimous consent required for the following motion:

That, notwithstanding any Standing or Special Order, at 4.45 p.m. on April 2, 1984, any proceedings before the House shall be interrupted and every question necessary for the disposal of Bill C-21, an Act respecting borrowing authority, shall be put forthwith and successively, without further debate or amendment, except as herein provided;

Provided that the said Bill shall be referred to a committee of the whole, rather than a standing committee, after being read a second time; and

Provided that a Minister of the Crown shall propose in committee of the whole the necessary amendment or amendments to reduce the borrowing authority requested in the said Bill to $24,550,000,000.

Mr. Deputy Speaker: The House has heard the proposal put forth by the Hon. President of the Privy Council. Is there unanimous consent to the proposal?

Mr. Nielsen: Yes indeed, Mr. Speaker. That reflects the arrangements that have been concluded between the Parties on the clear understanding that the notice with respect to the supplementary borrowing authority for $4 billion will not be proceeded with.

Mr. Deputy Speaker: Is there unanimous agreement to adopt the proposal put forth by the Hon. President of the Privy Council?

Mr. Riis: Yes, Mr. Speaker. On behalf of my Party I say that the same understanding has been entered into, and we concur.

Mr. Deputy Speaker: Is it agreed?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: Agreed and so ordered.

Motion agreed to.

WEEKLY STATEMENT

Mr. Pinard: Mr. Speaker, I would like to seize this opportunity to outline the business for next week. On Monday we will resume debate on the third reading stage of Bill C-3. Tuesday will be an allotted Opposition Day. On Wednesday and Thursday of next week we will debate the report stage and, hopefully, give third reading to Bill C-12. The back-up legislation will be Bill C-10.

[*Translation*]

Mr. Gauthier: On this same subject of House business, Mr. Speaker, I would like to ask the President of the Privy Council some information concerning the Joint Standing Committee of the House and the Senate on Official Languages established last week, on March 22, 1984, when the House agreed to the motion introduced by the Government.

We were unable to call the meeting to set up the Committee for the simple reason that we lack some information. Could the President of the Privy Council tell us, first, whether he plans to decide on the number of representatives from the House and from the Senate on this Committee, and second, what will be the ratio of members from the Senate and the House of Commons? Can he also tell us exactly what terms of reference will be provided so that the Report of the Commissioner of Official Languages may be referred to the new Committee since it has already been forwarded to the Special Joint Committee and not to the Standing Committee? There will have to be negotiations and adjustments made if this Committee is to have any work to do.

Mr. Pinard: Mr. Speaker, the Hon. Member's interest in the Committee on Official Languages is a well known fact and I

can assure him that, since the Committee established a few days ago is a Standing and not a Special Committee, we intend to allow this Committee to work efficiently. There is no doubt that, if we need a special indication from the House to send the Report tabled by the Commissioner of Official Languages to the new Committee, this will be done.

Concerning the other issues mentioned by the Hon. Member, I shall be happy to discuss them with him and suggest to the House that the appropriate arrangements be approved so that the Committee may operate normally. I can assure the Hon. Member that his concerns will be taken into serious consideration and that we are not interested in delaying this unduly. I hope that this whole situation will be clarified by next week and that the necessary changes will be made.

* * *

● (1550)

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 94, 192, 341, 585 and 593.

[*Text*]

DEPARTMENT OF SOLICITOR GENERAL—PERSONS ENGAGED IN PUBLIC RELATIONS

Question No. 94—**Mr. Howie:**

How many persons engaged in public relations, media relations or publicity are employed by the Department of the Solicitor General?

Hon. Bob Kaplan (Solicitor General of Canada):

Ministry Secretariat	4
National Parole Board	3
Royal Canadian Mounted Police	33
Correctional Service of Canada	12
Total	52

MINISTRY OF STATE FOR SOCIAL DEVELOPMENT—OUTSIDE CONSULTANTS

Question No. 192—**Mr. Blenkarn:**

1. In the fiscal year (a) 1981-82 (b) 1982-83 were outside consultants employed by the Ministry of State for Social Development and, if so (i) how many (ii) what was the total amount paid?

2. Were any consultants paid more than $20,000 and, if so, in each case what (a) was his/her name (b) was the amount (c) services were provided?

Hon. Mark MacGuigan (Minister of Justice):

1981-82

(1) How Many	1. (ii) Total Amount	(a) Who	2. (b) Amount	(c) What services
8	$97,081	Russell Banta	$32,922	Development management system proposal.
		Magnus Gunther	$24,962	Analysis of the effectiveness of federal programs in support of post-secondary education.

1982-83

(i) How Many	1. (ii) Total Amount	(a) Who	2 (b) Amount	(c) What services
8	$85,258	Nepean Development Consult.	$23,137	Presentation, format and graphics of *A. Base*.
		M. Hendrickson	$20,855	Analysis of the social and economic characteristics of Métis and non-status Indians (MNSI) and of provincial program expenditure patterns for MNSI.

FRESHWATER FISH MARKETING CORPORATION

Question No. 341—**Mr. Orlikow:**

1. What is the composition of the Board of Directors of the Freshwater Fish Marketing Corporation and what is the address and occupation of each individual?

2. What is the compensation and what are all the benefits paid to the chairperson, directors, president and vice-presidents of the Corporation?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): 1. The Board of Directors of the Freshwater Fish Marketing Corporation consists of a Chairman, a President, and one director from each of the participating provinces and four other directors each of whom is appointed by the Governor in Council.

Name	Address	Occupation
D. D. Tansley	Freshwater Fish Marketing Corporation—240 Sparks St. Ottawa, Ontario	Chairman
T. J. Dunn	Freshwater Fish Marketing Corporation—1199 Plessis Rd. Winnipeg, Man.	President
R. M. England	54 Arthur Street Winnipeg, Man.	Regional Planner/Social Economic Consultant
Jesse D. Klassen	Box 235 Big River, Sask.	Commercial Fisherman
Dr. D. M. Cauvin	Freshwater Institute 501 University Cresc. Winnipeg, Man.	Associate Director of Fishing Services

There are currently six vacancies on the Board.

2. The President is paid at the GI-6 level (61,070-71,890) by the Corporation. His salary is fixed by the Governor in Council and he is entitled to those benefits available to any public servant. The Chairman and those directors not employees of the Public Service receive $100 per day plus travel expenses when attending Corporation meetings. Directors who are members of the Public Service receive no compensation from the Corporation.

CANADIAN COMMERCIAL RELATIONS WITH CHILE

Question No. 585—**Mr. McLean:**

1. Does the Government have a specific policy with respect to Canadian commercial relations with Chile and, if so, what is it?

2. Does the Government enforce any restrictions on sales of military and security technology to that country and, if so, what is a list of all such restrictions?

3. To the knowledge of the Government, were there any sales, by Canadian firms, of either prison detection or offshore surveillance systems to the Chilean Government?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): 1. Canada maintains normal diplomatic relations with Chile and we also pursue normal commercial relations that will benefit Canadian producers and exporters.

2. The sale of defence related equipment to foreign countries, including Chile, is governed by the Export and Import Permits Act. As a matter of policy, the Canadian Government does not permit the sale of defence related equipment to countries engaged in hostilities or where there is an imminent threat of hostilities, or to countries for which the export of arms is forbidden by United Nations embargo. Applications for permits to export defence equipment that might possibly be used against civilians are carefully scrutinized and would be rejected if it appeared that such a use were probable.

There is no list of restrictions. However, a complete list of all products for which export permits are required is published as the "Export Control List" in accordance with requirements of the Export and Import Permits Act.

3. To our knowledge, since export permits are in general not required for detection equipment of the type normally used by prisons, only Sparton of Canada Ltd. has been involved in the sale of a detection system evidently intended for use in prisons in Chile. This sale was made to a private sector firm, not to the Chilean Government. Government officials have been informed by the company that most of the content of the system was supplied by its U.S. parent company, although parts of this system were assembled in Canada and the marketing was done by the Canadian subsidiary. The installation of the system was done by the Chilean prime contractor. No permits were required for export of this equipment and, therefore, the Government had no opportunity to comment on the appropriateness of the sale.

With reference to offshore surveillance systems to Chile, we understand that only at one point a Canadian company had identified an opportunity for such a system but the project has since been deferred. No application was made for an export permit.

SCIENCE COUNCIL OF CANADA—EXECUTIVE AND BOARD OF DIRECTORS

Question No. 593—**Mr. Howie:**

What are the (a) names (b) positions of the persons who occupy positions on the Executive and Board of Directors of the Science Council of Canada and, in each case, what amount was he/she paid in respect of that position in the fiscal year ended March 31, 1983?

Mr. Rolland Dion (Parliamentary Secretary to Minister of State for Economic and Regional Development and Minister of State for Science and Technology): In so far as the Science Council of Canada is concerned:

(a)	(b)
Blais, Dr. Martin	Member for a term ending February 28, 1983
	Nil
Blais, Dr. Roger A.	Member for a term ending July 31, 1984
	Nil
Borger, Dr. John P.	Member for a term ending September 30, 1983
Boulet, Dr. J. Lionel	Member for a term ending June 30, 1985
	Nil
Branigan, Dr. Donald W.	Member for a term ending July 31, 1984
	Nil
Chisholm, Dr. Donald A.	Member for a term ending June 30, 1983
	Nil
Drake, Dr. E. Lawson	Member for a term ending July 31, 1984
	Paid $1,000 honorarium for duties carried out as Chairman of the Science and Education Study Committee.

Order Paper Questions

Florian, Mary-Loy E.	Member for a term ending December 1, 1983
	Nil
Gourdeau, Jean-Paul	Member for a term ending July 31, 1984
	Nil
Kenney-Wallace, Dr. Geraldine	Member for a term ending June 30, 1985
	Nil
Kydon, Dr. Donald W.	Member for a term ending July 31, 1984
	Nil
MacDonald, Dr. John J.	Member for a term ending June 30, 1983
	Paid $2,000 honorarium for duties carried out as Chairman of the Transportation Study Committee and as Chairman of the Steering Committee for the National Conference on Aquaculture.
MacDonald, Dr. John S.	Member for a term ending October 31, 1983
	Nil
Maine, Dr. Frank W.	Member for a term ending October 31, 1985
	Paid $1,000 honorarium for duties carried out as Chairman of the Biotechnology Study Committee.
O'Connor, Arthur J.	Member for a term ending June 30, 1983
	Nil
Robertson, Dr. B. E.	Member for a term ending July 31, 1984
	Nil
Simek, Stefan	Member for a term ending December 1, 1983
	Nil
Snyder, Harold L.	Member for a term ending July 31, 1984
	Nil
Suzuki, Dr. David	Member for a term ending June 30, 1985
	Nil
Vikis-Freibergs, Dr. Vaira	Member for a term ending December 1, 1983
	Nil
Webster, Dr. J. Malcolm	Member for a term ending June 30, 1985
	Nil
Wilson, J. Tuzo	Member for a term ending June 30, 1983
	Nil
Winters, Henry C.	Member for a term ending October 31, 1985
	Nil
Wolan, Dr. C. T.	Member for a term ending October 31, 1982
	Nil
Zimmerman, A. H.	Member for a term ending June 30, 1985
	Nil
Executive	
Chairman	Smith, Dr. Stuart L.
Vice-Chairman	Vacant

Compensation. See report on Governor in Council appointees tabled in the House of Commons on November 17, 1983.

[*Translation*]

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

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 62—INTEREST RATES

The House resumed consideration of the motion of Mr. Stevens (for Mr. Crosbie):

That whereas the depreciating dollar and increasing unemployment, inflation and interest rates endanger economic recovery and undermine job creation through their damaging effects upon agriculture, small business and business investment, this House regrets the government's failure to include in its February 15th Budget, or to adopt at any subsequent date, policies to provide the necessary conditions for a reduction in interest rates and the strengthening of the Canadian dollar and calls for the immediate resignation of the government.

Hon. John C. Crosbie (St. John's West): Mr. Speaker, the Minister of State for Finance (Mr. MacLaren) apparently had something to say about the fact that I was not here to speak at two o'clock. I do not know where he is now. I guess he spoke and ran. If he is still around, he might come in and I will tell him where I was. I was to be at the Canadian Police College at twelve o'clock for graduation ceremonies. They had the eminent good sense to ask me to be the guest speaker. I was to introduce this motion, but I was not able to introduce it between twelve o'clock and 1 p.m. because of the bells, for whom the bell tolls, because the ding-dong Government over there has not solved the bell problem. I could not leave the ceremonies before I spoke there in order to rush back here for

two. Therefore, my good friend, the Hon. Member for York-Peel (Mr. Stevens), substituted for me as our first speaker and, of course, did his usual fantastic job.

If that settles the mind of the Minister of State for Finance, let me deal with his speech. His speech illustrated the smugness with which this Government is adorned. He is full right to the mug with smug. How could he treat the economic situation of this country as cavalierly as he did today and as his Minister of Finance (Mr. Lalonde) has been doing is beyond me. That smugness was illustrated in the Budget of February 15, when the Minister of Finance said:

In my April Budget, my goal was to secure the recovery. That goal has also been met.

What goal has been met? What recovery? Where is it? It is not present for the 1,476,000 Canadians who are unemployed. Since that Budget was brought down, every economic commentator has remarked on the fact that the Budget was based on unrealistic assumptions and forecasts, particularly the assumption that we are going to have an unprecedented six consecutive years of sustained economic growth. This is what the Minister's Budget said. We will be lucky if we even have any sustained economic growth today.

What has happened since the Budget came down, the Budget he is so pleased with, the one he says has met his goal of recovery? What has happened since then? The Bank of Canada rate has gone up for each of the six weeks since that Budget, from 10 per cent to the current 10.78 per cent. Interest rates have gone up, the prime bank rate from 11 to 11.5 per cent. Mortgage rates have risen by another half per cent or more, depending on the term.

Interest rates have been rising and are likely to continue to rise because the Canadian dollar has been depreciating just about every day since the Budget was brought down, particularly as a response to the stupidity of the Minister in saying, as he said and as I remarked in the House before on March 6, that he was not spending his nights up worrying that the dollar is not at 81 cents. What an incredible statement. If the Minister of Finance of this country is not worrying about the state of the currency in this country, the state of its economy and the state of its interest rates, how can we expect anything but that the currency of this country will devalue and be treated with the contempt it has been treated with since he made that statement?

Not only that, for two consecutive months the inflation rate has been back up again. It was down to a year-over-year rate of 4.2 per cent last November. It was up in December, up again in January. It has been up for the last two consecutive months, January and February. The latest figure is 5.5 per cent. The underlying trend rate of inflation is back up again. Surely that has to worry everyone. Even at a time of low inflation, our interest rates stayed at a prime rate of 11 per cent and higher. The real interest rate that people are now looking for on their money has exceeded 6 per cent and 7 per cent.

If the inflation rate is going to go up again, where are interest rates going to go? What is the reason interest rates have been staying up as they have despite the lower inflation rate? It is the fear of renewed inflation. In the last two months we have seen the reason for people to fear renewed inflation. Interest rates have gone up, the dollar is tending down and there have been other economic consequences. We have seen the lack of business investment and the like.

The Minister of Finance continues to pretend that all of those trends do not represent a danger to our economic growth. He continues to pretend that there is not need for a change in government economic policies despite all these facts. The Minister has been pretending all along that things are out of his control, that the Government control what is happening, that we are prisoners of the United States, lock-step with them, that no matter what we do in Canada, we have to follow what happens in the United States. That is his usual theme. Last Monday the Minister gave lie to that theme in this House when he said, as reported at page 2422 of *Hansard*:

We are monitoring the situation carefully. If need be, we will make the necessary adjustments.

What more need will we want to see?

In the meatime I see no reason to change the basic policy that we have been following.

If that statement meant anything, it meant the Government could take steps. The Minister said they are monitoring the situation, but they are satisfied that this is the right course, there is no reason to change the basic policy and no need to make these necessary adjustments. This Minister is satisfied that 1,476,000 Canadians should remain unemployed. That is what he said.

When the Minister is asked in this House about the unemployment figures, he tries to pretend that we are doing as well or better than the United States. He croaks of how we have had a large number of new entrants into the labour force. What malarkey! These are people who have been unemployed donkey's months, if not years, and they are coming back out to see if possibly there is a job. This is supposed to indicate a better situation in Canada.

The facts are entirely different. What are the facts? In August, 1983 there was an unemployment rate in the United States of 9.5 per cent. In Canada it was 11.6 per cent in August of last year. In February of this year, the unemployment rate in the United States was 7.8 per cent, a decline of 1.7 per cent. What is the situation in Canada? We have an unemployment rate of 11.3 per cent. The decline in our unemployment rate has been 0.3 per cent as compared to a decline in the United States of 1.7 per cent.

● (1600)

Do you know how many new entrants to the labour force there have been in the United States in those months, Mr. Speaker? There have been 576,000 new entrants to the labour force in the United States. How many have we had in Canada? Only 61,000. What do new entrants to the labour force have to do with this pitiful performance in Canada as compared to the performance in the United States? Nothing, Mr. Speaker, and less than nothing.

The number of unemployed in the country is up for the fourth month in a row. The rate of unemployment is up for the second month in a row. The number of people working full time is now 352,000 fewer than the pre-recession peak and 68,000 fewer than the number working when the Government came into office four years ago. The number of young people with jobs is now 346,000 fewer than the number who had jobs before the recession and 288,000 fewer than when the Government took office in March, 1980, four years ago. The effect on jobs of this Government entering office is that 68,000 fewer adults have jobs now than four years ago and 288,000 fewer young people have jobs now than four years ago.

We hear and see the Liberal leadership candidates, five of whom are Ministers of the Government, going around the country pretending that they have some new economic approaches. The Minister of Justice (Mr. MacGuigan) has a new economic program, but we have not heard what it is. He wants the Government to clear out of the board rooms of the nation. He does not want to have government intervention any longer, yet he remains a member of the most interventionist Government in Canada's history. The leadership candidate who is not a member of the Government is attacking the deficit. The Minister of Economic Development (Mr. Johnston) is attacking the deficit, and every Liberal Minister of Finance in the last 12 years has attacked the deficit, yet not one of them lifted a finger to do anything about the deficit which they are now attacking. It is a disgrace, Mr. Speaker.

I have here a study called *Hidden Unemployment* which was done by the Social Planning Council of Metropolitan Toronto. It indicates that 2,019,000 Canadians were unemployed last year and not the the 1,448,000 that Statistics Canada showed. Why is this? It is because Statistics Canada does not take into account discouraged workers who have given up looking for work because they believe there are no jobs available in the current market in Canada. This is the situation which the Minister said did not need adjustment.

Do you not think, Mr. Speaker, that the situation calls for some adjustment when there is an unemployment rate of 11.3 per cent, 1.5 million Canadians who cannot find work are looking for work and another half a million Canadians are no longer looking for work because they know there are no jobs for them? If the Minister has the ability to make adjustments to his policy, has the need not been proven for him to do so? The Minister is not even present today to give us his reasons for not doing so.

The Minister usually says that he is helpless because of the United States. When he gets up in the morning and changes his underwear, he should put on the stars and stripes. He should wrap himself in the American flag because, according to him, only the United States can do anything to help the world. As reported on page 2467 of *Hansard* of March 27, 1984, the Minister said:

> We are part of the world economy—

—that is something new that we did not realize, I am sure. He went on:

> —and we are also very much affected by events in the United States.

There is the old United States again. Every time the Minister hears the word "United States", he salutes. This is the same Minister who two years ago insulted the Americans. He went to the United States and told them that we are going to take over the energy field, we do not want foreign investment, we do not want United States investment. He went down there like a raging lion, Marc the lionhearted in New York. He was telling them what they could do with their foreign investments. He told them they could shove it, and not to Canada but elsewhere. Now he says every day that we are very much affected by events in the United States. This Marc is a different Marc Antony.

Again on page 2467 of *Hansard* of March 27, 1984, the Minister is reported as saying:

> If there is a rise in interest rates in the United States, clearly we would not be able to keep our rates at levels lower than those in the United States over a prolonger period of time.

This is the helpless Marc, the hapless Marc. He is certainly hapless and helpless. Anyone who reads the record will see that the comments he made in the House this week and last are confused, contradictory and shifty. He is shifting all over the place and does not know where to turn. This is not the certain, sure, strong Marc the lionhearted we have heard about who is going to save the Government. He is evasive, elusive, lacking certainty, looking around for pity, piteous looking. Of course, he is always arrogant and imperious. When shown wrong, he always proclaims his rightness. One need simply read his replies as reported in *Hansard* for the last two weeks to see that the economic fate of the country is in the hands of a man who does not know what to do, who has given up, who has no solutions and who will muddle through. His policy is one of muddleheadedness and addle-patedness.

The Minister is almost as bas as the Hon. Member for Kamloops-Shuswap (Mr. Riis). Never have I heard such shuswap as I heard from the Hon. Member for Kamloops-Shuswap today. He spoke gibberish with not one solid economic thought. Members on that side of the House have not grown beyond Cambridge University in the 1920s. They have seen where the Keynesian policies taken to their extreme have brought the Liberal Government of Canada, but they cannot even come up with anything new. All they want is the same old thing, only more of it.

Statistics Canada reports that "Consumer demand will continue to be restrained in the short term by the steady slowing of wages and weak labour market conditions". Does the Minister do anything about that? No, apparently that does not indicate any need for action. The Conference Board of Canada says that there is a slowing in the pace of economic growth this year and there is a possibility of a recession in 1985. Does that cause the Minister to take any steps? No, there is still no need to take steps. The Conference Board indicates that it cannot see any improvement in the unemployment rate and predicts a steady rise in unemployment to as much as 12 per cent in 1985. Does that cause the Minister to change his basic policy? No, apparently he does not recognize that that is needed.

As I mentioned earlier, the Conference Board has indicated that this dismal economic outlook results largely from "the continued high level of interest rates, particularly when viewed in relation to the rate of inflation". Does that bother this Minister? No, the Minister is not bothered by interest rate increases. Why, we heard him say this week that he pooh-poohed the damage done by interest rate increases. I know you do not believe me, Mr. Speaker, so I will read from the portion of *Hansard* in which he pooh-poohed. He said, as reported on page 2550 of *Hansard:*

—I explained that in spite of the increase in interest rates in Canada and the United States during the last few weeks, we should not necessarily conclude this will have a negative impact on employment and the growth rate of the Canadian economy any more than it does on the U.S. economy.

He says that we should not necessarily conclude this or we should not necessarily conclude that. Is that somebody who is speaking for a Government? If interest rates will continue to rise, the only conclusion we can come to is that there will be no economic recovery. We have seen that interest rates of 11 per cent have stopped the recovery in its tracks. Will interest rates of 11.5 per cent be any better?

We should not necessarily conclude this, that and the other. I can necessarily conclude that the Minister does not have a grip on what is happening in the country. He has served us too long. He and the Government are tired and have no new vigour or ideas which will change economic policy. They should do what this resolution asks them to do. They should resign and go to the people of the country and let them make the judgment as to who should lead the country out of the economic morass into which they have led us.

Again on page 2550 of *Hansard*, the Minister is reported as saying:

The Government does not favour an increase in interest rates.

● (1610)

That is a fantastic statement, Mr. Speaker. When is it going to do something to stop the increase in interest rates? No one favours an increase in interest rates. What kind of malarkey is that for the Minister to give to the House of Commons when he is asked a question? He goes on to say, "We are living in the real world, we are on the North American continent—" He did not even know three years ago that we were in the real world or on the North American continent. He was going to throw the Yankees out. Today we know what he is doing with the Yankees and we know what he is kissing down in the United States of America.

He also said, "—the Canadian and U.S. economies are extremely interdependent". We are in the hands of economic mountebanks, Mr. Speaker. If we do not change them, God only knows what is going to happen to the people of this country and to our economic future.

Unfortunately, I do not have time to cover all the points I would like to as I have only 20 minutes. In his remarks in the House this week the Minister did not say that his February Budget was based on the assumption of lower interest rates. I do not have the time to quote him now, but those interested in what he said about the Canadian economy in recovery should turn to page 15 of the Budget where he said:

Further progress in reducing interest rates and the growth of cost is essential if the business sector is to restore its financial strength and become a sustaining force in the recovery.

That is what he said in the Budget, but this week in the House he told us not to worry about interest rates going up, that we cannot necessarily assume anything. Why then did he make that statement in his Budget on February 15 if it did not matter and if we cannot assume anything? In his Budget he went on to say:

Without a gradual return of real interest rates to more historic relationships, there is a risk that the medium-term real growth outlook for Canada and elsewhere will be weaker than projected.

You had better believe there is a risk, Mr. Speaker. There will be no medium growth in Canada if interest rates continue to go up.

The Minister does not have any powers of prediction either, Mr. Speaker. On October 19, 1983, he predicted that interest rates would drop by another two to three percentage points in the next six months. But they have gone up by a half percentage point, Mr. Speaker, not down two or three percentage points. Imagine the Minister of Finance making a prediction like that which turned out to be so wrong. On May 11 he said that interest rates were to stay stable. What does stable mean if it does not mean that they do not move at all? He said that interest rates would remain stable for most of 1984 and drop toward the end of the year. So much for anyone who believes any of the predictions made by the Minister of Finance.

Finally, Mr. Speaker, I want to move on to one other egregious error, if it was not deliberate, of the Minister in this House this week. On Tuesday, March 27, as reported at page 2467 at *Hansard*, he said:

We need a lot of borrowing from abroad because we do not have enough resources in this country to ensure the full potential that this country has.

Then he went on to say—

Mr. Deputy Speaker: I regret to interrupt the Hon. Member, but his time has expired. He may continue with the unanimous consent of the House.

Some Hon. Members: Agreed.

Mr. Pepin: One minute.

Mr. Crosbie: Thank you, Mr. Speaker, and I want to thank Hon. Members for giving me an extra minute.

Last Tuesday the Minister also said that we had a net capital inflow of $5.5 billion last year. The Minister continued, as reported at page 2468 of *Hansard:*

We had a net inflow into this country of $5.5 billion in foreign investment in 1983. My friend should look at both sides of the picture and realize that Canada has been a net beneficiary of foreign investment in 1983.

That is completely wrong, Mr. Speaker. I do not suppose it is deliberately wrong; the Minister is just confused, uncertain, shaken up. In 1983 in Canada the actual position with respect to what the Minister calls net capital inflow was that there was

$200 million of direct investment in Canada and Canadians invested $2,525 million abroad in the same year. There was no net capital inflow into Canada of $5.5 billion; there was a net flow out of direct investment of $2,525 million. Canadians are sending their money out of the country because they have no confidence in the Government. To that should be added $6.6 billion in unidentified outflows. We had an investment outflow of $8.9 billion, not a net foreign inflow into Canada of $5.5 billion. There was $2.3 billion in direct investment and $6.6 billion was unidentified. That is one of the things that is putting pressure on the Canadian dollar.

Mr. Pepin: In conclusion—

Mr. Crosbie: Mr. Speaker, I have unanimous consent so I have to finish making my point.

Imagine the Minister of Finance making such a gigantic error when answering questions in the House. He should tender his resignation on Monday, Mr. Speaker. The only time we have had a greater investment outflow than we had in 1983 was in 1981 with the National Energy Program of the same Minister, when he was Mr. Hyde, the big bully-boy of the international investment scene—Mr. Hyde, but today he is Dr. Jekyll. He has his other face on today as Minister of Finance. As a result of the NEP and FIRA, in 1981 we had investment outflows of $20.3 billion, including $11.3 billion in direct investment lost to this country. In 1981 we still lost money. Canadians and foreigners who had money invested here are moving it out of the country. If that were not the case, Mr. Speaker, why would there be pressure on the Canadian dollar when there is a positive trade balance and a positive balance on the current account?

I was given unanimous consent in order to conclude my remarks, Mr. Speaker, so I will conclude by saying that all these points illustrate that the time has come for the Minister to admit that his policy is not succeeding. Since he has admitted that he can make adjustments, since he changed his tune last Monday, the time has come for these adjustments to be made. There are 1,476,000 reasons for adjustment to be made—they are the officially unemployed Canadians. There are another 600,000 reasons for adjustments to be made, and they are the unemployed Canadians who are not included in the statistics.

If the Government will not take this action, Mr. Speaker, then this resolution calls for it to resign. It has been in office for four years, and that has been four years of economic misery for the people of the country. It is time to put in another group that will take a different approach and will have the guts to do what they say must be done, and that is, to reverse the economic policies that are now under way, the sloth, the whole succession of deficits of the last 12 to 14 years, the inability to get up the gumption to attempt to tackle it.

It is time for the electorate to be given the chance to show if it wants a continuation of the last four years with the same group in government, perhaps with a different leader. We all know that the question is, "Would you buy a used government from that new leader, Mr. Turner, or not?" That is the question that Canadians are going to be asked—"Would you buy a used Government from this man or would you want to try a Party that has been opposing these ruinous, wasteful economic policies of the last four or five years?" That is the Party that I represent, Mr. Speaker.

Thank you for giving me the time to conclude, Mr. Speaker.

Mr. Riis: Mr. Speaker, I always enjoy the comments of the Hon. Member for St. John's West (Mr. Crosbie). I have a two-part question for him. It seems to me that when he was Minister of Finance he reappointed Governor Bouey to the Bank of Canada. Knowing Governor Bouey's record, it was perfectly clear where he stood in terms of monetary policy and how he viewed the high interest rate policy of the Government. Why did the Hon. Member reappoint Governor Bouey, knowing where he was coming from, to put it in popular parlance?

The Hon. Member criticized the Minister of Finance for having said that adjustments would be made if necessary. He made the case very well that adjustments are required today. Could he give us two or three ideas of what his adjustments would be if he were given the opportunity to make them?

• (1620)

Mr. Crosbie: Mr. Speaker, I thank the hon. gentleman for giving me the chance to address those questions. The Hon. Member should not make the silly mistake of blaming Governor Bouey for our present economic situation. It is only Governor Bouey who is standing between us and complete and utter economic disaster. Governor Bouey did not cause this situation. This situation is caused by the policies of this administration over the last ten years or 12 years. It so weakened our economy with its ever increasing deficit, with which we are all familiar, and its economic policies, that the only thing standing between Canada becoming a banana republic and economic chaos is Governor Bouey, who is trying to defend our currency. He is trying to operate in such a way that we will have a country which can still compete internationally and will not go through ruinous inflation again.

What would interest rates come to if we allowed the dollar to go down 10 cents or 15 cents, or whatever, and then went into another round of fantastic inflation? The whole cycle would start again. Where will the Canadian dollar end up? The Canadian dollar has been devalued, Mr. Speaker, in the last four years something like 22 per cent or 23 per cent. That has not been the solution. It has not brought economic miracles to Canada. Suppose the Canadian dollar devalues another 25 per cent? What can that do except to bring us quickly down the slope to economic chaos together with ruinous inflation. Do we want to be another Brazil with 250 per cent inflation, another Israel, or any of those countries which cannot keep up?

It is not Governor Bouey, it is the policies of the Government which got the Canadian economy, particularly on the fiscal side, in the shape it is in. It is not Mr. Bouey's fault. If Mr. Bouey was not there, we would have to invite another "Bouey". So do not worry about Mr. Bouey. It is the Govern-

ment which is responsible for this wreckage, not Governor Bouey. He is a consequence of the policies of the Government.

With regard to the second point, what would I do? First, I will say that nothing can save the economy while this Government is in power. No one has any confidence in it. Capital is going to flee this country because of its record of intervention and incompetence. If we are there, confidence will be restored; the flight of capital out of Canada will stop; the pressure on the Canadian dollar will stop. One thing I would not have done is to bring in the tax increases which the Minister of Finance brought in in April and which he confirmed again in February. How could this be the right time to have tax increases when there is not any kind of vigorous recovery going on in the economy? I would not impose another 1 per cent increase in the sales tax on the Canadian people in October, and I would not have made the changes in the child tax credit and the other changes which were introduced in the Budget of last April. So we would not be going on this course.

Why is the United States doing better? Because despite its budget deficit, which is considerably less than ours, it has reduced taxes. It has not gone, like the Minister of Finance and the Government of this House, in the other direction. The record of Mr. Reagan is fantastically successful compared to the Trudeau-Lalonde record. Reagan streaks ahead of them economically. The U.S. has 7.8 per cent unemployment. Here we have everybody unemployed. Mr. Trudeau started with 360,000 Canadians unemployed. Today he has 1,476,000.

Mr. Deputy Speaker: Order, please.

Mr. Crosbie: Can I have another question, please. Mr. Speaker?

Mr. Deputy Speaker: Order. Questions and comments must both be brief and to the point.

Mr. Baker: Mr. Speaker, I have a certain amount of respect for the hon. gentleman who just spoke. I believe his feet are on the ground. He is certainly not like his Leader, who probably gets up every morning and looks in the mirror and takes a bow. I would like to ask the hon. gentleman, if he is advocating an increase in the value of the dollar, whether he would like to make that policy statement on a wharfhead of a fish plant in the City of St. John's? I would like to ask him if he believes he would survive being hove off that wharf into the water? And if there are any ice pans there, he would be tabby-panning across to the south side hills.

Would the Hon. Member state clearly now whether it is the policy of the Progressive Conservative Party to bring up the value of the Canadian dollar, and how far, and would he admit it to the fish processors in Newfoundland and the fishermen, who do not receive enough in unemployment insurance benefits?

Mr. Crosbie: Well, Mr. Speaker, the Hon. Member is getting all exercised about this Government's policy. That is exactly the policy of the present administration. Does he not realize that the Government permitted interest rates to go up just so that the value of the dollar would be increased? When the hon. gentleman goes back to see his fishermen, would he advise those fishermen that his Government has just prevented the dollar from sinking down to 75 cents, 70 cents, 60 cents or whatever he thinks they want it to sink down to? Because when the fishermen realize that, they will throw the Hon. Member over the head of the wharf on his keester. When they realize that this Government has kept interest rates high and allowed them to go up to 22 per cent a year and a half ago just to protect the dollar, the hon. gentleman will not even get to the wharf. They will have him cooped up in a barrel and capsized before he even gets to the head of the wharf.

Yes, we do not stand for a deliberate devaluation of the Canadian dollar. No country can prosper which deliberately allows its currency to devalue. I will say that to the fishermen on the wharf in St. John's West, or anywhere else in Newfoundland. I will defend my economic policies. In fact, their love for me is shown by the fact that my vote increased fantastically down in St. John's West after my last Budget. When they give me a chance to bring in another one, it will be 100 per cent down there.

Mr. Deputy Speaker: Order. Question, comments? Debate.

Mr. Herb Breau (Gloucester): Mr. Speaker, I always enjoy the spectacle of a speech by the Hon. Member for St. John's West (Mr. Crosbie), because that is what it is, really, a spectacle. No wonder he receives a lot of invitations to speak across the country. He is a big drawing card. He makes people laugh and is good on his feet. When people are in an atmosphere where they want buffoonery, the best guest they can get is the Hon. Member for St. John's West. As a matter of fact, sometimes I think I would invite him to come to my constituency, because he would draw a lot of people.

This man, who ran in the leadership convention last year, did very well. I was proud as a Canadian to see that he did so well. Some people say that had it not been for having to speak French or understand French, perhaps he would have become leader of the Conservative Party and perhaps he would have become Prime Minister of the country. As a Canadian who is a francophone and happens to be from Atlantic Canada, I felt some sympathy for the Hon. Member because, really, a person should not be deprived of gaining power because he does not speak one or the other language. However, what the Hon. Member should realize is that the fact he could not speak French did not really hurt him that much in the convention, because I feel that unilingual francophones who cannot understand English would have probably voted for him if they had not understood what he said.

Mr. Deputy Speaker: Order. Could I invite the Hon. Member for Gloucester (Mr. Breau) to speak to today's motion, please?

Mr. Crosbie: Good idea.

Mr. Breau: Yes, Mr. Speaker. As I was saying, unilingual francophones, listening to the Hon. Member speaking on his

motion today, would be more likely to agree with him if they did not understand what he said. If they had understood what he said last June, then he would have lost some delegates in the convention. No question about it.

What the Hon. Member is talking about is supply side economics. I applauded a while ago when the Hon. Member said that President Reagan had a great policy. I was happy to hear the Hon. Member for St. John's West tell the House of Commons and the public that that is what he wants, supply side economics.

That is the kind of policy which President Reagan has brought to the United States of America. The Hon. Member for St. John's West is really an honest man. He has been saying it in public since he has been finance critic of his Party, only to be repudiated by his Leader, who has a hidden agenda. He says the truth. He says it and he means it. He says he admires the economic policies of the U.S. and their job-creation record. He admires the way they have brought down inflation and unemployment. Yes, Mr. Speaker, there are ways to create jobs and bring down inflation other than the way this Party and this Government has done over the past 16 years or so. You can stop the economy flat. You can do what President Reagan and the Hon. Member for St. John's West say is great. You can cut off welfare payments to people, you can cut off food stamps for people at the low end of the economic scale as they did in the U.S., and increase military expenditures.

• (1630)

President Reagan is not running a tight fiscal ship. He has increased military expenditures to an incredible level and reduced the expenditures affecting low-income people, the poor. That is what he has done. That is not running a tight fiscal ship. The Hon. Member says he loves this because he is talking supply side economics. He says that if you look after the wealthy, the powerful, the big institutions and large corporations, the benefits will trickle down to the people. But they do not, Mr. Speaker.

The Liberal approach is to reject supply side economics because it increases the economic and social gaps in society. We have another way to go about it.

The Hon. Member also spoke about the National Energy Program and this Government's foreign investment policy. I wonder if he realizes where he is from. He is from Newfoundland. The Hon. Member for Gander-Twillingate (Mr. Baker) asked him about the strength of the Canadian dollar. The motion of the Hon. Member for St. John's West says:

> That whereas the depreciating dollar . . . undermine job creation through their damaging effects upon agriculture, small business and business investment—

Well, the Hon. Member, in his answer to the Hon. Member for Gander-Twillingate, said that yes, he wants to strengthen and increase the value of the Canadian dollar. But the Hon. Member for Gander-Twillingate rightly pointed out that the fishermen in St. John's West or in his riding, or in northeastern New Brunswick, cannot sell their fish, or the company to which they sell fish cannot resell it, unless they undercut the European countries which are dumping fish in the U.S. because they have devalued their currency. How can a Member from Atlantic Canada, in this economic context, be sincere to the people he represents if he advocates an increased value in the Canadian dollar? That will ruin the Atlantic fishery. The pulp and paper industry in Atlantic Canada, in fact all over Canada, is having a hard time because we have to compete with European economies which have devalued their currencies. When the value of the Canadian dollar, Mr. Speaker, is reduced by market forces, not by deliberate Government policy, what happens? The regions of this country which export products which were protected by the national economic infrastructure and trade policies this Government has built up, in other words Ontario and parts of Quebec, are the ones that benefit.

If the country accepted the economic and monetary policy of the Hon. Member for St. John's West, we would not let the market determine the value of the dollar. He would want to increase it. The result is that the Atlantic fishery could not compete, the pulp and paper industry and construction industry could not compete.

The Hon. Member criticized the NEP and said it was a bad policy because some American interests did not like it. Does he not realize that it is because of the NEP that billions of dollars are being invested now in the Newfoundland offshore? The NEP rationale was to say that now that we have obtained just about the limits of new discovery of oil from conventional sources, there are still secondary discoveries and tertiary recovery methods. Over the last 30 odd years a tax and price regime was put in place to permit Alberta and Saskatchewan in particular to develop a petroleum industry. The rationale of the NEP is that now we have to look elsewhere, we have to look at the so-called Canada Lands because they are under federal control. The offshore is federally controlled, as the Supreme Court of Canada confirmed two weeks ago. We said we now need a new regime. Who but the Parliament of Canada can provide that regime?

The NEP, Mr. Speaker, is there to make sure that in the Canadian north, in the Atlantic offshore, we will have a regime which will encourage exploration for oil and gas. Therefore, I just do not understand how a Member from Atlantic Canada can suggest that the NEP has been bad for the country.

A lot has been said about the deficit and how it is supposed to be so bad. But, Mr. Speaker, why do we have a deficit in Canada, and how can we deal with it? We have a deficit because, first of all, in the mid-1970s the Government started to change the tax system so as to leave more money in the hands of Canadians in order to stimulate the economy. In order to make the tax system more equitable, we adopted a proposal that the—the former Whip of the official Opposition laughs at that. It was advanced by one of his former Leaders to make sure that the federal Government would not benefit from inflation. Indexed personal exemptions meant that less revenue came into the federal Treasury.

Mr. Kempling: You did not cut expenditures.

Mr. Breau: That is right, because we also indexed the social payments to the cost of living. The result is that more money goes out and less money comes in. So you have a deficit. Then, later in the 1970s, we had the oil crisis. The federal Government determined through a series of policies that we would have a tax regime and the National Energy Program to give incentives to develop the petroleum and gas industry. We had policies to help people insulate their homes and reduce the consumption of oil for the good of the whole country. We wanted security of supply. That means you use the fiscal policies of the Government of Canada. You increase expenditures, but you do not necessarily increase revenue when you do that. The revenue has not come in because world petroleum prices have not continued upwards. Therefore, we cannot sell our natural gas in the U.S. as we thought we could because we have to be competitive.

Another reason for the deficit is that in the last two years we have had a recession. Now you need to be mischievous or not understand anything about the economy to suggest that the recession we just came out of had its roots in Canada. How can anyone, unless he is being overly partisan, suggest that Canada was the only country that had a recession? The causes of the recession were partly in Canada, but they were in greater part from outside of Canada. The economy was stopped dead in the United States through monetary policy because President Reagan agreed with the Chairman of the Federal Reserves Board in the United States to recoup a great part of the American dollars which were financing the rest of the world for so long. They did that by increasing interest rates. What should countries which border on the United States do? Should they close their eyes and ignore what happens in the United States? That is done at a great cost. We determined we could not do that. That had the effect of slowing down the Canadian economy because people were worried about high interest rates. They were not building homes, buying cars or buying appliances. Therefore, unemployment was created.

• (1640)

To suggest that the economic recession which we just went through had its causes only in Canada is not to understand the workings of the economy of Canada, let alone of the rest of the world. During that recession we did not cut down on social programs as they did in other economies such as Great Britain and the United States. We continued to increase them. This is the basic difference between supply side economics and Liberal economics, between the Tories and the Liberals. We did not reduce social expenditures for people who cannot defend themselves, the real victims of an economic recession. We did not cut back on UIC payments. We increased them. We did not cut back on our payments to provinces for medicare, post-secondary education and equalization. The poorer provinces of the country continued to get increases from the federal Treasury. When the recession was at its worst and the federal deficit was going up, we were still increasing payments to Newfoundland, P.E.I., New Brunswick, Nova Scotia and Manitoba by over 12 per cent a year. Even when we had a restraint program to limit discretionary expenditures of the federal Government to 6 and 5 per cent, we continued to increase health transfers to provinces by 13 per cent. We transferred post-secondary education to 6 per cent but we did not touch the equalization program. In my Province of New Brunswick it went up by 11 per cent from 1982-83 to 1983-84.

Liberal Governments do not adopt policies that only protect the economy for the wealthy, the powerful and those who can look after themselves. We do it more gradually because the economy will correct itself gradually. In the meantime, with a series of safety mets, we protect those in society who cannot protect themselves from the ravages of inflation, unemployment and economic recession. That is why we have a high deficit.

Is the deficit too high? That is a question of judgement. I would point out, Mr. Speaker, that in the mid-term the deficit will come down. It is now about 8 per cent of the GNP. It will go down to about 4.7 per cent in the fiscal year 1987-88. The financial requirements of the Government will go down from 6.9 per cent of the GNP to 3.4 per cent of the GNP in three years.

When Canada participated in World War II, our deficit went up to over 20 per cent of the GNP. Did the economy stop flat? After the war we had an incredible period of growth. Saying that the deficit automatically means we are not going to have economic recovery, that the economy is going to be stifled because of the deficit, is all hogwash. Some of our partners in the OECD have higher deficits. Japan has a higher deficit than that year after year. In Japan they have such a high trade surplus that they have a surplus of yen. They absorb it with high fiscal deficits. With the savings rate at over 14 per cent of personal disposable income in Canada today, if we did not absorb a good part of that savings rate at the federal and provincial levels, chances are we would have to export finance and invest money elsewhere. The Japanese had to invest yen outside of their country. That is not necessarily bad because it builds relationships with partners.

The federal Government has a high deficit not only because it refuses to balance its books. It is because the federal Government has a fiscal responsibility in the overall economy. It has a responsibility to make sure that the ups and downs are as smooth as possible. In private industry, private budgets and even in provincial governments it is possible to balance the books. However, over and above the expenditures and revenues we must look at the overall economic interest of the country in the mid-term and in the long term. We must use the credit of the whole country to the advantage of the overall economy. With government expenditures we must make sure that an economic recession will not hit only those who cannot defend themselves.

Mr. Nickerson: Mr. Speaker, I know the Hon. Member for Burlington has a lot of useful information to give us so I will try to be as brief as possible. The Hon. Member for Gander-Twillingate (Mr. Baker) and the Hon. Member for Gloucester (Mr. Breau), who just spoke, seem to be supporting the NDP policy of allowing the Canadian dollar to sink lower and lower.

They say that will encourage trade. That might be so. However, it does that because in real terms the value of wages and salaries in Canada will decline. On this side we want to encourage additional trade, but we would do it by encouraging productivity, making each unit of effort produce more.

Why does the Government advocate a decrease in wages and salaries for Canadians in the country?

Mr. Breau: Mr. Speaker, neither I nor the Member for Gander-Twillingate said that we encouraged a policy to decrease the value of the Canadian dollar, or sink the Canadian dollar, as the Member just said. No one ever said that here this afternoon. The Opposition says that is what we say. However, that is not what we say. We say that the dollar should reflect the market forces, that it should be at the value the market forces dictate. It is true that a lower dollar improves your export opportunities, but it can damage you importwise. Over a period of time this has the effect of putting some pressure on wage rates and on all cost pressures. This is true in the manufacturing sector in particular, in the areas that are already strong. However, in the resource areas of the country; the west, the north and Atlantic Canada, that will not happen. If the Canadian dollar is too strong, we cannot sell our resources. Of course, there is a cost and an opportunity to everything. I agree that some sectors in the Canadian economy will feel the competitive forces of their wages at one point. I say it will be the stronger sector of the Canadian economy that will suffer. It will be those workers who already do very well who will suffer the competition. I do not mind that happening for the benefit of creating jobs in those regions of the country which benefit from exports where unemployment is always chronically higher.

• (1650)

Mr. Deputy Speaker: There being no further questions or comments, we will proceed to debate. The Hon. Member for Burlington (Mr. Kempling).

Mr. Bill Kempling (Burlington): Mr. Speaker, I could not bring myself to ask any questions of the Hon. Member for Gloucester (Mr. Breau). I looked up in the gallery and I noticed some people holding their mouths. I thought they were going to throw up. Perhaps it might be an idea to have sick sacks in the gallery to take care of people who cannot abide speeches such as the one the Hon. Member made on economics. I have never in my life in all the time I have been here listened to such economic gibberish as I heard from him. I do not think he could run a hot dog stand and lose money. He is just a disaster.

There is not much time left this afternoon, Mr. Speaker. I might say that much has been said about the Budget introduced by the Minister of Finance (Mr. Lalonde) on February 15. Some say it should have this measure or that measure of relief, or some favoured provision that has been promoted by a lobby. But the reality is that it is not just the February 15 Budget that is at the root of our problems. It is really the last four Budgets. The damage done by the three previous Budgets could not be reversed in the last Budget because governments do not advertise their mistakes or admit to errors in judgement. This is evident from the twisted and tangled rhetoric of the Member who just spoke. Clearly what we need is a period of stability to allow many of our businesses to restructure their finances. They simply cannot expand and employ more people, raise the GNP and help reduce the deficit if they are debt-financed. That is the problem being faced.

Many businesses are operating with a sizeable loss carried forward. This was recognized to some extent in the Budget and the carryforward term was extended to seven years. But if you think about it for a few moments, Mr. Speaker, a profit applied against a loss carried forward means that that business will pay no taxes to the federal Treasury, or at least it will pay very much reduced taxes. It means that government expenditures must be cut to accommodate the shortfall in revenue, or taxes must be raised in other areas to pick up the revenue shortfall, or additional borrowing must be made. We can see what has happened here. The Government is using a combination of the last two: borrowing more money and in some areas raising taxes.

Clearly some measures to increase and encourage equity investment beyond that which is presently in place must form part of the strategy for any budget.

Many of us thought we would have seen such a provision in the last Budget. Some even speculated that there would be a flow-through feature of losses carried forward to other income. That feature could have repaired the capital accounts of many businesses if, say, 50 per cent of the flow-through benefit were required to be reinvested in businesses. Some people may have difficulty in following that thought but, in simple terms, many businesses have been stung by high interest rates and are reluctant to finance an expansion program on borrowed funds, especially in a volatile money market.

Somehow we must break out of the mould into which the last four disastrous Budgets have cast us. Let us say you operate a small to medium sized business, Mr. Speaker, and you want to expand to capture a larger market outside of Canada. Say you need new productive machinery to enhance your gross profit but you are reluctant to place the order because you must borrow the money on a term loan with a floating rate. You look at your cash flow for a period ahead and you are aware that the capital cost allowance for the first year on that new piece of machinery will be 50 per cent of what it was two years ago. You find yourself having to seek a larger line of credit at the bank with a floating rate in a volatile money market. There, in simplified terms, lies the dilemma facing many business people in Canada who are being urged by the Government to venture and increase markets, and to expand employment, to add more people to the payroll and reduce unemployment.

It is obvious to anyone who thinks seriously about business that the only way you can undertake new markets, purchase new productive machinery and hire new people is by finding new sources of equity. An equally important problem is that so many governments and business gurus worship at the high technology altar, and the Government's actions to encourage equity investments are directed almost exclusively at high-

tech. What it does not realize is that even at the turn of the century the bulk of the people employed in this country will be employed in low technology industries. We have to have a window on the world, and high technology certainly has a place in our economy. Anyone would be foolish not to acknowledge that. But it is not the end-all to everything, and that we have to recognize. Some investors will not look at you if you do not say magic words such as robot, transistor, third, fourth or generation mode. One businessman told me he is so tired of hearing about word-processors that he is developing a bias against them.

We have to move above and beyond this level of thinking and begin to look at markets, market size, and market accessibility and ask how we are going to capture those markets. The Hon. gentleman for Gander-Twillingate (Mr. Baker) talked about the fish problem in Newfoundland. It is a serious problem. But there is an answer and a solution to it. I just wish we could take some of the marketing brains that I see in central Canada at whom he takes a kick once in a while and put them in Newfoundland. I want to tell the Hon. Member that there are ways to move that fish, but the way they are going about it, it will not be done. We have to determine how we are going to capture that market. Our products must be the best in the world, and we must look at that. The quality of the product one produces has to be second to none. If it is, you will sell it. I suggest to the Hon. Member that what is being produced now may not be the best there is. Excellence has to be our goal in production. Good value for our money must be our philosophy in trade. That is the area in which we have to move. If you adopted those principles in the marketing of fish and you had the best possible product available packaged in an attractive way, and you aimed toward excellence and gave value for money, not the lowest price, not beating foreign competition, which devalues currency, I say to the Hon. Member he would have competition beating a path to his door to buy fish. I can assure the Hon. Member of that, because that philosophy works in all business, not just the fish industry.

I get tired of the bureaucratic games that are played with fiscal and tax policy. The bureaucrat seizes on a policy and his main concern is that a sum of money is moved equal to that set forward in the Budget document. Some of them, I think, would rather have half a dozen megaprojects going consuming several billion dollars than 400 projects that consume several hundred million dollars. A judgment error on megaprojects can spell disaster to an industry sector. We only need to look at the National Energy Program as an example.

Perhaps, Mr. Speaker, I may conclude because it is almost five o'clock. If I do not, I will get into another area which will seem irrelevant to *Hansard*. May I call it five o'clock, Mr. Speaker?

[*Translation*]

Mr. Deputy Speaker: Order. It being 5 p.m., it is my duty to inform the House that in accordance with Standing Order 62(11), the proceedings on the motion have expired.

Therefore, this House stands adjourned until Monday at 11 a.m., pursuant to Standing Order 2(1).

At 5 p.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, April 2, 1984

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

CANADA HEALTH ACT

MEASURE TO AMEND

The House resumed from Thursday, March 29, consideration of the motion of Miss Bégin that Bill C-3, an Act relating to cash contributions by Canada in respect of insured health services provided under provincial health care insurance plans and amounts payable by Canada in respect of extended health care services and to amend and repeal certain Acts in consequence thereof, be read the third time and do pass.

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, at the point at which I was interrupted last week, I was beginning to say what I thought was significant about the Canada Health Act in terms of the history of medicare. I was saying why we feel it is important to support the Bill, regardless of its many flaws and the many things it does not do. The main reason for this, and this was said well by one particular witness, Dr. Robert Evans, is that this national consensus against extra billing and user fees has the possibility of finally putting behind us the debate about extra billing and user fees.

Something I have regretted for the last four years as health critic for my Party is that so much time had to be spent on the subject of extra billing and user fees when there are many other questions which have to be faced with regard to the future of our health care system. These two issues, extra billing and user fees, have dominated the political debate *vis-à-vis* medicare, and rightfully so. I am not complaining about that. I am saying that we are now at a point where hopefully we can go beyond arguing about extra billing and user fees and accept that these are practices which are regarded as unacceptable by all three political Parties. We should begin to face some of the other questions that remain as far as the future of our health care system is concerned.

• (1110)

I acknowledge that this issue has existed since the beginning of medicare. The question of whether or not extra billing and user fees were or were not anomalies or violations of the spirit of medicare is an issue which has been ambivalent since the beginning of medicare. Now when we come so near to the end of the debate on the Canada Health Act, we are saying that that ambivalence and ambiguity are finally resolved and we as the Parliament of Canada declare that extra billing and user fees are violations of the principle of medicare and that, as far as we are concerned, the debate on that issue is over.

I call on the provinces, particularly those provinces which have indicated opposition to the Canada Health Act, to respect the decision of Parliament and seek ways of eliminating extra billing and user fees in the provinces where these practices exist, and not to seek ways of getting around the Canada Health Act or making political hay out of whatever the provinces will argue will be the result of the Canada Health Act. It is important as well, not just federally but provincially, to go beyond the debate about extra billing and user fees and turn to some of the other questions.

There are two other things about this Bill which I think are important. Both of them are in the nature of what I would call conceptual victories or breakthroughs. These breakthroughs will not have any impact the day after the Act is passed but are important in the sense of reshaping our view of the health care system. The first one deals with the amendment to Clause 9 which uses the phrase "health care practitioner" and in particular talks about health care practitioners as being a group to which doctors, nurses and other health care practitioners belong. In this way, all of the health care professionals in the health care system are equal. They have different tasks but they are all health care practitioners, and that is the significance of the language in Clause 9 as amended.

Clause 9 as amended reads "other health care practitioners". This is the kind of wording for which the Canadian Nurses Association and others lobbied strenuously. I would like to take this opportunity to say how important a role those associations played in making sure that this kind of amendment was actually achieved. Their members would not stand for anything less and would not be satisfied with any token wording. They wanted it made clear that "health care practitioner" was a concept which, if it were to be included, must include everyone, and that is what they finally got from the Government. I am happy to see that the Government finally came around to that point of view and found a way to include wording such as that which is permissive in nature. It allows the provinces to begin to see the health care system in that way but does not require the provinces to do so. I think that that is a very important conceptual breakthrough in the Canada Health Act.

The second breakthrough has to do with an amendment which we proposed to the preamble to the Act. To the paragraph which indicated how we could expect to achieve further improvements in the well-being of Canadians, we had added

the notion of "collective action against the social, environmental and occupational causes of disease". It seems to me that the next big success that we will achieve with respect to health care in the country will not come so much from advanced technology, although that will be important. The next big success we as a society will see will come when we begin to address collectively the social, environmental and occupational causes of disease. That will have the same effect as did the earlier massive success when, in this country at least, we addressed the questions of clean water and sanitary conditions and the various other ways in which we wiped out the threat of infectious disease such as it existed at one time.

I wanted to call that amendment to the attention of the House because I think we have now begun to admit that we need to go beyond the curative physician-dominated system that exists in terms of the health care delivery system, and even beyond the individual, preventive, lifestyle kinds of approaches which are now popular with respect to health care. Those approaches are crucial but they will not do the trick for the millions and millions of Canadians whose health is being threatened by the things that only we as a society can do something about. I think the amendment to the preamble is particularly important in that respect.

• (1115)

Another amendment that I should like to call to the attention of the House and which we were responsible for implementing, is the amendment to Clause 10 which deals with universality. It calls for the provision of all services on uniform terms and conditions. This would go some way toward preventing the development of a multi-tier health care delivery system in provinces which, for instance, collect health care premiums and where there might have been some inclination in the future to stream health care consumers into various forms of health care delivery according to whether they had paid their premiums or were on premium assistance. I believe this was at least being contemplated and probably is still being contemplated in the Province of Ontario. In these circumstances, certain kinds of health care consumers might be streamed into community clinics on the basis of the fact that they are receiving premium assistance or whatever, and others who have paid the premiums would be eligible for fee for service and more individualized service. It is not that we have anything against community health clinics, Mr. Speaker, quite the contrary, but we do not want to see them turn into a form of ghettoization for certain Canadians. We want the concept to be broadened and used effectively for the well-being of all Canadians. That was the intent of the amendment to Clause 10.

We suggested some other amendments which were not accepted. We moved an amendment regarding the setting up of a national health council to provide continuing attention to the future of medicare. We called for stronger penalties because we have our doubts about the effectiveness of the penalties as they now stand. We hope, as I said earlier, however, that the provinces will respond to this national consensus against extra billing and user fees.

We moved an amendment regarding the acceptable ratio of ward beds as against private and semi-private beds. We were concerned that with increasing emphasis on hospitals having to generate more and more of their own revenue, accessibility might be threatened, not through extra billing and user fees but through the availability of beds that could be afforded through the provincial plan and not through extra insurance. That was rejected also.

We moved an amendment regarding parliamentary accountability because we felt that, with respect to other program conditions for which the Act gives the Minister of National Health and Welfare (Miss Bégin) discretion, too much discretion was being given to the Minister. We felt that there should have been a way of involving the House of Commons, and particularly the Standing Committee on Health, Welfare and Social Affairs, in adjudicating whether provinces were actually in violation of the principles of medicare. That was rejected.

We moved an amendment about positive incentives for provinces that move quickly to clean up their act with respect to extra billing and user fees. We felt that the Act as it stands is too punitive in nature and does not include enough positive incentives for provinces that want to act in this respect. That was rejected.

In committee I moved the amendment that was suggested by the Canadian Association of Interns and Residents. That was rejected, although the Government brought forward an amendment which it claims meets those needs. Opposition Parties, however, are not satisfied with that amendment nor are the residents and interns, and only time will tell whether it actually meets the needs.

At this point in the life of medicare, Mr. Speaker, it will take some political will, some imagination, some going beyond the traditional positions that everyone cherishes with regard to his or her own approach to medicare in order to address some of the very difficult questions facing us in the years ahead. We will feel very soon the impact of important demographic trends with respect to the aging of our society. I believe we should be laying the infrastructure, the planning and concepts to deal with that problem now, not wait until it hits us like a two-ton truck. There is a lack of foresight, I believe, on the part of governments which do not want to face up to the need for long-term investment to be able to meet those needs. So we have that demographic problem, Mr. Speaker. We have a technological problem as well. We have more and more life-saving, diagnostic and therapeutic advanced technology which uses up more and more of the finite source of funds. Unless we can find a way to get unlimited funds, we are going to have some very difficult questions to answer down the road as to the allocation of health care dollars. I am aware that whenever this matter is brought up, particularly by the doctors, there is a great deal of criticism, and justly so in that doctors often bring it up in the wrong context. They often bring it up as a way of trying to win an argument on another point, Mr. Speaker.

• (1120)

There are questions having to do with the allocation of health care dollars because there is not an infinite amount of money, and there will be difficult decisions to be made. They may not be made in the way in which the medical community would like, and, as I say, I believe it is often brought up in a misleading way by the medical community. Nevertheless, there are difficult decisions to be made about the allocation of health care resources. Canadians will have to pay more attention to how their health care dollars are being spent. We will have to find a way, as we did through medicare when we found a way to go beyond the allocation of health care resources by the marketplace, and we will have to find a way to go beyond the present system which lays itself open more and more to the charge that bureaucrats are allocating health care resources by political and fiscal imperatives instead of health care imperatives.

The answer is not, Mr. Speaker, as so many in the CMA and others would have us believe, to return to allocation by the marketplace. The answer is to find the political will to go beyond both the marketplace and fiscal and political imperatives and find a third way in which we can face up to those difficult decisions about the allocation of health care dollars. At the same time as we want to go beyond the present system, we must resist the temptation, as we do in so many other areas of our economic and political life, to see, in the inadequacy of the present state of affairs, a reason to go back rather than ahead. I believe that is something, Mr. Speaker, which we should keep in mind.

There will have to be on the part of the federal Government a willingness to reopen the whole question of the funding relationship with the provinces. There must be a willingness to go back to the table and say, "We have all these other problems we have to meet, how can we meet them together?", rather than having the stubborn attitude that, "We provide a certain amount of money through block funding and that is it. We will put conditions on that money"—which I support—"but that is all we are going to do".

I believe the Minister of National Health and Welfare and future Ministers of National Health and Welfare, will have to be willing to sit down with the provinces and renegotiate that funding relationship so we can have a full-fledged financial partnership with respect to medicare.

There are many other questions we will have to face but I do not have the time to go into them. There will be the question of transportation in northern Ontario, for instance, and other remote parts of the country where people do not, in a sense, have equal access to hospital care. They must spend a lot more money than people living in urban centres to provide their families with the kind of hospital care which may be recommended by their physicians. These are all questions and conditions which impede the realization of the original vision of medicare. There are things which are still on the agenda, Mr. Speaker. Hopefully, with the passage of this Act, we can put the debate about extra billing and user fees behind us and trust that provinces will see the wisdom of this and act in the very near future to eliminate extra billing and user fees so that the spirit in which we in this House approach this Act will be infectious and we will see that kind of co-operative attention paid to our health care system from here on.

• (1125)

Mr. Blenkarn: Mr. Speaker, I was wondering if the Member would advise the House whether this Bill in any way prevents doctors from practising outside the system? In other words, can they practise outside the provincial medical system and send their bills directly to their patients?

Mr. Blaikie: Mr. Speaker, let me repeat the question just to make sure I have it correct. Can doctors opt out, bill their patients and then have their patients bill the plan? Is that what you are saying?

Mr. Blenkarn: Can doctors opt out?

Mr. Blaikie: Doctors can do anything they like so long as they do not extra-bill their patients. That is my view and that of the parliamentary task force, on which my friend and I both sat, of what constitutes extra billing. Extra billing is when patients are charged more than the plan will pay them.

Mr. Blenkarn: Will the Member advise me where in this Bill a province is prevented from reimbursing a patient for money he may have paid to a doctor? Let us say that a doctor practised medicine in California and the patient saw him there, or an Ontario patient went to Quebec and saw a doctor and paid him directly. Could the patient be reimbursed? If the patient went to the Mayo Clinic in New York, could he be reimbursed? Indeed, could he be reimbursed if he saw a specialist in Ontario and the specialist said he did not practise state medicine, "If you want to collect from the province and the province does not pay you, fine, I do not care. You pay me".

Would the province be prevented from paying that patient something toward the bill?

Mr. Blaikie: Mr. Speaker, I do not think the Hon. Member understands the Bill.

Miss Bégin: No, that is obvious.

Mr. Blaikie: The Bill does not prevent anything. It simply says that if extra billing occurs, there will be a dollar for dollar penalty. I have explained what constitutes extra billing. What the Bill does is to provide for a penalty for extra billing to the extent that it exists in any particular province. How particular provinces decide to regulate, eliminate or control, or whatever they decide to do with extra billing, will be the business of the provinces. I am sure the Hon. Member would not want me to make recommendations on how individual provinces make judgements in the particular cases he brings up.

Mr. Hudecki: Mr. Speaker, I just want to express my concern at one aspect of the Bill which has not been addressed as it should be. The Hon. Member who has just spoken is an

expert in various aspects of the Bill and I would like to hear his opinion.

As he well knows, medical advances are so rapid that it is essential to develop a system of training to give extra attention to these various advances, which will reflect themselves in better care. That aspect has not been addressed in this Bill. We think in terms of quantity, geographical distribution and universality, yet we do not think in terms of quality of care. This requires an extra effort on the part of the graduate physicians and doctors who have spent x-number of years in conventional and in specialized training, often at their own expense. The Bill does not address itself to supporting these people, giving them the extra help they need to get that training and practise it efficiently. Without that category of physician there will be a deterioration of medical services in this country. In the various speeches I have heard the Hon. Member make, I have not heard him address himself to that particular issue.

● (1130)

Mr. Blaikie: Mr. Speaker, the nature and quality of the training that physicians receive is not something over which the federal Government has a great deal of say. The Hon. Member is a physician himself and knows that, to a great extent, physicians are a self-regulating monopoly. However, there is a lot of public money spent on them. There is a great investment made by the public in medical schools. I do not have the numbers at hand, but I am sure it is a phenomenal amount of public money which is spent to train physicians. Some of them then turn around, in their own peculiar way of saying how grateful they are, and say that they do not feel they can make enough money here, and so they go to Houston or some place else.

I think great improvements could be made in the quality of care, Mr. Speaker. We must first identify more clearly what we mean by care. Care is not only the precision and insight with which physicians make judgements. Care has to do with how many nurses are on the ward, the conditions in which patients live out their days in hospitals, what kind of services are available in the home, and how humane the total health care system is. We have to consider those areas in addressing quality of care. It seems to me that physicians have some way to go in order to catch up with that view. They must begin to treat a person more as a whole person and less as a case study.

Mr. Hudecki: Mr. Speaker, I think the Hon. Member is showing a little bit of ignorance toward what constitutes quality care. First and foremost, a great deal of the training that physicians and surgeons must take is not taken in Canada and is not taken with the help of public funds. That type of training is not available in this country. Most of these people will go offshore or to the United States and will spend years of their time in training. They will do it at considerable personal expense. There is a tendency for breakdowns in their families as a result of being separated from them.

With regard to the quality of care, the humane aspect does not show itself in some of the procedures which are practised. Time and again the essential part of the treatment is the skill of the physician in acquiring the new techniques and approaches. The follow-up care is in the hands of the rest of the team.

Therefore, there are two factors here. The first is that the quality of care is achieved without financial assistance from the federal Government, at the expense of the individual doctors. Second, in most situations the doctor must be the person in charge who must take the overall responsibility, something which cannot be done by other members of the health care team.

Hon. Jake Epp (Provencher): Mr. Speaker, in rising to speak on third reading on Bill C-3, the Canada Health Act, it is important to state at the outset that our contribution to this debate, both at this stage and throughout the study of this Bill, is based on the principle that the Progressive Conservative Party, from the very beginning of the debate on a national health care system, has supported just such a system, namely a national health care system. It is important to remind the House and the Canadian public that this is the case. It dates back to 1956 when at a national convention the Party in fact moved a policy principle in which the Party committed itself to a national health care system to be achieved in co-operation with the provinces. That system was to be one of which Canadians could be proud and which it was within the resources of Canadians to afford. Those principles established by the Party in 1956, Mr. Speaker, are the principles on which this Party stands today. It is from that basis that we complete the debate on the health care system.

It is interesting to note, Mr. Speaker, that it was only a few years after that conclusion of the Party in 1956, during the Government of the Right Hon. John Diefenbaker, that the Hospital Insurance and Diagnostic Services Act of 1957 was passed. In 1962, the medicare system came into Saskatchewan. This was done through the co-operation of the Saskatchewan Government of Mr. Tommy Douglas as well as of Prime Minister Diefenbaker. These two gentlemen both gave tribute to the contribution that was made at that time.

I make those statements at the outset, Mr. Speaker, to allay the suggestions made by some people that the Progressive Conservative Party is not in favour of a universal national health care system. The record not only supports that, it substantiates it. Having made those comments, I hope we can go on to real issues rather than continue to address issues which in fact are not issues at all.

Before us we have a Bill which has been largely amended through the committee process. It has seen a number of amendments brought forward by the Government, by our Party, as well as by the New Democratic Party. I believe the Bill before us is more realistic in terms of the health care system than the Bill which we addressed at second reading. When I use the word realistic, that is the sense in which I use it.

The Minister is in the House today. I would like to thank her for the kind comments she made during her participation

in third reading. Even the preamble of the Bill was changed after second reading. This remains in front of the national agenda on health care. I will quote in part the amendment to the preamble. It reads:

—that it is not the intention of the government of Canada that any of the powers, rights, privileges or authorities vested in Canada or the provinces under the provisions of the Constitution Act, 1867 (formerly named the British North America Act, 1867), or any amendments thereto, or otherwise, be by reason of this Act abrogated or derogated from or in any way impaired;

That simply means that the Government is concerned that the Bill in part could be seen to be moving into or at least affecting the constitutional jurisdiction of the health field which is within provincial rights. I do not have the right to speak for the provinces. I do not know if the provinces will take this Bill or provisions of this Bill to the courts. It is important to note in the House today that that amendment was brought in by the Government, I suggest, because of the Government's own concern and fear that parts of this Bill could be seen by the courts to be involving the federal Government in provincial jurisdictions. The reason I raise this matter is that it is at the very heart and nub of what I believe the health care system should be. It should be a system based on co-operation and recognition that the provinces have the primary responsibility for health care delivery systems. It should be based on the recognition that the federal Government has a responsibility to maintain that the five principles of medicare which we support are not only kept intact but that the system does not violate them in any way. As we look at the action of the provinces, it will be very interesting to see whether or not Bill C-3, the Canada Health Act, will be challenged in court.

● (1140)

What is of greater significance is the amendments to Clause 3 and Clause 4. Clause 3 is entitled "Canada Health Care Policy" and there were substantial sections of Clause 3 removed by the Government through amendment. In fact, the words that it removed were, "It is hereby declared that the Canadian health care policy should be designed and administered: (a) to encourage effective allocation of the nation's health resources: (b), to facilitate the provision of adequate health services throughout Canada".

Surely no one could quarrel with the statement that the health care system should facilitate the provision of adequate health services throughout Canada. One must raise the question as to why the federal Government feels it necessary to remove those words from the Bill which is called the Canada Health Act. I think the answer is quite straightforward. I stated earlier that although the Bill does not address the Canada health system as I would have liked it to, I believe that the amendment that the Government then moved is more significant and makes the Bill more realistic because Clause 3 states that:

—the primary objective of Canadian health care policy is to protect, promote and restore the physical and mental well-being of residents of Canada and to facilitate reasonable access to health services without financial or other barriers.

Let us go to Clause 4, which describes the purpose of the Bill. It reads:

The purpose of this Act is to establish criteria and conditions that must be met before full payment may be made under the Act of 1977—

Those words are significant in the sense that the Minister had to recognize, through the amendment procedure, that what the Canada Health Act was really addressing was not so much the future of health care as what she was going to put forward in the Act, that is, financial penalties for extra billing and user fees. The national agenda should have been to consider the question of what we see in national health care services in the future; what those services should be; what model should best be brought into being through co-operation with the provinces while keeping in mind the provinces' primary responsibility; and finally addressing the question, difficult though it may be, of how we allocate resources both human and financial to meet the health care system of the future.

I suggest that, unfortunately, the opportunity to do that was greatly restricted by the scope of the Bill and, in fact, the amendments restricted the Bill even further. Members present in the House today who sat on the committee would agree with me, I believe, that there was hardly an exception to the fact that as witnesses appeared before the committee they would address the matter of extra billing and user fees and then go on to say what they thought should be the national agenda. The national agenda was: What do we do about an aging population; what do we do about technology; what do we do about preventive health care; what do we do about co-operation with the provinces, and what do we do about resources. Those are the issues with which the House must deal. Unfortunately, this Bill does not do so.

Having said that, while amendments which we brought forward were rejected by the Government in many cases, the principle of our amendment was accepted by the Government in other amendments. I mention only a few to make the point. One concerns the health care practitioner. I want to point out that the concept of the health care practitioner is now part of the Canada Health Act in Clause 9 and the definition clause. I also want to state very clearly to the public and the provinces that this does not impose an extra financial burden on the provinces. I suggest that it is no different from Section 4(3) of the Medical Care Act of 1966 in which, for example, there were services not covered through the insured services, such as optometrical services, which the province could in fact provide in part through an insured service with the province only. They were never covered through the federal-provincial financial transfer system.

Since we have flagged that the health care system is a system consisting totally of health care practitioners, it is important to note that the Canadian Medical Association, the Canadian Nurses' Association and other professionals who are familiar with the health care system realize that we must move toward a more holistic approach both to medicine and to the health care professional. When talking about a holistic system, we must consciously put forward the fact that the health care system should address the other concepts of preventive health care. While I believe it will always have illness as its primary

orientation, since the health care system obviously must address illness, it should not be restricted only to the concept of addressing illness.

I believe that the amendment respecting the health care practitioner does give the provinces and health care practitioners an opportunity to take an approach to health care resources, that is professionals, finances and the philosophy of holistic medicine, without imposition on the provinces themselves.

I am sure that members of the committee and the House would agree that in terms of the Canadian Medical Association and amendments to Clause 12(2), I have spoken on it as much possibly as anyone. I should point out that the wording in that clause in the original draft Bill was that medical professionals had the right to reasonable compensation. What does reasonable compensation mean and how does one approach the question of reasonable compensation? I go back to Mr. Justice Emmet Hall who said in his report in 1980 that the health care system in fact could be eroded in the future if extra billing and user fees were allowed to continue or to expand. However, he never made those statements in isolation. He always added that if that were to take place through legislation there had to be a system whereby medical professionals would be entitled to reasonable compensation. Those two views were always tied together.

Those were his words in his report, and he reiterated the statement at the committee hearing of February 14, as can be found on page 510. He said, "Accepting that physicians have a right to be fairly and adequately compensated can be stated this way; no more, no less, and the state has a right to be concerned with the problem." I agree with the principles he stated, that there must be fairness and there must be a balance between recognizing professional independence and recognizing the fact that the public which finances the system has the right to services for which they have paid. There must also be recognition of the fact that the health care professional not only feels that he or she has been adequately compensated financially but also that psychologically and professionally society recognizes their contribution and their role.

Mr. Justice Hall goes even further in a press article, which appeared as recently as today, in which he states very clearly that medical doctors cannot dictate fees because, in a sense, as we get a national health system they give up in part a certain freedom in exchange for a health care system. But that is the dilemma and the conundrum.

I say to the provinces that the amendment which we brought forward is not binding on the provinces but it is at least a model, or they can now develop models whereby fee structures and fee disputes can be resolved. It is not my purpose, nor is it my right, to dictate to the provinces how this should be done. I simply put forward the principles once again. If the system is to work and if the people within it are to feel that they are making a valid contribution which is recognized by society, I commend that amendment to the provinces for further study.

• (1150)

The toughest question in health care is the question of cost containment. How do we address that question? It is clear that we have to state again that it is not within federal jurisdiction to address this question in isolation. I want to say to all Members of the House and to the Canadian public that when we talk about cost containment, we are not talking in the sense that we want to erode in any way the principles of medicare. It is for the reason that we want to preserve medicare that we must address the question of cost containment.

Let us take a look at the last two years. If one takes a look at the recession, one finds that the Gross National Product used for health care has risen dramatically. If one takes a look at the national deficit, 25 cents of every dollar collected from the taxpayers of Canada is used to service the debt. If we add that 25 cents of every dollar to service the debt, and if we take a look at our safety nets of health care insurance and unemployment insurance, systems which we want to maintain, the real question becomes: when will we get our economic house in order so that the systems and services Canadians want to have maintained can be paid for? That is the issue.

I would like to give a very practical example. I know the Hon. Member for Mississauga South (Mr. Blenkarn) will make the case more strongly on the economic side, but if we were able to reduce the 25 cents by 5 cents to 20 cents for the servicing of the national debt, it would give us roughly $7 billion to $8 billion. The expenditures of the federal Government in terms of national health care are between $9 billion and $10 billion.

Mr. Dionne (Northumberland-Miramichi): Every time you get up you ask the Government to spend more.

Mr. Epp: We are getting the traditional catcalls from the Liberals. When a person wants to address these questions, he has to address them, no matter what catcalls he gets and no matter what the difficulty. Additionally, we have to look at the cost of technology and demography. How do we do this? That is the question. I will put it to the House very bluntly and in a very straightforward way. We cannot do it in the federal House by imposition. The only way to do it, when we talk about a health care system which is a national plan and in which the provinces have primary responsibility, is to sit down with the provinces and look at the issues.

If there has been anything lacking over the last few years in the health care system, it has been co-operation. We have to return to co-operative federalism because we cannot impose from here, nor will we have a better system because we impose. The best way to do it is to get back to economic principles and increase economic activity. If we look at the statistics, as the economic recession deepened we got into more and more difficulty in the health care system. Surely the global answer is once again to establish an economic climate where people who are risk takers are able to invest and feel that their investment and their return will be seen as their right to invest in the economy. We must not look at the question from a reductions point of view. We cannot take an

ever increasing piece of the pie from the general paying public, but we should increase the size of the economic activity of Canada.

Those are very difficult issues. I would like to give another example. National voluntary agencies want to become involved in the health care system. Let us get them involved. Let us get them around the table to see how it can be done. I am referring to agencies such as the Victorian Order of Nurses. There are many suggestions one could make in this field, but my greatest suggestion would be to get on with some of the positive aspects rather than always to raise the question of how we do it.

Miss Bégin: Mr. Speaker, I would like to ask the Hon. Member, my official critic in the Official Opposition, a question concerning the alleged underfunding of the system. I am sure the Hon. Member will excuse me if I do not have the details, but the figures are well known to all of us who worked on medicare in committee. In the years which followed block funding, years in which the federal funding went up to a national average of 58 per cent of the so-called medicare, extra billing and user fees started to grow instead of remaining at a low level as they had done for years, and thus the crisis we are in was created. How does he reconcile the fact that when we gave the most money extra charges were placed upon the patients? I do not understand his reasoning.

Mr. Epp: Mr. Speaker, this debate has been going on for some time. If the Minister of National Health and Welfare (Miss Bégin) goes back to the previous Budgets of her Government, she will note very clearly that in those Budget statements the Minister of Finance said that through reductions of the EPF the Government over the next period of the EPF would reduce its funding by $5.7 billion, that is $5.7 billion over what had been projected. If she goes to the last Budget, she will see that the present Minister of Finance (Mr. Lalonde) said that through the rejigging of the system or because the inflation rate was lower, he found an additional amount of money. Then it came out that it was not only $269 million; there was an additional sum of money, in the area of $700 million, which was part of the system.

Miss Bégin: What does that have to do with my question?

Mr. Epp: I will get to your question. When we look at block funding, what the Minister had said for so long, which was rejected, was that the provinces were diverting money that they were receiving either for health care or for post-secondary education. They were diverting it into other fields of provincial responsibility. Mr. Justice Emmett Hall very clearly stated that there was no evidence to that effect at all.

If one takes a look at the manner in which health care systems developed in the 1960s and onward, for example, one finds that the average inflation rate during that decade was approximately 4.5 per cent, but health care costs were rising at an average of 12.2 per cent. That built-in cost is now within the system. Additionally, there have been without any question other factors which have added to the cost of the health care system well beyond any escalation of cost sharing from the federal Government or, as we now call it, block funding.

The question the Minister has to relate more directly is, what percentage of their provincial budgets the provinces are now expending for health care as against previous years? If we take a province such as Alberta, it pays more to date per capita for health care than any other province. If we take a look at provinces in Atlantic Canada, over 50 per cent of their total provincial budget is now transfer payments. The point I am making to the Minister is that in each case those provinces are spending between 25 cents and 30 cents of their total budget on health care, and that is rising. The ability to afford more is the serious question which those provinces and we in the House have to address.

Miss Bégin: The Hon. Member has not answered my question. In fact, he used a completely irrelevant standard of measurement; he offered it without explaining it. It has no relationship to the portion of a budget which the province puts to medicare. By the way. the Hon. Member never spoke of medicare; he kept referring to the total health Bill. That is not what the feds are in, and it is not the purpose of this Act. That is why I referred him to medicare. He did not answer my question. Why is it that extra billing and user fees rose at the very moment that the federal share was well above 50 per cent? Second, does the Member not know that in the case of Alberta the share of its budget is larger for medicare because it decided to build small hospitals in every town and village? That is their responsibility. Unfortunately, it is a problem.

• (1200)

Mr. Epp: Mr. Speaker, here again is the philosophical difference between the Minister and myself. The provinces have a responsibility and a constitutional right to set up a health care system which they feel is the best model for their province. That is their constitutional right and responsibility. Having said that, this is the other part of the debate where the Minister and I are at fundamental odds; she likes to keep on restricting her version of health care.

Mr. Dionne (Northumberland-Miramichi): Answer her question.

Mr. Epp: That is the best speech you have ever made. Too bad it was so limited. The Minister says we should only discuss medicare, only discuss doctors' fees and active care hospitals. There is the whole point. Do we want a health care system restricted in that way? I thought I made the point about looking at the matter in the larger context. What have we done for mental hospitals?

The Acting Speaker (Mr. Herbert): Order. I hate to cut off the Hon. Member, but questions and comments should be relatively short to give everyone a chance to participate. The Hon. Member has had a good time for response. He will have another opportunity.

Mr. Epp: Mr. Speaker, I rise on a point of order. I hope that I can at least answer the question.

The Acting Speaker (Mr. Herbert): Order. The ten-minute period for questions and comments is to allow all Members to participate. The questions and comments should be relatively short. The Hon. Member for Provencher has had two interventions during this period which have been relatively long in proportion to the time spent on the questions. I just draw this to his attention. He will have a chance to respond to another question in a minute.

Mr. Blaikie: Mr. Speaker, the Hon. Member for Provencher (Mr. Epp) mentioned in his most recent intervention the question of philosophical differences. He has talked about co-operative federalism. What do you do in the case of the Minister of Health in Alberta who makes it quite clear that there is nothing to negotiate? His view of extra billing and user fees is an ideological one. For him extra billing and user fees is part and parcel of a free enterprise view of reality. You have ideological choices. They choose to have user fees and tax the sick rather than have a gasoline or sales tax. That is not a question of economic necessity but a question of philosophical preference. How do you sit down and negotiate philosophical preferences? It seems to be a political question that the Member is avoiding.

Mr. Epp: Mr. Speaker, I just want to say to the Minister of National Health and Welfare that if she wants to restrict her narrow vision to health care she can say yes, she is at 50.3 per cent. When you look at the total health care Bill, she is at best at 40 per cent. If she had sat down and discussed both issues from that point of view, rather than just hung on to that one narrow aspect, which she has always done, we would have a better health care system.

With regard to the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie), I thought he himself answered his question best. When he was asked earlier by the Hon. Member for Mississauga South whether the Bill outlaws extra billing, he said no, it does not. What the Bill does is to use the federal spending power to withhold certain sums against the matter of extra billing and user fees. He recognized in committee, and I believe he recognized it in his speech today as well, that while there are political differences, the provinces have a right to set up the health care system. What the federal Government and we through this Bill have responsibility for is to maintain the principles in order that that universal system is maintained.

The Acting Speaker (Mr. Herbert): Order. The ten-minute period for questions and comments has expired.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I join late in the debate on this Bill. Unfortunately, it was not possible for me to participate on second reading or in committee. I regret that. However, I believe that the committee did a first-class job. This Bill by and large fulfills the requirements that the parliamentary task force on fiscal arrangements set out with respect to the medicare and health care system and the federal Government's responsibility in that system.

You, Mr. Speaker, will personally remember being a part of that task force and our considerations on the various criteria, in which the federal Government participated, in health care programs in Canada. I refer again to Clause 7 of the Bill where the five criteria of public administration, comprehensiveness, universality, portability and accessability are set out. A number of people have suggested that it is not the federal obligation to look after and ensure that there are these criteria, but I asked my constituents that question. I asked: "Do you believe that the federal Government has an obligation to ensure the existence of a national medicare and hospitalization system and insist on specific national standards, and does it have the right to penalize provinces that do not comply with national standards?" My constituents answered 72 per cent yes and 21 per cent no. Despite what Colin Brown has indicated in the large advertisements of the National Citizens' Coalition, the Act has a good deal of public support. This Party supports this Bill.

It is very important that matters such as user fees be banned. In the task force we studied the question of user fees and how hospitals, in order to discourage people from using their facilities, charged a fee. That fee either had to be so large as to be punitive and therefore hurt the poor and the sick, or be so small as to be negligible and, therefore, a fee that would not deter anybody, and one that would be used up in administration. When we were in Whitehorse, we found that the hospitals, under the auspices of this Minister, were directed to have a user fee for emergency services. The study of that user fee indicated that the entire fee was used up in the administration of trying to collect it. That was a rather foolish type of fee which, thank goodness, no longer exists. This Bill bans that class of fee.

A great deal has been said with respect to extra billing. In our tours of the country, we found certain situations in certain provinces, particularly in Saskatchewan which at that time was under a New Democratic government. That province not only allowed its doctors to collect from the medicare system, but to charge extra to the patients. The doctor had it both ways. He could bill the system and bill the patient. That was an extra type of fee. The same situation existed in a number of the maritime provinces. That kind of billing is improper. To rely on the system, to look after all your credit headaches, all of your problems, and then charge the patient an extra $2, $5 or $10, whatever the patient can afford, is to set up a double system of medical care.

I referred earlier to the activities of the National Citizens' Coalition, which had the temerity to ask, "How would you like your open-heart surgery done by a civil servant?", or, "How would you like your baby delivered by someone who delivers the mail?" It suggested that this Act would somehow destroy the ability of persons to see a doctor. I say, nonsense, Sir.

• (1210)

Earlier on in today's debate, I asked if this Bill in any way required that a doctor sign up or be committed to the medicare system. In fact, it does not. Nowhere in this Bill does it say that a medical practitioner must practise within the provincial medical system. He is entitled, if he can qualify, to practise

any way he wants and to practice within the hospital system in the way he already practises. He is entitled to send his bills to his patient in the normal course of events. He is not recruited, conscripted or forced to belong to the Ontario system, the Manitoba system or any other system.

Having said that, Sir, there is nothing within this Bill that in any way prevents the provinces from reimbursing to the level of the medicare fees in that province the patients who go to see doctors who do not belong to the system. Nothing in this Bill prevents that from happening. It may be said by some that that is a form of extra billing, but how in the world can it be extra billing if the doctors do not even belong to the system? How can a doctor extra-bill the system if he is not even part of the system, any more than a doctor who works at the Mayo Clinic or a doctor who practises in Florida or a doctor who practises in another province is part of the system? Indeed, as far as the other provinces are concerned and as far as doctors practising out of the jurisdiction are concerned, the concept of universality and portability contemplates the reimbursement of fees paid out by patients to doctors by the provincial system.

Doctors who do not belong to the system do not bill the system. Therefore, their bills can in no way be treated as extra billing. That billing is not extra to anything if the doctor is not part of that system. The real political question is whether or not this Minister would try to say that if a province reimburses a patient for seeing a doctor who does not belong to a system, that province was in some way evading the provisions of the Canada Health Act.

Before I discuss that, Mr. Speaker, I would like to discuss a question which I put to my own constituents. I will read into the record the question I put to my constituents. The question was: "About 14 per cent of Ontario doctors are opted out of medicare. These doctors bill their patients directly. Do you believe that patients of opted-out doctors should be able to collect from the provincial Government that portion of the fee billed to them by their doctor that would normally be paid directly to the doctor if the doctor had not opted out?"

In answer to that question, 67 per cent of my constituents said yes and 26 per cent said no. I suggest to the Minister and to any provincial Minister who might be involved that they might have a very difficult time saying to someone who went to the Mayo Clinic or to a specialist who was not interested in medicare that he could not be reimbursed for his expenses. Any government which indicated that would be in serious trouble indeed.

However, the Act does go a long way toward making sure that universality exists. The provisions of the Act specifically indicate that the service must be comprehensive. That means that people should be able to find medical service that is in accordance with a provincial universal system anywhere in the province. To that extent, if a province would not operate on the basis of having medical service generally available, then, in my view, it would be in default of its conditions. It would not be in default by opting out or by imposing extra billing but by not making sure that there were medical practitioners generally able to offer services to those who are entitled to rely on medical service without the payment of an extra bill.

In that sense, Sir, I think the committee did an excellent job by introducing the concept of reasonable compensation through the amendments which require a type of arbitration to determine the fair fees medical practitioners should charge for their work. The arbitration of fees as conceived by Mr. Justice Emmett Hall is a kind of arbitration that protects not only the practitioner but also protects the public. I think that the committee, in introducing that concept of arbitration, has provided a worthwhile service to medicare.

One of the major concerns we all have is about the rising cost of health care. That cost is rising because of a number of factors. The first factor is the enormous amount of new technology that is coming on stream. The Minister has indicated that she pays for 50 per cent of the medicare system, but does she pay for 50 per cent of the health care system in the broad sense? The answer is no. In the Province of Ontario she pays for perhaps 38 per cent or 40 per cent of the health care system.

A good part of the payments for the health care system are for technology and for making people healthier in non-traditional ways. This is part of the health care technology that exists, and as that technology carries on and as people, because of that technology, live longer, the cost of health care will rise dramatically. We must come to grips, either federally, provincially or as a nation, with the cost of health care. Obviously, if we carry on as we do, we could well reach the point where health care takes a far greater percentage of our income and our national productivity than might be appropriate for a growing country.

One of the suggestions I received to deal with that issue was to take a look at some of the tort liability concerns of doctors. The Minister will know that following what has happened in the United States, medical practitioners are gravely concerned about being sued for malpractice. Often lawsuits are brought even though the doctor has probably done almost everything conceivably possible required to do a first-class job. Whether it was a first-class effort or not, it can be seen in a considerably different way in hindsight than it was seen in foresight.

Second, we must deal with the whole question of the tort liability of a doctor for negligence. I hope that the Minister will do something in terms of negotiations with her provincial counterparts. Perhaps she could have the provinces pass some sort of legislation that would restrict the liability of doctors to cases in which there is absolute gross negligence. This is the kind of step that might seriously reduce some of the costs of the health care system. When doctors pay enormous fees for medical malpractice insurance, those fees must be passed on as one of their costs of doing business. It must obviously be passed on somewhere in their fee structure.

Third, the payment system itself under medicare tends to encourage medical practitioners to perform more services than they might otherwise perform if the medicare system were different. There is a fee for attendance at a doctor's office and that fee is minimal. However, patients seem to have the feeling

that doctors are cramming in more people per hour in order to receive a reasonable hourly return. The same thing applies with respect to extra tests and procedures. Doctors tell me I can be sued if I do not take all the tests they order. There seems to be a feeling that the present payment system militates in favour of more services and therefore more fees—the more services rendered, the more fees collected and the higher the doctor's income.

• (1220)

A constituent suggested to me that provincial governments could reward people who did not see their doctor. At the present time, in the course of a year most of us see a doctor. If a rebate or some sort of benefit were paid for not using the system or only using it in a minimal way, the number of usages could be cut down. Perhaps there could be a tax rebate or a medical fees rebate or, in Ontario, an Ontario hospital insurance premium rebate or even a rebate to those who do not pay premiums. The Minister knows that there has been an enormous explosion in the use of the system and that that has created overcrowding in hospitals and in doctors' offices. It is part of the cost we face in making medical services more or less free.

Finally, Mr. Speaker, I want to address the question of portability. One thing has been omitted from the Bill that I had hoped to find there, and that is, some type of clearing system organized by the federal Government for the payment of interprovincial medical charges. For instance, if I go to British Columbia and need to see a doctor or go to a hospital, there is the possibility that I might not pay or that the Ontario Government might not pay or that the Ontario Government would only pay an Ontario fee, which is not necessarily a British Columbia fee. The system should provide that a doctor in British Columbia would bill a central system and be reimbursed directly. The central system would then collect from the province. This problem was mentioned to us by doctors when we were on tour. I hope that the Minister will be able to work out a type of central clearing system for interprovincial billings for medical and hospital services with provincial Health Ministers. Doctors or hospitals who render service to a tourist should not feel that they may not be paid, and that has been the perception in the past.

On balance, we believe that this is a very good Bill and we are prepared to support it. We believe that efforts by the National Citizens' Coalition to castigate the Bill are wrong. If people read the Bill and understand it, they will appreciate that it is an attempt by the Government to come to grips with the concept of universal health care. That is not an easy concept and it will have to be worked on. Anything that is perceived as being free is abused, as we all know very well, but surely this Bill will not result in my gall-bladder being removed by a bureaucrat.

Mr. Dionne (Northumberland-Miramichi): Mr. Speaker, when I first heard the Hon. Member talking about his support for universality in the Bill, I thought that after he had taken a survey of his constituents he had also taken a trip to Damascus. As I listened, however, I discovered that he stopped in Beirut and was shell-shocked.

I have a couple of questions for the Minister. His colleague, the Hon. Member for Provencher (Mr. Epp) has indicated that his view of medicare is that it is constitutionally a provincial responsibility and that the provinces should be able to build whatever hospitals they want wherever they want them and provide whatever services they want and that automatically the federal Government should pay 50 per cent of the cost. I should like to know whether that is the Hon. Member's view as well.

The Hon. Member commented about doctors making unnecessary tests. I should like to ask him who should decide which tests a doctor should order. Does he suggest that some citizens are entitled only to second or third class medical care? Who is going to make that decision? Will it be the doctor or some bureaucrat, as he said?

Mr. Blenkarn: Mr. Speaker, I certainly hope it is not the Hon. Member for Northumberland-Miramichi (Mr. Dionne) who makes the decision about who gets second-class treatment. I am sure we would all get second-class treatment according to his analysis.

The Hon. Member knows that the provinces are jurisdictionally responsible for the delivery of health care. He knows that as part of the Established Programs Financing Act, going back for many, many years, the federal Government has spent money, originally up to 50 per cent, on the cost of supporting certain services.

The Hon. Member knows that the present Bill provides for a formula for paying block funds to provinces. He knows that, in the broad sense of health care, it is not 50 per cent, but that when we impose conditions we may have to look at the extent of that funding. I suggest that the Hon. Member ought to be hearing from his own constituents. If more conditions are imposed on the Province of New Brunswick than they presently have, then New Brunswick is probably going to need more funding in order to meet those conditions.

I do not know very much about Damascus and I do not know very much about Beirut, and I certainly do not know what they have to do with medicare. Surely the Hon. Member is not suggesting that it is Liberal policy that the Liberal Government will step in and run every hospital and clinic in the country.

Mr. Blaikie: Mr. Speaker, I should like to begin by commending the Hon. Member for Mississauga South (Mr. Blenkarn) for making the remarks he did about the inadequate, to say the least, nature of the arguments put forward recently by the National Citizens' Coalition. I think that criticism of their views by the Hon. Member will have more credibility with that group than any criticisms I might make as a New Democrat. I commend him for having set the record straight for all those who are in the habit of giving the views of the National Citizens' Coalition more credibility than I am. The Act does not do what they claim it does.

The Hon. Member mentioned the fact that extra billing has existed in Saskatchewan from the very beginning. That is true, Mr. Speaker. I would ask him to recall, however, that the provision for extra billing was worked out in the middle of one of the hottest political debates that Canada has ever seen—it happened in the middle of a strike by doctors in Saskatchewan.

The government of the day did not do it willingly or because it believed in extra billing; it is something that was worked out in the heat of the moment. It is too often used in a spurious political way to suggest that even New Democrats, or at that time the CCF, are in favour of extra billing. They are not and I should like the Hon. Member to set the record straight.

I am glad to see that the Hon. Member is consistent on other matters. He was a member of the parliamentary task force on federal-provincial fiscal arrangements which made a lot of the recommendations which appeared in the Canada Health Act. I think that is one of the reasons why he can speak so favourably about the Bill. It is one of the few instances in this place when recommendations have actually appeared in legislation.

Mr. Blenkarn: Mr. Speaker, the argument is that the Government of Saskatchewan allowed extra billing because it was in the middle of a strike and in the heat of the moment. I did not know that Members of the New Democratic Party or the CCF settled their principles that easily, gave away their principles that easily, but they certainly remained in that fashion in Saskatchewan because it made sense to them in that province, that is why. It made sense because they knew that if they did not allow some way in which those specialists with extra skills could get something more for their extra skills, they would have problems in their system. Therefore, they went for this extra billing system. I believe their system was wrong. The Ontario system makes a doctor who decides not to belong to the system opt out completely and take the total credit risk for all his patients. He does not know whether his patients will pay him or not but he cannot bill mother province, if he opts out, for any patient. He opts out for all. That makes, in my view, much more economic sense, and I was surprised that Saskatchewan did not go for that. It went for the system of just letting people charge extra on top of what is already a good fee paid to the doctor by the province.

• (1230)

Mr. Hudecki: Mr. Speaker, through you I would like to raise two issues with the Hon. Member for Mississauga South (Mr. Blenkarn). One issue has to do with his concept of opting out. There is one province, the Province of Quebec, which will not allow a physician to opt out and collect money from the insurance plan. A non-participating physician in that province expects to receive full pay from the patient without being reimbursed in any way. Second, inasmuch as the Hon. Member is a member of the legal profession, I wonder what his thoughts are of the concept which was brought forward by one of his judicial experts. That instead of having malpractice insurance, which is a growth industry among lawyers, there would be a system of medical injury compensation in which a central board would adjudicate as to whether or not there actually was malpractice and definite damage to the individual.

Malpractice insurance, as the Hon. Member pointed out, is a very serious problem. The costs of it have been escalating dramatically. Currently, there are three risk groups: neurosurgeons, orthopaedic surgeons and obstetricians and gynaecologists, and they are now paying $2,000 a year. In the next two or three years it is expected to be as much as $5,000 a year. That matter must be considered and I would like to hear the Hon. Member's thoughts on the credibility and the suitable utilization of a system somewhat similar to a compensation board.

Mr. Blenkarn: Mr. Speaker, first of all, I do not feel competent to comment on the Quebec system. There are many other sociological differences between the Province of Quebec and the Province of Ontario, and to comment on how doctors operate in Quebec would perhaps be unfair. I might have my thoughts on it, and the Hon. Member, perhaps, has some thoughts on it as well.

With respect to medical injury compensation, I believe it is a bad move. I believe that what we ought to encourage provinces to do is to restrict the tort liability to gross negligence. I feel that when a person goes to a doctor and has an operation, if there is a mistake in that operation, well, that is the way it is. Unless one can prove the doctor is absolutely grossly negligent, there should be no liability. The same applies when you see a doctor on a consultative basis. Surely to goodness you cannot judge these things after the event. If one wants to go into a compensation scheme, one is going to find that the malpractice insurance was cheap because the news cost will involve a whole series of bureaucrats, a great big office, some type of a board system. All one has to do is to look at what it costs employers today in our Province of Ontario to pay workmens' compensation. The medical malpractice insurance is cheap compared to that.

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

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I rise today to speak in this debate in, I suppose, a kind of mixed mood. For two years I was responsible as the spokesperson for the Conservative Party on the issue of health care. I travelled the country and attended committee meetings and over the two years I learned a great deal which I had not previously known about the health care system in this country. One of the first things I learned, Mr. Speaker, is that in some sense we have never had a health care system in the country. In reality, we have 12 different systems, one in each of the ten provinces, the Yukon and the Northwest Territories.

Something which bothered me about the thought pattern of the Minister, as I listened to her in the House of Commons and in committee, is what I believe to be a fairly deeply held conviction on the Minister's part that there should be a single health care system in the country. I find that bothersome, Mr.

Speaker, perhaps because of my scientific background. It seems to me that when you have a single system for something as important as health, you increase the likelihood of making major mistakes. If everyone is going to be treated in the same way, then you must pick the way to treat them. If you pick the wrong way, Mr. Speaker, the mistake can be a real beaut. When you have 12 systems, perhaps dedicated to similar principles and going at problems in slightly different ways, you have in reality an opportunity system. In an opportunity system, you can learn from each other. In that kind of diversity, Mr. Speaker, I believe that over time you will find more wisdom. You are free to use your best judgement about something. Someone else's judgement from time to time may be better than your own and you can learn from that and build a stronger system.

Today we are debating something called the Canada Health Act. I really feel that a patient out there, an ordinary Canadian, would be hard pressed to read this piece of legislation and come to the conclusion in any sensible way that it is going to do a great deal for the health of Canadians. In reality it is misnamed. It is a health financing act. It is something which could have come from the Minister of Finance (Mr. Lalonde) and been defended in the House from that quarter. Perhaps that is the part which makes me feel the saddest, because we are really not dealing in this Act with the health care system problems of this country. Will any patient in this country be better off the day after this Act is proclaimed? Will their treatment be any better? I suggest to you, Mr. Speaker, that the answer is no. Does the Act guarantee better treatment for our patients in the future? Does it make a major contribution to better health care for patients in the future? I suggest to you, Mr. Speaker, that we would be hard pressed to find in this piece of legislation that kind of direction and change. Why is that, Mr. Speaker? Patients care about health care. It has been my experience that health care professionals care about health care. I believe that provincial politicians care about health care. Hospital boards and federal politicians care. Everyone in the system cares. They would like to work together, I believe, to produce a better system in the longer term.

• (1240)

We are not dealing today with comprehensive legislation which has been dedicated to the improvement of health care in Canada, and I believe the blame for that must lie with the Minister of National Health and Welfare (Miss Bégin). It is owing to her personal inability to work co-operatively with the players in the system. This legislation, dealing essentially with provincial jurisdiction, has not been agreed to by the provincial governments, the major players in the system. I believe this legislation was conceived, developed and brought forward to this Chamber primarily to assist the Liberal Party of Canada in gathering the votes of Canadians. That was its motivation, Mr. Speaker.

We all know that out of motivation which we might consider less than adequate we sometimes get good things. There is some good in this legislation because there has been a great deal of fear created in the minds not only of senior citizens particularly, but of low income people generally, that they were going to be denied access to the health care system because of financial charges of one kind or another. However, I believe the Minister, in part, deliberately created that fear. Now we have legislation which should reduce that fear. If we as Members of this Chamber create a problem, then we have the responsibility to take whatever action we can to reduce the problem.

Earlier this day, Mr. Speaker, we heard about increased costs of the health care system. I have just come from a weekend convention in a province where there is a great deal of concern about that and a sense of bewilderment about where those increased costs are coming from. Each of us who studies the issue can find reasons.

I can remember standing in this House in 1980 and 1981 and asking questions of Ministers along the following lines. It is pretty well a demonstrated fact that for every 1 per cent increase in unemployment you get about a 5 per cent increase in stress related diseases. That manifests itself in the form of wife battering, alcoholism, heart attacks and so on. Through this Government's policies we have increased unemployment by over 4 per cent. It therefore follows that through those same economic policies we have increased stress related diseases by 20 per cent. In our health care system those diseases are expensive. That, I believe, is where a large part of the increases in health care costs in this country are coming from. They come directly out of the Minister of Finance's portfolio in the federal Government.

We should not be surprised at the increase in stress-related diseases, Mr. Speaker; it was predictable. I stood in this Chamber and predicted it on more than one occasion. I asked the Minister of National Health and Welfare, the former Minister of Labour, now Minister of the Environment (Mr. Caccia), the Minister of Finance and the Minister of Employment and Immigration (Mr. Roberts), in one form or another, what they were going to do about the increased costs. The most common answer was that the prediction would not come true. There was no relationship between increased unemployment and increased incidence of stress-related diseases. It is 1984, Mr. Speaker, and it is now demonstrable that in fact these increases have been occurring. There is increased utilization of the health care system, which correlates well with the increased unemployment and increased economic hardship.

If the federal Government, and in particular the Minister of National Health and Welfare, want to take credit for doing something about the health care of Canadians, I do not think it will wash. We had the predictions going back to 1980, and we now have the record to look at. There has been no increased federal commitment to paying the bill for those increased health care costs. The federal Government, through its economic policies, has increased those costs but not its contribution. That leaves the Government in the best possible political position, because it does not have to take the political heat in meeting the increased need for services. It will push it off on the provinces.

The provinces have the responsibility to deliver the service and they have been scrambling the best they know how to handle those increased costs. Then the federal Government comes along and says that they have been doing it wrong. It does not tell them how to do it, it does not provide useful and positive suggestions for the future. It just tells them they have been doing it wrong. This issue, perhaps more than any other in the four years of this Parliament, should bring maximum concern to federal voters.

Any time you deal with health care, you deal with issues of life and death. Education and health care are two very large service delivery areas which the Canadian Constitution puts in the hands of the provinces. Unemployment increases the incidence of stress-related diseases and therefore increases costs in the health care system. But it also increases pressure on the educational system. Unemployed people choose to spend their time, if they can afford it, going to school instead of sitting around looking at the television set. Given that, the provinces have to face increased demand on the two largest budgetary items because of federal Government policies.

In that climate and over that period of time, what has the federal Government's response to those increased responsibilities and demands been? Cut back the funding! Make the formulas less generous. Make the transfer payments less adequate.

Perhaps, Mr. Speaker, in the closing stages of our debate on Bill C-3, it is time to put on record some information which may be useful to the new Members of Parliament who will be coming to the Chamber after the next election.

• (1250)

Mr. Fisher: Liberals all.

Mr. Hawkes: Liberals all, says a backbencher on the other side. Hopefully, if it is Liberals, Mr. Speaker, it will be a different bunch with minds of their own, a willingness to learn about the issues and an ability to hold the Cabinet accountable. That would be a major change.

I would like to put on the record some of the things we must be concerned about in the future when we get a Cabinet which cares about something more than politics, which really cares about the health care of Canadians. Let us remember the concern with charges. Canadians are concerned that money may stand between them and their access to this system. That is what extra billing and user fees are about. A great many doctors tell us that the system is underfunded. That is variable from place to place, but there is evidence that there are not enough hospital beds. There are parts of the country where there are not enough well trained professional people. There are problems of underfunding. The nurses tell us there are some problems with the models we use and that we might be more effective and more efficient if we changed some of the models. Let us not forget that piece of advice and many others.

The provinces tell us we are going to go bankrupt unless we find better ways of controlling the costs. They may not be totally accurate, but there is a concern there to which politicians of the future should pay attention and about which they could learn more. There is a common sense concern of patients as well as of medical professionals. They tell us that one of the reasons the system is having increased financial difficulty relates to administration. In so many fields of endeavour in Canada we put bigger and bigger proportions of expenditures into administration. Health care and education are two major examples. A smaller proportion of the dollars go into direct service and a larger portion goes into administration. Let us look at some of those issues.

If we really care about the issue of accessibility, let us tackle the problem of geography in this country. The quality of health care in a major Canadian city is of a different order than it is in some of our far-flung geographic regions. The quality of medical care which my children and family have enjoyed is a great deal different from the quality of health care on most Indian reservations even today. We have differences in accessibility which relate to geography, Mr. Speaker.

We have differences in accessibility which relate to consumer knowledge of how and when to purchase and when to go to a hospital. We can do a great deal more to educate our population in basic understanding of their own health so they know when and how best to access the health care system. We have a basic accessibility problem every time someone has to go on a waiting list. The more serious the concern and the longer the waiting list, the bigger the problem. That is a priority problem if we really care about accessibility.

I know my time is running out and the last problem I would like to speak about is the issue I raised a week ago, that is, the issue of the availability of well trained, committed professional people. We do not have as many as we need in 1984 in some places but, by and large, we have them. I suggest to the House that we had better be careful with the legislation we pass because we may not have them tomorrow. So long as we as a society tell our best, our brightest and our most educated that we value their choosing a profession in the health care field, we will continue to have them. If, in a legislative sense, we tell them that we do not value that choice, then the best, the brightest and the most committed will make another choice. That is the long-term danger in the inability of this Chamber and this Cabinet member to work with the provinces and with the profession to produce the kind of system we all need, want and should have.

Mr. Dionne (Northumberland-Miramichi): Mr. Speaker, after having listened to the last three Tory speakers, I am not sure whether or not they support this Bill. I would like to put a very direct question to the Hon. Member who just finished speaking. Does he know what the Bill does? Does he know what the intent of the Bill is? Does his Party support this Bill or does it not? If it supports it, why is it delaying its passage?

Mr. Blenkarn: What do you mean by delaying the passage? What a turkey.

Mr. Epp: Oh, come on.

Some Hon. Members: Oh, oh!

Mr. Hawkes: Mr. Speaker, I am not sure I can remember all three of the questions. Let me begin with the last one. I do not think we are delaying the passage of the Bill. In the four years I have been in this Chamber this is the third or fourth day that we have discussed health care in this country. I think that speaks volumes about the Liberal Party's concern about health care in this country. They control the public agenda. I hope we go to a fifth day because I think it is an important issue.

The Hon. Member started by asking me if I knew what this Bill does. Mr. Speaker, I do not think there is a Member in this Chamber who knows what this Bill does. I do not know if there is a Canadian alive who knows what this Bill does. We have made the decision to support this Bill, imperfect as it may be. We will support it because we think it may do more good than harm. I suggest to the Hon. Member that if he has confidence that in the long term it will do more good than harm, then he has overstepped reality and gone into some kind of Alice in Wonderland wishful thinking. We hope it will do more good than harm. We believe it will probably do more good than harm. We will be standing up and supporting it. However, Mr. Speaker, we wish it dealt with the health care problems of Canadians.

Mr. Blaikie: Mr. Speaker, I would like to give a word of advice to the Government. It would be well advised to muzzle the Hon. Member for Northumberland-Miramichi (Mr. Dionne) who coming in is very late in the game and making submissions in this debate which are completely unwarranted.

I would like to ask a question of the Hon. Member for Calgary West (Mr. Hawkes). He pointed out the health consequences of unemployment. I assume that is the reason his Party chose to support the amendment to the preamble moved by the NDP which calls for recognition of the social, environmental and occupational causes of disease. It seems to me that there is something curious or ironic in the Member's argument. The position of his Party is traditionally that economic activity ought to be unfettered and that what it causes is simply there and must be dealt with separately. Our position has been that economic activity must always be made accountable for the social, environmental and occupational dimensions of whatever that activity may be. In the interests of intellectual consistency I ask him to consider whether the argument he has just made is an argument against the kind of marketplace economics which his Party so frequently advocates.

The Acting Speaker (Mr. Herbert): The Hon. Member for Calgary West has 30 seconds in which to answer.

Mr. Hawkes: Mr. Speaker, in both of our lifetimes we have never seen a free market. We have a market continually fettered by government. That is our basic quarrel with much of what has been going wrong in the country. We believe that the social costs, including unemployment and stress-related diseases, have been caused by politicians who reach for too much control. It is the move of the Liberal Party in the direction of the New Democratic Party philosophy that has caused most of the social consequences in this country. That is the tragedy, Mr. Speaker.

[*Translation*]

The Acting Speaker (Mr. Herbert): Order. It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

CITIZENSHIP

POSSIBLE CONSEQUENCES OF WAR CRIMES PUBLICITY CAMPAIGN

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, once again, and for reasons best known to the Solicitor General of Canada (Mr. Kaplan), it is considered timely to launch a public campaign designed to draw attention to the fact that Canada may be harboring a number of Nazi war criminals and their collaborators.

Our legal statutes are not designed to deal with such crimes, particularly if they were committed in other countries, and, according to the Minister, no foreign country can be persuaded to request extradition in connection with a number of cases presently under investigation.

The Minister announced that deportation is being considered, a process which would have to be preceded by stripping the accused of their Canadian citizenship. This implies that we have two types of citizenship in this country, one that is inherited by birth, and another less valuable class which is obtained by choice.

As always, such public campaigns cast dark shadows of doubt and suspicion on the entire ethnic community in whose country of origin war crimes were committed. No one should ever permit memories of these hideous acts to be erased, but at the same time we cannot permit ourselves to be reminded of these events by acts of revenge directed against entire ethnic communities, many more members of which were victims of these crimes than were perpetrators.

I call on the Solicitor General of Canada and the Minister of Justice (Mr. MacGuigan) to examine the role that Canada can play in dispensing justice with regard to these crimes, but I also call on them to dispense only such justice which is in our tradition. This would require that police inquiries be discreet, and that any persons against whom allegations are made be considered innocent until proven guilty in a court of law.

HOUSING

NON PROFIT HOUSING ALLOCATIONS IN ONTARIO

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, this Liberal Government has demonstrated its strong commitment to meeting the needs of low and moderate income households through its funding of municipal and non profit housing programs. Unfortunately the Ontario Progressive Conservative Government does not share this commitment to assisting needy Canadians.

This year, with no warning, Ontario's Minister of Municipal Affairs and Housing slashed the number of new non profit housing allocations from 250 in 1983 to 25 in 1984. This occurs at a time when the Ottawa Non-Profit Housing Corporation has a waiting list of 1,600 households requiring suitable and affordable housing.

The refusal of the Ontario Government to consult with the CMHC or municipalities over allocation of social housing units has played havoc with municipal budgets and has adversely affected the planning and staffing of Ottawa's Non-Profit Housing Corporation.

In light of this irresponsible use of federal housing assistance, I join with Mayor Dewar of Ottawa and the Association of Municipalities of Ontario in calling for increased municipal consultation and control over the distribution of federal social housing units.

The municipalities of Ontario are better served by a Government committed to housing the low and moderate income earners not served by the private market in Ottawa. The present federal Government will maintain its commitment to providing affordable, suitable housing to these groups. To this end, I believe we should revert to a system whereby each municipal non profit housing corporation deals directly with the CMHC and a responsible and responsive federal Government.

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ST. LAWRENCE SEAWAY

CALL FOR ELIMINATION OF LOCKAGE FEES

Mr. Joe Reid (St. Catharines): Mr. Speaker, in April of 1959 the St. Lawrence Seaway opened with considerable fanfare and much expectation. Its opening marked the realization of a 400 year old dream. Over the years the canals were dug and the locks were built, overcoming the natural obstacles to navigation. Construction was spurred on by the desire to make this waterway the most economical route to move goods to and from the very heart of the North American continent.

The area affected by the St. Lawrence Seaway is larger than all of free Europe, and contains nearly one-third of the combined population of Canada and the United States. It is a tremendous market and a dream worthy of our earlier generation. Now, 25 years later, that foresight and spirit of enterprise are lacking.

In the earlier years traffic growth on the Seaway exceeded predictions. Seaway tolls kept increasing, and to force carriers to build larger ships, lockage fees were imposed.

In 1982 traffic declined to its lowest level since 1974. Twenty per cent of the cargo carriers did not even leave port in 1983. Traffic forecasts for this anniversary year are even less encouraging.

The economical advantage of this great waterway has slipped away. The key to long term improvement in the Seaway will be the elimination of the lockage fees and a substantial reduction in the tolls that are charged. Only then will we be able to look forward to a happy fiftieth anniversary.

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[*Translation*]

CANADA POST CORPORATION

PROPOSED RETAIL BUSINESS PROJECT

Mr. Henri Tousignant (Témiscamingue): Mr. Speaker, the Canada Post Corporation's current plan to act as middleman in the retail trade is, to me, perhaps the most vicious attack ever made in this country against free enterprise. The Canada Post Corporation will never be able to realize its high-sounding objectives which include making the Corporation a profitable concern. Has a business ever been able to make its main line of business viable by depending on sidelines? Take Hydro-Quebec, for instance. If it were not able to make a profit on its main line of business, which is to sell electric power, could it keep its business viable by selling french fries on the street, Mr. Speaker?

I am just trying to say that the Canada Post Corporation will never succeed in making a profit by trying to set up sidelines and especially ones that are going to help destroy small businesses and small businessmen. Mr. Speaker, I hope this plan will be roundly criticized in the House, because most Members on this side of the House are opposed to this brilliant plan by the Canada Post Corporation.

I hope that on this side of the House and across Canada, in Chambers of Commerce, for instance, people will denounce this plan.

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LABOUR CONDITIONS

REMOVAL OF ENTERPRISES FROM ONE PROVINCE TO ANOTHER

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, Menasco Canada Limited deserves to be ostracized if it opens a new factory in Oakville after laying off 365 workers at its Ville Saint-Laurent plant last October. The employees of this multinational branch worked under a collective agreement from May 1979 to February 1982. When negotiations to renew their

contract failed, employees signed a service contract with the CSN in order to receive technical assistance. Despite the presence of a mediator, negotiations could not continue because management went back on several points that had already been conceded. On July 11, 1982, Menasco locked out 365 workers, while admitting that there was no dispute with the union. Management then decided to move outside the province to show its opposition to the new provincial anti-scab law. Menasco is showing contempt for the interests of its employees, many of whom have between thirty and forty years of seniority, and it is doing so while taking advantage of interprovincial rivalry.

There is no financial incentive for transferring the activities of this factory to Ontario. Menasco is simply blackmailing both workers and governments. Once again, a multinational branch is showing its complete lack of interest in problems that affect the lives of its workers—

Mr. Speaker: Order. I am sorry to interrupt the Hon. Member, but his time has expired.

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• (1410)

[*English*]

EDUCATION

ONTARIO PROPOSAL TO ALTER UNIVERSITY CURRICULA

Mr. Stanley Hudecki (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, the role of the university in society has always been to provide the milieu and the environment for learning, exploring, and creating. Another function is to provide the manpower to meet the spiritual and material demands of an ever-changing and complex world. Modern universities must also adapt to accommodate an increasing enrolment and adjust their curricula to the needs of the time in order to provide a balanced educational experience.

Currently the Province of Ontario is contemplating, through a commission set up by the province's Minister of Education, to exercise greater control over its universities, to reform them administratively, and to alter the format of a wide based general education.

I am very concerned that the Government of Ontario might be tempted to push most students, through alterations in university curricula, into specialized careers at the expense of a more generalized type of education. We do need specialists, there is no doubt about that, but we also need generalists with a broad based education, who can amalgamate the basic knowledge of many specialties.

Our society will be relying more and more on generalists with a background in critical thought to act as co-ordinators and leaders in our society. The Government of Ontario must recognize this, and not sacrifice the quality of the humanities and social science courses in our universities.

NATIONAL SOVEREIGNTY

RECOGNITION OF MARITIME BOUNDARIES

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, today's appearance by the Minister of Justice (Mr. MacGuigan) before the panel of judges of the International Court of Justice in The Hague, where he will present Canada's case in the Gulf of Maine boundary dispute with the United States, focuses our attention on the dismal record of the Liberal Government in achieving internationally recognized and secure maritime boundaries for Canada. The Government has not only failed to establish agreed upon boundaries between Canada and the U.S.A. in the Gulf of Maine, but has also failed to resolve the Juan de Fuca Strait, Dixon Entrance, and Beaufort Sea disputes between the two countries.

Failure is not confined to negotiations with the U.S.A., but also is apparent in our relationships with Denmark over the Lincoln Sea, and with France over the St. Pierre-Miquelon area. Inconsistency of stance is apparent. For instance, the Government argues in favour of an equidistant line in the Gulf of Maine, but rejects it in the Beaufort Sea.

The effort to date has not been good enough. We must resolve these disputes so that Canada's borders will no longer be open to question, and fishermen and offshore resource developers can be sure of their rights and obligations.

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EXTERNAL AFFAIRS

CENTRAL AMERICA—VISIT BY SECRETARY OF STATE FOR EXTERNAL AFFAIRS

Mr. Bob Ogle (Saskatoon East): Mr. Speaker, today the Secretary of State for External Affairs (Mr. MacEachen) is beginning a trip to Central America. I wish him well. At the same time there is a possibility of military operations sponsored by the United States consisting of maybe 35,000 men. When the Secretary of State goes to that particular area I would like him to be conscious of the historical, cultural, economic and religious realities. They are very different from those we know in Canada. I would like him to remember that each country is unique and has a personality of its own. Also, I would like him to know that the situation in each country is different.

I believe Canada can have a great deal of good influence in that part of the world. This was what the subcommittee studying the question of Latin America brought forward, that Canada can be a good neighbour, and that just and peaceful solutions to the problems of that area will be worked out so that there will be self-determination, not intervention in the lives of those countries.

I hope the Secretary of State for External Affairs will denounce in clear terms that there can be no military solution. While he is there I hope he will see not only political people but church people at all levels of life, and refugees, and that he will talk to non-governmental groups. I wish him well. His is a

difficult mission. As the first Canadian Secretary of State for External Affairs to visit that part of the world, I wish him all success. May each step on the way be marked by clear and concrete initiatives in support of justice, development, and peace.

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THE LATE LUIGI BARZINI

Mr. David Kilgour (Edmonton-Strathcona): Mr. Speaker, I would like to say something about Luigi Barzini who died over the weekend in Rome at the age of 75. Mr. Barzini was in many ways a modern renaissance figure. He was an author, journalist, and a playwright. He was an urbane, witty, intellectual member of the Italian Parliament. His books include the world-famous *The Italians*, a controversial portrait of his fellow countrymen; *Nuova York*; *Evasione in Mongolia*; *Americans are Alone in the World*; *The Europeans*, a 1983 study of the nations making up the Common Market; *The Communists Have Not Won*; and *Moscow, Moscow*. In my view Mr. Barzini was a major world figure whose passing diminishes us all.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

EMPLOYMENT PREDICTIONS MADE BY MINISTER OF JUSTICE

Hon. John C. Crosbie (St. John's West): Mr. Speaker, my question is directed to the Prime Minister. I am sure he realizes that the unemployment rate today is 11.3 per cent and that 1,476,000 Canadians are unemployed, compared with when he came to office four years ago when there were 967,000 unemployed, or an unemployment rate of 7.5 per cent. We are 509,000 worse off today. The Budget predicts that we will have an unemployment rate of 10.9 per cent for this year, 10.1 per cent for next year, and so on.

In view of these facts, can the Minister of Justice be believed when he says that there will be full employment in Canada in five years or less if he is elected Liberal Leader and Prime Minister? Can that be believed? Has the Minister of Justice outlined to the Prime Minister his new policies and approaches which would bring about full employment? If he has done that, why has the Government not followed those approaches and policies? Why is the Prime Minister so stupid when the Minister of Justice is so bright? Should the Prime Minister not change the Minister of Justice to the portfolio of finance if he has the answer to these employment problems? What is holding up his promotion?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it would seem to me that the stupidity is in the question of the

Hon. Member. He has heard repeatedly the facts stated by the Minister of Finance, that we have been creating jobs in Canada at a rate in excess of all our competitors, particularly the United States. That record is there to be examined. I notice that the Hon. Member always goes on to other questions when the Minister of Finance makes these points. The Hon. Member from St. John's should use what little intelligence he has left to look at those figures and see if there is something wrong with them. If, in fact, we are creating jobs at a faster rate, then he should see that the policies advocated by the Minister of Finance are not in conflict with what apparently the Minister of Justice is proposing. He will want to continue the good record of the Trudeau years and create ever-increasing jobs.

Mr. Crosbie: The Prime Minister has not answered the question. He has a brilliant Minister of Justice who can bring about full employment, but he refuses to use him. It does not take much intelligence to use a genius if you have one in Cabinet.

UNEMPLOYMENT FORECASTS—MINISTER'S ALLEGED STATEMENT

Hon. John C. Crosbie (St. John's West): Mr. Speaker, my supplementary question is directed to the Prime Minister. The Minister of Justice has said that he does not accept the Government's forecasts of 10 per cent unemployment for years to come. He does not accept them. He thinks they are incorrect. He thinks they are stupid, or he does not accept them, in any event. How can the Minister of Justice continue to stay in the Prime Minister's Government when he does not accept the forecasts of the Department of Finance? Is the Prime Minister going to accept him when he does not accept the Prime Minister, his Minister of Finance, and his forecasts? How long can this kind of chaos continue in the Government of the country?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Hon. Member should not show such emotion about forecasts. We know that the ones he made when he was Minister of Finance were considerably off base. Our Minister of Finance has said repeatedly that forecasts are only that, forecasts, and they have to be readjusted from time to time. The Minister of Finance, the Hon. Member for Outremont, has not pretended that his forecasts are infallible. On the contrary, I have heard him repeatedly in the House tell that Member over there with his obtuse mind that forecasts are not infallible. But his mind is so obtuse that he tried to put two Ministers in contradiction when there is no contradiction.

Mr. Crosbie: The lame duck Prime Minister cannot even quack any longer.

• (1420)

1980 ELECTION STATEMENT

Hon. John C. Crosbie (St. John's West): Mr. Speaker, I have a final supplementary question. The Minister of Justice

said: "Everyone who wants to work should be able to find a job." That is what he said on Saturday. The Prime Minister said on January 12, 1980, when he was seeking election: "We endorse the right of every Canadian to have a job." There are 1,476,000 Canadians who know how the Prime Minister meets his promises. They are without jobs. Does the Prime Minister think that his Minister of Justice is doing exactly as he did, promising anything to get elected to a certain position? Is that what he is doing, or is the Minister of Justice going to be required to tell the Prime Minister how to meet the promise he made four years ago, completely ignored, and has not carried out yet? Which is he going to do, if either, or are they both doing exactly the same thing, fooling the electorate, showing their contempt for the 1.5 million Canadians who are unemployed? Which is it going to be?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am not sure if the indignation of the Hon. Member is not a little bit synthetic, as is his whole person. I did not read the speech, but apparently we have a Minister who is promising to create jobs. This creates indignation in the heart and mind of the Hon. Member opposite. I have repeatedly heard him criticize the Minister of Finance. I have heard him weep crocodile tears about the unemployed. I have not heard one single constructive suggestion from that Member. All he does is stand on his feet and wax indignant about what other people say and do, and does not do a darn thing about it himself.

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NATIONAL REVENUE

STATEMENTS ATTRIBUTED TO MEMBER FOR KITCHENER

Mr. Chris Speyer (Cambridge): Mr. Speaker, my question is directed to the Minister of National Revenue. In *The Globe and Mail* of Saturday last the Hon. Member for Kitchener is quoted as making certain serious charges concerning the reputation and character of Mr. Bruce MacDonald. He said that Mr. MacDonald abused his power by circumventing the Cabinet and ministerial control. He went on further to charge that the abuse occurred as a result of making major policy decisions without consulting the Minister of National Revenue and the Cabinet. Is the thrust of what the Hon. Member for Kitchener said correct? If it is, why has he been put into the Privy Council Office? If it is not, will he repudiate the Member for Kitchener?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I wish to dissociate myself from these comments altogether, and I would like to point out to the Hon. Member, as the Right Hon. Prime Minister said last week, that Mr. MacDonald was a very sound and very efficient man who has shown a great deal of competence in directing a very difficult Department.

[*English*]

QUOTA SYSTEM STATEMENT

Mr. Chris Speyer (Cambridge): Mr. Speaker, I thank the Minister for his answer. There was a further allegation made by the Hon. Member for Kitchener in the same interview in which he said:

> Mr. Bussières was not aware of quotas being used. The Government was not aware. Then, after all the facts were provided and Mr. Bussières ordered a halt to the use of the quota system, the Department apparently carried on and just decided to "call it something else." This was disregard for a Cabinet order.

Is that also incorrect? Was the statement made by the Member for Kitchener incorrect?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I suggest the Hon. Member read the many answers I have given to these questions, and he will be able to judge for himself.

* * *

[*English*]

INCOME TAX ACT

TREATMENT OF CORPORATIONS—USE OF DEFERRED TAXES

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is directed to the Prime Minister. Like most Canadians he is probably sitting up, night after night, filling out his tax return. He is probably asking the same question—what are Canadians getting for their tax money?

The Prime Minister will know that billions of dollars of taxpayers' money each year is given to corporations in the hope that that will create jobs. However, our figures indicate clearly that in spite of the billions of dollars in tax concessions, and billions of dollars in additional tax deferrals, the corporate sector is not producing jobs any longer. By and large, that is being done by small business in the private sector, as well as public sector job creation. Will the Prime Minister explain how he knows that the billions of dollars being spent on concessions to the corporations are being well spent and are resulting in job creation?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, that is a judgment that is made from year to year when the Minister of Finance examines the tax base and the use to which it is put. I recall that the Minister of Finance of this Government in the fall of 1981 had proposed a lot of reforms that would close loopholes and ensure that higher, or fairer, taxes were paid by those at the upper end of the income bracket. Unfortunately, we did not have the support of the NDP. They are, as usual, always against the Government, even when it is proposing progressive legislation.

INCREASE IN PERSONAL TAXES

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my supplementary to the Prime Minister reflects on those Budgets

that were introduced which resulted in increased taxes to the average Canadian taxpayer. At a time when our recovery is very much in need of more consumer spending in order to enable corporations to make the necessary investments in new plant and equipment, would the Prime Minister explain how increasing taxes to the average Canadian family by a range of $200-$300 this year, as a result of the Budgets he referred to, will assist in the recovery?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Hon. Member heard the budget speech and the debate around it. We know that the NDP would not accept that we attach a certain importance to the size of the deficit, but when the Minister of Finance introduced his Budget last year he said that we would tend, over a period of years, to bring the deficit down incrementally. That is the decision that was taken in last year's Budget, and it is being carried out now.

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EMPLOYMENT

SUMMER JOBS FOR STUDENTS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, the Prime Minister, having three sons, will be well aware that in the next few weeks hundreds of thousands of young Canadians will be coming out of secondary schools, colleges, technical schools, universities and trade schools, seeking summer employment. The corporate sector, by and large, has told us that there will be very little summer hiring this year. The federal Government's programs for job creation will provide jobs for 2 per cent or 3 per cent of those young people seeking employment to enable them to continue with their studies.

Does the Prime Minister not consider this to be a most serious issue facing Canadians, especially young Canadians today, and would he do as he did with his peace initiative, for which we are very appreciative, and provide that same kind of initiative to finding ways and means of providing for Canada's young people?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, that was done when the figure of over $1 billion was allocated to create jobs and employment and retraining for young people. In addition, when we established the Minister of State for Youth, the Budget allocated another $150 million in order to place increased emphasis on the need to create jobs in the youth area.

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PENITENTIARIES

ARCHAMBAULT RIOT—REQUEST FOR PUBLIC INQUIRY

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, my question is directed to the Solicitor General. Since the release of the Amnesty International Report on Archambault, a dark cloud of suspicion hangs over Canada's international reputation as a protector of basic human rights. The Minister's response to two questions ever since this occurred has been what can only be described as a cover-up. In view of the fact that his correctional investigator has still not reported with respect to his in-house investigation, are we to assume that the Solicitor General simply wants to put this matter out of sight and out of mind, hoping that the whole question will go away, or, after giving the matter serious consideration, will he agree to the proposition of having a full and public judicial inquiry to determine exactly what transpired at Archambault, in the interest of penal institutions in this country?

Hon. Bob Kaplan (Solicitor General of Canada): Mr. Speaker, the Hon. Member will recall that the Amnesty International Report called for a full, impartial, independent inquiry. The office of the correctional investigator appears to fulfil the requirement of Amnesty International's conditions. That officer is now engaged in a full, independent, and impartial inquiry. If I were to take the suggestions of the Hon. Member, or some of the other suggestions I have been reading, and put pressure on the correctional investigator to produce his report when I want it, or when the Hon. Member wants it, we might have had it a very long time ago. However, he is working at his own pace. He is working without pressure from me as to time, content, or direction of his report. I would urge the Hon. Member, and all Hon. Members interested in this very important question, to let this independent servant of the inmates do his job at his own pace.

• (1430)

ALLEGATIONS OF INHUMANE TREATMENT

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, the Solicitor General has already drawn the conclusion that there was nothing wrong with what happened after the Archambault riot. He has made that conclusion and stated it on the floor of the House of Commons. He justifies it by saying that since charges of torture did not arise until months after the riot, it is indicative that such charges were fabrications.

How does the Solicitor General account for the items in the Amnesty International Report which pointed out that in a press conference on August 5, 1982, four lawyers were in contact with prisoners who brought forward allegations of serious and inhumane treatment? In fact, how does the Minister justify the situation when Professor Lebel has indicated that there were allegations of torture taking place within the institution? How can the Minister draw the conclusion that nothing is wrong? Will he now change his mind and hold that public inquiry so that the people of Canada can make the right decision?

[*Translation*]

Hon. Bob Kaplan (Solicitor General of Canada): Mr. Speaker, I am very much aware of the contents of the testimony given by the inmates' lawyers a few weeks ago, after the riot and murders at Archambault. I am aware of those allegations, and they were accepted by Correctional Service Canada. The allegations I referred to as being hard to believe were

those that were made since then and which have become increasingly serious as a start was made with visits to the prison and establishing commissions of inquiry. Those are the allegations I referred to as being very improbable.

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[*English*]

PUBLIC SERVICE

REPORTED ACCEPTANCE OF DIRECTORSHIP BY FORMER PRIVY COUNCIL OFFICIAL

Mr. Howard Crosby (Halifax West): Mr. Speaker, I have a serious matter which I would like to raise with the Prime Minister, who is returning to his seat. A report published in the Halifax *Mail-Star* indicates that Michael Kirby, the former clerk of the Privy Council, has accepted a nomination to the Board of Directors of National Sea Products Limited, a company that has obtained and will receive millions of dollars in public funds under a contract with the Government of Canada. Whatever laws this may contravene, there appears to be a clear violation of the Prime Minister's own rules prohibiting former office holders from acting for commercial corporations in relation to matters with which they were involved which, in the case of Mr. Kirby was the restructuring of the Atlantic fishery.

Is the Prime Minister aware of the activity of Mr. Kirby, who is now a member of the other place? Will the Prime Minister see that the rules respecting conflicts of interest that apply to former office holders are enforced? Surely we do not want to see another act of moral bankruptcy committed by a former officer of the Crown.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the answer to the first question is no, I was not aware of that. I will look into the facts. I would imagine that the facts have been slightly and no doubt unintentionally distorted by the Hon. Member. I understood him to say that Mr. Kirby had been Secretary to the Privy Council. That is not the case, Mr. Speaker. He was for a time involved in federal-provincial relations and, I believe, in the Prime Minister's Office, but I will inquire about the facts.

Mr. Crosby: Mr. Speaker, it is a matter of record that on April 28, 1982, in response to a question put by me in the House, it was reported that Mr. Kirby was Secretary to the Cabinet for federal-provincial relations at that time. That was less than two years ago. The guidelines to which I refer clearly apply to office holders who have been out of office for less than two years.

CONFLICT OF INTEREST GUIDELINES

Mr. Howard Crosby (Halifax West): Mr. Speaker, I would like to ask the Prime Minister to give serious consideration to the guidelines to which I have referred. I would like him to give serious consideration to the fact that former office holders must avoid any indication that they are giving access to privileged government material arising from their past employment. I would ask the Prime Minister to undertake to enter into an immediate investigation now. If the guidelines are being violated, or if any of the provisions of the Senate and House of Commons Act or other statutes are being violated, will he take immediate action to stop this nefarious activity?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Hon. Member is prejudging the answer when he describes the activity as being nefarious. I think I am a little more objective than the Hon. Member. I will take notice of the question and seek the answer.

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EXTERNAL AFFAIRS

DENIAL OF ENTRY VISA TO GREEK CATHOLIC ARCHBISHOP OF JERUSALEM

Mr. Ian Watson (Châteauguay): Mr. Speaker, my question is directed to the Minister for International Trade, in the absence of the Secretary of State for External Affairs. It is my understanding that the Greek Catholic Archbishop of Jerusalem, Monsignor Cappucci, was scheduled to begin a speaking tour in Canada this week but has been denied an entry visa to Canada on the grounds that his questionable Israeli conviction for arms smuggling categorizes him as a terrorist.

The Government should be aware that the Archbishop's outspoken criticism of Israeli harassment of both the Christian and Muslim populations of Jerusalem, harassment which has seen the Christian population of Jerusalem diminish from 45,000 to 8,000, made him a prime target for a possible frameup by the Mossad, the Israeli intelligence organization.

I would ask the Minister to determine how the Department of External Affairs can justify this visa refusal when it interferes with the rights of Canadians to the free flow of information, and when, last year, the Government allowed into Canada General Sharon, the architect of a grotesque act of international terrorism, the invasion of Lebanon, and the man who was personally responsible for several flagrant and well documented breaches of the Geneva Convention?

Hon. Gerald Regan (Minister for International Trade): Mr. Speaker, in response to the Hon. Member's question, I would like to say that the refusal of the visa for the Archbishop is consistent with the longstanding policy of refusing to admit to Canada those who have been associated with acts which are directly related to the perpetuation of violence, regardless of their political views.

With reference to other people, I would like to make it quite clear, and the Hon. Member may be aware of the fact, that the PLO representative at the United Nations has been admitted to Canada on four occasions that I know of, but, on the other hand, we have consistently refused to admit to Canada members of the Jewish Defence League who have been associated with acts of violence from the point of view of the

other side. I think I would have to say that the court conviction on a matter relating to an act of violence is the key factor in the refusal of the visa.

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VISIBLE MINORITIES

TREATMENT OF JAPANESE CANADIANS DURING SECOND WORLD WAR

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, my question is directed to the Prime Minister who will, no doubt, be aware that the Canadian public and the media are becoming increasingly favourable to an acknowledgment on the part of Parliament of the wrongdoings inflicted on Japanese Canadians in the course of the last War and after the War, notably expropriation and forced relocation. The Prime Minister will no doubt also be aware that the Special Committee on Visible Minorities just last week made unanimous recommendations with regard to an acknowledgment of the wrongdoings, a look at the War Measures Act, which was the Act that allowed those wrongdoings to occur, and the beginning of negotiations for compensation.

Will the Prime Minister undertake to introduce a resolution with regard to the acknowledgment of the wrongdoings, the re-examination of the War Measures Act, and the beginning of negotiations with representatives of the Japanese-Canadian community?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I cannot make that undertaking because I have not yet read the report of the committee which was tabled just last week. Knowing the people who worked on it, I know it is a serious report and I would certainly want to read it before making any decision. It would be a decision of Cabinet, and the matter has not been raised there.

If the Hon. Member is interested in my personal opinion, which is open to the possibility of change after reading the report and hearing the arguments, I am not inclined to envisage questions of compensation for acts which have perhaps discoloured our history in the past, if other means of redress are possible. I am not quite sure where we could stop the compensating. I know that we would have to go back a great length of time in history and look at all of the injustices which have occurred, perhaps beginning with the deportation of the Acadians and going on to the treatment of the Chinese Canadians in the late 19th century. I do not believe in attempting to rewrite history in this way.

On other occasions I have personally expressed to Japanese Canadians the regret that I feel about the terrible acts which happened to them. There is no justification for them after the fact.

• (1440)

To me this is in the category of those who want to rehabilitate Riel. Riel stands as he stands. I do not see that there is much to gain by trying to apologize for acts of our great-grandfathers and their great-grandfathers.

REQUEST FOR INTRODUCTION OF RESOLUTION

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, I have a supplementary question. I wonder if we could at least have a commitment to an early date to get a resolution, if Cabinet does agree to it. We are concerned when we hear that there cannot be any discussion of a particular injustice until all injustices are dealt with. This certainly would take time that we would not want to contemplate. People are concerned that this not go on and on. If the Prime Minister has not discussed it in Cabinet, certainly the recommendation has been made over the years. My Party has raised this issue.

I wonder if we could at least have a commitment that we will get a resolution on the matters with which we can proceed. It is true that compensation is a matter that would have to be discussed, as to amount and kind, collective or individual. The community itself is not agreed on that. We could go ahead, however, with an acknowledgment on the part of Parliament, which we have not yet had, and we could go ahead on an agreement to re-examine the War Measures Act—that is within our power—to see that the Act is within the spirit of the Charter of Rights.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, insofar as the War Measures Act is concerned, the Charter of Rights does supersede it in its own language. I am certain that the kind of actions that we regret would not be justified or condoned by the courts in the future. Therefore, we have brought in redress, for our time and for the future, to the most unacceptable type of acts which have happened in the past.

Returning to the question of compensation, as the Hon. Member knows, we are going back to the earliest part of our historic times in Canada and we are beginning to look at the question of treaties with the aboriginal peoples. We are negotiating settlement of those treaties. I do not know if the next step will be to jump over a few centuries to the Japanese Canadians, or if we should not stop at the deportation of the Acadians on the way, and realize that there is not too much to gain in Canada by trying once again to correct the economic consequences of unjust acts committed in the past to whole groups, rather than trying to be just in our time. I find it more important to be just in our time, for instance, by giving jobs with the money to the people who are unemployed now, rather than trying to use that money to compensate people whose ancestors in some way have been deprived.

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NATIONAL REVENUE

DEPARTMENT'S ADVERTISING CAMPAIGN

Mr. John McDermid (Brampton-Georgetown): Mr. Speaker, I have a question for the Minister of National Revenue. The Department of National Revenue has started an advertis-

ing campaign which is costing the taxpayers $300,000. It is called "Tax Tips". He admitted last week that over half the returns are already in. Does he think that it is a wise expenditure of taxpayers' money to have 10 separate ads in one day in a 14-page newspaper like the Brampton *The Daily Times?*

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Yes, Mr. Speaker, it is worthwhile, even if, as the Hon. Member pointed out, many taxpayers have already filed their returns. It is worth it because we want to ensure that taxpayers have as much information as possible, information that it easy to understand and that is relevant to cases they may encounter. All this is to help them complete their tax returns satisfactorily and obtain the maximum refunds to which they may be entitled.

[*English*]

GUIDES TO INCOME TAX FORMS

Mr. John McDermid (Brampton-Georgetown): Mr. Speaker, will the Minister admit that this is the first time in six years that the Department has advertised. Will he also admit that if simple explanations were put on the tax forms sent out to every taxpayer who pays taxes, this kind of waste of the taxpayers' money—10 advertisements in a 14-page newspaper for Revenue Canada twice this week—would be unnecessary?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I disagree with the Hon. Member when he says it is a waste of money. I am sure that to the Progressive Conservatives, especially considering the comments we have heard in recent months, helping the Canadian taxpayer is certainly a waste of time.

That is not the policy of this Government, however. On the contrary, we are of the opinion that helping taxpayers file their returns correctly and obtain as much money as they are entitled to receive under the Income Tax Act is something that is worthwhile and that should be done.

Now the Hon. Member has suggested we could have another form for taxpayers whose financial situation is not as complex as that of other groups. It is an interesting suggestion that deserves further consideration.

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[*English*]

VETERANS AFFAIRS

WAR VETERANS ALLOWANCE—THEATRE OF WAR ELIGIBILITY CRITERION

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, my question is directed to the Minister of Veterans Affairs. He knows that one of the prerequisites for the War Veterans Allowance is to have served in a theatre of actual war. For many years Newfoundland has been accepted as a theatre of war for the purposes of the Act. I understand that the Minister has now added Prince Edward Island to this select list. I wonder in what way he feels that Prince Edward Island is a theatre of war, and if he intends to extend that classification to other islands.

Hon. W. Bennett Campbell (Minister of Veterans Affairs): Mr. Speaker, may I correct the Hon. Member's assumption. The Minister did not extend it to Prince Edward Island. There was an appeal under the War Veterans Allowance Act and the War Veterans Allowance Board found in favour of veterans who enlisted in Prince Edward Island, served in Prince Edward Island, and who had to travel over dangerous waters.

Mr. McKinnon: Mr. Speaker, my reading of the Act is that when changes are made to such things as entitlement, they have to be approved by Cabinet.

REQUEST FOR INCLUSION OF VANCOUVER ISLAND

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, I should like to quote from a letter that the Minister sent out recently, in which he made the following statement:

> —service during World War II in areas beyond the territorial limits of North America is considered to be service in a theatre of war. The distance between Prince Edward Island and mainland Canada at its narrowest point is over six miles. During World War II, a person who in the line of duty following enlistment proceeded beyond the three-mile limit, would have for a portion of his journey been in an area that is considered to be a theatre of war.

Why is Vancouver Island not included as a theatre of war? It is an island that was actually shelled during World War II, and it has been in a war.

Would the Minister promise to get in touch with all veterans' organizations and advise them of this change so that they will know that the regulations are not going to be as strictly enforced as they have been in the past? Will he review the applications onthis matter that have been turned down?

Mr. Hnatyshyn: And remember Yorath Island near Saskatoon.

Hon. W. Bennett Campbell (Minister of Veterans Affairs): Mr. Speaker, certainly a veteran who served on Vancouver Island is entitled to make application under the War Veterans Allowance Act on an appeal if the case has been turned down. To date the findings of the War Veterans Allowance Board on those types of cases have already been conveyed to the district offices all across the country.

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[*Translation*]

CANADA POST CORPORATION

PROPOSED RETAIL BUSINESS PROJECT

Mr. Henri Tousignant (Témiscamingue): Mr. Speaker, my question is directed to the Minister responsible for the Canada

Post Corporation. Can the Minister inform the House whether he has had any explanations from the Corporation regarding its plan to act as middleman for a private business in the retail trade?

Since elected representatives are often blamed for crimes they did not commit, would the Minister consent to senior officials of the Canada Post Corporation giving explanations to the people's elected representatives regarding this plan to do business through the Corporation?

Hon. André Ouellet (Minister of Labour): Mr. Speaker, actually, tomorrow I shall be meeting the President of the Canada Post Corporation who will report on this new experiment.

As for the possibility of Corporation officials testifying before a Parliamentary Committee, I believe the Corporation's estimates are regularly referred to a Standing Committee and that the President and the Chairman of the Board will be appearing next month.

* * *

● (1450)

[*English*]

CANADA LABOUR CODE

INTRODUCTION OF WORKER SAFETY AMENDMENTS

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is also directed to the Minister of Labour. It deals again with the matter of changes to the Canada Labour Code. On January 29, 1982, I asked his predecessor, the Minister of the Environment, when changes to the Canada Labour Code affecting worker safety and occupational health would finally be introduced. I was told at that time that it would be very soon. I wonder if this Minister can give us a definition of "very soon"? Two years and two months have passed by since that question was asked and we still have not seen any legislation in this House. When is the Government finally going to act to protect the lives and safety of workers under the federal regime?

[*Translation*]

Hon. André Ouellet (Minister of Labour): Mr. Speaker, I intend to table a Bill as soon as possible, and I can assure the Hon. Member that "soon" means a much shorter period of time than the one to which he was referring.

[*English*]

GOVERNMENT'S POSITION

Mr. Rod Murphy (Churchill): Well, Mr. Speaker, I am not really sure of the definition of the word "soon", because on January 29, 1982, it was "very soon". On June 16, 1983, it was "soon". What does "soon" mean this time?

While the Minister is on his feet, could he assure the people who work for the Government itself, the federal government workers, that they will finally be given equal legislative protection under the Canada Labour Code as is given to those workers who are under the private sector? In other words, will the Government give its own workers the same legislative protection which exists for workers in the private sector?

[*Translation*]

Hon. André Ouellet (Minister of Labour): Mr. Speaker, to me "soon" means "a few weeks".

As for the assurance the Hon. Member is requesting, I may refer him to the solemn commitment made by the Government in the last Throne Speech and to information that has already been given in the House by my colleague, the President of the Treasury Board.

* * *

[*English*]

PENITENTIARIES

AGASSIZ MOUNTAIN PRISON—USE OF SEX PICTURES DURING THERAPY

Mr. Vince Dantzer (Okanagan North): Mr. Speaker, my question is directed to the Solicitor General. The Solicitor General may not know that it was reported in the *Vernon Daily News* on March 29 that convicts in one British Columbia prison would soon be allowed to watch kiddy porn and other sexual material. This "arousal" therapy is part of an ambitious new treatment scheme Ottawa is planning for offenders at Agassiz Mountain Prison. It was reported that federal consultant, J. Campbell, said, and I quote:

> If their sexual preference is little girls, we show them pictures of little girls.

Will the Minister tell the House whether this is really a policy and program of his Department?

Hon. Bob Kaplan (Solicitor General of Canada): I can tell the Hon. Member, Mr. Speaker, that with respect to general viewing of material inside institutions the same rules apply which apply in the surrounding community. The standards of censorship which apply in a province, apply also in the institutions. However, I believe the Hon. Member may be referring to a sex therapy program called "Sexual Aversion Therapy", which is a type of treatment being developed in some of our institutions under carefully controlled circumstances, and only in our psychiatric penitentiaries, to try to straighten out inmates who have criminal sexual behaviour.

The Hon. Member may find that program amusing, or he may become indignant about it, but I would urge him to look into it and consider the options which are available for straightening out inmates who are in danger, on release, of committing criminal sex acts.

Oral Questions

CANADA LABOUR CODE

INTRODUCTION OF AMENDING LEGISLATION

Hon. Bill Jarvis (Perth): Mr. Speaker, my question, directed to the Minister of Labour, is supplementary to the question asked by the Hon. Member for Churchill. When the Minister indicates that the amendments to the Canada Labour Code, long promised by him, will come forward within a couple of weeks, may I interpret that to be an undertaking that first reading will be given to that Bill before the Easter recess?

[*Translation*]

Hon. André Ouellet (Minister of Labour): Mr. Speaker, I cannot give that guarantee. If it is not done before the Easter recess, I hope it will be soon afterwards.

* * *

[*English*]

CONSUMER AND CORPORATE AFFAIRS

PRICE OF GASOLINE IN OTTAWA-CARLETON AREA

Mr. Bill Domm (Peterborough): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. Broadcast News reported in March that the National Automotive Trade Association, which represents 5,000 gas station owners, says that Canadian motorists are paying 6 cents a litre, or 27 cents a gallon, too much.

My question stems from the fact that I believe people in the Ottawa-Carleton area are getting a hosing on the price of gasoline. Can the Minister tell us why gasoline in this area costs 47 cents to 51 cents a litre, when one can drive to Toronto, Hamilton, or Peterborough and buy it for as low as 29 cents a litre? Is the price being held up by the combines in this area in order to be closer to the inflated price of gasoline in Quebec?

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Mr. Speaker, that is quite an outrageous charge which the Hon. Member makes. But then I am accustomed to his outrageous charges. I have told him, time and time again, that the question of the price of gasoline is being looked into very thoroughly by the oil inquiry. While I also regret very much that the inquiry is taking such a lengthy time, the Hon. Member must appreciate that it is a very complex issue. When the inquiry is complete, we will get to the bottom of the situation and, hopefully, have recommendations upon which we can act.

Mr. Domm: The people out there buying gas do not have as much patience as the Minister, who can wait eight years to table a report from the Prices Commission.

PRICE CHARGED TO DEALERS BY PETRO-CANADA

Mr. Bill Domm (Peterborough): My supplementary question is this: while Petro-Canada is selling gasoline to its dealers, its company-owned operations, at as low as 29 cents a litre, why is it selling to the independents in Peterborough at 40 cents a litre?

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Mr. Speaker, that particular question should be better addressed to the Minister of Energy, Mines and Resources. I would remind the Hon. Member that I expect to be tabling new competition legislation this afternoon which I hope he will support, which will very effectively deal with some of the practices which he describes.

* * *

WESTERN GRAIN TRANSPORTATION ACT

APPOINTMENT OF PAYMENTS COMMITTEE

Hon. Don Mazankowski (Vegreville): Mr. Speaker, I would like to address a question to the Minister of Agriculture in his capacity as Acting Minister of Transport. The Minister will be aware, I am sure, that under the provisions of Bill C-155, the Governor in Council was to have appointed, on or before April 1, 1984, a committee of not less than three and not more than five people, to examine all matters relevant to the method of payment under the provisions of the legislation. In checking with the office of the Minister of Transport this morning, I found that that announcement has not been made. Could the Minister of Agriculture enlighten the House why the announcement has not been made, and when we might expect an announcement with respect to the naming of those people?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I cannot say why they were not announced by that date. I do know that discussions have taken place about the appointments, so I would believe they would be made very soon.

PROVISIONS OF LEGISLATION

Hon. Don Mazankowski (Vegreville): Mr. Speaker, inasmuch as this is a serious breach of the legislation, would the Minister take that into consideration and appeal to his colleague and, indeed, to the Prime Minister, to obey the law?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I will take the question as noted and talk to my colleague about it.

* * *

TRADE

POSSIBLE IMPORTATION OF PRODUCT FROM PLANT RELOCATED IN MEXICO

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I have one question to address to the Minister for International Trade. Will the Minister investigate all of the conditions surrounding the decision by Allen Industries to close its plant in Stoney Creek, Ontario, and to open a plant to manufacture a similar, if not identical product, in Mexico? Will he deter-

mine whether it is the intention of Allen Industries to export that product from Mexico to Canada and, if so, will he take steps to put an end to this?

Hon. Gerald Regan (Minister for International Trade): Mr. Speaker, I will investigate for the Hon. Member the situation which he describes and determine the extent to which it falls under the jurisdiction of my Department as compared to that of the Department of Industry. I will give an answer to him when I obtain it.

* * *

CONSUMER AND CORPORATE AFFAIRS

COMMERCIAL DISCOUNTERS OF CHILD TAX CREDITS

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. The Minister will know that the child tax credit, $343 to a woman for a child if she is in need, is the kind of payment which is the subject of the tax discounters, Bentax and H. & R. Block. It is the women who are in need who are selling off their child tax credits. What representations has the Minister made to the Minister of Revenue to cease that practice? What legislation is she prepared to introduce to the House to make sure that that child tax credit is spread over 12 months, or perhaps paid quarterly to these women, so they will not be induced into selling off their right to support for their children, a situation which is now taking place to the extent of at least a half a million women in this country alone?

• (1500)

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Mr. Speaker, this matter is under active consideration. I have consulted with the Minister of National Health and Welfare and the Minister of National Revenue, and we are currently looking at ways in which we can improve the system so that people can receive their child tax credits quickly, thereby bypassing the tax discount rebaters. We are also looking at a number of other measures so that, by the next taxation year, the matter should be well under control.

* * *

NATIONAL REVENUE

TIME TAKEN TO PAY CHILD TAX CREDIT REBATES

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, my supplementary is directed to the Minister of National Revenue. Will the Minister tell this House why it takes from three to four months for women to receive their child tax credit, which represents the basis of all the money coming to them or their families?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I do not think the Hon. Member can generalize, because in the vast majority of cases, tax returns from people who can claim the child tax credit are received very early and processed as quickly as possible, so that people who are entitled to the child tax credit can receive their money as soon as possible.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

MR. MITGES—SUPPORT FOR CANADA HEALTH ACT

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, I am pleased to present a petition from a number of registered nurses and registered nurses assistants from the City of Owen Sound, Ontario, in support of the position taken by the Canadian Nurses Association and the Registered Nurses Association of Ontario regarding the proposed new Canada Health Act.

* * *

COMBINES INVESTIGATION ACT—BANK ACT

MEASURE TO AMEND

Hon. Judy Erola (Minister of Consumer and Corporate Affairs) moved for leave to introduce Bill C-29, an Act to amend the Combines Investigation Act and the Bank Act and other Acts in consequence thereof.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 324, 626 and 652.

[*Text*]

NATIONAL REVENUE—GUIDELINES FOR CHARITABLE ORGANIZATIONS

Question No. 324—**Mr. Skelly:**

1. Did the Department of National Revenue have any guidelines for defining (a) "charitable organization" (b) "non-profit organization" for the purposes of administering the Income Tax Act and, if so, in each case, what are they and did these guidelines suggest or require the appraisal of an organization's activities as well as its stated purposes (i) before an organization was granted (ii) during the period in which the organization enjoyed charitable or non-profit status?

2. Did the Department review the application of these guidelines and, if so, what did this review entail and was it continual?

Order Paper Questions

3. Did the Department review the charitable status of the Fraser Institute, registration number 0438911-59-27 and (a) if so (i) when was the review begun (ii) what was its scope (iii) was the review completed and, if so, on what date and, if not, when will it be completed (iv) will the findings be made public and, if so, on what date (b) if not, will the Department review the charitable status of the Fraser Institute and, if so (i) on what date (ii) what will be the scope of the review (iii) will the findings be made public and, if so, on what date?

4. Did the Department review the charitable status of the Fraser Institute in the past and, if so, in each case, (a) on what date (b) what was the scope of the review (c) what were the findings?

Hon. Pierre Bussières (Minister of National Revenue): 1. (a) A "charitable organization", is defined in paragraph 149.1(1)(b) of the Income Tax Act. Guidelines on charitable purposes and objects can be found in Part 1 of the Department's Information Circular 80-10 on the subject of registered charities.

(i) When considering an application for charitable registration, the officials in the Department are required to determine if both the organization's constituted purposes and its activities are charitable.

(ii) Registered charities are required to file, annually, both an information return and a public information return, each in prescribed form and containing prescribed information. This information is subject to review by the officials in the Department to determine if the organization continues to meet the requirements of registration.

(b)(i) and (ii) (As it applies to non-profit organizations). A non-profit organization is defined in paragraph 149(1)(L) of the Income Tax Act. Guidelines have been issued by the Department of National Revenue in Interpretation Bulletin IT-496 dated February 18, 1983.

2. (As it applies to non-profit organizations). The appraisal of a non-profit organization's activities as well as its stated purposes cannot be made in advance of or during a particular year but only after the end of the year. (see paragraph 10 of IT-496)

(As it applies to charitable organizations.) Continual review measures are carried on by the Department to ensure the guidelines are applied consistently and equitably. To this end, determinations with respect to all applications for registered charitable status are carefully reviewed on an ongoing basis by senior officials before being finalized. Also, the annual returns are subject to review each year to ensure that registered charities continue to comply with the requirements of the Income Tax Act.

3 and 4. Due to the confidentiality provisions of the Income Tax Act, no information may be divulged concerning the Department's actions in respect of any taxpayer, including those exempt as registered charities, nor may any information obtained by or on behalf of the Department for the purposes of administration of the Act be communicated. The Act provides for an exception to those provisions in the case of a registered charity only in that the Department may release to any interested person a copy of the organization's Public Information Return.

FEDERAL SALES TAX COLLECTED ON BUILDING MATERIALS

Question No. 626—**Mr. Clark (Brandon-Souris):**

In the fiscal year 1983-84, to date, what amount did the Department of National Revenue collect from the federal sales tax on building materials?

Hon. Pierre Bussières (Minister of National Revenue): In the fiscal year 1983-1984, covering the period from April 1, 1983 to January 21, 1984, the Department of National Revenue, Customs and Excise, collected $492,915,579.94 from the federal sales tax of 5 per cent levied on construction materials and equipment for buildings under the Excise Tax Act.

VETERANS AFFAIRS—MINISTER'S EXEMPT STAFF

Question No. 652—**Mr. Hnatyshyn:**

1. Are any exempt staff employed by the Minister of Veterans Affairs and, if so, what are their (a) titles (b) positions (c) names?

2. Do any of the staff mentioned in Part I receive income, financial assistance or other benefits related to their employment from sources other than the ministerial budget and, if so (a) which members (b) what are the details of the income, financial assistance or other benefits?

Hon. W. Bennett Campbell (Minister of Veterans Affairs):

1. (a) and (b) / (c)

Executive Assistant	Pierre Guimond
Special Assistant	Tom Douglas
Special Assistant	Léo Callaghan
Special Assistant	Brian McGuire
Special Assistant	William McKinnon
Private Secretary	Kelly Watkins
Clerical Support	André Pelequin
Clerical Support	Julie Henter
Clerical Support	Dianne Smallwood

2. No.

[*English*]

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

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CANADA HEALTH ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Miss Bégin that Bill C-3, an Act relating to cash contributions by Canada in respect of insured health services provided under provincial health care insurance plans and amounts payable by Canada in respect of extended health care services and to

amend and repeal certain Acts in consequence thereof, be read the third time and do pass.

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, the Canada Health Act will accomplish a number of things. As the traditional supporters of medicare, indeed as the originators through our predecessors, the CCF, we are very glad to see the improvements brought about in this Bill. It will address the crisis in medicare of extra billing and user fees.

It is true that medicare has been under threat, partly because of federal expenditure cutbacks on medicare, partly on account of provincial cutbacks, and partly on account of ideological reluctance to deal with medicare issues on the part of some of the provinces. We have seen the threat of moving to a two-tier system with specialized, quality care and a range of services available to those who can pay for them and for basic services for those who are not able to pay user fees and extra billing. In other words, we are moving to a system entirely contrary to what was originally envisaged, that of quality care for all in a truly universal system.

This two-tier system, which we are trying to correct with the legislation before us, is an inefficient and expensive system. What will happen is that people who are unable to pay the extra bills will have to go to a system of private insurance to do so. Unions will negotiate private insurance schemes to cover the services for which a person has to pay extra. Then we would have a system in the public sector covering the basic services and one in the private sector, with its additional layer of administrative costs as well as the costs reflected in profits, because this would be run by the private sector on the basis of whatever money they could get out of the system.

The United States has this kind of two-tier system with a very large profit-oriented private sector, and we know the results are that health care services are expensive. They pay a higher proportion of their GNP for medical costs than we do and fewer people are covered. Therefore, the system we have developed in Canada is one that we can really be proud of. It is an excellent system which stands up very well in international comparisons and which is a relatively efficient and cost-effective system. Naturally we think it can be improved and we have introduced amendments, some of which have been accepted and some of which have not. We want to have it even more cost-effective and responsive to people's needs. But, by and large, it is a good, efficient and effective system. We have a good system, we want to face the crisis, confront the two-tier system, address the crisis and solve it.

This is a better Bill, Mr. Speaker, as a result of a number of amendments introduced by the NDP caucus. We fought for them, and some of them were accepted. We did not get all we wanted but we brought a couple of extremely important provisions into the legislation at committee stage. We want to see our medicare system become a truly health care system. It should not just provide treatment after the fact, but also should include preventive services, including the services of paraprofessionals for the quality care they can offer.

In light of that we asked for a number of amendments, and let me quote one. The door has been opened with the following improvement in the wording:

The health care insurance plan of a province must insure all insured health services provided by hospitals, medical practitioners or dentists, and—

● (1510)

This is the addition:

—where the law of the province so permits, similar or additional services rendered by other health care practitioners.

In other words, the provinces may bring into their system additional health care professionals and they may have expenses covered by our new Canada Health Act when it is passed. It will encourage a province to make use of other health care professionals. This means that we will be getting better care and a better range of options for people to enable them to make decisions about the kind of care they want. Health care professionals other than doctors usually provide their services at a somewhat lower fee, so we will end up with the best of both worlds. We will have more cost-efficient medical care and care which people want. They will be able to choose what they want and will get savings in costs in the overall system.

We hope that paramedical services, nurse practitioners and other professionals will come in as well. The nurses have lobbied very extensively for this and the New Democratic Party has supported their endeavours and will continue to support endeavours to include these health care professionals in our system. We had hoped to get general inclusion of these practitioners, but at least we have the door open so that we will be ready to accept them when the provinces allow them to come in.

We have a broader concept of health accepted in the legislation by an amendment to the preamble, which reads as follows:

—that Canadians can achieve further improvements in their well-being through combining individual lifestyles that emphasize fitness, prevention and health promotion with collective action against the social, environmental and occupational causes of disease, and that they desire a system of health services that will promote such physical, and mental health and such protection against disease;

That is a good philosophical statement which tries to show where we want to go and that health care is not only the avoidance of disease but also the promotion of health through prevention good nutrition, better lifestyles, exercise and cleaning up of occupational health hazards. All of these things are part of it. This is something to which a whole community can contribute by taking collective action to improve the environment, the air we breathe and the working environment.

The New Democratic Party continued to press for other amendments, which I am sorry to say were not accepted. I would like to mention a few of these to show the direction in which we would like the Canada Health Act to go. One of the most important of these is a provision for the escalation of penalties. One of the most important functions of this Act is to provide for penalties so that the federal Government can respond to extra billing and user fees of a province, not just by cutting them off completely, which would not be acceptable to

the Canadian public and which would make too many people suffer as a result, but to give greater flexibility. The New Democratic Party is concerned that the dollar for dollar withholding of subsidies for health care would not be adequate to discourage extra billing and user fees on the part of a province. We proposed that the withholding of dollar for dollar hold only for the first year of the penalty, that it go up to $2 for every dollar allowed in extra billing and user fees in the second year, and in the third year that it escalate to $3 for every dollar misused in health care expenditures. Our feeling is that these more adequate penalties would give the federal Government more clout in dealing with the provinces and would still give it adequate flexibility.

An important amendment, which was unfortunately ruled out of order, is that moneys which are withheld as penalties, apart from those that would be returned if the province cleaned up its act, got rid of extra billing and got the money back, should be redirected to provinces which are complying with the Act. These moneys would be used to facilitate research, innovation and service development in areas of alternative health care, delivery systems and preventive and medical health promotions. The idea is that if provinces are not living up to the spirit and letter of the Canada Health Act they should be penalized and lose this money. We do not want this money to go just anywhere. This money is supposed to be devoted to health care. Let us put it where it would do some good. Let us give it to the provinces that are complying with the Act and that would put that money into special innovative programs that would be of benefit to all Canadians. Let us allow the provinces that are living up to the spirit and terms of the Canada Health Act to get some benefit from that. That benefit would not be confined to their own citizens but would have effects throughout the country. People in other provinces would see the good things that happen as a result of these innovative programs.

Another amendment on which the Conservatives voted with us, but which was unfortunately defeated by the Government, was that no penalty would come into force until passed by Parliament. This would provide for public debate before any penalties were actually meted out. Therefore, it would not be a matter of Cabinet discretion only, a matter which would be dealt with privately and secretly, but it would be a matter for open, public debate. When the Canada Health Act is being violated by a province we certainly need public debate. That would perhaps be an effective way of dealing with it. It would certainly help to get the issue before the public so that people in the provinces concerned would know very clearly what was happening.

We lost an amendment to ensure an acceptable ratio of ward to private and semi-private accommodation in hospitals. We are very concerned that there be quality care in our hospitals and that this quality care be available not only to those who can pay extra to get semi-private or private care. Good quality care ought to be available to all Canadians, even if they cannot afford the extra costs to get private or semi-private care. Unfortunately that amendment was not passed.

We are at a very important juncture in our health care system. I would like, therefore, to spend a few minutes looking back as well as forward to see the unfolding and how the different ideas were brought into medicare in Canada to give us some idea of what are the next steps we should be taking. I am proud to do this because it was my colleagues in the old CCF, and later in the NDP, who pioneered most of the elements of the medicare system. In 1945, with a very new CCF Government, Saskatchewan was the first to introduce medical and dental care for all old age pensioners and for mothers' allowance recipients and their families. That was a very small beginning for the people most in need, but is was a noticeable beginning for our system. In 1945, a federal-provincial discussion on tax arrangements to facilitate an extension of this program was unsuccessful. It was not until very much later that there was another important and comprehensive amendment to medicare.

In 1948, the Saskatchewan CCF Government introduced an experimental government-sponsored medical care plan in one region of the province. This included a full range of medical services and dental care for children under 16. The following year, again under the CCF Government, Saskatchewan became the first province to introduce comprehensive government-sponsored hospital insurance. This is one of the most costly items in our health care system. In 1957, the federal Government passed the Hospital and Diagnostic Services Act, which provides for federal cost sharing of hospital services. It was only a few years later that all provinces took advantage of this.

In one province we can see the pioneer work being done beginning in the 1940s. It took quite a long time before other provinces and the federal Government became convinced to act. In 1961, Mr. Justice Emmett Hall was appointed to chair the Royal Commission on Health Services. This, of course, was the commission that recommended our full medicare system. In 1962, Saskatchewan became the first province to introduce a comprehensive provincially sponsored medical prepayment plan and fought it out with a doctors' strike. If it had not been for the courage of the CCF Government in Saskatchewan we would not have medicare today. In 1964, the Hall Commission reported, recommending a comprehensive medical insurance plan. In 1966, with a minority Government, the Medical Care Act was passed providing for 50 per cent federal cost sharing. By 1971, the last province, New Brunswick, joined the medical care plan. We can see the beginning of medicare in 1945 in a CCF province, and finally in a Conservative province in 1971. While the last province with a Conservative regime joined medicare in 1971, in 1973 the NDP provincial government were introducing more innovations. In 1973, Manitoba introduced Canada's first universal pharmacare program for seniors and universal nursing home care. In 1974, Manitoba with an NDP government became the first province to introduce a government dental care plan for children. Also in 1974, Saskatchewan with an NDP government became the first province to offer no cost aids to the handicapped.

• (1520)

Again we can see that Conservative provinces have come along rather more reluctantly while CCF and NDP provinces were very much in the forefront in bringing in innovations.

There is much discussions now of a national consensus on medicare. I am certainly pleased to see that all three Parties support the current Canada Health Act, but it is very clear in this national consensus that some are active members and leaders in fighting for medicare while others are rather slow converts to the cause and are rather reluctant in seeing the benefits of having a comprehensive medical care system. While the Conservatives are not in the forefront of supporting medicare, they are not fighting it. Unfortunately, there is some backlash against medicare on the part of the National Citizens' Coalition.

I suppose all Members of the House have been receiving, as well as seeing in the newspapers, a lot of nonsense on the issue of medicare. They are very misleading statements on the part of this so called National Citizens' Coalition. I want to mention a few of them and point out what is so ludicrously wrong with the kind of propaganda they are putting out. For instance, they ask, "Do you really want someone who has been forced into adopting a civil servant mentality doing open heart surgery on you or delivering your baby?" They state:

> Waiting lines for surgery are going to get much longer and because literally thousands of highly educated and talented specialists will be reluctantly driven out of our country there will be fewer doctors. Those who are left will be eventually reduced to clock watching.
>
> More Canadians will die because they can't get the life-saving health care they need, when they need it.

When they say that doctors will be turned into a bunch of civil servants, I would like to point out to anyone who is interested in this kind of claptrap that this is simply untrue. How a person is paid does not determine whether that person is qualified, experienced, able, dedicated or conscientious. People can be all of these things and indeed even be civil servants. It is quite possible.

I have lived in other countries where there are actually civil servants who are doctors and where health care is indeed of extremely high quality. It depends on their training, experience and dedication, which is quite independent from how they are paid.

I am sorry to hear statements like this being made because it is a scare tactic which might give people the wrong impression. I know that this body is not dealing with the real problems before us concerning the health care system, which is extending it to include paraprofessionals, the issue of midwifery and home births, and the issue of community health care clinics. These are all ways of improving our health care system.

This group also seems to be very reluctant to note that having a profit motive in medicine can be a danger as well. They say that people would not want a civil servant operating on them, but I would not want somebody operating on me who is in it strictly for profits and will recommend the most expensive intervention because it is the most profitable. Therefore, there are dangers as well in having too much of a profit motive in the medicare system. We have seen evidence of this in other countries. There are many useless operations being done in the United States where there is too much of a profit motive.

To conclude let me just say that we have gone a long way to get to this Canada Health Act. I am pleased to see it and will certainly vote for it. I want to assure the House that the NDP caucus will continue to work and be in the forefront of reform in Canada's health services to see that Canadians get the kind of health care they want.

The Acting Speaker (Mr. Herbert): There follows a ten minute period for questions or comments. If there are no questions or comments, the Hon. Member for Halifax West (Mr. Crosby) on debate.

Mr. Howard Crosby (Halifax West): Mr. Speaker, it is difficult to review Bill C-3, which enacts the new Canada Health Act, in the context of all the history that has preceded the introduction of this legislation in the House of Commons. Let me begin by characterizing the new Canada Health Act in this way; if a government has many crises relating to unemployment, such as rising interest rates and all those matters which affect Canadians in their day-to-day lives, and it cannot solve any of those crises, then it may be advisable to create a crisis that affects each and every Canadian that it can then pretend or purport to solve.

Essentially, that is what the Minister of National Health and Welfare (Miss Bégin) and the Government have done in bringing in Bill C-3, the Canada Health Act. The Government has said that there is a problem with health care across Canada, that we are losing universality of our health care system. But the Government tells Canadians not to worry because it will save them from this threat.

I have talked to members of the medical profession, including surgeons, nurses and everyone involved in the health care system. They never saw the problem in that way. No one ever asked me to go back to Ottawa to try to preserve the universality of our health care system. What I was told time and again was to go back to Ottawa and make sure that the Government of Canada fulfills its commitment to Canada's health care system by providing adequate funds to preserve and advance the health care system that we now have in place.

There is not a professional in the health care system who does not see the problem of medical care as involving funding. In other words, the problems that exist in the health care system are the result of underfunding. It is as simple as that.

But what happened? The Government wants to forget about the facts and deal with the perception. It wants to deal with the idea, which it has built up over a period of time, that there is a problem. This has been done particularly by the Minister of National Health and Welfare with the little pamphlets she has sent out in the mail to innocent Canadians. These pamphlets, which they read while opening their cheques or waiting in long line-ups at the banks, tell them that there is a problem. If people are told about it long enough and read about it long

enough they will eventually believe that there is a problem and believe that a piece of legislation is necessary to solve that problem.

That is what we are doing here. We are dealing with a myth, a ghost. We are trying to deal with a piece of legislation that purports to solve a problem that does not exist. While the Government is not very smart, it is not totally stupid and has introduced a couple of concepts to help create this myth which it has developed over a period of years. It used two words that have become anathema to many Canadians. The two terms which it has developed are extra billing and user fees. Those great evils of the health system, extra billing and user fees, are used as though extra billing and user fees were totally unconnected to the problem of underfunding of the health care system.

I do not believe that anyone on either side of the House of Commons or in any of the provincial chambers across the country wants to have user fees or extra billing for patients who are the consumers of the health care services. We all want a totally free system, but the problem is how to pay for it. Where will the money come from to pay for the system? Those provinces that do not have the wealth and resources that are required to pay for the system must, in some cases, resort to user fees or some other method of collecting medical fees. The common method is extra billing.

To make the claim that extra billing and user fees are evils in themselves, unconnected with the government funding of Canada's medical health services, is a pretence. It is a worse than a pretence, it is a fraud because there is an illicit motive behind it. The Minister of National Health and Welfare who presides over this massive health system knows better. She must know that the only reason for having user fees and extra billing in any of the provinces in Canada is to raise money to help provide the health care services that are part of the system. Yet she isolates them and says that they are evil and an attack upon universality. Nothing could be further from the truth.

● (1530)

In this House of Commons we are constantly fighting the Government's attempt to create perceptions instead of presenting the facts. This is one more case, and we have to fight it. However, the trouble and the difficulty is that we, like everyone else in Canada, want the health care system preserved in its entirety and improved. We all want that. What is this pretense of the Minister of National Health and Welfare (Miss Bégin) that there are people out to attack Canada's health care system and that we on this side of the House want sick Canadians, not well Canadians? That is as ridiculous in reality as it is in the speaking. There is not a grain of truth in that, and the Minister of National Health and Welfare knows it, as does every Member of the House.

The problem is with the quality of health care in Canada. It is as simple as that. What kind of a health care system do we want? What kind of medical personnel do we want in our hospitals? What kind of equipment do we want in operating rooms when we go in for surgery? What kind of hospital beds do we want? Do we want automatic hospital beds or ones that crank up? All these things are part of the system. They have to be decided in each and every instance. But what has to be taken as the general guide is: Do we want a health care system which is the equal of any of the advanced nations in the western world or, for that matter, in the eastern world or in the whole world? If we ask that question of thinking Canadians, they will respond immediately by saying, "We want the best possible health care system. Give us the best possible health care system in the circumstances and then we as Canadians will find ways to pay for it".

I happen to have a long exposure to the matter of health care in Canada. I was a junior solicitor in the Department of the Attorney General in Nova Scotia in the late fifties when hospital care was introduced. I can tell the House that that was a traumatic experience for the then Stanfield Government of Nova Scotia, because Mr. Stanfield and his colleagues in his Cabinet knew that hospital care would be an enormous expense for the Province of Nova Scotia. In 1984-85 that is proven by the fact that the Province of Nova Scotia spends 24.5 per cent of its total budget on health. One quarter in every dollar spent by the Government of Nova Scotia is in health services. Mr. Stanfield knew in the late fifties what a burden hospital care would be on the people and taxpayers of Nova Scotia. He thought long and hard about it, but Nova Scotia opted in because it was recognized that there was nothing more important than the health of its citizens. There is nothing more important to Nova Scotia than that the province have healthy citizens. That can be said of every part of Canada. There is nothing more important than the personal health of individuals.

As you get to my age, Mr. Speaker, you realize more and more every day that you value among everything you might possess your own personal health. Once again let me underline the fact that nobody is here to hurt in any way, shape or form our health care system. The problem is: How do we finance it and at what level do we operate, that is to say, at what level of patient care?

Notwithstanding the statistics presented, there has been in fact a decrease in funding emanating from the Government of Canada to the provinces. That is simply stated in the table provided by the Province of Nova Scotia which shows very clearly that the transfer payments from the Government of Canada in 1984-85 were 40.6 per cent of the revenues, that is the total recoveries of the Province of Nova Scotia. In 1983-84 that figure was 43.5 per cent. It is going down. They can come up with whatever numbers they want in the House of Commons and elsewhere, but the fact of the matter is that federal contributions to the provinces, particularly the Province of Nova Scotia, are going down.

Let us not fool around and juggle statistics around trying to fool people. It comes out at the other end. There is a bottom line. The bottom line is in the hospitals, the doctors' offices and everywhere else where we have to pay for health care. The dollar bills are not there. We can see it in the cracked walls, in

the rusty equipment and everywhere we go. I have to say to members of the Liberal Party who insist in the House that the Canada Health Act is an improvement that they should travel to the hospitals and to the outlets of health care, and they will see that there is no improvement. The evidence is very clear and cogent that the health care service in Canada is degenerating. It is going down. There is not a professional medical person practising in Nova Scotia who would argue against that.

Someone said that this is really a matter of political power, that this has nothing to do with health or health care services, that it is simply the Government of Canada exercising its pre-eminence in the health care field, as it has pushed people and provinces out of the energy field, the resource field and every other field which it seeks to occupy. Under the British North America Act there is a theory of occupied field. The Parliament of Canada can come in and occupy a particular field in the interests of all Canadians. But our Government is not doing it that way, directly, and saying, "We want the health care field totally under the control of the federal Government". It is just doing it in this almost nefarious way, saying, "We have the dollar bills. We have the strength. We are the ones who do not have to provide health care". The federal Government does not have to treat a patient. It does not have to provide a hospital bed, but if it is to do it, it wants total control. The only way to do that is through legislation of the purse-strings, and that is why we have this Bill before us. If the provinces give up in this fight—and they are apparently giving up for reasons I will mention—then the federal Government is in complete control.

Let me tell the House about one of the saddest features of the Canada Health Act. I have some 25 years of personal experience in this behind me. Do you know who that is? It is the so-called hero of Canadian medical care, Dr. Emmett Hall, in his older age. I have the greatest respect for our senior citizens, but the fact of the matter is that Judge Hall is a retired judge of the Supreme Court, retired because of reaching the mandatory age limit. Does that mean his judgment is suspect? No, not in all cases, because some of our citizens of that age have keener minds than many of us. But in the case of Judge Hall you have to suspect something, and I want to put that right on the floor of the House of Commons. Judge Hall has said—

Mr. Fisher: We are starting to suspect you.

Mr. Crosby: —that time goes by for all of us, as younger Members will find out. He says that the medical profession in Canada cannot become a law unto itself. Judge Hall said, and listen to this—

Miss Bégin: Why did you mention his age? What does that have to do with it?

Mr. Crosby: —that the medical profession has been granted a monopoly to practise medicine to the exclusion of all others. Thank God the Minister of National Health and Welfare cannot practise medicine. Thank God somebody has said that medical practitioners are the only ones permitted to practise medicine. What kind of nonsense is that from the father of medical care, that the medical profession has been granted a monopoly?

It reminds me of a cartoon which I saw—and I address this particularly to the Minister of National Health and Welfare—of a sick lady lying in bed and an obvious witch-doctor standing at the end of the bed, and the husband saying, "It is the only person who would take housecalls". That is what is happening here when you pretend that the medical profession has some kind of monopoly. Oh, they are going to take us, just because I cannot practise medicine, just because the Minister of National Health and Welfare cannot practise medicine! This group which has been granted an exclusive privilege will take advantage of us! What nonsense. What an utter sham. It is totally ridiculous. I cannot believe that it is happening.

The medical profession has not been granted any monopoly. The medical profession is made up of the people who by training over a long period of time have proved their capability and capacity to perform certain acts connected with what we call the practise of medicine. There is no mystery to it. If one wants to be a doctor, one goes to medical school. One qualifies, obtains a diploma and certification and becomes a doctor.

Judge Hall is a doctor too, but not that kind of doctor, thank God. I want to say that I think this is one of the worst things in this whole debate. Somebody at the level of Mr. Justice Hall, the father of medical care, so-called in Canada, said that the medical profession has a monopoly to practice and they are using it against the people of Canada. Enough of that nonsense. Some of my best friends and close associates are medical doctors.

• (1540)

Miss Bégin: Nobody would have thought of that.

Mr. Crosby: There is a remark from the Minister of National Health and Welfare. I am supposed to feel embarrassed because I know some people in the medical profession. Why would I feel embarrassed? That is one of the proudest claims I can make. I have a great many friends in the medical profession. I see them socially and otherwise. I am proud of them. I do not think there is any higher calling in our society. How do you like that, Mrs. Minister or whatever you are called.

Miss Bégin: It is Madam.

Mr. Crosby: One of those medical doctors, who happens to be a provincial public servant of many years' standing, the head of one of our best medical institutions in Nova Scotia, has written this speech for me. It is a personal message from him to the Minister of National Health and Welfare. He said in his letter:

I want you to express these views in the House of Commons.

His views are so well expressed that I will simply quote what he said. He said:

As proposed, I am concerned that Bill C-3, the Canada Health Act, will threaten the availability and quality of medical care in Canada, that it will

cripple a health care system that has been recognized as one of the best in the world and will interfere with the economic professional freedom of the medical profession.

This is from a medical doctor in Nova Scotia who has been an employee of the Province of Nova Scotia for years. He goes on to say:

The Canada Health Act is supposed to amalgamate, update and more clearly redefine the conditions of current federal legislation and the Medical Care Act of 1966. These have been legislative instruments by which Ottawa has provided funding for provincial health care programs, but if the Minister of National Health and Welfare's proposal is accepted, it will do more than that.

Here are the specific points that he lists. He said the Bill will:

Convert Canada's high quality health care insurance program into state medicine,

Make the serious under-funding of the situation even worse,

Reduce the ability of hospitals to meet the needs of communities they serve,

Reduce the financial flexibility of provincial governments and their ability to finance health care,

Widen the disparities and the availability and quality of health care service that exists between provinces and communities,

Deny patients the democratic right to buy health care services that they need or want beyond those provided by the state,

Interfere with patients' rights to obtain health services from physicians and hospitals of their choice—

Deny physicians the right to deal directly with their patients to establish the value of our service and thus reduce our economic freedom.

In short, what he says and what I agree with is that the Act is a sham. It is a device to get federal control. It is a device to contend that the Government of Canada, under the Minister of National Health and Welfare, is solving the health care problems of Canada.

Everybody is put in a difficult position. We support the health care system in Canada. We support medicare. We support hospital care for all Canadians. Only a few months ago I had occasion to require care in hospital. I told the Minister of National Health and Welfare about that. I wanted, as all Canadians do when they enter hospital, the best care possible; otherwise you will pay for it afterwards. That is what Canadians want. They want the highest quality of health care. Our duty is to provide the opportunity for all Canadians to get the best possible health care that the system can deliver. That is our purpose. We cannot do that if we simply obstruct the Canada Health Act before this Parliament. We cannot do that by just blocking it. We can expose the errors of the ways of the Minister of National Health and Welfare. We can expose her attitude and the contempt that she shows for the deliverers of health care services. However, to vote against the Bill that provides health care for Canadians is another matter.

I want to end on one note in the case of Nova Scotia just to show everybody in this Parliament and elsewhere what kind of a person we are dealing with in the Minister of National Health and Welfare. Nova Scotia medical practitioners receive 85 per cent of the approved fee. They have received that fee since medical health care was introduced. It is part of an agreement they made with the province and with the Government of Canada. The Minister of National Health and Welfare is simply revoking that and saying that that historic fact goes out the window, "you get whatever you get and that's it". She calls that extra billing. She is wrong about that and she is wrong about most everything else she says about medical care in Canada.

The Acting Speaker (Mr. Herbert): There is a ten-minute period for questions and comments.

Mr. MacLellan: Mr. Speaker, I wonder if the Hon. Member could give us the name of the doctor he quoted so freely in his speech? If he is not prepared to do that, under the Standing Orders of this House, because he quoted the letter almost verbatim, he should be required to table that letter.

Mr. Crosby: Mr. Speaker, I make no apologies. You put me on a rack and I will not give you the name of the doctor who wrote to me. If there is a rule in this House of Commons that can require you to deliver confidential material, I tell you that I am not going to obey that rule. I made it clear that I have received a communication. I believe I have the right to refer to it and speak about it. I will make this concession to the Hon. Member. I will ask the doctor if he has any objection to providing a copy of his letter to the Parliamentary Secretary. If the doctor consents, I will be glad to do that.

The Acting Speaker (Mr. Herbert): I should tell the Hon. Member that there is no such rule, so he will not be called upon to disobey the rules.

Mr. MacLellan: Mr. Speaker, will the Hon. Member tell us why in referring to Mr. Justice Emmett Hall, before his derogatory comments concerning Mr. Justice Hall, he prefaced them by saying he was retired and somewhat up in years? I do not quote him exactly, but I think the reference is clear.

Mr. Crosby: Mr. Speaker, I think the references are clear. I do not believe that anybody has given medical practitioners a monopoly. That is not the nature of the law at all. If Mr. Justice Hall thinks they have been given a monopoly, all I can say is that he is wrong.

Mr. Benjamin: Mr. Speaker, the Hon. Member made an unwarranted attack on Mr. Justice Emmett Hall. I submit he took out of context what Mr. Justice Hall had to say about a monopoly. Mr. Justice Emmett Hall was talking about expanding our present medical and hospital services. He talked about paramedics, home nursing, midwives, nurses, a whole host of things in the area of preventive medicine. Up until now, the medical profession has had a monopoly on most of that. The Hon. Member could not carry water for Mr. Justice Emmett Hall, who is the father of medicare and hospitalization in Canada. He brought in the royal commission report; it was him, Tommy Douglas and Woodrow Lloyd. By the way, it was not the Hon. Member's Party, although Mr. Justice Hall was a supporter of that Party. He was never a supporter of our Party. It was Mr. Justice Hall who helped father this program in Canada and who calls for the expansion of it. The medical profession does have a monopoly. They have too damned much say. They have a monopoly licensing authority and a monopoly

union. The Hon. Member owes an apology to Mr. Justice Emmett Hall, and he had better make it now.

• (1550)

Mr. Crosby: If I owe anyone an apology, I will apologize. However, I will start with the allegation that I quoted out of context. I quoted from a newspaper which was delivered just one week ago. I will now quote from a newspaper report dated December 10, 1983, in which Mr. Justice Emmett Hall was reported as having spoken before the Health Coalition of Nova Scotia, a group financed by the Minister of National Health and Welfare to lobby for her Canada Health Act. That report quoted Mr. Justice Hall as saying:

A physician is not only a medical person . . . he said.

"He has moral and social obligations as well as self-interest . . . the medical profession is a monopoly created by the state . . . the state will prosecute anyone who is not licensed to act in that field"—

Let me ask the Hon. Member what that means.

The Acting Speaker (Mr. Herbert): Just to be clear, I will recognize the Hon. Member for Regina West (Mr. Benjamin) but questions are supposed to be directed to the person who made the speech.

Mr. Benjamin: Mr. Speaker, I would like to ask the Hon. Member if it was not correct that the former Prime Minister, the Right Hon. Member for Yellowhead (Mr. Clark), appointed Mr. Justice Emmett Hall to do a review of our medicare and hospitalization system, as a result of which Mr. Justice Emmett Hall made a certain number of recommendations to do away with what he calls the monopoly of the medical profession over the other services that can be provided which are presently governed by, ordered by, prescribed by or requested by a member of the medical profession. That is what Mr. Justice Hall was talking about. Is that not correct?

Mr. Crosby: How do you know what he was talking about?

Mr. Benjamin: I ask the Hon. Member if it is not correct that Mr. Justice Emmett Hall, in the context of his remarks about the monopoly, was perfectly correct and that he is calling for an expansion of the kinds of people who provide medical and health services. Is that not what Mr. Justice Emmett Hall recommended to the Right Hon. Member for Yellowhead?

Mr. Crosby: Mr. Speaker, I think I could make my position very clear without the distortions of the Hon. Member for Regina West (Mr. Benjamin) or any other Member in the House. Mr. Justice Hall, as I said very clearly in my speech, is the so-called father of medical care. I walked around Nova Scotia with Mr. Justice Emmett Hall when he went there to study medical care and to write the report that he eventually published. No one has to tell me about Mr. Justice Hall.

I am trying to point out that over a period of time, Mr. Justice Hall changed his view. He suddenly got the idea that the enemy of medical care was the medical profession. This is a very hurtful view. He said that the medical profession has a monopoly. The medical profession does not have a monopoly. That is not what a monopoly is. He has repeated it time and time again and fostered the whole idea that the medical profession is doing this or is doing that. In the newspaper article to which I referred before, Mr. Justice Hall is quoted as saying:

"When the state gives a monopoly of that kind . . . gives the right to deliver an essential service, the state becomes automatically involved."

That is simply not true, Mr. Speaker. I cannot help it if Mr. Justice Emmett Hall said it, or a prince or a pauper said it; it is simply not true. I am trying to say that that kind of mistaken attitude leads to a great many other false conclusions, the most important of which is that the medical profession does not have certain rights. Those rights, if taken away, must be taken away in a fair manner. A provision of the Charter of Rights and Freedoms is that if one takes something away, one must give something in return.

In the case of the medical health profession in Nova Scotia, the Canada Health Act has taken away the medical practitioner's privilege that existed under the law of Nova Scotia to bill for the difference between the 85 per cent of the approved fee and the approved fee. That privilege may be wiped out because of the Canada Health Act. It may be wiped out by a recommendation of Mr. Justice Hall who said that these doctors had a monopoly and that the state was involved so the state could take it away.

I do not accept that kind of philosophy. I do not accept it and I am sorry to run into conflict with the father of medical care, but I stated my position very clearly. I will argue it before any group. I do not agree that the medical profession has the kind of monopoly suggested by Mr. Justice Hall, and I think that that is the cause of a huge problem in Canada, a problem that will plague us for decades to come.

The Acting Speaker (Mr. Herbert): That is the conclusion of the 10-minute period for questions and comments.

Mr. G. M. Gurbin (Bruce-Grey): Mr. Speaker, as I was listening to the interchange between the last two speakers, I was reminded of the fact that, indeed, the medical profession cannot be a monopoly because there are so many fast operators in other areas of Canadian life. I think the point of view expressed by some Hon. Members of the NDP and, indeed, of the Government Party is testimony to the fact that one can operate in several ways. One can operate from a level of political concern and a sense of justice, or one can operate from a position of trying to gain political advantage.

I have several major points I would like to make. Before beginning, I would like to confirm, as have all members of the Conservative Opposition, the fact that I will be voting for this Bill because there are many principles embodied in this Bill which we feel are important. As described by the Hon. Member for Provencher (Mr. Epp), medical care is a sacred trust which first began in the days of John Diefenbaker and Mr. Justice Emmett Hall, something that we as a Party very firmly believe is important to the mainstream of Canadian life,

and something which is the responsibility of all governments to provide to Canadian citizens.

I am certainly not a disinterested party in this debate. Indeed, I can remember in my first days of medical practice the great relief that existed when it was made clear that a patient who required hospitalization had hospital insurance, and the frustration and difficulties that were encountered when a patient was not able to be brought into hospital for what in many cases was necessary treatment because he could not afford to pay a hospital bill. These are things for which we have a responsibility as a Government across Canada.

There are two main issues that arise. We have established the principles of universality, reasonable accessibility, comprehensiveness, portability of benefits and non-profit administration. These principles have been established, but they have been added to by the Act we are seeing now, and this identifies one of my major areas of concern.

This morning when questioning the Hon. Member for Provencher who entered into debate on this Bill, the Minister indicated that the provincial Governments had created additional health care costs for themselves because they were providing medical care facilities to small communities they administer throughout the provinces. I would like to say, Mr. Speaker, that this identifies very clearly something all of us should pay attention to, and something all of us should take note of for the future. If this indicates that the Minister of Health feels that that is not an appropriate expenditure, then she indeed is the one who is threatening the type of health care that we in Canada have come to expect and would like to see in the future.

We are not dealing with downtown Toronto, downtown Montreal or downtown Quebec City. We are dealing with the small rural areas of Canada where Canadian people are employed in areas of low population density, or in the farthest reaches of our territories. It is those people for whom we must provide care of the highest level possible. The Minister indicates that she would be critical of a provincial Government that was attempting to provide that level of care, and she has clearly indicated that where it is her repsonsibility she has not provided that care.

● (1600)

The visibility factor as it is dealt with in the Bill indicates in general the Minister's approach to the health care scene. She has included in the Act a requirement that the federal Government be more visible. For the most part, if we are able to do good deeds it would be nice to be recognized for them. But if we require recognition in anticipation of good deeds, and if that becomes a premise for bringing forward legislation, then that is a sad testimony to the type of government we have in Canada.

The Minister has spent $3 million to advertise the Canada Health Act. We understand that it takes between $25,000 and $50,000 to support one life, and beyond that it strains the level of care that we are able to provide. Indeed, we lose lives because we cannot provide the necessary support systems. Mr. Speaker, $3 million would potentially have maintained 60 Canadian lives. Yet that is what the Minister has spent on advertising this program, separate from anything to do with the actual delivery, administration and provision of health care to Canadians. That is the style of government we have in Canada. It is a style of government which is geared to maintaining power; it is a style of government that is non-productive and does not get to the heart of many issues that need to be dealt with.

The second major point I should like to make is one that I probably feel more strongly about than do many other Members. That is not to say that I feel I can explain or understand it completely, or that I will be an expert on it; it is only to say that I speak from probably a perspective that is important to consider at this stage of the debate. This concerns the future of the medical care system in Canada.

A mentality is developing that concerns me greatly, Mr. Speaker. If the Minister has any interest in the health care system in Canada she will be interested in it as well. A mentality is developing in the medical profession based on the insecurity, the concerns and the grievances it has with the Minister and with governments at all levels when they do not maintain contracts, when they impose settlements, when they arrive at conclusions separate and apart from the considerations that have been brought forward, when they put the profession in the position where it feels it no longer has the rights and freedoms it needs—the professional freedom, the freedom as Canadians to live and practise medicine in Canada in a way that they believe to be in the best interests of their patients and their country.

I do not offer this lightly, Mr. Speaker. Hon. Members opposite may smile and I know I can be accused of self-interest, but it is a mentality that is growing. It is a type of mentality that prompts my colleagues to say to me "Why don't you provide us with full state medicine? Why should I get up at five o'clock in the afternoon—we all know that government offices usually close between four and four-thirty in the afternoon, so why should I go on a call at five o'clock, or six or seven or eight o'clock at night if I am going to be managed by a bureaucracy, with all the obligations and none of the benefits?" That is the mentality that is spreading in the profession. It will be expensive for Canadians in future in terms of the type of medical care they can expect and will receive. I have not got an answer for that because I cannot answer for the Minister's intentions in the Bill or how she intends to operate the system across Canada from a central bureaucracy, when the Government cannot even meet the requirements of individual communities. I do not know how the Minister is going to manage that, but I can understand the concern of the professionals.

This is not really a concern for politicians, Mr. Speaker, and certainly not for the Minister who will always get the level of health care that she wants. It is not a concern for me either because I can look after myself. It is a concern for Canadian citizens. Their destiny may well be integrated into a system that is being run by people who do not have personal involve-

ment and whose dedication has been struck away because of abuse and the level of control that may be exercised by this or some other Minister. We all hope that will not happen. But I can tell you, Mr. Speaker, that it is a growing mentality in the medical profession in Canada today. It is the sum and substance of the letters I have received, and the personal conversations I have had.

Those are the two major points I would like to contribute to the debate, Mr. Speaker. Other Members have spoken of the broad general concerns and major issues of financing, and attitudes which they can describe much better than I can. I will close with a specific question I asked some of the Minister's constituents in the Province of Quebec when they appeared before the Standing Committee on Health, Welfare and Social Affairs. We have seen the Quebec medical system evolve, and I have worked with people in the system and some of my colleagues have trained in the system. At the Committee hearings I asked this question: "Is the medical care system in Quebec better or worse than the one in Ontario?" The answer is on the records of the Committee, Mr. Speaker; it is worse in Quebec than in Ontario.

Miss Bégin: That is another discrimination. Can you explain?

Mr. Gurbin: That is testimony to the system as it has evolved in the Province of Quebec compared to the way it has evolved in Ontario. That comment was made with obvious regret by the physician who represented a group of physicians from that Province at the Committee.

I again offer my support to those principles of the Bill which I think are important to all Canadians, Mr. Speaker. I shall work with my Party to overcome in the future those problems about which I have expressed general concern.

Miss Bégin: Mr. Speaker, I should like to put a question to the Hon. Member for Bruce-Grey (Mr. Gurbin). He is the second Tory to accuse the health system of Quebec of being worse in quality than the one in Ontario. I should like to ask him if he could back up with facts and references, that unacceptable and untrue statement. For example, does he know of the Montreal General Hospital, the Royal Vic, McGill University Faculty of Medicine, the University of Laval, the University of Montreal et cetera. Does he not know of the existence of these top institutions of health, and they are top in Canada? There is nothing dirty because they are in Quebec. The Hon. Member should learn about his country—

Mr. McDermid: That is not what he said.

Miss Bégin: —instead of throwing these accusations—

Mr. McDermid: That is not what he said.

Miss Bégin: —which are of the greatest dishonesty and of course which are totally false.

Mr. McDermid: Stop twisting what he said.

Miss Bégin: This is serious business.

Mr. McDermid: Start telling the truth.

Mr. Gurbin: Mr. Speaker, that was not my comment; that was my question. If the Minister can read—I do not know if she can read or if she can understand, but if she can she should refer to the evidence before the Committee meeting where the question was asked. I will undertake to send her a copy so that she may read it. However, I do not think she will understand, Mr. Speaker. As I came into political life, one of my colleagues became head of surgery at St. Mary's Hospital in Montreal, but he left Quebec, because of the system there, to practise in Ontario.

• (1610)

Miss Bégin: Because of the language or the system?

Mr. Gurbin: Because of the system. My colleague is originally from the Caribbean and was the head of surgery at St. Mary's Hospital. He left because of the system which he was doomed to failure because of the way it was being practised in Quebec. That has been emphasized time and again by people within the system. It is not the doctors who suffer, it is the patients. That is what the Minister fails to see, Mr. Speaker. Inevitably, the level of patient care deteriorates because of the lack of ability of those people working within the system to provide the level of care which those patients should have. That is the potential for all of Canada if the Minister continues on in her attitude, and that is too bad.

Mr. Blaikie: I would like to make a brief comment, Mr. Speaker. It is difficult to listen to the Hon. Member for Bruce-Grey (Mr. Gurbin) and not get the impression that there is a kind of schizophrenia in the approach of the Conservatives to this Bill. The Bill is designed to create in all provinces of Canada a similarity with the Province of Quebec, as in the Province of Quebec there is no extra billing. On the one hand, how can the Hon. Member try to make the point—

Mr. McDermid: He quoted.

Mr. Blaikie: I understand that, but you quote things for a purpose. He quoted the contention of the witness before the committee who said that the health care system in Quebec was worse than in Ontario, presumably because of some characteristic of the health care system in Quebec which distinguishes it from other provinces. One of the few things which does that is that there is no extra billing. Therefore, I ask the Hon. Member how he can on the one hand quote something which indicates that the health care system, which has the very characteristics the Canada Health Act is designed to bring about in all provinces, is in a bad situation, and at the same time indicate that he is going to vote for the Bill? I do not understand how he can say one thing and do another, or perhaps I misunderstand the Hon. Member.

Mr. Gurbin: Mr. Speaker, I suppose the implication of "schizophrenia" implies there are two possibilities when, indeed, I do not know whether there is any philosophical consistency in any of the approaches of the New Democratic

Party. What I would like to clarify, first of all, is that I never even mentioned extra billing. What I am talking about is a level of bureaucracy which is trying, from its vantage point, to tell a doctor where he can practise or how he should practise and under what constraints. It is trying to say how the system will work. For instance, as a very specific example, if a consultation were required under the system as it was practised—I do not know if it is the same way now in Quebec—this might mean that a patient could well be exposed to radiation through an entirely new set of x-rays just so an additional consultation could be undertaken on behalf of that patient. That is the only way that a specialist would be able to be considered financially, if you will, for a consultation on behalf of a patient. Those are the types of things which happen.

Those impositions, such as telling a doctor where he can or cannot practise, are every bit as important as anything like extra billing. If the Hon. Member wants to talk about extra billing, I can talk about that as well. However, I suggest to every Hon. Member in this House that the biggest example of extra billing we have anywhere is taxation, because all we are doing is taking it with one hand and laying it out with the other hand to get elected.

Mr. MacLellan: Mr. Speaker, I believe if the Hon. Member is concerned about allegations with respect to credibility, he has no one to blame but himself. I would ask the Hon. Member to clarify the record by indicating where he got the $3 million figure he used for advertising, because the Department's records indicate $1.1 million, none of which was not used for television or radio advertising. It was used for posters and commercial health forms and inserts.

I would also like to have the Hon. Member refer to the blues of this morning. He will find that the Minister did not refer to a general over-abundance of facilities in the country. She was referring to one province, Alberta, and not the country as a whole.

I would also like to ask the Hon. Member to tell us which Hon. Members on this side of the House were smiling when he, in his opinion, was making an important point in his speech. I do not recall any Hon. Members smiling in any kind of fashion at the Hon. Member, certainly not with pleasure.

Mr. Gurbin: If the figure of $3 million was wrong, then I will easily apologize. If the $1.1 million is correct, then that only indicates a level required to support 22 Canadian lives rather than 60. I do not believe it changes the basic point I was trying to make. However, I will apologize for the inaccuracy of the figure.

In terms of whether it is the Province of Alberta or any other province, the province has the responsibility to the citizens—

Miss Bégin: That is not the point.

Mr. Gurbin: That is very much the point. The people in my area of Bruce-Grey who are living in a certain environment and who are involved in activities as Canadians in a province of Canada, have every right to expect to receive health care at levels which are the same, as far as possible, as those in high density downtown urban areas. That is a principle which I fear is jeopardized by the attitude of the Minister because, I believe, the sensitivity, to start with, is certainly not there. It is hard enough at the provincial level to relate to the individual concerns of a small community, let alone try to do that at the federal level, and we are talking about countless communities across Canada. We cannot manage what we are doing here now.

Mr. Fisher: Mr. Speaker, I would like to ask a factual question. Could the Hon. Member tell us if, in his riding, the people have unfettered access to general family practice and to specialist services without extra billing? In other words, if someone becomes sick, can that person be admitted to a hospital in his area, and be given anaesthetist services without having to sign forms saying that he realizes there is extra billing involved? Can a woman find an obstetrician and gynaecologist quite easily who offers these services? Are there choices or do people have to drive great distances to find doctors who are opted in? I would like to know the answer to that question, because I have heard that people in rural areas sometimes have limited choices. I wonder if the Hon. Member could give us some background on that?

Mr. Gurbin: Mr. Speaker, I am very pleased to respond to the question because I believe it goes right to the heart of the whole issue. I believe the short answer, which I would like to clarify at some other time, is that in the community I personally lived in, yes, indeed, to a level which is beyond most other communities in that area, and that is the second part of the answer. There is no extra billing. I did not extra bill as a physician. In fact, when I started practice we often got paid in kind. So I know where the beef is sometimes. I do not believe that is really what the Hon. Member wanted to ask, with all due respect. There is no extra billing there but there are many physicians who would rather, because of the professional comfort—forgetting for the moment about their personal lives—have the security of working in an area where they have the backup of specialists. Those are things which we are evolving in the smaller communities as much as possible. When we can support the infrastructure which is important in a local hospital, and when the community at large feels that that is something we should work for, we do that. We have been able to do that, but we have done it with some difficulty because we have a bureaucracy which has its own level of control, whether in putting in an operating room, or providing another anaesthetic machine, a capital expenditure program, or whatever it is. At one more level, with the lack of sensitivity which comes when you have to do that, there are increased dangers, Mr. Speaker.

• (1620)

Mr. Fisher: A point of order, Mr. Speaker. We have here a rare opportunity to get some insight on this Bill from a

practicing physician. Therefore, would you ask the House for unanimous consent to continue this discussion a little longer.

The Acting Speaker (Mr. Herbert): I do not think the rules allow for an extension of the ten-minute question period. Of course, the House can do whatever it wishes with unanimous consent. Is there unanimous consent for continuation of this ten-minue question period?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Herbert): Then before I recognize the next speaker—

Mr. McDermid: The socialists do not want to be informed.

Miss Bégin: Misinformed, you mean.

Mr. McDermid: They never listen to the doctors.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Herbert): It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Ottawa-Vanier (Mr. Gauthier)—Bilingualism—Minority rights in Manitoba—Inquiry respecting introduction of resolutions in Parliament; the Hon. Member for Erie (Mr. Fretz)—Fisheries (a) Great Lakes sports fishing—Importance to tourist industry. (b) Minister's position; the Hon. Member for Burnaby (Mr. Robinson)—Labour conditions—Unemployment in Burnaby, B.C.

GOVERNMENT ORDERS

[*English*]

CANADA HEALTH ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Miss Bégin that Bill C-3, an Act relating to cash contributions by Canada in respect of insured health services provided under provincial health care insurance plans and amounts payable by Canada in respect of extended health care services and to

amend and repeal certain Acts in consequence thereof, be read the third time and do pass.

Mr. Joe Reid (St. Catharines): Mr. Speaker, the debate on this much trumpeted Bill, the Canada Health Act, is about to come to a close. I rise with rather mixed emotions to participate in third reading. There have been questions and answers with respect to the Quebec model and whether or not it is desirable. I agree that Bill C-3 appears to adopt the Quebec model as the national model. But I suggest that there is more to that Quebec model when the medical practioners in Quebec come before our committee and say, "Please do not adopt that model as the national model". There is more to it, they say, than user fees and extra billing.

As Hon. Members know, the Bill before us bears little resemblance to the Bill we debated at second reading. The great Canada Health Act in its preamble and in its objects and purposes has really been stripped to the bare bones. Witness after witness appeared before us in committee and quickly passed over the reference to user fees and extra billing. They went on to comment about those things which concerned them the most. They suggested numerous changes and improvements which could be and should be made to our medicare system, which has been said by both sides of the House to be the best medicare system in the world. But those witnesses had read the preamble and the original draft of Clause 3 and Clause 4. They were certain that although this particular Bill, Bill C-3, concerned itself with extra billing and user fees, there would surely be a second phase or a second Bill coming along to remedy the wrongs they wanted to put right. The amendments will clearly dispel the illusion they carried through the earlier readings and at committee.

Really, Mr. Speaker, one would have thought that before this Government embarked on medicare reform it would have entered into negotiations and discussions at length with both the medical profession and the provinces, whose responsibility it is to deliver the services and find the money to pay for them.

But what about the doctors? Much has been said at the outset of medicare about the fact that doctors would not become functionaries of the state. That was clearly stated. That great man, Mr. Justice Hall, said a few weeks ago that there was no present crisis and that it was still not the intention of the system as we know it today that doctors become functionaries of the state. There was a possible concern about an erosion down the line if, for instance, extra billing and user fees were to continue to grow. But whenever Mr. Justice Hall spoke of user fees and extra billing, he kept it in balance because he was concerned with the professionalism of the medical practitioners and about continuing the adequacy, or, as some people call it, the reasonableness, of compensation.

I am not sure, Mr. Speaker, whether there still is, but there was earlier, the time to carry out the kind of consultation necessary to ensure the continued availability of the best medicare system available to Canadians. But no, this fixation on user fees, this Minister's abhorrence of extra billing, has moved the Bill forward until we see it before us on third

reading gutted to the point where nothing is left save penalties to be imposed on provinces which might permit extra billing or user fees. What is left in its place is a shallow piece of legislation which ignores the pressing concerns those witnesses brought before us for our consideration.

At the heart of any discussion of medicare is funding, that is, cost containment in relation to the quality of medicine delivered to Canadians. Canadians want and expect the best medicare system their Government can provide. But, as I pointed out at the time of second reading, what can Canadians really afford to pay with respect to this social assistance program, the most desirable one perhaps of all social assistance programs in this Government's legislation? The cost of our health care system is running today at about $30 billion a year, $22 billion of which comes from the public sector. This would put each taxpayer's annual medicare tab—check it out, Mr. Parliamentary Secretary—at $2,200. Drugs, for the most part, dental bills, eye glasses and so on, will be added to that amount.

Staggering though these costs may be, it is still not enough to support the kind of medicare system that we would like to have and that we are asking for from day to day. Therefore, alternate sources of financing are being sought. The Minister of National Health and Welfare has rejected altogether the use of extra billing and user fees to close that gap. Well, we on this side agree and we will support the Bill. We agree that extra billing and user fees are not desirable, nor are they generally acceptable. Nonetheless, now that the Minister has said she will not accept user fees or extra billing, what will she accept? The Minister has little to say with respect to assisting the provinces as they are faced with a cost of increasing needs for health care. It is a long time since 1977 when we entered into block funding. Times have not stopped and we are not stagnant at the level of medicare of 1977. Province bashing by the Minister or anyone else does not serve our national interest when it comes to Canada's medicare system. A Government committed to the best possible health care system cannot be helped when it gets into province bashing or bullying everyone around the block. One is left to ask what the commitment of the Government to medicare is.

● (1630)

I remember participating in the sports pool debate and Bill C-95. The Government wanted the necessary legislation passed so that it would get the necessary funds to conduct medical research and so that the beneficiaries of fitness and amateur sport and the arts and cultural council would receive the millions of dollars which would follow therefrom. There is a commitment by Government to the welfare of Canadians. That was a real commitment for medical research. I hardly need to emphasize the importance of medical research and the promotion of physical activity among Canadians. Over the long term these two aspects represent perhaps the best chance of reducing health care costs. Huge benefits would also follow from an emphasis on medical research and on an improved medical fitness improvement program. Those benefits would flow through to our economic side when the record spending of this Government is considered. Yet consider the contrast in pouring the billions and billions of dollars into medicare and the less than $8 million spent on fitness programs under the Fitness Canada umbrella. That has been the legacy of not one but four Ministers of Fitness and Amateur Sport since 1980.

Additional funding for medical research and fitness and amateur sport is not only necessary but should be a priority. Even if the sports pool ever gets off the ground, this is no way to respond to that need. Quite frankly, it is an insult to those who have a real concern for the future of the health of Canadians. That the Government can continue to tell Canadians that health care is a priority when medical research and fitness and amateur sport programs such as these are left to the whims of the lottery buying public is simply a continuation of the Government's fiction. No one can plan on a secure or long-term basis what number of Canadians will purchase what number of tickets in the next draw, nor should anyone have to. From the standpoint of those directly concerned with the success or otherwise of the sports pool, the ineptitude displayed by the Government in establishing a sports pool corporation is even worse. It has been quite a spectacle, Mr. Speaker. The Government wants to establish a betting pool on professional sporting events, so no effort is made to reach an agreement with the sporting groups regarding scheduling of baseball or hockey. No contact has been made. Their own advisers tell them they should be able to go ahead, and there is no one to stop them. They are going to face litigation in that respect.

The Government wants to maintain the existing lottery agreement with the provinces, so no effort is made to negotiate a settlement by which the sports pool could complement rather than destroy that agreement. Now the provinces are entering into a court case with the federal Government on the sports pool. Finally, the Government claims to want to operate a sports pool, but it absolutely refuses to enter into an agreement undertaking that it will not go back into lotteries or will not enter some electronic get rich quick scheme tomorrow, the day after, or next year. Meanwhile, medical research and the other sports pool beneficiaries go begging. As I mentioned earlier, it is a rather nebulous commitment to the health and well-being of Canadians when you consider the development of that piece of legislation.

The debate on Bill C-3 could easily have led to a reappraisal of medicare if the Government had entered into negotiations, discussion and co-operation rather than heading into a confrontation with respect to Bill C-95 and now Bill C-3. The new Canada Health Act should be addressing the future. The emphasis should be on prevention, research and physical fitness. There is no foresight or direction in this new Bill, just as there is none in the Government across the aisle. That, Mr. Speaker, is the tragedy confronting the House at third reading of Bill C-3. An opportunity has been lost. An opportunity has been thrown away. Bill C-3 looks backward rather than forward.

I would like to see, as would all Canadians, a commitment by the Government to address the funding problems which have led to the symptoms of extra billing and user fees. Unless

those funding shortages are met, we will truly have a medicare crisis. Crisis is not too strong a word to use. Medicare must be as good as we can make it for all Canadians, and it must also be fair and equitable for the medical profession. Physicians' incomes have not kept pace with inflation nor with salary increases in other professions. Dentists, lawyers and accountants have all seen their incomes rise much more quickly than those of doctors. Comparative shopping will soon demonstrate the degree of latitude available to those professionals. Physicians, on the other hand, have not such latitude. Their fees are established by schedules negotiated with the provinces. When a doctor was dissatisfied with the fee schedule, extra billing was allowed to him or her, as the case may be, and an adjustment could be made. Medicare was available to Canadians and was not yet eroded or in a state of crisis. Bill C-3 puts an end to extra billing but is not clear on the matter of how physicians will be compensated, as Bill C-3 Clause 12(1)(c) states. In fact, doctors will have no alternative but to work for their schedule of fees. This is easier said than done. Pressure from many sides, especially from the taxpayers, will be exerted to trim costs or to hold the line. With extra billing gone, doctors have lost the mechanism for registering dissatisfaction with the schedule of fees. In our opinion, it was incumbent upon the Government to find some means of adequately assuring medical practitioners of that reasonable compensation.

● (1640)

So it is with user fees. Like extra billing, user fees rose to a position of concern when costs began to increase in the daily operation of facilities. Public funds have now been stretched to the limit. How is a hospital to pay its bills? We in Ontario have already experienced the option of cutbacks in the number of hospital beds and holdups in expansion plans. Indeed, some of those expansion plans have been shelved. Each cost-cutting option reduces the quality and availability of medical health care. Has the Minister fixed levels of care beyond which the provinces might not slip, and, if they do, what does the Government propose to do and how will it intervene?

I see that you are signalling to me to finish, Mr. Speaker, but let me say that the Government has been careful to point out that Bill C-3 is merely a consolidation of those two earlier health Acts. It is no wonder that one is left to question the medical commitment of the Government. In its concern for accessibility, the Association of Interns and Residents wanted to receive the assurance in the legislation that they would be able to opt in in the provinces that licence them so that accessibility to medicare would continue to be guaranteed to them.

I will close by saying that the Minister had hoped to make an election issue out of this piece of legislation. That plan has backfired rather badly. I hoped that the Minister would be in her seat because I could ask her at this point why she is continuing to use preserved medicare as an envelope stuffer when the time for representation has long since passed.

The Acting Speaker (Mr. Herbert): There follows a ten minute period for questions and comments. There are only a couple of minutes left, if the Parliamentary Secretary to the Minister of National Health and Welfare (Mr. MacLellan) wishes to ask a short question.

Mr. MacLellan: Mr. Speaker, in his remarks, the Hon. Member for St. Catharines (Mr. Reid) referred to the per capita cost of $2,000 per person if all the benefits are provided. I would like to know how he arrived at that figure. If we provided everything that one could expect under medicare, it would still be only $1,200 per person. How did he arrive at the figure of $2,000?

Mr. Reid (St. Catharines): The Parliamentary Secretary was not listening. I said there was $2,200 for every taxpayer. When one considers the number of taxpayers and divides the costs in the blue book Estimates, it results in a figure of $2,200 per taxpayer.

[*Translation*]

The Acting Speaker (Mr. Herbert): Order. It being 4:45 p.m., pursuant to Order made Friday, March 30, 1984, it is my duty to interrupt any proceedings now before the House and to put forthwith every question necessary for the disposal of all stages of Bill C-21, an Act respecting Borrowing Authority.

* * *

[*English*]

BORROWING AUTHORITY ACT, 1984-85

MEASURE TO ESTABLISH

The House resumed from March 28, 1984, consideration of the motion of Mr. MacLaren that Bill C-21, an Act to provide borrowing authority, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs; and the amendment of Mr. Darling (p. 2292).

The Acting Speaker (Mr. Herbert): Mr. Darling, seconded by Mr. Blenkarn, moved:

That the motion be amended by deleting all the words after the word "That" and substituting the following therefor:

"this House holds the opinion that the granting of an authority for the borrowing of a sum greater than the amount required to meet the government's needs to the end of the current fiscal year is objectionable in principle and this House therefore declines to give second reading to Bill C-21, An Act to provide borrowing authority."

The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

Some Hon. Members: Yes.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

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

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

(*Division No. 35*)

YEAS

Messrs.

Benjamin
Blaikie
Blenkarn
Bradley
Clark (Brandon-Souris)
Cook
Cooper
Cossitt (Mrs.)
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Dantzer
Darling
Deans
Dick
Domm
Elzinga
Epp
Fretz
Gamble
Greenaway
Gurbin
Hargrave
Hawkes
Hnatyshyn
Howie
Huntington
Jarvis
Jelinek
Jewett (Ms.)
Keeper
Kempling
Kilgour
King
Knowles
Lawrence
Malone
Mazankowski
McCain
McDermid
McDonald (Ms.) (Broadview-Greenwood)
McGrath
McKenzie
McKinnon
McLean
Munro (Esquimalt-Saanich)
Murphy
Murta
Neil
Nickerson
Nielsen
Nystrom
Oberle
Ogle
Orlikow
Parker
Patterson
Reid (St. Catharines)
Riis
Robinson (Burnaby)
Roche
St. Germain
Sargeant
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Speyer
Stewart
Thacker
Towers
Vankoughnet
Wenman
Young—74.

NAYS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Bloomfield
Bockstael
Bossy
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Chénier
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Duclos
Dupont
Dupras
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourde (Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Ittinuar
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Leduc
Lefebvre
Loiselle
MacBain
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Massé
Masters
McRae
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Regan
Reid (Kenora-Rainy River)
Roberts
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Smith
Tardif
Tessier
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan
Yanakis—126.

● (1710)

Mr. Speaker: I declare the amendment lost.

[*Translation*]

The question is now on the main motion. Is it the pleasure of the House to adopt this motion?

[*English*]

Mr. Nielsen: Mr. Speaker, I rise on a point of order. On this division, there might be a disposition of the House, should you seek consent, to have the same votes apply as though they had been taken and so recorded in *Hansard*.

Mr. Pinard: Yes, Mr. Speaker, we agree provided it is made very clear that the motion will carry.

Mr. Speaker: In other words, the vote will be exactly the reverse of the vote on the amendment and will be applied to the motion, is that correct?

Mr. Nielsen: Yes, Sir.

Mr. Speaker: Is there unanimous consent?

Mr. McMillan: Mr. Speaker, I was not present for the first vote but I wonder if my vote could be included on the second vote.

Mr. Speaker: Is there unanimous consent for the vote of the Hon. Member for Hillsborough (Mr. McMillan) to be added?

Some Hon. Members: Agreed.

The House divided on the motion (Mr. MacLaren) which was agreed to on the following division.

(*Division No. 36*)

YEAS

Messrs.

Allmand	Dupras	LeBlanc
Appolloni (Mrs.)	Erola (Mrs.)	Leduc
Axworthy	Ethier	Lefebvre
Bachand	Evans	Loiselle
Baker	Ferguson	MacBain
Beauchamp-Niquet (Mrs.)	Fisher	Mackasey
Bégin (Miss)	Fleming	MacLaren
Berger	Flis	MacLellan
Bloomfield	Foster	Malépart
Bockstael	Fox	Maltais
Bossy	Frith	Massé
Bujold	Garant	Masters
Burghardt	Gauthier	McRae
Bussières	Gendron	Nicholson (Miss)
Caccia	Gimaïel	Olivier
Campbell (Miss) (South West Nova)	Gingras	Ostiguy
Campbell (LaSalle)	Gourde (Lévis)	Ouellet
Campbell (Cardigan)	Gray	Parent
Chénier	Guilbault	Pelletier
Comtois	Harquail	Penner
Corbin	Henderson	Pepin
Corriveau	Herbert	Peterson
Cosgrove	Hervieux-Payette (Mrs.)	Pinard
Côté (Mrs.)	Hopkins	Portelance
Cousineau	Hudecki	Regan
Cullen	Irwin	Reid (Kenora-Rainy River)
Cyr	Isabelle	Roberts
Dawson	Ittinuar	Rompkey
De Bané	Johnston	Rooney
de Corneille	Joyal	Rossi
Demers	Kaplan	Roy
Deniger	Kelly	Savard
Desmarais	Killens (Mrs.)	Schroder
Dingwall	Lachance	Smith
Dion	Lajoie	Tardif
Dionne (Chicoutimi)	Lalonde	Tessier
Dionne (Northumberland-Miramichi)	Landers	Tousignant
Dubois	Lang	Trudeau
Duclos	Laniel	Turner
Dupont	Lapierre	Veillette
	Lapointe (Charlevoix)	Watson
	Lapointe (Beauce)	Weatherhead
		Whelan
		Yanakis—126.

NAYS

Messrs.

Benjamin	Howie	Nielsen
Blaikie	Huntington	Nystrom
Blenkarn	Jarvis	Oberle
Bradley	Jelinek	Ogle
Clark (Brandon-Souris)	Jewett (Ms.)	Orlikow
Cook	Keeper	Parker
Cooper	Kempling	Patterson
Cossitt (Mrs.)	Kilgour	Reid (St. Catharines)
Crosbie (St. John's West)	King	Riis
Crosby (Halifax West)	Knowles	Robinson (Burnaby)
Crouse	Lawrence	Roche
Dantzer	Malone	St. Germain
Darling	Mazankowski	Sargeant
Deans	McCain	Scott (Hamilton-Wentworth)
Dick	McDermid	Scott (Victoria-Haliburton)
Domm	McDonald (Ms.) (Broadview-Greenwood)	Shields
Elzinga	McGrath	Siddon
Epp	McKenzie	Speyer
Fretz	McKinnon	Stewart
Gamble	McLean	Thacker
Greenaway	McMillan	Towers
Gurbin	Munro (Esquimalt-Saanich)	Vankoughnet
Hargrave	Murphy	Wenman
Hawkes	Murta	Young—75.
Hnatyshyn	Neil	
	Nickerson	

Mr. Speaker: Pursuant to Standing Order 58, I declare the motion carried. Pursuant to Standing Order 58, I do now leave the chair for the House to go into Committee of the Whole.

Borrowing Authority Act

Motion agreed to, Bill read the second time and, by unanimous consent, the House went into committee thereon, Mr. Corbin in the chair.

[*Translation*]

Clause 2—*Borrowing Authority*

The Chairman: Shall Clause 2 carry?

Mr. Lalonde: Mr. Chairman, I move that Bill C-21 be amended in Clause 2 by striking out line 12 at page 1 and substituting the following therefor:

"whole twenty-four billion, five hundred and"

The Chairman: Order, please. Moved by the Hon. Minister of Finance (Mr. Lalonde) that Bill C-21 be amended in Clause 2 by striking out line 12 at page 1 and substituting the following therefor:

"whole twenty-four billion, five hundred and"

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

Some Hon. Members: On division.

Motion agreed to on division.

• (1720)

[*English*]

The Chairman: Shall Clause 2 as amended carry?

Some Hon. Members: On division.

Clause agreed to.

The Chairman: Shall Clause 3 carry?

Some Hon. Members: On division.

Clause agreed to.

The Chairman: Shall Clause 1 carry?

Some Hon. Members: On division.

Clause agreed to.

The Chairman: Shall the title carry?

Some Hon. Members: On division.

Title agreed to.

The Chairman: Shall the Bill as amended carry?

Some Hon. Members: On division.

The Chairman: Shall I rise and report the Bill?

Some Hon. Members: Agreed.

Bill reported.

Mr. MacLaren moved that the Bill be concurred in.

Some Hon. Members: On division.

Motion agreed to.

Borrowing Authority Act

Mr. Speaker: When shall the Bill be read the third time? Pursuant to order made Friday, March 30, 1984, now?

Mr. Nielsen: Mr. Speaker, at this point perhaps the House would agree to allow the whips to check the lobbies without ringing the division bells?

Mr. Turner: We are all right!

Mr. Speaker: Is that agreed?

Some Hon. Members: Agreed.

Mr. MacLaren moved that the Bill be read the third time and do pass.

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

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Mr. Deans: No.

Mr. Speaker: Carried on division. The Hon. Member for Hamilton Mountain (Mr. Deans).

Mr. Deans: Mr. Speaker, it is not carried on division. We said no.

Mr. Speaker: It is the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Speaker: All those in favour please say yea.

Some Hon. Members: Yea.

Mr. Speaker: All those opposed please say nay.

Some Hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five Members having risen:

Mr. Speaker: Shall we dispense with the ringing of the bells?

Some Hon. Members: Agreed.

The House divided on the motion (Mr. MacLaren) which was agreed to on the following division:

(*Division No. 37*)

YEAS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Bloomfield
Bockstael
Bossy
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Chénier
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Duclos
Dupont
Dupras
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourde (Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Ittinuar
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Leduc
Lefebvre
Loiselle
MacBain
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Massé
Masters
McRae
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Regan
Reid (Kenora-Rainy River)
Roberts
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Smith
Tardif
Tessier
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan
Yanakis—125.

NAYS

Messrs.

Benjamin
Blaikie
Blenkarn
Bradley
Clark (Brandon-Souris)
Cook
Cooper
Cossitt (Mrs.)
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Dantzer
Darling
Deans
Dick
Domm
Elzinga
Epp
Fretz
Gamble
Greenaway
Gurbin
Hargrave
Hawkes
Hnatyshyn
Howie
Huntington
Jarvis
Jelinek
Jewett (Ms.)
Keeper
Kempling
Kilgour
King
Knowles
Lawrence
Malone
Mazankowski
McCain
McDermid
McDonald (Ms.) (Broadview-Greenwood)
McKenzie
McKinnon
McMillan
Munro (Esquimalt-Saanich)
Murphy
Murta
Neil
Nickerson
Nielsen
Nystrom
Oberle
Ogle
Orlikow
Parker
Patterson
Reid (St. Catharines)
Riis
Robinson (Burnaby)
St. Germain
Sargeant
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Speyer
Stewart
Thacker
Towers
Vankoughnet
Wenman
Young—72.

Mr. Speaker: I declare the motion carried.

Motion agreed to and Bill read the third time and passed.

• (1730)

Mr. Nielsen: Mr. Speaker, I rise on a point of order. As part of the arrangement which led to the agreement yesterday under which we have disposed of this Bill, it was generally understood that Private Members' hour would be extended by any time taken up voting. I would suggest, therefore, that we run to 6.30 p.m. with Private Members' hour.

Mr. Pinard: If necessary, Mr. Speaker.

Mr. Speaker: Is that agreed?

Some Hon. Members: Agreed.

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

PRIVATE MEMBERS' BUSINESS—PRIVATE BILLS

[*English*]

UNITED GRAIN GROWERS LIMITED

Mr. Robert Bockstael (Parliamentary Secretary to Secretary of State) moved that Bill S-10, to amend the Act of incorporation of United Grain Growers Limited, be read the second time and referred to the Standing Committee on Miscellaneous Private Bills and Standing Orders.

He said: Mr. Speaker, United Grain Growers Limited was incorporated under a general act of incorporation passed by the Government of Canada. This Act has been amended eight times since 1911, as need was demonstrated, the more recent amendments being passed in 1967 and in 1976. Due to its uniqueness, this association must apply to Parliament each time it requires an amendment. The United Grain Growers has a membership of 93,540 persons. There are 79,052 membership shareholders and 14,458 Class "A" shareholders.

The purpose of S-10 is to increase the authorized share capital by $20 million, from $25 million to $45 million in shares. It is also to increase Class "A" shares which one individual may hold from 5,000 to 15,000. The United Grain Growers wishes to have the authority to pay additional share dividends, raised from 3 per cent to 5 per cent. It wishes also to have the authority to declare dividends on a quarterly or semi-annual basis instead of on an annual basis only.

This company is unique and does not come under blanket corporations. It has 36,947 members in Alberta, 32,921 members in Saskatchewan and 19,499 members in Manitoba. This amendment is to allow the company to take care of expansion, provide working capital and to provide greater dividends to the grain growers of the western provinces. I urge the House, therefore, to approve the passage of Bill S-10, which was approved in the Senate.

United Grain Growers Limited

Hon. Don Mazankowski (Vegreville): Mr. Speaker, on behalf of my Party, I support the Bill which has just been introduced by my good friend, the Hon. Member for St. Boniface (Mr. Bockstael). My understanding was that this Bill was going to come up a little later this week, and there are a number of our Members who wanted to participate in this debate. However, having regard to the fact that there is some urgency, we certainly would not want to delay the passage of this Bill, although we want to ensure that it is properly considered.

I share the view of my hon. friend that the United Grain Growers has a very outstanding record of service and performance to the grain industry, the agricultural industry and, indeed, to the producers. United Grain Growers is the oldest farmer-owned commercial organization in Canada. It was established in 1906 and it has for more than 75 years been part of the western agricultural scene. It has moreover, Mr. Speaker, been accredited as a very objective spokesman for the agricultural industry, not only for the grain producers but for agriculture as a whole. I believe although it is primarily interested in the grain handling, purchasing and transportation aspect of agriculture, its operations and its interest extend far beyond those perimeters.

It was very interesting during the course of the Crow debate to note the position taken by the United Grain Growers on behalf of agriculture as a whole. I believe we all recognize that it approached this subject with a broader point of view that simply from the standpoint of the grain producing sector, recognizing that the livestock and processing industries are all integral and vital parts of the total agricultural scene. I believe that when we look at the organization as a whole, we must recognize that it is very much a part of the western Canadian agricultural scene. I feel it is also fair to say that it really is bound up in the economic, social and rural fabric of western Canada.

The Hon. Member has pointed out that there are some 96,000 members owning some 500 licensed elevators. Something which I think has to be noted is that this company has pioneered in providing service in the areas of the north, for example, the Peace River district and the northern parts of the provinces. It has clearly provided a service where previously the service had not been all that good. As an organization, it has seen fit to move into those areas where others have not been quite as prominent.

I believe when one looks at the fact that it is an organization which covers very broadly the three Prairie Provinces, and when one looks at the membership as provided by a document given to me by the Hon. Member for St. Boniface, one sees some 36,000 of the shareholders reside in Alberta, 32,900 in Saskatchewan and 19,499 in the Province of Manitoba, with some 4,000 other members. This clearly reflects the western agricultural scene.

I am not sure, Mr. Speaker, whether it is the intention of the House to proceed with this Bill.

Mr. Evans: We could defer it to Thursday if you want, and go to another Bill right now.

Mr. Mazankowski: The Parliamentary Secretary has suggested that we could defer this Bill until Thursday. I certainly have no objection to that. As far as I am concerned, we are into the Bill. If it is the disposition of the House to continue, we have Hon. Members on this side who want to speak on it. On the other hand, if the Parliamentary Secretary is suggesting it would be more appropriate to leave it to Thursday, I certainly have no objections in that regard. If there have been some consultations and an understanding between the House Leaders, I could discontinue my remarks and we could go on to some other matters. I must say, Mr. Speaker, that this is a rather strange way to be negotiating House business. I thought that is the reason we had House Leaders' meeting. I would like to have given a little more thought to my comments, but I will certainly accede to what I understand to be an informal agreement, as long as I have the right to continue my remarks if and when we resume the debate.

• (1740)

Mr. Evans: Mr. Speaker, I believe there would be unanimous consent to defer further debate on this matter until Thursday, during which time negotiations can take place to see if Bill S-10 could not be dealt with expeditiously. If there is unanimous consent, we could move directly to Bill C-224, which I believe Members are prepared to debate at this time.

Mr. Benjamin: Mr. Speaker, as far as we are concerned the Bill could pass now. If it is preferred that it go until Thursday, we are agreeable to that. I had the pleasure and honour of the House accepting a private Bill of mine a few years ago, and this is one of the few occasions on which it might happen. We are ready to do it today or Thursday.

The Acting Speaker (Mr. Guilbault): There is a request that consideration of this Bill be deferred until Thursday. Is there unanimous consent?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Guilbault): Agreed and so ordered.

Shall all orders and items preceding Order No. 73 be allowed to stand?

Some Hon. Members: Agreed.

PUBLIC BILLS

[*English*]

SENIOR CITIZENS ADVISORY ASSEMBLY ACT

MEASURE TO ESTABLISH

Mr. Dan McKenzie (Winnipeg-Assiniboine) moved that Bill C-224, an Act to contitute a senior citizens advisory assembly, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

He said: Mr. Speaker, it gives me great pleasure to have the opportunity to discuss my Private Members' Bill C-224. In listening to the remarks of the Parliamentary Secretary, he said we would extend the hour "if necessary". When he says that, I hope that is an agreement for at least the subject matter to be referred to the appropriate Standing Committee.

First of all I would like to thank Harold Brown, a fine outstanding senior citizen of Winnipeg, who informed me of the silver haired legislature in Florida. This assembly debates bills affecting senior citizens, making recommendations and amendments before a bill is considered in its final stages by the Florida State legislature. This has proven to be an efficient and effective means by which senior citizens are able to more directly form and reform the legislation which constitutes their standard of living. Because of Harold Brown's knowledge of this senior's parliament, I was, with his input, able to draft the Bill based along the same lines as the Florida silver haired legislature, and similar to the popular Canadian Youth Parliament.

The Bill has received a great deal of support from all, including, I am pleased to say, the federal Liberal Government and the NDP. I would like to thank everyone who has endorsed this proposal, and I would like to make special mention of the Speaker of the House, the Hon. Member for Winnipeg North Centre (Mr. Knowles), the Hon. Member for Kitchener (Mr. Lang), the Hon. Member for Yorkton-Melville (Mr. Nystrom), the Hon. Member for Winnipeg North (Mr. Orlikow) and the Hon. Member for Nanaimo-Alberni (Mr. Miller) all of whom have made known their support for my Bill.

I am exceptionally thankful and grateful for the support I received from the Minister of National Health and Welfare (Miss Bégin). She stated in a recent letter to Harold Brown that she wanted him to know that her Department will, as it has in the past, give priority to any attempts which will enable older Canadians to voice their concern.

It has been made apparent that all Members of Parliament from all Parties are aware that communication between the federal Government and senior citizens leaves much to be desired. Because of the possible all-Party agreement to be given to this Bill, I am optimistic that we as a concerned united group will today provide Canada's older population with a clear avenue to increased participation in the future development of policies affecting their welfare. I believe all Members of Parliament, through their close contacts with seniors in their constituencies and through regular visits at senior citizens' homes, realize that a large number of our older population are not living at an acceptable standard and there is an urgent and immediate need for improvement.

There are today well over two million senior citizens in Canada. In the year 2031, roughly 21 per cent of the population will be senior citizens. Currently a prime problem is senior citizen housing, more specifically affordable senior citizen housing. Other major difficulties include the rate of pensions as opposed to the cost of living, increased health care needs, facing and dealing with fast-paced technological changes,

confusing and complex new government regulations and available programs, and of course the old problem of cutting through government red tape. With the seniors' population increasing at approximately 3 per cent a year, the need for a direct line to the federal Government has never been greater.

Bill C-224, an Act to constitute a senior citizens' advisory assembly, could, with the support of all Members of this House, become this open and direct line of communication. It would be made up, naturally, of senior citizens who could collectively make representations to the federal Government on a regular basis, sharing with us their experience and judgment, which would no doubt enable us to deal more effectively with the issues affecting them. The following goals reflect the intent of my Bill to form a seniors assembly:

(a) to provide an educational opportunity for the elderly to learn through participation in legislative activities;

(b) to increase the level of participation and involvement of retired professionals that may have no prior or continuing contact with older adult programs;

(c) to develop a collective awareness among older persons with regard to needs, issues and policies that are of concern to themselves and their cohorts;

(d) to stimulate community organization involvement with groups of older adults; and

(e) to provide a stronger base for influencing policy which reflects the self perceived needs of the older population.

Should this Bill be implemented, the Minister would establish a board for the purpose of constituting the assembly. This board would be responsible for recognizing senior citizen's organizations and allocating membership in the assembly. Procedures would be prepared to call and conduct national meetings. No remuneration will be received from the Crown for either the services of the members of the assembly or the board as they relate to the seniors advisory assembly.

Similar to the workings of the Youth Parliament, the seniors assembly would meet annually in Ottawa during the recess, in the House of Commons or Senate Chamber. Here debate could take place and recommendations made. Unfortunately it appears that there is a definite lack of interest and concern for the thoughts and feelings of senior citizens, particularly by the federal Government. Their views are all too often ignored and their recommendations are disregarded. We have before us a great wealth of wisdom being overlooked. However, I believe that if tapped, all Canadians, as well as the federal Government, can benefit from this opulence of experience.

I can accurately state that many of the residents of personal care homes in Winnipeg-Assiniboine are ready, willing and able to offer their services. The Heritage Nursing Home, Holiday Haven, Oakview Place, Manitoba Odd Fellow's Home, Tuxedo Villa and West Park Manor, to name a few, are occupied by people who know what the problems are, and can offer expert advice and solutions if only given the opportunity. Bill C-224 is that opportunity, Mr. Speaker.

• (1750)

In the spring of 1983 Harold Brown circulated a questionnaire through the Manitoba Seniors' Journal in an effort to determine the view of seniors regarding different aspects of the seniors' Parliament. For example, one question asked whether the basis for a seniors' Parliament should be provincial or federal. The results were very close to a tie, indicating 46 per cent provincial and 54 per cent federal. Two answers suggested both. Another question had answers showing that seniors are overwhelmingly against seniors' nominees having political affiliation. Eighty-four per cent were against, feeling that seniors would fare better as seniors rather than as Party representatives. Regarding election procedures for the seniors assembly, 66 per cent were for using federal or provincial election procedures.

The most controversial question showed 60 per cent suggested an elected member should receive a nominal sum plus expenses, while a very positive 40 per cent suggested that members should receive out of pocket expenses only. A major fear is that the pay would reach large figures resulting in appointments to the body, thereby lessening the strength of the entire assembly. In addition to this, 84 per cent felt that Government grants should cover the cost of the seniors' Parliament, as is the case with youth and women's Parliament. It is believed that an assembly of this nature would gradually evolve into being the authentic voice of seniors, fully representative of all of them from all of Canada. It would be of benefit to all Canadians, Mr. Speaker.

As every Member here is aware, there are a number of organizations representing seniors citizens across Canada and all are attempting to do one thing. That is to improve the condition for seniors. I have heard from organizations such as the United Elders Association of B.C., the Senior Citizens Action Now Association of Saskatchewan, the many seniors' organizations of Manitoba including the Manitoba Society of Seniors, the St. Andrews over 60 Group and the 1600 Recreation Club. As well I have heard from the Quebec Provincial Executive Council for the Rights of the Retired and the National Pensioners and Senior Citizens Federation. Each organization has the common objective of assisting senior citizens in Canada.

We hear of far too many instances where senior citizens are treated as second class citizens and are barely able to make ends meet. These people have made great contributions to this country over the years and are now entitled to much more than we are giving. However, to be able to meet their needs, it is essential that we know their needs. Because of the tremendous support I have received from the Members of this House, Liberals, NDP and of course, Conservatives alike, I am very hopeful that this will receive the endorsement of every Member in this House who is genuinely concerned about the plight of senior citizens. Many Members have already supported this proposal in writing. I would like to express my thanks for that. However, it is my desire that on behalf of the senior citizens of this country every Member will confirm their endorsement of

Bill C-224 today, or at least have the subject matter referred to the appropriate standing committee.

With an issue of this magnitude, affecting thousands upon thousands of individuals, it is only right that Members put their political affiliation out of mind for one moment and bring to mind the urgent requirement for a seniors' Parliament. It is the responsibility of every Member of this House to represent to the best of their ability the interests of their constituents. In adopting this Bill or its subject matter the people of Canada will realize that their individual needs are being recognized and, most importantly, being acted upon. All senior citizens in Canada join me today in requesting the support of the House in its entirety to enable them the opportunity to collectively represent themselves to this Government.

Mr. Neil Young (Beaches): Mr. Speaker, I do not intend to spend too much time speaking to this Bill because the merit of the Bill itself speak quite eloquently to the need for such a measure proposed by the Hon. Member. It gives me some pleasure to have the opportunity to speak to Bill C-224, an Act to Constitute a Senior Citizens Advisory Assembly.

Anyone who has examined or paid any attention to the problems senior citizens have in our society would be quite willing, and indeed enthusiastic, to give their support to this particular measure. It is quite true that there are numerous organizations in the country which represent seniors' groups and which, to one degree or another, are quite vocal in their advocacy on behalf of seniors and their rights in society. One real need which exists is that seniors to be involved in the process of decision making which affects their lives directly, rather than the simple paternalistic approach that has been used toward seniors by people in authority, people in Government and politicians in the past. This particular Bill provides a unique mechanism to provide for that kind of input.

I thought the need was spelled out very well in the Canadian non-governmental organization's report on aging which was presented to the Minister of Health and Welfare (Miss Bégin) in preparation for the world assembly on aging held in Vienna in Autumn of 1982. I would like to quote in part from that particular report because I think it says it all. It said that a prime target emerged during the discussions that took place on this report itself. It said:

> It is the matter of involvement of senior citizens in affairs in which they have a stake. Seniors must be involved in the development of policies and programs which affect them. This applies to all levels of government, social agencies and senior centers. The past and present relationships, in general, consider older persons to be consumers rather than partners in the action.
>
> Acceptance of seniors as partners in the decision-making process requires a re-educating of politicians, officials, professionals and older persons themselves.
>
> Our discussion-participants say this partnership must be a goal if the status of older persons in Canadian society, is of importance.
>
> No government has the right to decide on the lifestyle or way of thinking of older persons, but it must help them improve their quality of life.

If this Bill were to be accepted and the provisions within the Bill made a reality it would go a long way to accomplishing what seniors obviously desire in this country, that is to have real input into the decisions being made which affect their lives. As I said previously, I think the mechanisms provided in this Bill would go a long way towards accomplishing that.

Mrs. Ursula Appolloni (York South-Weston): Mr. Speaker, I am pleased to have the opportunity today to speak on Bill C-224. This Bill would establish an advisory assembly of senior citizens to assist the federal Government in developing policies and providing services for Canada's ever increasing number in this segment of the population.

I would first like to say I am in complete agreement with the Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie) concerning the need for input from older Canadians with respect to the development of policies and programs which affect them. However, let me hasten to add that the Government has always made a concerted effort to obtain the opinions of seniors concerning their own needs and the development of policies and programs which address those needs. Thus, I am proud of the many initiatives taken by the federal Government over the years to help our older citizens.

• (1800)

One of the most dramatic examples of public participation, including that of the elderly, has been the process of reforming Canada's retirement income system, sometimes referred to as the "Great Pension Debate". Since the early 1970s, when several reports identified major shortcomings in both public and private pensions, there have been inumerable briefs, reports, conferences, seminars, workshops and task forces to discuss these problems and recommend changes to alleviate them.

Briefly, Canada's public pension system consists of the Old Age Security Program which currently provides a pension of $266.28 per month to everyone aged 65 and over who meet residency requirements. An additional pension, the Guaranteed Income Supplement, is payable to OAS recipients who have little or no income from private sources. Currently, the maximum GIS is $267.33 per month at a single rate and $206.11 per month at the married rate. If the spouse of an OAS recipient is over age 60 but not yet 65, she or he may be entitled to a spouses allowance, an income tested benefit which is equivalent to OAS plus GIS at the married rate, currently $472.39 per month. Thus, a single elderly person is currently guaranteed an income of at least $533.61 per month. A couple, one of whom is aged 65 or over and the other at least 60, is guaranteed $944.78 per month. These guarantees are increased quarterly to increases in the consumer price index. Also, several provinces have income tested programs which would provide additional guarantees to many GIS and spouses allowance recipients.

The other major public pension programs are the Canada and Quebec Pension Plans. These are earnings related plans to which virtually all employed persons in Canada contribute. Benefits from these two plans are fully indexed annually to increases in the CPI. They provide for retirement pensions as well as protection against death and disability. Currently, the maximum retirement pension is $387.50 per month.

Governments also provide assistance with respect to employers sponsored pension plans, which cover roughly one-half of Canada's work force, by allowing the employee and employer each to deduct up to $3,500 per year in contributions from taxable income. Finally, for those who do not belong to an employee pension, a deduction of up to $5,500 per year is allowed for contributions to a Registered Retirement Savings Plan.

During the last six years the federal Government has provided three major forums for Canadians of all ages to express their views concerning problems in the pension system and to suggest ways in which it could be improved. These forums were the Special Senate Committee on Retirement Age Policies in 1978, The National Pensions Conference in 1981 and the Special Parliamentary Committee on Pension Reform in 1983. In addition, the National Conference on Aging was staged in 1983 to examine and provide advice in respect of the many interrelated problems of aging, including retirement income.

I am happy to be able to inform the House that Canada's seniors responded enthusiastically in all of these forums. In addition, many briefs and letters were sent to various Ministers of the federal Government describing the retirement income problems faced by senior citizens and proposing a wide variety of solutions. In short, the participation of our older citizens in defining and solving our pension problems has been extensive and was invaluable in helping to reach the significant degree of consensus which has been achieved in respect of reforming our current system.

Major reforms now appear to be at hand but I would remind you that not all of the recommendations received were held in abeyance pending development of a comprehensive package of reforms. For example, many of the briefs and letters from seniors, organizations, as well as individuals, pointed to the inadequacy of income guarantees for those with little or no private income, particularly those living alone.

• (1805)

The federal Government responded to these recommendations by twice increasing the amount of the Guaranteed Income Supplement, in 1979 by $20 per month per household and in 1980 by $35 per month per household over and above regular indexing. In addition, two more increases in GIS are now scheduled as part of the pension reform package announced in the recent Budget of the Minister of Finance (Mr. Lalonde). On July 1 this year, GIS for singles and one-pensioner couples is to be increased by $25 per month. A second $25 increase will take effect on December 1, 1984.

More than 750,000 pensioners, three-quarters of whom are women, are expected to benefit from these increases. These increases plus regular cost-of-living increases in July, October and January are expected to raise the OAS-GIS income guarantee for singles and one-pensioner families from its current level of $533.61 per month to more than $600 per month by January 1, 1985.

Another important change to GIS will provide for additional benefits for pensioners who qualify for only a partial Old Age Security pension in order to guarantee them the same minimum income as other elderly Canadians. Initially some 3,000 pensioners will benefit from this change, nearly all of whom immigrated to Canada as adults. By 1990 about 25,000 pensioners will be receiving these additional GIS benefits.

Many of the problems which were identified during the pension debate were related to the inadequacy of the benefits which women by and large were receiving from the system. Moreover, while most of the problems in respect of inadequate benefits related to employee pension plan, several CPP shortcomings which adversely affected women were also identified. I am pleased to say that the Budget presented on February 15, 1984 proposed a number of changes which will result in women being treated more fairly under GPP in the future. In particular, survivor benefits will no longer be terminated upon remarriage, and credit splitting, currently available in the case of divorce, will also become automatic when the younger spouse reaches age 65.

The Budget also announced the Government's intention to begin discussions with the provinces this year on other CPP changes, including the provisions of a homemaker's pension, an increase in the drop-out period and greater flexibility in the age of retirement. However, as I mentioned earlier, the most serious problems in the retirement income system are seen by most to be in the private pension plan. In particular, private plans cover only about one-half of the labour force, leaving most of the remainder with inadequate arrangements to ensure that they have enough income in retirement. Private pensions are seldom adjusted fully to reflect increases in the cost of living, so their purchasing power usually declines dramatically during periods of inflation. Often it requires ten years or more of service before a worker who leaves a job prior to retirement can become eligible for a deferred pension. The spouses of plan members often are left with no benefits at all in the event that they become widowed or divorced.

The Budget proposes a number of changes to private pension plans in respect of these problems. To meet the widespread concern that coverage by employer-sponsored pension plans is inadequate, plan membership will be made compulsory for full-time and part-time employees where pension plans exist for a particular occupational group. Regular part-time employees may no longer be excluded because of their part-time status. In addition, I am confident that many of the smaller employers who do not currently sponsor pension plans will take advantage of the opportunity to make direct contributions on behalf of their employees to the new Registered Pension Accounts.

With respect to the declining purchasing power of pensions, proposed amendments to pension legislation will ensure substantial protection against inflation for employees under federal jurisdiction by requiring pensions-in-pay and deferred benefits to be adjusted annually by at least 60 per cent of the CPI increases.

• (1810)

However, to ensure that this does not place too onerous a burden on plan sponsors, mandatory increases are limited to a maximum of 8 per cent and will be applicable only to benefits earned after the effective date of legislation. Of course, I am also confident that many employers will extend these increases voluntarily to benefits earned prior to the legislation coming into force.

Workers who for one reason or another change jobs will be assured fair treatment by improvements in vesting in portability of private pensions. That is, employees will have a right to benefits arising from employer's contributions as well as their own after two years of participation in the plan. Terminating employees will be able to transfer the value of these vested benefits into a new retirement saving mechanism called a registered pension account or an RPA. The RPA will be like a Registered Retirement Savings Plan except that there will be a penalty for cashing it in before retirement. Vested credits may also be left in the previous employer's plan or transferred to the plan of a new employer.

All of the changes which I have mentioned will increase the amount of benefit which women can expect to receive from private pension plans. However, additional changes are planned to ensure that women will also be treated more fairly in the future by increasing the proportion of private pension income which they receive. In that regard, all plans will be required to provide pre-retirement and post-retirement survivors' benefits. Survivor benefits will no longer be terminated on remarriage. Pension credits accumulated during a marriage will be split equally on marriage breakdown. Pension benefits will have to be equal for males and females retiring under identical circumstances.

Problems were also identified during the debate with respect to the provision of tax assistance to save for retirement. In particular, it was found that the amount of tax assistance received depended on both regular lifelong contributions and upon the type of plan to which contributions were made. That is, those unable to contribute in certain years because of other family responsibilities would not be able to make up those contributions later and persons contributing to defined-benefit plans were able to save much more than those whose only choice was to use RRSP's.

The proposals announced in the Budget will correct both of these problems. Tax filers will be able to carry forward any unused deductions and virtually the same amount of assistance will be available irrespective of the type of plan or whether or not the employer contributes. These reforms to public and private pension plans are expected, in the long-run, to increase retirement income by up to 20 per cent and to distribute benefits much more fairly than the current system.

In addition to the examples of pension reform and income security, there are many other programs, sponsored by the federal Government, which open the lines of communication and involvement between the federal Government and Canada's elderly citizens. One example of a highly successful initiative is the New Horizons Program which helps seniors to define their own needs and to develop and implement activities to address these. New Horizons was established to help reduce loneliness among the elderly by encouraging participation in group activities. During the 12 years this program has been in operation, it has financed nearly 25,000 projects involving the participation of perhaps three quarters of a million retired Canadians.

In addition to meeting the primary objective, that is of reducing loneliness, the activities funded under New Horizons have addressed many previously unmet needs of both older and younger segments of our population. For example, many projects such as meals-on-wheels or the undertaking of home repairs for other seniors or the disabled have been of a service nature. By the way, this has been done in my own riding. The New Horizons program has also done a great deal to increase communications between seniors and the Governments through the development of seniors' networks, the establishment of headquarters and organizational structures, the provision of leadership training and the undertaking of membership drives.

• (1815)

Another example of a successful federal initiative to increase the involvement of seniors in identifying the problems of the aged was the establishment in 1980 of the National Advisory Council on Aging. During the four years which this body has been in operation, it has also had impressive results. For example, it undertook the preparation of the report on non-governmental organizations to the World Assembly on Aging in Vienna, an undertaking which involved several months of extensive consultations across Canada. It has also prepared several other briefs and publications, participated in national and international meetings and established a reference centre which makes information on aging very much more widely available.

While the council has made an impressive start, it recognizes that much remains to be done. Consequently, its members have set for themselves an ambitious program for the future. Included in that program is the establishment of a plan to ensure that the concerns of seniors are adequately voiced and reach the ears of those who can do something about them. The issues of health, income, housing, education and communication and the followup to the second Canadian Conference on Aging are five issues which have been selected for immediate action by the council.

In summary, I would like to reiterate that the participation of seniors in developing and implementing the policies which affect them is a matter of the highest priority for the Government. Moreover, the committee of the federal Government to the objective of listening to the concerns of seniors has not only been met, but the Government continues to act to respond to these concerns through program changes such as GIS increases and pension reform as well as other initiatives such as New Horizons. Finally, the National Advisory Council on Aging performs very much the same function as the proposed assembly would have performed.

[*Translation*]

Mrs. Thérèse Killens (Saint-Michel-Ahuntsic): Mr. Speaker, it is with great interest that I read Bill C-224, presented today in the House by the Member for Winnipeg-Assiniboine (Mr. McKenzie), since in my riding, I represent a large population of senior citizens. There are at least ten senior citizens homes in Saint-Michel-Ahuntsic, and since I often have an opportunity to meet the elderly, I am well aware of their needs.

Bill C-224 is aimed at improving communications between senior citizens and the federal Government. I would like to point out to the Members of this House that we already have two mechanisms within the federal Government through which we keep informed of the needs of our senior citizens. I am referring to the National Advisory Council on the Aged and the New Horizons Program. The latter, as Hon. Members will recall, was established in July 1972, to help Canadian pensioners set up their own organizations to provide for planned activities in their own environment. The primary objective of the program is to reduce the loneliness of many senior citizens and the problems that are so often a consequence of that loneliness.

Since no other country had ever attempted to set up a program of this kind, Canada has been a world leader in research in this field and in creating mechanisms aimed at helping senior citizens to deal with their own problems.

Although no one could anticipate to what extent senior citizens would take part in this kind of undertaking, their reaction has been more than positive. During the twelve years that New Horizons has been in existence, nearly 10,000 groups of senior citizens, representing about one-third of Canadian pensioners, have set up more than 23,000 projects. For thousands of these people, taking part in these projects has been an opportunity to acquire new knowledge and skills and to develop new interests. Participation has been a source of enrichment for many of our elderly fellow citizens, and it has enhanced their relationships with one another and with Canadians as a whole. Because of its success, the New Horizons Program is now being used as a model throughout the world. It has been studied by delegations from a number of foreign countries. Furthermore, it has given Canadians a new perspective on their retirement years. The projects set up by senior citizens within the framework of the New Horizons Program are as varied as they are numerous. However, most of these projects fall into one of the following general categories: service-oriented projects, educational projects, recreational projects, and finally, general development projects.

• (1820)

I would like to give Hon. Members a summary of the kind of activities existing in each of these areas. Across Canada, senior citizens have tried to define certain needs they found were not being met satisfactorily, and it was to meet these needs that New Horizons grants were used to launch their various activities. That is how some projects came to be, including day care centres for adults, home visits, home delivery of meals and renovations of housing for the elderly or the handicapped.

A good many of our senior citizens were unable to attend school during the years when they raised their family, and yet, given an opportunity, they become quite eager to learn. The New Horizons Program acknowledges these facts by funding many courses, symposiums and more or less structured workshops on a wide-ranging series of subjects. In addition, the New Horizons Program is the perfect vehicle to make the elderly increasingly aware of the importance of physical fitness. They are encouraged to get together and attend gymnastic sessions and engage in every kind of sporting activities such as swimming and dancing.

Thanks to funds provided under the New Horizons Program, our senior citizens have published over 400 books on the history of Canada. They have founded museums and restored machinery, tools, antiques, buildings, cemeteries, manufactured objects, paths and historic sites. They have retraced documents and historic etchings, turned out replicas of costumes worn at the beginning of the colony and, through such activities, they have given renewed significance to legends, languages, traditions and various forms of craftsmanship.

Mr. Speaker, the other organization which plays a key role in promoting consultation between the elderly and the federal Government is the National Advisory Council on Aging. We now have two programs which keep the various Departments up to date on the needs of senior citizens. The National Advisory Council on Aging is an independent organization funded by the Department of National Health and Welfare which is relatively new as compared to the New Horizons Program, since it was created by order in council only four years ago, on May 1, 1980. Still, the 18-member council—mostly retired people from every region of Canada—already has a great number of achievements to its credit. The National Advisory Council on Aging has very broad terms of reference, as expected in such an organization, to the extent that it is responsible for helping and advising the Minister of National Health and Welfare (Miss Bégin) with respect to all topics related to elderly Canadians. That includes such activities as examining the needs and problems of older people, recommending ways to meet and solve them, consulting national, provincial and local associations concerned with aging, publishing reports and maintaining public debate on aging.

In her speech to inaugurate the Council, the Hon. Monique Bégin, Minister of National Health and Welfare, emphasized the importance of extensive publicity to bring about a change in public attitude towards senior citizens and to enhance government policy on aging. The Minister also urged the Council to make every effort to identify and popularize the

results of research on aging and to establish a central information office on aging. In a relatively short time, the National Advisory Council on Aging, with a staff of only five employees, has already published four major publications, set up an information centre which offers a great variety of books on aging to all Canadians, taken part in several international conferences and had extensive consultations with senior citizens' associations throughout the country.

Mr. Speaker, here is the list of the Council's publications. Its first report entitled "Action Priorities" draws the attention of the various Government Departments and agencies, senior citizens' associations and the general public to the most urgent problems which now beset Canadian senior citizens. The second report entitled "Aspects of Aging in the Canadian Population—A Collection of Graphs" is a book on demography published in co-operation with Statistics Canada. The third report on Canadian non-governmental organizations on aging was prepared for the World Assembly on Aging and presents the views of Canadian senior citizens and non-governmental agencies working for the welfare of older Canadians. The most recent report, the fourth one, deals with gerontology. It is a collection of original writings of national interest reprinted and adapted for the study of the aging phenomenon.

The report written for the World Assembly on Aging is particularly important. It resulted from intensive consultations throughout Canada ending with a three-day meeting here in Ottawa in February, 1982. Over 100 people from the ten provinces and the Territories attended this meeting. These participants included senior citizens, professionals and academics working in the field of aging. The views expressed in this report were considered an important aspect of Canada's participation in the World Assembly on Aging held in Vienna. In addition, they provided a good basis for discussion at the Second National Conference on Aging held in Ottawa in the fall of 1983.

As far as the future is concerned, Mr. Speaker, the Council has recently announced its intention to develop an action plan which would include involvement strategies in the fields of health, income, housing, education and communication, as well as the monitoring of its initiatives following the Second Canadian Conference on Aging.

In short, the National Advisory Council has in my opinion already clearly shown its ability to hold consultations and develop policies to meet the concerns of older Canadians. In addition, based on its achievements to date and its ambitious projects for the future, I am convinced that its role as an agency to promote better communications and make recommendations for the development of policies will continue to expand in years to come. Mr. Speaker, I am proud of what our Government has done to set up organizations responsible for improving its communications with senior citizens. In conclusion, the New Horizons Program and the National Advisory Council already play a significant role and would make the creation of a senior citizens advisory assembly as proposed in Bill C-224 redundant.

• (1825)

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

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

BILINGUALISM—MINORITY RIGHTS IN MANITOBA—INQUIRY RESPECTING INTRODUCTION OF RESOLUTIONS IN PARLIAMENT

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, on March 6 of this year, I asked the Right Hon. Prime Minister a question concerning the rights of the Franco-Manitoban minority. The House will recall that as a result of the political defeat of the provincial Bill to amend the Constitution of Manitoba, we have a constitutional deadlock today.

The turn of events in Manitoba was caused by, among other things, the refusal of the Progressive Conservative Party of that province to enshrine in the Constitution of Manitoba the right to have access, in both English and French, to the Legislature, the Courts, to parliamentary and judicial institutions, if you prefer and to certain government services.

The Progressive Conservative Opposition in Manitoba, using an approach that could be qualified as parliamentary terrorism, refused to come to the Legislature to vote on the Government's Bill. The result was that the Government was forced to prorogue the Legislature, and the language rights legislation died on the Order Paper.

Mr. Speaker, to many Canadians, both observers and interested parties, there was no doubt that the political solution proposed by the Manitoba NDP Government in May 1983 could have gained acceptance in a spirit of compromise and understanding. A number of reasons relating to political and electoral expendiency are responsible for this political defeat. For a whole year, the Government and the Franco-Manitoban population worked very hard to reach a political settlement. A number of those involved in this issue have tried to destroy instead of build, to retreat instead of advance, so that today, we have suffered a political defeat on this language question, and we now have a linguistic deadlock.

• (1830)

[*English*]

The hornet's nest stirred up by the Manitoba language dispute exemplifies the degree to which a minority group is obliged to fight for its rights. An outside observer, with little understanding of Canada, or the law of this country, may be

forgiven for shaking his head in disbelief that the Supreme Court of Canada should be seized with the problem of a parking ticket. Evidently something more serious and fundamental is at stake in this case.

What this appellant and the other Francophones in Manitoba are seeking is the right to be treated as equals with their English speaking fellow citizens in the legislature and courts of that province which, as we all know, was founded in 1870 on the basis of equality of the English and French speaking population. In so doing, Mr. Speaker, the Franco-Manitobans are seeking no more than what is rightfully theirs. In no way are they tampering with the rights of any other citizen of that province. No one will be harmed, not the English, the Germans, the Ukrainians, the Indians or the Métis. No one will be harmed by extension of these rights to that minority.

A great deal of ink has been spilled over this affair in recent months. Journalists have argued the pros and cons. Our own Liberal leadership candidates have become directly embroiled in it, and politicians of all stripes in the three national Parties are busily patching wounds, plastering over gaps and shifting positions. Never before has a parking ticket received such rapt attention. Never before, Mr. Speaker, has so small a scrap of paper been so savaged by so many. Yet that scrap of paper, innocuous though it may be, symbolizes for many of us the status of the French-speaking minority in a province of Canada. Even if no one can argue the fact that the legislation in question, that is those two statutes, are indeed provincial, the issue at stake is beyond doubt of national importance and significance to Canada.

• (1835)

I have said this before, Mr. Speaker, and I am going to say it again. I am squarely in the camp of those who favour a reference by the federal Government to the Supreme Court of Canada. I do not want to see just the one or two laws which I have mentioned—the Highway Traffic Act, directly related to the parking ticket—declared unconstitutional. Rather, I want to see a judicial decision which resolves the larger issue of the validity of Manitoba's entire body of law. In response to those who say that a Supreme Court decision against Manitoba would result in legal chaos, I say rubbish. Various legal means are at the disposal of the Government to prevent such chaos from occurring. It is of supreme importance to see the principle established that our founding peoples, the English and the French, receive what is their due in this country.

When I asked the Prime Minister (Mr. Trudeau) those questions on March 6 and March 22 I was seeking to get information on two questions. The first question was whether the federal Government was going to intervene in the Bilodeau case, and if it was going to intervene, would it change its factum to reflect a reality. The present situation is that the federal Government is absolutely contradictory in its factum. On the one hand it says in its points of issue that it is the position of the Attorney General of Canada that the Acts of the legislature of Manitoba should be printed and published in both those languages, that is French and English, as a mandatory requirement. The paragraph which follows says that, however, it is also the position of the Attorney General of Canada that because of the doctrine of necessity, the Statutes printed and published in English only prior to 1979 are nonetheless valid. That contradicts the first paragraph.

I am asking the Parliamentary Secretary, who I know is a reasonable man and a good Parliamentary Secretary, if the Government will change that doctrine of necessities approach and eliminate that from its factum. I also want to know if a reference will be made from the federal Government to the Supreme Court on the whole question of the constitutionality of Manitoba's Statutes since 1870. I know there are certain consultations which have been taking place. I also know a decision is forthcoming. The Prime Minister told me that the Cabinet accepted it in principle. However, I would like to know the dates and what questions will be asked. Finally, in that same reference, will there be a question to the courts asking for—

The Acting Speaker (Mr. Guilbault): I regret to interrupt the Hon. Member, but his allotted time has expired.

Mr. Al MacBain (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, I would like to thank the Hon. Member for the continued interest he is showing for minority language rights across Canada. I would like to assure him that the federal Government is strongly committed to the protection and enhancement of such rights.

In 1870 the Parliament of Canada enacted the Manitoba Act to establish the Province of Manitoba. This Act is part of the constitution of Canada. Special constitutional protection was provided in that Act for the use of the English and French languages in the courts and legislature of Manitoba. In particular it was provided in Section 23 of the Manitoba Act that the Acts of the legislature of Manitoba shall be printed and published in both English and French. However, in 1890 the Manitoba legislature purported to abolish this constitutional protection and its laws were thereafter passed in English only. On December 13 of 1979 the Supreme Court of Canada reaffirmed the constitutional protection under Section 23 of the Manitoba Act in holding that the 1890 law was invalid.

• (1840)

The Hon. Member will also remember that an agreement was reached on May 16, 1983 by the Government of Canada and the Government of Manitoba to modify the Manitoba Act so that the Government and Legislative Assembly of Manitoba could fulfil their constitutional obligations in an orderly way.

The democratically elected Government of Manitoba has made all possible efforts to secure the adoption of the required constitutional resolution. Unfortunately, we are all aware of the political deadlock which led to the prorogation of the Manitoba Legislature.

In light of these events, the Prime Minister (Mr. Trudeau) has already stated that the federal Government is exploring the avenues that are open to it and that he is discussing the

matter with his Ministers. As indicated by the Prime Minister, a serious option is to go before the Supreme Court. I can assure the Hon. Member that this matter is under active consideration and that a decision should be announced very shortly.

FISHERIES—GREAT LAKES SPORTS FISHING—IMPORTANCE TO TOURIST INDUSTRY. (B) MINISTER'S POSITION

Mr. Girve Fretz (Erie): Mr. Speaker, I rose in the House a few days ago to pose a question to the Minister of Fisheries and Oceans (Mr. De Bané) concerning the subject of enhancement of our fisheries resource in the Great Lakes. The Minister is aware, as I am, that this is only part of a larger question, the protection of our environment and conservation of our natural resources.

In my speech today I would like to touch briefly on the broader themes mentioned above and try to relate the enhancement of sports fishing to those themes. The Minister will know that Canada's reputation as a tourist attraction rests with its beautiful scenery, sparkling lakes and its clean air. It is becoming increasingly difficult to protect those resources. The dictates of economics are threatening to overwhelm the careful judgments of environmentalists. For example, the lower Niagara River is indeed a disgrace. This adversely affects the sports fishing which is the topic of my speech today.

We certainly do not wish to develop the reputation in the eyes of potential tourists as a country which is polluting itself to death. It goes without saying that environmental questions are very much linked to the tourism industry. Tourism is the largest single employer in Canada, providing jobs for over one million people in this country. Those jobs are on the line if our clean air and water are lost.

What about the acid rain question? Fish cannot live in water that is acidic. When the fish die a whole chapter of Canadian history dies with them, along with a host of companies which produce the equipment used by fishermen. For example, in Fort Erie, in my riding a fine line of fishing lures are turned out by Williams Gold Ltd. The Minister is aware of the problem, no doubt. He knows that our fisheries are being destroyed by overly acidic lakes and rivers. I would expect that he will make the appropriate representations on behalf of Canadians to ensure that the problem is looked after.

• (1845)

Sports fishing is a subject which deserves, in my opinion, much more attention on the national level. In fact, there are individuals and groups in this country who are lobbying very strongly for more positive ways of enhancing this very important sport, and I say more power to them. I just received a letter today on this very subject. The writer informed me that 95 per cent of the sports fishing stocking is done by the United States states bordering on the Great Lakes.

I am a fisherman myself and believe that there certainly are many ways to go about enhancing our sports fishing industry in this country, thereby indirectly improving our potential for attracting those very elusive tourist dollars which we need in our country and indeed which seem to be slipping away into the United States because of the higher costs of vacationing in Canada. For example, gasoline is almost double the price here. Therefore, our fishing will have to be pretty good. We must make a concerted effort to publicize the fact that the Great Lakes sports fishery is a resource representing excellent recreational facilities.

With regard to the onshore facilities, provisions must be made to accommodate boats, trailers, and recreational vehicles in areas close to lakes and rivers with good sports fishing potential. Breakwaters must be built to protect marinas and appropriate markings placed for navigation. The onshore facilities are all for nought if a varied and healthy fishery is not present to attract anglers to the improved and expanded facilities which I have described. This should include hatchery facilities and equipment and manpower to undertake comprehensive stocking and restocking of our lakes. The federal Government should work with the provinces to encourage and assist in the restocking which is so imperative. All this takes money, but most of all it takes the political will of committed people at all levels of government.

I will be interested in hearing the response to my question in which I asked the Minister to identify any new programs which would enhance sports fishing on the Great Lakes. I would hope that any new programs would contain the elements I have mentioned. If not, I trust that he would give my suggestions serious thought, given that we are dealing with a resource of tremendous potential, if wisely used.

In conclusion, I call upon the Government to consider seriously means to improve the situation for Canadians and visiting fishermen alike. Briefly, such measures should include monitoring and preserving the quality of our air and water, expansion of facilities to accommodate tourists and tax cuts to ensure that prices are reasonable, and improved conservation and enhancement of our fisheries resources. By actively pursuing these goals, we can improve the quality of life not only for visitors but for those of us who are fortunate enough to live in this beautiful country, to enjoy the outdoors and to enjoy fishing.

Mr. Maurice Harquail (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, I am very pleased to respond to the question of the Hon. Member for Erie (Mr. Fretz). He has always struck me as being a Member who is sincere about his work. He has not disappointed me at all this evening. Personally, I share his concerns about sports fishing because of its great importance in the Atlantic area, certainly up in the Restigouche area which I have the honour to represent. The mighty Restigouche River and the Atlantic salmon which come up it to spawn and other activities which include sports fishing have been of a personal interest to me for years.

I am delighted to see that the Chairman of the Standing Committee on Fisheries and Forestry, the Hon. Member for Gander-Twillingate (Mr. Baker), is present in the House. I know he supports me in what I will have to say. Hon. Members

will know that the Minister of Fisheries and Oceans (Mr. De Bané) is keenly interested in the total sports fishery questions across Canada. The Minister has been involved in an active dialogue with sports fishermen and recently sponsored a national conference on the subject. The sports fishery is recognized as an important element of the nation's tourist industry and has a great effect upon the economy. The Department is most interested in taking steps to ensure and nurture its growth.

The Department of Fisheries already has in place in Ontario programs of major significance to the sports fishery. Over 400 small craft harbour facilities are operated in Ontario. In fiscal year 1983-84, over $17 million have been invested in new and improved facilities. The Sea Lamprey Control Program operated out of Sault Ste. Marie is fundamental to the continued existence of the sports fishery in the Great Lakes. Finally, our Great Lakes Research Branch provides much of the information used in identifying fisheries resource problems and developing solutions to them.

Hon. Members will also understand that the nature of the Department's activities in Ontario is different from coastal fisheries, since the responsibility for day to day management of the fishery has been delegated to the province. Thus, there may be considerable interest among members of the sports fishing public in activities similar to our Salmonid Enhancement Program in British Columbia which has been very successful, as is witnessed by the submission to which the Hon. Member referred.

• (1850)

However, the first move along these lines must come from the provinces. We know from past experience in the West Coast Salmonid Enhancement Program that it must continue and go forward. Much has been accomplished in rehabilitating fish stocks with the assistance and co-operation of the public at large. There is an important word in all of these matters facing the fishery today, co-operation. Such involvement has paid big dividends in British Columbia over the past years in terms of the awareness of the resource and support for action to deal with these urgent problems. As a direct consequence, all fisheries, including the sport fishery, will reap significant benefits in the long term. We would be pleased at any time to discuss with the Province of Ontario the very subject that has been raised by the Hon. Member here today, means with which we can move similar initiatives in Ontario.

LABOUR CONDITIONS—UNEMPLOYMENT IN BURNABY, B.C.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, on December 20 last, I raised a question with the Prime Minister (Mr. Trudeau) concerning the very high levels of unemployment in my constituency of Burnaby, B.C. I pointed out to the Prime Minister at that time that the latest figures showed that over 5,000 people were collecting unemployment insurance, and that many more were on welfare, their unemployment insurance having run out.

For the past six months, I have taken the opportunity to canvass door to door in my constituency and listen to the concerns of the people I represent. There is no question, both as a result of that door to door canvass and as a result of mail I have received from my constituents and telephone calls to my constituency office, that by far the most important issue which faces the people of Burnaby at the present time is the question of unemployment, specifically jobs and job security.

I recently spoke at a high school in my riding to a group of about 100 students in Grades 11 and 12. I asked how many of them had a parent or older brother or sister who was presently out of work and looking for a job. Over half the students in that group raised their hands.

This issue is the overwhelming concern of the people I represent, and the response of the prime Minister to that question on December 20 was completely unsatisfactory. The Prime Minister said that we have short-term make-work projects such as Canada Works or Summer Canada Works. My constituents want meaningful permanent jobs. They do not want unemployment insurance, welfare or stop-gap employment. Instead of creating such permanent jobs, this Government's policies in many instances have the opposite effect, and destroy those jobs. For example, grants to assist large corporations in replacing labour with capital will effectively throw people out of work.

Comparatively, Canadians have an incredibly wealthy country. We have rich resources, energy and a skilled labour force. Many people ask what on earth has gone wrong that we cannot put this all together to ensure that we have a full employment economy. Instead, we have been de-industrializing in this nation. The manufacturing sector has shrunk. We are increasingly dependent on our resources as hewers of wood and drawers of water. We continue the madness of exporting unprocessed raw materials. The export of raw logs from British Columbia has increased dramatically. Coal and other raw materials are not being processed in Canada.

We continue to rely very heavily on imports of manufactured goods, mining, agricultural and logging machinery, instead of creating jobs by manufacturing that machinery here in Canada. We continue to ship our goods abroad on foreign bottoms instead of shipping them on Canadian ships. Not only do we have to begin the process of creating a strong and viable manufacturing sector in this country, we have to take a tough look at the structure of work itself.

• (1855)

Just last week a woman told me on her doorstep that she was 54 years old and had a number of friends whose children would love to be working right now but could not find work. She said she had been working for 30 years and would be quite prepared to give up her job as long as she had the security of a proper pension. We must look at creative possibilities for the creation of jobs such as early retirement of full pension, the question of the length of the work week itself and effective retraining programs.

There are some who ask how we are going to finance all of those programs. We must effectively declare war on unemployment and make it our number one priority. In the short term, that means capital works projects, putting more money into reforestation, and the acceleration of municipal works projects, energy conservation projects and housing construction. It means putting people to work now. In the longer term, it means reindustrializing and the creation of a manufacturing sector.

The Prime Minister took the commendable initiative of promoting peace worldwide. I suggest that he and his Government now have an obligation to make their number one priority the creation of jobs. The people of Burnaby whom I have the honour to represent are demanding that the Government make meaningful job creation its number one priority. Until then, the Government is effectively condemning literally thousands of people to the economic scrap heap. As the Catholic bishops so eloquently noted in their report of a little over a year ago, that, Mr. Speaker, is fundamentally immoral. My constituents and the people of Canada deserve better.

[*Translation*]

Mr. Jean-Guy Dubois (Parliamentary Secretary to Minister of Employment and Immigration): On behalf of the Minister, Mr. Speaker, I would like to answer the question raised by the Hon. Member for Burnaby (Mr. Robinson) on December 20, 1983 concerning measures taken by the Government to offer permanent and worthwhile jobs to Canadians.

First of all, Mr. Speaker, I might say that even during this period of financial restraint, the Government has earmarked an unprecedented share of its budget for job creation. Total funds allocated this fiscal year are over $1.2 billion and they will exceed $1.1 billion next year, enabling us to find employment for more than 600,000 Canadians.

The creation of permanent jobs is an objective of the Government, but that cannot be achieved overnight. The Hon. Member has said that young people swell the ranks of the unemployed; unfortunately, it is true that they have a higher unemployment rate because they lack job experience and training. Some employers are reluctant to hire workers without experience, and young people have few opportunities to benefit from on-the-job training.

To put a stop to this vicious circle, the Government has decided to combine its job creation programs so that its human resources initiatives would be united under one or two action strategies, and we now have two programs, Career Access and the Youth Job Corps, which meet this purpose.

The Job Corps, under which each project can be financed for up to three years, offers to those who suffer from any employment handicap the possibility of acquiring basic skills, of getting job counselling and of gaining actual job experience.

The Career Access Program complements the first one by offering employers subsidies so that they may hire people without experience and give them the opportunity to receive on the job training and acquire work experience. While both programs are not specifically aimed at young people, it is expected that they will make up the majority of participants during the next two years.

Two more job-creation programs, Canada Works, and the Local Employment Assistance and Development Program, as well as summer jobs for students will provide our young people with valuable work experience which should increase their employability in the eyes of future employers. During this financial year and the next, we expect that almost 344,000 young people will take advantage of direct job-creation programs.

Mr. Speaker, the government is strongly committed to helping the unemployed find the full-time jobs they deserve. The enormous funds earmarked for direct job creation and training under the Occupational Training Act, the numerous schemes announced in the April budget and the appointment of a Minister of State (Youth), in this case Mrs. Céline Hervieux-Payette, show that the government is determined to create jobs. I would ask the Hon. Member to advise his electors to go to the Canada Employment Centre and apply to the Career Access program aimed at young people and other groups at a disadvantage on the labour market.

The Acting Speaker (Mr. Guilbault): Order please! The motion to adjourn the House is now deemed to have been adopted.

Accordingly, this House stands adjourned until tomorrow at 11 a.m.

At 7 p.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, April 3, 1984

The House met at 11 a.m.

• (1110)

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—NEED FOR GOVERNMENT POLICY ON VOLUNTARY ORGANIZATIONS

Mr. Walter McLean (Waterloo) moved:

That this House condemns the Government for its failure to honour the commitment made both in 1974 and 1981 by Canada's Secretary of State to develop, in co-operation with the voluntary sector, a comprehensive government action policy with respect to the voluntary sector and urges the Government to provide an immediate incentive to Canada's 40,000 registered charities by implementing the give and take tax credit proposal.

He said: Mr. Speaker, in introducing this motion on behalf of the Official Opposition, on behalf of my Party, I do so more in sorrow than in anger. I say sorrow because, after 10 years of promises, of suggestions, of the development of a comprehensive working relationship between Canada's voluntary groups, we are at a stage at which gathering in Ottawa today and yesterday are representatives from 125 of Canada's major national voluntary groups and organizations. They are meeting in a state of frustration and a state of disillusionment about any appreciation on the part of the Government of Canada of their role and their potential for the future of our country. Happily they are meeting with their eye on the future, continuing to try to interpret and advocate to the Government their concerns, their potential and their outlook.

Among the senior executives and leaders of groups from across the country are Canadians with experience in the health care area, the cultural areas of Canada, areas of amateur sports, areas of international voluntary agencies, the religious community, environmental groups and others. They are from what we have come to call a sector of Canadian life, the voluntary groups, the non-profit sector which represents some 40,000 groups and is larger than the number of manufacturing units in Canada.

It is not my intention merely to beat the wind in negative terms, Mr. Speaker. I believe that rather than curse the darkness it is better to light a candle. Therefore, our motion today suggests that the Government enact a proposal which has been before it for nearly a decade—a proposal to provide tax credit. This proposal has its roots in the life of the voluntary agencies of Canada.

For those who are entering into the spirit of today's debate and may wonder just who is involved in this voluntary coalition, let me remind Members of the House and the public that, beginning alphabetically, the list of 125 agencies include the Anglican Church of Canada, the Arthritis Society, Association Canadienne D'Éducation de Langue Française, and Association Canadienne pour la Santé Mentale. It goes on through the Boy Scouts, the Canadian 4-H Council, the Canadian Amateur Hockey Association, the Canadian Cancer Society, Learning Opportunities for Women, the Canadian Council of Christians and Jews, the Canadian Council on Children and Youth, the Red Cross, the Council for Business and the Arts in Canada, Girl Guides, UNICEF and the United Way of Canada.

That will give some idea of the fact that there is no Canadian community without the presence of a voluntary group providing a unique contribution to our way of life. We are trying today to encourage public understanding and to encourage the Government to take this sector seriously. We are asking a fundamental question for Canadian public policy. How can we support, enable and encourage Canada's voluntary sector to play its full role in the development of the Canadian community?

• (1115)

It is ironic that after ten years, leaders of the voluntary agencies should be meeting at this very time, on this very day, in Ottawa, with representatives of the Macdonald Commission. On this morning's agenda the topics for discussion are: the future delivery of human services; the role and domain of the voluntary sector; government and voluntary sectors; nation building and the political process; future role of voluntary sector in Canadian unity; the recognition that society should give for voluntary work; the view and role of the voluntary sector in the redefinition of work for the long-term future; the mechanisms required to provide adequate funding, financial management and accountability. These are all subjects which were first introduced for public discussion more than a decade ago by the report entitled People in Action. I have looked through this report, Mr. Speaker, and I find the recommendations for 1976 are the same ones which are being presented today as if somehow they were new.

I want to suggest, Mr. Speaker, that as we begin our debate today, my colleagues will reflect in their comments upon the input of national voluntary organizations with respect to health care, culture and youth, showing that Canada's voluntary sector operates in the setting of a world community. The Secretary General of the Commonwealth, Shridath Ramphal, in speaking to the coalition leaders at the Conference of

National Voluntary Organizations, pointed out on Sunday evening that our world has become demoralized, that hope has diminished. He said that internationalism is in decline and a new militarism is in ascendancy. He struck a note of urgency about today's world and a note of pleading about Canada facing it with a sense of purpose and moral commitment.

I believe, Mr. Speaker, today's question is one which all Hon. Members of the House will want to face. It is a question, unfortunately, that the present Government has not been preoccupied with. The first meeting of this coalition of voluntary agencies ten years ago heard the then Secretary of State announce that he was seeking a whole new relationship between the Government of Canada and the voluntary sector. He announced the establishment of a national advisory council on voluntary action to undertake a full study in government and voluntary sector relations. The report, People in Action, is now a distant memory. Five Secretaries of State have followed and, with the exception of the Hon. David MacDonald, the current Government has placed responsibility for voluntary action in the hands of four Secretaries of State.

I suggest to you, Mr. Speaker, that there is a recurring trend in government's approach to this concern, in its approach to the fundamental question I have posed. That trend is a complete dissonance between words and deeds, between rhetoric and action.

My colleague, the Hon. Member for Edmonton South (Mr. Roche), has raised in the House the issue of voluntary action since 1974. Hon. Members will recall that my Private Members' Bill was referred to the Standing Committee on Finance and Economic Affairs in order that it look at incentive tax proposals. However, that reference has not been called before the committee and, therefore, representatives of the voluntary sector and voluntary groups across the country cannot come to testify before it and give of their expertise.

Let me give you another example, Mr. Speaker. At the Coalition of National Voluntary Organizations' most recent plenary conference, Consultation 81, which was held three years ago, the then Secretary of State, now Minister of Communications (Mr. Fox), pledged to the voluntary leaders from across Canada, and I quote from his published statement:

> I am committed to the development of a comprehensive federal Government action policy developed jointly with the voluntary sector.

The current Secretary of State (Mr. Joyal) latched on to this rhetoric early in his incumbency. At a conference of the Canadian Centre for Philanthropy in Toronto in November, 1982, he announced this:

> With this in mind I intend to place this matter before cabinet. My plan of action has five objectives.

His first objective was:

> To determine the legal and fiscal framework within which Government and the voluntary sector can work together.

What has happened as a result of these words? Thirteen months later, in December of 1983, the Throne Speech picked up the same rhetoric, speaking of, "Canada's massive, diverse and vital voluntary sector". The speech went on to promise, and I quote:

> The definition of a registered charity under the Income Tax Act and related matters will be referred to a joint parliamentary task force.

● (1120)

I note, Mr. Speaker, that the Secretary of State has tabled today a motion regarding a joint committee of the Senate and House. However, I believe, to be consistent with his own words, that the frame of reference of this joint committee must be broadened to address not only the legal framework but also the fiscal framework. A tax credit proposal should be part of this reference. It should be studied by this committee, not just the definition of charity. The Coalition of National Voluntary Organizations' brief to the Macdonald Commission had a number of comments to make. It spoke about the mood of Canada's voluntary leaders. Here is what they said to him a few weeks ago:

> The voluntary sector displays imagination, initiative and drive, and is full of ideas for improvement of the Canadian community in the future. This sector is threatened, not by change, but rather by neglect, misunderstanding, ignorance and a consequent absence of consistent and supportive behaviour on the part of government.
>
> The immense contribution of voluntary action to the economy and democracy is often merely assumed, is taken for granted, and is thereby largely invisible in quantifiable terms. Government has demonstrated all possible support short of actual help. Key structural changes, which will enable the voluntary movement to respond to the challenges of the coming decades are important, not only to the tens of thousands of voluntary groups in all parts of Canada, but is fundamentally important for the future of Canada.

In the choice, Mr. Speaker, of futures that the voluntary leadership of our country placed before the Macdonald Commission, they contrasted two alternative scenarios for Canada in the year 2000, a polarized Canada or an integrated Canada. They said that the voluntary sector is a key player in an effort to build an integrated Canada. I support their contention. My Party is committed to strengthening the voluntary sector because we also see voluntary groups as key players in the Canada of tomorrow. We see the role of government as creating the conditions whereby groups in the community can play their full role in the country's future. We have to create incentives and eliminate barriers to full participation in national development by each of the social partners. It is for this reason that we believe in incentives to the private sector to do the job it can do best, that is, to create jobs and innovate with technology so that more wealth can be created and distributed within Canada.

In my Party, Mr. Speaker, we do not have to be persuaded that the voluntary groups across Canada are large employers of lower and middle-income Canadians. We do not have to be persuaded that they offer many less advantaged Canadians a bridge to employment, to participation. We do not have to be persuaded that they are a tremendous engine for training, learning and for citizenship in Canada. Voluntary groups are also the most highly labour intensive part of Canada's service sector. We are now at long last beginning to get the statistics. This is a tribute to the leaders of the Coalition of National Voluntary Organizations who have continued to dig away and press the Government to have Statistics Canada begin to

collate information about the impact of these groups on Canadian life.

● (1125)

In terms of the commitment of my Party, Mr. Speaker, during the leadership convention my Leader said:

A complete review of the Government's social programs, with a view to saving money wherever possible, will be a major priority of my Government. Encouraging greater participation of the voluntary sector in delivering our social programs is one way of doing just that.

—Canada's voluntary sector is an untapped resource that not only can reduce government spending, but can actually create jobs in the process.

—most of us in this room are volunteers. Our Party could not survive without them and neither could any other political Party. Let's have Canadians do things for ourselves, instead of having governments and bureaucracies do it for us.

In our Party we want to encourage a balance between the three sectors in Canadian life; government, the private sector and the voluntary sector. This is the balance which the current Government has allowed to erode and which we are committed to restore. This is why we are committed to a fundamental realignment of the tax treatment of charitable giving. We are committed to the principle of a charitable tax credit. We are committed to creating a tax environment which will offer equitable incentives to all taxpayers to support their charities. We want more funds to flow into that sector from taxpayers to whom, as members and supporters, these tens of thousands of organizations will be properly accountable.

Fundamentally, Mr. Speaker, we want to place government in the role of silent partner through the creation of a fair tax regime in which all Canadian taxpayers will enjoy similar incentives. This applies to the corporate taxpayer as well. The voluntary leaders of Canada have noted in their Macdonald Commission brief that small business does not have the same incentive to support charities as does big business. We will change that. Our goal in this reform is simple; to enhance the capacity of the voluntary sector without increasing its dependency on government.

In their proposal and submission to the Macdonald Commission, the coalition leaders have outlined what they have termed the give and take tax proposal, which is based on this incentive principle. They have said that the fundamental problem for individual charitable giving is that the current tax treatment of charitable gifts by individuals is highly inequitable because it is based upon a deduction principle. The cost to taxpayers of their charitable gifts varies inversely with their taxable incomes. They have reminded the Commission that, typically, a taxpayer paying $15,000 in tax who makes a $200 gift to a charity will be able to reduce his tax payment by only $60, whereas a taxpayer paying $60,000 in tax may reduce his tax payment by $100 or more, depending on his province of residence. The cost of the same gift to one of these taxpayers is almost twice as large as the cost to the other.

This must not be allowed to continue, Mr. Speaker. The situation is inequitable, unjust and unfair. In the proposals that the NVO have outlined they have suggested a way of bringing equality in giving and also a mechanism which will encourage support to this vital part of our national life. Therefore, in moving this motion of condemnation of the Government for failing to put in place a comprehensive policy, may I also place before the House a motion which allows a positive action to encourage Canadian volunteers and the groups in which they participate.

● (1130)

Mr. Bockstael: One of the proposals made by these charitable organizations was that the standard $100 deduction that is applicable to all taxpayers should be abolished. Is the Hon. Member in favour of that? I understand that in the most recent Budget this $100 deduction will be eliminated for the year applicable to the 1984 tax year. Is that part of the proposition that the Member was making?

Mr. McLean: Mr. Speaker, I thank the Hon. Member for St. Boniface (Mr. Bockstael) for his question. He may recall that in a publication outlining that give and take tax proposal, which was circulated to all Members, there was an acceptance that the $100 tax deduction be appropriately removed as part of the package of encouragement. When the Minister of Finance (Mr. Lalonde) introduced the Budget, the leadership in the voluntary sector were aghast to discover that there was take but no give. In other words, removing the tax deductible $100, was really the equivalent of an $80 million tax grab. There were no incentives.

There was general agreement that the $100 tax deduction was not serving the purpose for which it was originally intended, but since no new incentive was put into the system for small voluntary organizations, each donation must now be receipted. Given rising postal costs with no offset for special postal rates by the Government as part of a comprehensive program, and given this increased bureaucratic implication with no new incentives for additional giving, this has been seen as a negative action. There would have been no disagreement if it had been part of the total package.

Mr. Bockstael: Mr. Speaker, the proposal made by these charitable organizations was that 50 per cent of any amount a corporation or individual would donate would be deductible from income tax. It seems that this would remove a great deal of revenue from the federal Government. Does the Hon. Member not believe that this could lead to an imbalance if large corporations or individuals with high incomes were to decide to donate all of their charitable funds to one organization, such as the United Appeal, while donating nothing to the cancer society, for example? It could create great imbalances for these various organizations. That is the way it strikes me, and I wonder if he could comment on that.

Mr. McLean: Mr. Speaker, it would be important for the Hon. Member to study in some depth the information which Canada's National Voluntary Organizations have documented. For example, they have a full discussion paper dating back to May, 1980, entitled "Tax Incentives for Charitable Giving". In their outline, they never suggest that there would not be a base limit and that it would be wide open. The suggestion is to bring some equality.

I believe the Hon. Member was referring to the estimating of costs. In their estimates the voluntary agencies felt that in fact for the first two to three years the Government would actually benefit, just as we have seen it happen with the political tax credit where it has taken a number of years for people to begin to make those changes. This is, of course, in relation to the removal of the $100 standard deduction from which the Government would actually benefit for the first two or three years.

While there are some risks involved in moving into a new system, the question is whether more self-reliance can be encouraged through the strengthening of these groups. For example, let us consider the cost to Government of producing training and retraining programs. The Ross report, which was commissioned by the Secretary of State, indicates that the cost of training and retraining in the voluntary sector is approximately one-third the cost of training under government programs. If we are looking at the outlay from the public purse for youth programs, training and retraining programs, there is a cost effectiveness built right into the system. There is a large amount of public funds for training being channelled into special targeted areas encompassing an entire network of groups. For example, the YMCA and the YWCA have been training youth for years. I believe that allowing them to take the risk of obtaining more corporate and private donations through some incentives in this area must surely be, in the long run, cost effective in terms of the public purse and in terms of the stability of our country.

Mr. Pepin: Mr. Speaker, my question does not concern the core of the remarks made by the Hon. Member for Waterloo (Mr. McLean) but is a side consideration. At one point in his remarks he compared the role of a Member of Parliament to that of a voluntary worker. I was intrigued by that comparison because I always thought that Members come here because they are forced to do so by their electorates and not on a voluntary basis! I was also intrigued because I thought that when Members who come here do not behave like professionals, they are punished by being relieved of their income, which is not a characteristic of voluntary work. While recognizing the attractiveness of the comparison, I ask the Hon. Member if he would care to expand on it.

Mr. McLean: Mr. Speaker, I believe my comments were related to political Parties and to the role of Parliament as being an extension of the political Party process, which is a voluntary activity. When we examine our Canadian citizenship and the exercise of Parliament and elections, they are dependent upon the participation of Canadians in the process. Behind each Member in the House there are people who will give of themselves to their country as an expression of their citizenship.

Hon. Serge Joyal (Secretary of State): Mr. Speaker, first, I would certainly like to thank the Hon. Member for Waterloo (Mr. McLean) for raising this important issue today. I think it is of interest not only to Members of Parliament sitting in the House but in fact to all Canadians.

Canada is experiencing a transition in its economy and social structure, whose signs surround us. Some segments of our population find themselves disadvantaged by the current combination of transient factors and must take action to make known their needs, views and possible contributions to society.

Women, youth, the handicapped, the ethnic and language groups, the elderly and natives, all have their particular problems when each seeks, in the concept of Canada, a welcoming reflection of themselves.

It has been a Canadian ideal to accept and respect differences while providing all with equitable access to the social, economic and political institutions and systems of Canada. Although the current economic and social realities put strains on this ideal, I believe we will be able to overcome them and mutually accommodate each other, adapt and move forward together.

The Coalition of National Voluntary Organizations is to be congratulated, especially today when it is having a conference in Ottawa at this very moment that we are debating the issue of voluntary sectors in Canada, in its continuing efforts to bring representatives from all sectors together in order to better understand voluntary action, to exchange ideas and stimulate the thinking on future possibilities for voluntary groups and voluntary action. It is that kind of discussion which I appreciate as it can make an essential contribution to the evaluation of progress on voluntary action and the identification of emerging issues and solutions for consideration.

• (1140)

The Coalition of National Voluntary Organizations in fact, has come into its own as a national voluntary organization helping us all to focus more clearly on certain issues. It is with great pride that the Department of the Secretary of State of Canada, since 1975, since the inception of the coalition, has contributed largely to its annual financing. In fact, more than two-thirds of the annual budget of the coalition is provided through a contribution of the Department of the Secretary of State of Canada. The meeting of the coalition at this very moment in Ottawa is financed through contribution of this Department.

This is the fifth major conference of this type organized by the coalition since its inception in 1975. Along with other national voluntary organizations, the coalition has constantly stressed the importance of voluntary action in a variety of formats, including more recently presentations to the Macdonald Commission, as the Hon. Member referred to previously.

As Secretary of State and the lead Minister for voluntary action, I can appreciate the importance of these efforts. Voluntary action is central to my mandate in two ways. It is a means for various groups with which I deal to organize themselves and thus better communicate their views to the government and to the public. It is also a basic phenomenon of our democracy and an essential manifestation of citizenship.

Although I am partly preaching to the converted, Mr. Speaker, it is useful to recall the value of voluntary action if

only to have my words reported to others for whom voluntary action is a new or unfamiliar concept. In doing so, I hope at the same time to indicate the importance of the role which the Government of Canada sees for voluntary action and voluntary groups in our society. Voluntary action by individuals and the work of voluntary associations combine to form that part of our socio-economic life referred to as the voluntary sector. The scope and impact of the voluntary sector in Canada is highlighted when one considers that it includes the efforts of millions of individuals and thousands of groups and organizations. The spirit of voluntary action provides the impetus for creativity and interventions in all aspects of our social, cultural, political and economic life.

As I have noted elsewhere, in 1979 about 2.7 million Canadian volunteers donated the equivalent of approximately 200,000 person years of work, which is more than all the forest industries in Canada provide on an annual basis. In 1980, the revenues of voluntary organizations, which were registered under the Income Tax Act as charities, equal 11 per cent of federal government revenues. Approximately 175,000 jobs were generated directly. These and many other interesting perspectives can be found in the 1983 report by Mr. David Ross, which was published by my Department and released in January, 1983. The impact of voluntary action goes beyond what mere numbers can convey. Volunteers also play a critical role in identifying needs, advising on plans, and interpreting and evaluating programs and services of both the public and the private sectors.

Voluntary associations advocate for and present the views of minorities, communities and public interest in the legislative and regulatory and policy-making processes. Voluntary associations serve as a buffer against the impact of unemployment and social dislocation. They enhance the individual self-worth and improve citizens' capacity for self-reliance. Voluntary groups mobilize community resources to provide facilities and services not generally available from Government programs. They provide meaningful and satisfying work for both paid staff and unpaid volunteers. Voluntary organizations play a significant role in improving Canada's international relations through the provisions of international aid and technical assistance to developing countries. Through structures, such as community development, corporate groups in communities undertake innovative activities which enhance their socio-economic life without heavy dependence on Government funding.

In recognition of the intrinsic value of voluntary action to Canadian society, I and my colleagues have decided to reaffirm our commitment to encourage, facilitate and promote such action. To this end, I have put forward a set of guiding principles that have now been adopted by Cabinet. I would like these principles to be well noted, Mr. Speaker, as they will form the basis of Government policies of encouragement to voluntary action and will guide its actions in this area.

These four principles are as follows: First, respect for the autonomy and independence of voluntary action. Voluntary action is characterized by freedom of action and self-management. Its activities and priorities should be self-determined and freely undertaken.

Second, encouragement for self-reliant development and self-sustaining growth of individual—

The Acting Speaker (Mr. Guilbault): Order, please. The Hon. Member for Athabasca (Mr. Shields) is rising on a point of order.

Mr. Shields: Mr. Speaker, you have made a point a number of times during debates that Members were not allowed to read prepared texts but were to speak in the debates as debates are supposed to be spoken to. I have waited with a great deal of patience, but it would appear that the Secretary of State (Mr. Joyal) is reading from a text. Perhaps instead of reading from a text he should pass the speech around and we can all read it.

[*Translation*]

Mr. Tousignant: Mr. Speaker, it irks me to see how the Member opposite is behaving. There have been several occurrences where, as soon as a Member on the Government side reads from a prepared text, Members opposite rise to express their indignation and ask the Chair to put a stop to this practice. On the opposite side of the House, there have been a number of times when we saw Hon. Members reading their speeches. We could intervene as well. Mr. Speaker, we shall have to decide once and for all what attitude should be taken in this House. We on this side of the House have had the courtesy to let Members opposite read their speeches, and I saw this happen several times. Mr. Speaker, I fail to understand how Hon. Members opposite have the nerve to rise so often in the House to apply the Standing Order in question to Members on this side, when we at least have the courtesy to refrain from doing likewise.

[*English*]

The Acting Speaker (Mr. Guilbault): The decision is not very hard for the Chair to make. If Hon. Members would refer to Citation 310 in Beauchesne, they would see that it clearly indicates that a Minister of the Crown who is making a statement of policy is allowed to read from a text.

Mr. Joyal: Mr. Speaker, thank you for the interpretation. I was essentially reading a policy statement containing four principles which the Cabinet has adopted following a recommendation that I made in recent months. I can understand the point made by the Hon. Member, but there is no doubt that my colleague, the Hon. Member for Waterloo read from notes. I listened to him very carefully, even though I was in another room because I had to deal with an urgent matter. But with the indulgence of the Chair, I will read the second, third, and fourth principles, and then speak extemporaneously because I know the subject and I can quote at length. However, I thought it was in the public interest for people to know the principles of the Government. If they agree, they could go ahead and continue with their good work.

The second principle to which I was referring, Mr. Speaker, is encouragement for self-reliant development and self-sustaining growth of individuals, communities and voluntary organizations whereby they take the initiative to find and maintain the resources necessary for their own survival and development.

The third principle is co-operation as a basis of a relationship between government and those involved in voluntary action in common pursuit of Canadian societal goals.

Fourth, and last, is mutual accountability of Government and those involved in voluntary action for the efficient use of public funds. These are the four principles which have been recently adopted by the Cabinet.

The next initiative which we had taken following the concern expressed in the Throne Speech of last December was to give notice yesterday in the Order Paper of a motion to appoint a special joint committee of the Senate and the House of Commons to examine and report upon the legal framework of voluntary actions, with particular reference to the following. I am happy to quote the three objectives of the new proposals of the Government so that Hon. Members can discuss those points of concern in their further discussions. The objectives are: The adequacy of the definition of charity under the Income Tax Act to reflect current societal realities, the limits to be set for advocacy activities of charities registered under the Income Tax Act, and the appropriate nature of public support for groups which have as a primary object the advocacy of public interest.

● (1150)

[*Translation*]

This Special Joint Committee of the Senate and the House of Commons will serve as a forum where various voluntary agencies in Canada can express their views on changes that are necessary. As the Hon. Member pointed out, it is extremely difficult to give a definition of a charitable organization, and I know whereof I speak, because of a study I am very happy to release today, a study we had done by Mr. Neil Brook of York University, in which Mr. Brook gives an exhaustive assessment of the manner in which legislation in Great Britain and the United States has addressed itself to the problem of defining what is meant by charitable organizations. I am releasing the study today so that the voluntary agencies can prepare their briefs and submissions to the Special Joint Committee, notice of which is given in today's Order Paper.

I am also announcing today the new criteria for grants and contributions approved by Treasury Board last Thursday, March 28, further to a recommendation made by the Coalition of National Voluntary Organizations in its previous briefs.

I am also releasing today a study by Arthur Drache—

[*English*]

—on the tax status and tax treatment of non-profit organizations in order that a Bill be put before this House on the status of non-profit corporations. Those studies have been financed through grants by the Department of the Secretary of State. The various organizations will be able to avoid a waste of money and time trying to put together that information. Those two studies are essential for the work of the special joint task force that will be established, I hope, with the co-operation of all Parties of this House.

I can announce today that the Government of Canada has approved $200,000 more for the budget to further promote voluntary action in Canada. The criteria for the use of that additional money will be announced later today when I have the opportunity to address the Coalition of National Voluntary Organizations in Canada.

Moreover, in the last year, we have been working, with the co-operation of the voluntary sector, in assisting Statistics Canada to develop a basis for data essential to understand and have a better view of the impact of the voluntary sector in Canada. A study was released last January on the economic impact, but that must be further implemented if we are to know more of the kinds of avenues, approaches and initiatives that should be taken.

[*Translation*]

Thus, Mr. Speaker, the Government initiatives I have just described illustrate the Government's efforts to establish a mechanism that will make it easier to define fiscal policies, that will give all voluntary agencies in Canada a chance to be heard by this Parliament, a chance to take the measures that are necessary to adjust Canada's tax structure to the need for voluntary agencies to remain autonomous and to develop, and to the general needs this country will have to cope with as a growing and prosperous society.

The Acting Speaker (Mr. Guilbault): The Hon. Secretary of State (Mr. Joyal) mentioned the fact that he wished to release documents. Does he intend to table them now?

Mr. Joyal: Yes, Mr. Speaker.

The Acting Speaker (Mr. Guilbault): If he does, it will require the unanimous consent of the House. Does the House give its unanimous consent to the documents enumerated by the Secretary of State being tabled now?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Guilbault): Agreed.

[*English*]

Mr. Epp: Mr. Speaker, I would like to ask the Secretary of State (Mr. Joyal) whether the special task force on the voluntary sector will also be mandated to look at the whole question of what is legitimate advocacy activity for a registered charity. In response to a recent presentation that I made to the House, the Parliamentary Secretary acknowledged that the system the Government is using does not only leave many grey areas, but in fact so much confusion and doubt exist that we are hurting the registered charities very badly. Can the Minister give us some information on that as well?

Mr. Joyal: Mr. Speaker, I thank the Hon. Member for Provencher (Mr. Epp) for his question because it goes to the core of the difficulty of defining charitable organizations under the present Income Tax Act. There is no doubt that if we are to give way to the objective of addressing this issue, one of the first priorities the task force will have to address will be essentially to look into the kind of balance that should be achieved between the advocacy initiatives and the other initiatives that pertain to the nature of the voluntary associations involved. That question is very difficult, as I referred to briefly in my remarks.

In Great Britain many studies have been made on that particular aspect in the last 30 years. To my knowledge, there have been four studies in Britain in the last 20 years. There has been exactly the same kind of concern in the United States, how to achieve a balance between the advocacy initiative and the whole concept or notion of charity.

As the Hon. Member knows, in the last years, we have seen the development of new kinds of voluntary associations which have as a primary purpose the advocacy of special lobby initiatives of government on general public opinion, advocacy for public interest as such. That has very little relationship with the old definition of charity. The definition of charities in Great Britain dates back to the 16th century. That is a primary focus for the special task force in order to help Parliament make a decision on the new phenomenon that we have confronted with Revenue Canada. There are presently some court actions because of some refusals due to the difficulty of addressing that phenomenon. That is why today's Order Paper bears a special notice of a motion to establish a task force to help us achieve that kind of balance.

I hope that the Hon. Member, who has experience in this area, will be a member of the task force so that significant recommendations can be made.

Mr. Roche: Mr. Speaker, I find it extraordinary that the Minister would announce in his speech that an extra $200,000 will be devoted to voluntary organizations and tell us that this day, perhaps in a few minutes, he will make another speech outside the House in which he will state how that money is to be used and what the criteria are. I find it quite extraordinary that the Minister would not inform the House first of the criteria for the $200,000 and the areas within the voluntary organizations that will receive it.

Mr. Joyal: Mr. Speaker, I thank the Hon. Member for his question. I was reading some principles and criteria a moment ago when I was interrupted by one of the Hon. Member's colleagues. Therefore, I do not know where the Members opposite stand on that. Do they want the criteria or not? I do not want to play politics on that issue because it is an important issue. I know the Hon. Member's genuine concern for voluntary action in Canada as well as for many issues at the international level, for which I commend him. I made reference to that in my speech.

As I said briefly in my speech, the Government of Canada is concerned about the importance of the development of that sector and the perception that Canadians should have of their own involvement in voluntary organizations.

As has been shown through reports and public statements of many groups, after a certain period of time one finds that it is always the same individuals who volunteer. There is a need to attract a great number of citizens to volunteer work. The essential purpose of the new money is to ensure that voluntary groups will have an opportunity to attract a larger membership and make a greater appeal for contributions. The areas of concern are those that meet with the priorities of our society, especially the social needs of Canadians. There is no doubt that we are going through a difficult economic time. Organizations which appeal particularly to social needs of Canadians will certainly be among the first ones to be considered. On the other hand, there are other organizations which try to foster better understanding among Canadians and a greater level of tolerance.

• (1200)

In his own province, the Hon. Member has seen difficult situations arise in past months and years. We must address those issues and make Canadians more aware of the differences that exist among groups and regions in Canada to make sure that tolerance and respect for human rights is a Canadian objective. Those are a very few of the objectives which will be open to groups to follow according to their own genius, philosophy and objectives. However, we will try to do our utmost to bring to the attention of as many Canadians as possible the need for voluntary action, their roles as individuals in that movement and their capacity to build upon our society.

Mr. McLean: Mr. Speaker, I would like to thank the Minister for the information which he has tabled. I know that all of us who are concerned about the issue will find it helpful. However, I would like to echo the reservations of my colleague, the Hon. Member for Edmonton South (Mr. Roche). While there is no voluntary group in Canada which is not short of funds, I would like to suggest to the Minister that the fundamental request of voluntary leaders as I hear it is for fiscal independence. I would suggest to the Minister that despite the fact that the money will be welcome, it is a move in the wrong direction.

As I mentioned in my intervention to the Canadian Centre for philanthropy, the Minister in his speech spoke eloquently on the subject of the legal definition, of a charitable organization, one with which we agree, and also spoke about the question of fiscal incentives. I regret that because of his other responsibilities, we did not have a chance to discuss my question to the Minister in terms of the draft notice, but through the House Leaders it was suggested to him that not only the legal framework but the word "fiscal" should also appear in the preamble so that the tax incentive proposals can clearly appear on the agenda of the joint committee.

Second, I would like to suggest to the Minister that in an amendment to number three which I proposed through the House Leaders, the suggestion with regard to primary objects of advocacy was to make two classes of voluntary agencies in

Canada. From my own years in the voluntary sector I know, for example, that one day we may be required to advocate a change in policy and the next day we may be raising funds to meet a need. If the committee indicates that we must have a tier system in Canada, so be it, but why should that be stated in the terms of reference for the task force?

I have one other question to ask in relation to the task force, and it is an important question in terms of the legal framework. Will the Minister speak to the Minister of National Revenue (Mr. Bussières) and ask for a moratorium on the pursuit of voluntary agencies by officials from Revenue Canada under the definition of charity until such time as the committee reports? As the Minister knows, at the moment many cases are being brought to public attention of voluntary agencies being told to change their charters, definitions and purposes. Until this matter is solved, it seems to me that there ought to be a moratorium on that.

Mr. Joyal: Mr. Speaker, I would like to thank the Hon. Member for his three questions. I will deal with the last question first. I will certainly pass on the Hon. Member's points to the Hon. Minister who is responsible for Revenue Canada.

There is no doubt that the Minister is aware of the intention of the Government to establish a new definition that will take into account the reality in Canada, and there is no doubt that the Department of National Revenue officers are well aware that Parliament, in the forthcoming days and weeks, will try to achieve a better definition to help guide Canadians in that regard. There is no doubt that the parliamentary committee will have an opportunity to hear not only from voluntary-sector representatives but from government officials as well. It will call upon the Department of the Secretary of State and other Departments which are interested.

I see that my hon. colleague, the Minister of State for External Relations (Mr. Pepin), is present in the House today. An important report is published yearly by his Department dealing with that issue. I am quite sure that Revenue Canada will have an opportunity to state its views in that parliamentary forum.

The second of the Hon. Member's questions dealt with the terms of reference of the special joint committee. I have taken note of his concern—

The Acting Speaker (Mr. Guilbault): Order, please. The Chair regrets to interrupt the Hon. Minister but the time for the question period has expired.

Mr. McLean: Mr. Speaker, I rise on a point of order. I wonder if Members of the House would permit the Minister to complete his comments and permit him to receive a question from a member of the NDP. I think it is important to have this exchange.

The Acting Speaker (Mr. Guilbault): Is there unanimous consent for the Minister to complete his remarks?

Some Hon. Members: Agreed.

Mr. Joyal: In his second question, Mr. Speaker, the Hon. Member referred to the terms of reference of the special joint committee. I would like to reassure him that there is no doubt that there is a direct relationship in fact between the definition of charity, which of course bears its own consequences in terms of fiscal treatment, and the general kind of public support that should be allowed to charities or voluntary organizations in Canada. In fact, if he would read the third paragraph of the terms of reference which deals with the appropriate nature of public support for groups, I think he would see that it is very clear that it will encompass the overall framework within which the voluntary sector is acting in Canada.

It is impossible to define charities according to the phenomenon of today and the impact on the financial status of those national organizations or according to their capacity for self-reliance. There is no doubt in my mind that they are very closely related. Voluntary groups which will have an opportunity to appear before the special joint committee will certainly have an opportunity to stress that direct relationship.

Dealing with his first question, I do not disagree with the Hon. Member that the objective should be self-reliance. That is the overall policy that we would like to achieve. By its very nature, the voluntary sector is a self-sustaining kind of—

[*Translation*]

—activity supported by the members of the community or by the individual.

[*English*]

However, I think there is room for government support in specific areas where in fact additional help from public sources could give a wider perspective. In my mind, seed money will in fact always remain necessary in order for groups to try to achieve their objectives. There is no doubt that groups will certainly have an opportunity to raise additional money and be self-autonomous. However, in my mind there will always be room in Canada for seed money to help those groups and associations meet their objectives. Many of those groups are national in their scope.

Mr. Orlikow: Mr. Speaker, I would like to ask the Minister a question. He has said some very good things about the Government regarding the independence of voluntary organizations. That sounds very good, but in fact, Mr. Speaker, since 1978—and I will go into some detail on this a little later—Revenue Canada has been picking and choosing among voluntary organizations. It has been telling a number of voluntary organizations that when they advocate something as part of their overall program, they are jeopardizing their tax credit position. I will not go into detail, but the Planned Parenthood organization has had such difficulties. Oxfam is now having difficulties and some of the church organizations are having difficulties.

At the same time, Mr. Speaker, we have seen some very strange choices in some of the economic think tanks. The Fraser Institute is one of the most partisan institutes. I am not suggesting that it does not have a right to its opinion but it is one of the most partisan think tanks in the country. It is able

to give tax receipts to people who make contributions, but other organizations such as the alternative policies groups and Canadian Dimensions, which are not nearly as partisan as the Fraser Institute, have been turned down. I would like the Minister to be able to tell us that not only will they talk about organizations being independent but they will deal with organizations and let them be independent.

Mr. Joyal: Mr. Speaker, I share the Hon. Member's concern about the need for very clear guidelines for the definition within our legislation of what a charitable organization is, especially one that would be or is registered under Revenue Canada. There is no doubt that that is the very basis of the Government's decision to establish a special joint committee.

• (1210)

As the Hon. Member said, in the last year, we have seen a grey zone arising out of that new phenomenon where, besides some initiatives to lobby on grounds of public interest, other groups have continued to perform their usual functions for which they were first established. That is a new phenomenon and it is part of the kind of society that we have to address. There is no doubt that until that new phenomenon finds its way into legislation with clear guidelines more adapted to the present situation, the difficulties that the Hon. Member has mentioned will remain. That is why I call upon him and his Party to join us in this House to establish this special joint committee as soon as possible. In that way, we will open clear and fruitful discussions on the necessity of defining charitable organizations within fiscal legislation and the kind of guidelines that should follow from those changes to the Income Tax Act.

The Acting Speaker (Mr. Guilbault): Debate. The Hon. Member for Winnipeg North (Mr. Orlikow).

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I want to associate our Party, the NDP, with the motion put forward by the Hon. Member for Waterloo (Mr. McLean). We have always made it clear that we believe that the basic needs of the people of Canada, whether they be health, social services or the arts and culture, should be met through funding by governments at the federal, provincial and municipal levels. At the same time we realize and accept the plain fact that no government, no matter what its philosophy, could provide all the support which worth-while programs deserve. We have always given strong support to the voluntary sector for the wide range of extremely worth-while and necessary activities and services it has provided to large and small communities in the country.

Voluntary groups in Canada, which include churches, associations and foundations, have historically played an historic role in providing badly needed services to the sick, the poor, the disabled and the uneducated. They were doing that 40 and 50 years before governments accepted their responsibility for providing those services. Today, federal, provincial and municipal governments have established a good record of support in such fields as scientific research, the arts, sports and music. All of these groups have support from government but could not have accomplished as much as they have without the financial support and without the time given by hundreds of thousands of Canadian citizens.

Let me illustrate what I am talking about. In the field of health important contributions have been made to research into cancer, multiple sclerosis, heart disease and kidney research. For the arts, voluntary organizations and their members have provided thousands of hours of assistance and hundreds of thousands of dollars for activities in the fields of music, ballet and theatre. Programs for hockey, baseball, track and swimming could not exist or progress as they have done without the financial support and the time given to them by hundreds of thousands of Canadian citizens.

Coming from a multi-ethnic constituency as I do, I realize the contribution made by the ethnic organizations in maintaining and promoting the cultures which they, their parents and grandparents brought to this country and all of which go to making it a better country in which people of all races and religions can live.

The voluntary organizations have been concerned about the treatment they have received from the federal Government for a number of years. They have been calling on the Government to change the Income Tax Act so that in respect of contributions given for charitable purposes, the Act would not be slanted, as it is now, to benefit most those on higher incomes, those who need the benefits the least. They have called on the Government to change the laws in regard to charitable contributions in order to help people on lower incomes who make those contributions, to give them an incentive and an opportunity to contributions, to give them an incentive and an opportunity to contribute as they would like to and are able to.

Two suggestions were made by the voluntary organisations to the Government and the Minister of Finance (Mr. Lalonde). First, that the automatic $100 deduction for charitable donations, for which no accounting needs to be given, be eliminated from the Income Tax Act; and second, to permit a 50 per cent deduction from income tax for all contributions made for charitable purposes.

In response to that very reasonable proposal made by representatives of all charitable organizations, the kind-hearted Minister of Finance took away the $100 automatic deduction. That meant that people, particularly those in the lower income bracket, had to pay more income tax and it gave the Government something in the neighbourhood of $80 billion in extra revenue. It continued the present system where the person in the lower or middle income person gets a lower deduction than the person on a higher income. The Hon. Member for Waterloo gave the example of a taxpayer earning $15,000 per year who gives $200 to charity and gets a $60 reduction in his income tax and the $50,000 income earner who gives $20 to charity and gets a $100 deduction. That is typical of the so-called just society that the Liberal Government has always espoused.

We support the proposals which the voluntary organizations have made. We are worried, however, because in this period of

financial stringency we see governments at various levels opting out of the kind of support they have given for necessary universal programs and leaving them to the private sector. For those of us who believe in a more equitable society and who believe that it is the responsibility of government to meet the needs of the people, this is a horrible lesson taken from President Reagan. It is bringing into Canada some aspects of what has been termed Reaganomics.

Let me illustrate, Mr. Speaker. In many cases voluntary agencies are being asked, urged and used by right-wing provincial governments to substitute for government-provided professional services which, up to now, have been paid for by government and provided by unionized and relatively well paid employees. I will give a couple of examples from the Province of British Columbia. In Kamloops, British Columbia, Tranquil Home, which formerly employed 600 staff, has now been shut down by the Social Credit Government of British Columbia. The Government has given the role of caring for young retarded adults and children, which was the job of Tranquil Home, to the Kamloops Association for the Mentally Retarded, with large responsibility for handling cash payment given to homes taking in children.

● (1220)

There are dangerous implications in this, Mr. Speaker, for the patients in that and other facilities who need special services. Also in British Columbia, Mr. Speaker, there have been similar cuts in daycare funding by the Social Credit Government. A contract was given to the YWCA, which tried to run the daycare program as best it could. That meant it used non-union help, who were paid very little more than the minimum wage. This attempt failed but marks the direction in which voluntary agencies are being pushed in replacing the jobs of full-time social agency workers.

In the few moments I have left I would like to come back to a question which I raised with the Secretary of State (Mr. Joyal) and point out the difficulties which have arisen in the somewhat mysterious—and I will use no stronger language—interpretations which Revenue Canada has been giving in respect of the rights and abilities of voluntary organizations to issue tax receipts which can be used in calculating income tax. This is not something which has just happened recently. It started in 1978, and I quote from the NVO report entitled Charity Today and Tomorrow. It reads:

> In 1978 Revenue Canada, the Ministry responsible for regulating charitable status, issued Information Circular 78-3, entitled Registered Charities; Political Objects and Activities. The circular outlined examples of activities that Revenue Canada considered 'political' in nature, thereby giving grounds for the loss of denial of charitable status. The circular was widely criticized by charitable organizations as limiting their ability to carry out their charitable objects, particularly in the area of advocacy.
>
> In the circular, for example, the object or action of inducing the Government to take a stand, change a policy or enact legislation for a purpose particular to the interest of the organization was defined as "political activity."
>
> —charitable organizations pointed out that it is impossible incontemporary society to work for the attainment of charitable goals without addressing government policy that may hinder or enhance these objectives.

There are all sorts of questions, such as abortion and capital punishment, which can lead to difficulties. The Elizabeth Fry Society, for example, might issue a statement urging continued abolition of capital punishment. Suppose there was a Bill before Parliament, as there have been Private Members' Bills, calling for government to bring back capital punishment. The Elizabeth Fry Society could be in difficulties with Revenue Canada. Churches which support various opposition groups to military dictatorships in some of the Central and South American countries could be in difficulty. OXFAM, for example, Mr. Speaker, is being questioned.

This subject is not something which has just come before us in recent months. It has been before the Government since 1978. The Government has refused to take action and has refused to bring forth a policy which meets present needs. Not only that, Mr. Speaker, the Government has refused to explain some of the decisions which have been made, hiding behind a section of the Income Tax Act which says that income tax matters must be kept private between the person or organization making a claim and the Department. Therefore, Mr. Speaker, we had the ridiculous situation several years ago where I and another Hon. Member of the New Democratic Party tried to question the Minister with respect to the Estimates of the Department of National Revenue. We asked how the Fraser Institute could get permission to issue receipts for contributions which could be used for income tax purposes while other organizations, which have other points of view and in fact are much less strenuous in their advocacy than the Fraser Institute, have not been able to get the same status. We were told by the Minister that he could not answer the question because these matters were privileged.

That is just not good enough, Mr. Speaker. When this committee meets, and I am happy we are going to have a committee, some of us are going to try to find out who made these decisions. Were these decisions made by some bureaucrats who were interpreting laws which, in my view, they had no right to do? Or were they receiving advice and recommendations from the Ministers concerned? These questions strike at the very root of the problem. The Minister has enunciated some very fine sentiments, but we have not seen any action. We want to know whether charitable organizations are going to have the real independence which they ought to have or whether the Department or the Minister, whoever it is, is going to be able to pick and choose as they have been doing until recently.

We in this Party support this motion. However, we want to say to the Hon. Minister and to the Government, we are going to have some pretty tough questions to put when that committee meets.

The Acting Speaker (Mr. Guilbault): Questions, comments? Debate.

Mr. Douglas Roche (Edmonton South): Mr. Speaker, I believe it would be appropriate from now on to call the Hon. Member for Waterloo (Mr. McLean) the "two hundred thousand dollar man" because he put a motion on the Order Paper

today on behalf of voluntary organizations in Canada and, lo and behold, the Minister made a speech in which he announced he is going to provide an extra $200,000. I do not know where this extra $200,000 came from. It has not been explained. There is supposed to be a shortage of money. However, I congratulate the Hon. Member for Waterloo for his motion. If he would only do this five days in a row, he would have a million dollars for the voluntary organizations in Canada. It just shows you, Mr. Speaker, the power of Parliament.

I want to remind you, Sir, that this motion in the name of the Hon. Member for Waterloo calls for:

—the Government to provide an immediate incentive to Canada's 40,000 registered charities by implementing the give and take tax credit proposal.

The Hon. Member for Waterloo is not asking for a handout. He is asking for an incentive in order that voluntary organizations may be enabled to grow in the fullness of their potential for service to Canada. That is a very important distinction, Mr. Speaker, and I believe that what the Government has done in responding is a sort of cover-up operation. The $200,000 is going to get the headlines and then there is going to be a committee set up, a joint committee of both Houses, to study the question of how far voluntary organizations can go in advocating government policies.

That, of course, is a very controversial question and does need to be studied. However, the Minister knows perfectly well that our Party has been calling for a committee study, a task force study by Parliament, by the Government, not just on the question of advocacy, as important as that is, but a study which would include an examination of tax credit proposals. The Government has rejected that tax credit proposal, and I think this committee is probably going to have a very difficult time in following the terms of reference laid down in the Government motion. It is going to have a very difficult time in opening up the question of whether or not the give and take proposal of the Coalition of National Voluntary Organizations is financially credible.

● (1230)

The Government has shirked its duty, Mr. Speaker, in bringing in a Budget last year which took one half of the give and take tax proposal. It removed the $100 tax deduction without bringing in the tax credit. Then it refused to have a study carried out of the tax credit proposal in setting up this committee. And now it adds insult to injury by saying to the voluntary organizations—and the Minister has probably gone to them right now to make a speech at their luncheon in order to get another headline—that we are going to give you $200,000; aren't we wonderful people? I submit, Sir, that this is a totally inadequate response to the needs of voluntary organizations.

I refer you, Mr. Speaker, and Members of the House to *Hansard* of June 9, 1980, pages 1898 to 1901, where I am reported to have moved a Private Member's Motion calling for the Government to apply the give and take proposal. The heart of my contention was that the Government would come out ahead financially if it implemented the elimination of the $100 standing deduction and gave a 50 per cent tax credit for donations to registered charities, of whom there are in excess of 40,000 in Canada. I gave figures, which to this day have never been refuted, which show that over a period of four to eight years the Government would come out ahead.

This proposal is serious, it is affordable, yet the Government's financial experts have been telling people in the Department, who, I am led to believe, are in favour of the implementation of this proposal, that we cannot afford it. I submit again that it is an affordable proposal when everything is taken into consideration.

We have to consider the jobs created by voluntary organizations as they expand their community service. The Minister said today that there are 175,000 jobs directly related to their work. There would be a lot more jobs if voluntary organizations achieved their full potential. I say to you, Sir, that implementation of this proposal, as called for in the motion, would provide an incentive for charitable giving to all taxpayers, many of whom have no incentive at all. In addition, it would make the tax incentives as equitable as possible among all income groups. Currently, higher income taxpayers have a greater incentive than lower income taxpayers. The Hon. Member for Waterloo gave many examples of that, and there are many other examples which could be used to buttress the point. Finally, increased tax incentives would strengthen voluntary organizations.

Who are these people we are talking about Mr. Speaker? Is it some little sideline of Canadian life? Not at all. We are talking about people who go right to the heart of the quality of life, a quality of life that no government of any political stripe can ever hope to foster. As I said in 1980:

There are organizations for the disadvantaged within Canada, the poor, the sick and the needy. There are organizations for all groups, from children to the aged. There are health organizations for research and heart and lung disease, cancer, diabetes, muscular dystrophy, health services for the mentally or physically handicapped. There are religious organizations sustaining and preserving our spiritual values, be they Christian, Jewish, Hindu, Islamic or Buddhist. There are international development organizations providing basic needs to people in the developing countries. There are educational organizations for universities, colleges, adult education, child education, future studies. There are environmental organizations for the preservation and beautification of our air, land, water and cities. There are cultural organizations for native and ethnic groups for art, music and dance. Some voluntary organizations serve national needs, others serve local communities. Many of these needs cannot be met by government or business.

The benefits of voluntary activity extend to the participants, recipients and the community as a whole. For the participant, voluntary activity is a means to become involved in his or her community at a time when other community ties such as the family and the work place are being eroded. Voluntary activity helps a person to develop into a better, happier human being with a greater sense of purpose and understanding.

That was the heart of my submission almost four years ago in urging the Government to implement the give and take tax proposal, Mr. Speaker. I want to emphasize again my sense of real concern that the Government did not do that in the Budget of last year. I am concerned that the Government, in setting the criteria for the terms of reference for the joint committee on voluntary organizations, is not going to study this financial question. I am concerned about the Minister

attempting to cover up on this through his $200,000 donation, which has nothing whatever to do with increasing the capacity of voluntary organizations to increase their own incentives to raise money.

Therefore, I believe that the committee, as imperfect as it will be for the reasons I have outlined, must get at the question of advocacy. Too many organizations today are impeded from reflecting their own expertise and contribution to policy formulation in this country. They are inhibited by a Revenue Canada which has been following an old fashioned definition of charitable activities which precludes any sort of political activity, when we know that today political activity has many diverse elements to it.

• (1240)

I submit that it is wholly appropriate for a voluntary organization with tax status to advocate policies to the Government of Canada and to submit briefs and write letters to Members of Parliament. It is appropriate for them to take those steps which are necessary to put forward their belief in the construction of public policy that meets the needs of society, as distinct from just coping with the problems with more band-aids. Of course, we are not in favour of charitable organizations conducting any activities which are criminal in nature. The law of Canada which permits you and we to demonstrate should be applied to charitable organizations too. They cannot break the law, just as you and I cannot break the law.

Charitable organizations cannot support any political Party or any candidate for office at the time of an election. That should be obvious. Voluntary organizations which have tax status cannot be involved in the political electioneering process which brings Members to this House. They certainly cannot be involved in activities which will benefit the members of the charities or boards in areas having to do with conflict of interest. Those are questions for separate consideration. However, there is a whole field of activity which I submit is legitimate. I hope that the committee will examine this field of legitimate expression of concern about existing policies and the advocacy of new ones.

In the few moments I have left, Sir, I speak about the international side of voluntary organizations. I have had the experience of travelling around the world studying Canadian non-governmental organizations engaged in development projects. There are many such Canadian organizations. Dollar for dollar, they are doing the best human work of serving and delivering development projects at the community level in health, education and marketing services that I have seen in fairly extensive studies of Canada's foreign aid program around the world. I am in no sense diminishing the bilateral projects that build infrastructure. I am not speaking against the major multilateral projects of the international financial institutions, the United Nations systems programs, the UNDP and Unicef, that provide relief and development on massive scales. I urge the Government of Canada to maintain a proper balance in its aid projects to keep the multilateral ones at an even pace with the bilateral.

There is a special area called Special Programs into which voluntary organizations come. I have been in 17 developing countries in the last five years studying this question quite extensively. It is my belief that on a dollar for dollar basis there is no better return to the Canadian taxpayer than from that money which is spent by voluntary organizations at the local level of human services to which I refer.

Last year the people of Canada, even in a time of economic recession, in supporting voluntary organizations working in the international field, provided $150 million. Those are official figures. There used to be a program called CIDA's Matching Program through which CIDA would match donations dollar for dollar. Yet last year, by CIDA's own figures, it matched only $133 million. It is my submission to you today that the Government of Canada is responding inadequately through the CIDA Special Programs Branch to the outpouring of support by the Canadian people for the voluntary organizations. I would like to see something done about that.

My colleague, the Hon. Member for Erie (Mr. Fretz) and I were members of the Parliamentary Committee on North South Relations. That committee made about 38 recommendations following an 18 month study. The very first recommendation was lifted out into a special position in our report, which was filed in this House under the chairmanship of the Hon. Member for Gloucester (Mr. Breau) in the fall of 1981. We lifted it into a special place to show that our first recommendation was for increased development education in our country. This was not done so that there would be an advertising program for government programs. We were not thinking about that at all. We were thinking about the need to help the Canadian people under the diversities of development today and about why Canada needs to participate fully. There is a double track need. One might call it the humanitarian need. We will not be able to hold our heads up in the world today if we dare to reduce the elementary programs which we have. We are still only contributing .48 per cent of our GNP. That is a long way from the .7 per cent which the Government has pledged to reach by 1990.

The second track of development education would help Canadians to understand that there is a return to Canada for it. In this year, official development assistance in the Estimates before the House is going up to $2.1 billion. We have exceeded $2 billion for the first time. Of that money spent, $1 billion is returned to the Canadian economy through the purchase of goods and services and other ways through which aid is dispensed. Right across the board, including bilateral, multilateral and special programs, there is a $1 return for every $2 that the Canadian Government spends. That is an important fact for Canadians to understand.

I submit, Sir, that Canadians do not yet understand that there is a return to Canada from our involvement in international development. More particularly, in this time of crises in our country, of which we certainly have several, the crises which have impacted on the developing countries as a result of

cutting back development projects in those countries is absolutely catastrophic from a human point of view. Despite the progress that has been made by the aid programs of Canada and other nations within the U.N. system, at present 800 million people, almost one-quarter of humanity, are living on the margins of society. Therefore, I submit again, there is a double track reason. All of that is at the heart of development education. In the parliamentary task force we recommended that one per cent of official development assistance be given to development education. The Government has not responded affirmatively at all. The Government has stalled on this question. The CIDA Estimates indicate that less than half of one per cent of ODA is going into development education. Why is that? Members of this House supported the report and that recommendation. I think the Government really has to—

The Acting Speaker (Mr. Guilbault): I regret to interrupt the Hon. Member but his time has expired.

Mr. Bockstael: Mr. Speaker, some of the earlier speakers drew attention to the fact that there was some difficulty in determining the category of non profit organizations and charitable organizations. Others highlighted the legitimacy of the advocacy of certain groups. The Secretary of State (Mr. Joyal) indicated this morning that he was establishing a joint task force of the Senate and the House of Commons whose mandate will be related to the study of the definition of a registered charity under the Income Tax Act. This task force has been the subject of numerous conferences prior to this year. It was the subject at the third annual conference of the Canadian Centre for Philanthropy. I would like to ask the Hon. Member for Edmonton South (Mr. Roche) if he agrees that this is the proper approach in his view. Does he feel we should have a task force to clarify this and establish a basis on which charitable organizations would be eligible for tax deduction purposes?

● (1250)

Mr. Roche: Mr. Speaker, as I have said, I have a very serious reservation about the terms of reference for this new joint committee that are to be found on the Order Paper. They certainly do not include a mandate for the committee to study tax credit proposals. That is not in the motion.

Indeed, it is not just a question of simple omission; it is a question of the Government rejecting the submission of the Progressive Conservative Party. I am not sure if the NDP members were consulted, and I would be interested to hear their views on this, but there was a rejection by the Government of the request by the Official Opposition that the task force be empowered to study the tax credit proposals to get finally at the question of finances.

In answer to the Hon. Member, many people are very much offended in our country by a system that we have in our society according to which, if someone gives money to a political Party, a tax credit is given for it. All Members of the House are familiar with that system. If people give $100 to a political Party, they get a $75 tax credit straight from their income tax.

A legitimate question being asked by some is, if such a system is in place for political Parties why is it not in place for registered charities that, in their submission, are doing as much for the country as are political Parties? That is an interesting debatable point which I will not go into now.

The voluntary organizations are not asking for 75 per cent off the $100; they are asking for a 50 per cent tax credit. Of course, that would be affected by the scale of the contributions. It is a much more equitable system.

I say to the Hon. Member that I believe the joint committee that is about to be established as a result of the notice on the Order Paper is inadequate to the total problem that voluntary organizations are facing today, which is not just a question of advocacy and the terms of reference of advocacy and how far one can go in espousing public policy. The committee must also study the ways in which we increase incentives to raise money from the private sector as it has shown the ability to do. Canadians are standing behind these voluntary organisations because they recognize the value of those services.

I believe that the tax credit proposal that the volunteer organizations have put forward for several years, and for which I argued at length in 1980, at least deserves the study by this formal task force now.

Mr. Bockstael: The Hon. Secretary of State, in listing the guidelines of encouragement for voluntary action, stressed co-operation between government and voluntary agencies. It has been the case in my constituency that organizations which would be part of this group seeking a new commitment that 50 per cent of donations would be exempt from income tax, are also organizations that apply for Canada Works, Summer Works and various schemes that the federal Government puts forward.

Is it the Hon. Member's belief that giving these voluntary organizations a larger share of donations and contributions would obviate the need for them to make further demands on the Government in other areas?

Mr. Roche: Mr. Speaker, it certainly might do that. I think that many charitable organizations are sort of being forced into this job-creation program, which is supposed to be set up on an emergency basis, because of their shortage of funds and the needs in their own community. To the extent that we enhance the capacity of voluntary organizations to respond to local needs in the ways in which they are set up, I believe there is a reduced need for the Government to pour money into special job-creation programs. I think the permanent jobs can be created by voluntary organizations.

Mr. Pepin: Mr. Speaker, I want to single out another part of the speech made by the Member for Edmonton South (Mr. Roche). I think he should be complimented and thanked for what he said about external aid.

He emphasized the tremendous growth which has taken place, which people do not sufficiently realize. He mentioned

that we have just passed the $2 billion mark. If growth continues in Canada with GNP at a level of 4 per cent in the next years, we should reach the $5 billion mark by 1990. Too few people realize that.

The second point he made about the return of these expenditures to the Canadian economy is a good one indeed. Unfortunately, I have found that a number of people seem to feel that it is regrettable that so much of it comes back to Canada. Regrettably, there is an ambivalence in the minds of people on that subject. When people like ourselves travel abroad, we find that the receiving countries accept this as a normal and desirable fact, that we will do more when there is something in it for us too. However, again some Canadians do not accept that.

I also want to emphasize what the Hon. Member said about the balance between different types of aid. He was most constructive about this. There are unnecessary debates about it, such as bilateral as opposed to multilateral or different forms of aid, and the Member refused to engage in that theological debate. I compliment him on that.

I wish to give him an opportunity to elaborate on another point. He said that he believed there was still not enough done by CIDA for non governmental organizations of all types. Of course, I am on the other side of this question since what I see being done I find quite considerable. We should all realize that there will be much more available for NGOs if we reach the $5 billion mark. Obviously, to put it quite bluntly, CIDA does not have the personnel to spend all that money, so the agency will have to use more voluntary organizations. Can the Hon. Member expand on this? Does he know of so many non governmental agencies that are waiting to receive money to do some good work? If that is his opinion, would he please illustrate it?

The Acting Speaker (Mr. Guilbault): The Chair would like to point out that there is one minute left in this question period.

Mr. Roche: Mr. Speaker, how can I do justice to such a question in one minute? I will try, and if you have a blind eye for an extra minute, it might help. With regard to the $5 billion that the official government assistance will reach by 1990 there is a point that is extremely important today. I quite agree with the Minister that it has not yet sunk in with the Canadian public in the same way it might have sunk in with the Government. Much more money will become available.

With respect to some Canadians believing that they do not want to emphasize this return to Canada, I would say that it is perhaps the purest position which I can understand. However, experience has taught me, at least, that we are human beings here and it is public money that we are talking about. Therefore, we must understand that in a time of constraint in our own country, it is not wrong for us to show that by participating in development projects around the world there is a legitimate return to Canada. I think that is a legitimate point to make.

However, I would not want that to be the sole basis of public policy in Canada. The first motivation must be the humanitarian approach. Why are we in this? We are in it because we are part of the world and we cannot sit idly by as Canadians, in our country of tremendous resources, space and technology, if we are not prepared to do something to help our world become a better place. I am not only talking about a better place in terms of spirituality and humanity, but a better place in terms of political safety and security, because many of the local wars being fought around the world, and I am afraid some wars still to come, are caused by the sense of deprivation that is endemic in the Third World countries. The Secretary General of the Commonwealth spoke in Ottawa two days ago and he reminded his audience that by 1990, 80 per cent of humanity will live in the developing countries. That is where the need is and that is where our future markets are. Surely the Government of Canada should be responding in positive terms. In my view, going to .7 per cent of ODA should not cause that much concern.

The Minister asked me specifically to name some voluntary organizations. I do not think there are some who are just waiting for more money, and I would not want my remarks to be interpreted by the Minister as asking him to simply throw the money at the NGOs, not at all. I believe there must be a rational process established whereby organizations such as as CUSO are able to grow and can do so in a systematic way.

The Acting Speaker (Mr. Guilbault): Order. It being one o'clock, I do now leave the Chair until two o'clock.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

RAILWAYS

SEVEN LIVES LOST AT MILTON RAILWAY CROSSING—IMPROVED SAFEGUARDS DEMANDED

Mr. Otto Jelinek (Halton): Mr. Speaker, on March 3, 1978, a train-car accident on Derry Road in Milton, Ontario, took the life of a young woman. At that time the Town of Milton and the Region of Halton requested the Canadian Transport Commission, by way of a resolution, to improve safeguards at the CNR railway crossing. The CTC did not act, and as a result last weekend six teenagers lost their lives at this same railway crossing due to what appears to be a lack of substantial safeguards.

Last night Milton Council unanimously adopted a resolution urging the CTC to reconsider its 1978 rejection. I now call

upon the Minister of Transport (Mr. Axworthy) to use his offices to arrange forthwith for the erection of cross gates, improved lighting, and additional warning signs at this crossing, before yet another tragedy takes place.

I further call upon the Minister to expand his proposed investigation, by his Ministry's Inspector General of Safety into a full-fledged inquiry, not only concerning the Town of Milton but also with regard to similarly dangerous crossings throughout the country.

Safety provisions must keep up with perpetually changing variables in a community, such as population growth, increased traffic flow, improved road conditions, and subsequent speed limit increases.

Before more needless tragedies such as this one occur again, I urge the Minister once and for all to implement measures to ensure these provisions are current and in the best interests of the safety of all Canadians.

* * *

[*Translation*]

MINING INDUSTRY

ASBESTOS CONTROVERSY

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, in recent months, asbestos has been the subject of a number of controversies in the United States. Controversies of this kind are having, and will continue to have, a disastrous impact on this very important market.

I am from a region that produces this important natural resource, and I believe it is imperative and, in fact, very urgent that our Government should take a firm and unambiguous stand on this issue by making its position public and thus providing irrefutable proof that asbestos can be used without risk.

At the last international symposium in Montreal, experts pointed out the possibility of, and the need for, using asbestos safely. In fact, a number of Departments have since then agreed, in a Memorandum of Agreement, that asbestos could be used without risk.

Asbestos workers are very upset about the rhetoric on this issue. The people of Asbestos are very concerned and they hope our Government will do everything it can to clarify the situation at the international level, especially among our neighbours to the south. Living and working conditions in asbestos mines are comparable to those in other industries, and I even believe they are better in several ways.

As for using asbestos-based products, I would like to point out to the House and to the Canadian people that we have a medical clinic in Asbestos that was built only a few years ago, using a number of asbestos-based materials. I was born in Asbestos, I live there with my family, and believe me, Mr. Speaker, the air is healthy, pure and good to breathe.

S.O. 21

[*English*]

CRIMINAL CODE

CALL FOR STRICTER LAWS AGAINST PORNOGRAPHY

Mr. Gerry St. Germain (Mission-Port Moody): Mr. Speaker, we are told to tolerate pornography because one man's trash is another man's Shakespeare. I strongly disagree, because a form of behaviour or a social ill is either discouraged or blindly condoned and affirmed by Government.

We have laws forbidding the use and selling of drugs that alter Canadians' minds. So, too, we must also prevent the altering of Canadian minds through pornography.

In Canada today liberal attitudes that tolerate pornography are hiding behind a mask of neutrality. Pornography teaches contempt for, abuse of, and hatred of women and children. There is no place for pornography in Canada today. We in this House cannot be neutral to this assault on men, women, and children.

As I have mentioned before in this House, as a peace officer I have witnessed the violence and degeneration pornography brings to society.

As the Fraser committee on pornography and prostitution meets today in Vancouver, a vast majority of Canadians are calling out for stricter laws against pornography. Yet pornographic video shops continue to open all across our country, including one that opened in my riding just last month.

Let us remember that freedom of speech means freedom of truth, not freedom to slander; freedom from censorship means freedom of art, not freedom of pornography and smut.

This Parliament must quickly pass strict anti-pornography laws.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

ST. LAWRENCE SEAWAY

CELEBRATION OF 25TH ANNIVERSARY

Mrs. Éva Côté (Parliamentary Secretary to Minister of Transport): Mr. Speaker, yesterday, April 2, in the presence of the Minister of Transport (Mr. Axworthy), the St. Lawrence Seaway started a new shipping season. This year, the Seaway will be celebrating its twenty-fifth birthday. In June 1954, after more than fifty years of study, debate and negotiations, there was a ceremony to mark the signing of the Canada-U.S. Agreement providing for the joint development of a navigable waterway and an electric power station. The work was finished on schedule in the incredibly short time of five years. The Seaway proved to be a vital part of the North American transport system and has enormously benefited Canada's economy. Traffic on the deep water section of the St. Lawrence was more than 45 million tonnes last year, and the

S.O. 21

estimated value of the cargo was approximately $10 billion. The savings to users was particularly advantageous for the iron ore mining industry in Quebec and Labrador and for massive shipping of Canadian grain to international markets. During the last season alone, nearly 18 million tonnes of western grain were shipped through the Seaway. Altogether, more than one billion tonnes of commodities have been shipped on the St. Lawrence Seaway since 1959.

Mr. Speaker, I would also like to mention that the Canadian St. Lawrence Seaway Authority is a Crown Corporation that is self-financing, acquiring its revenue from toll paid by users. The long term forecast indicates—

Mr. Speaker: Order. Unfortunately, the Hon. Parliamentary Secretary's time has expired.

* * *

[*English*]

CANADIAN ARMED FORCES

INVITATION TO CHILEAN NAVAL ATTACHÉ

Mr. Terry Sargeant (Selkirk-Interlake): Mr. Speaker, last week Chile's military Government started the week by imposing a curfew and press censorship, and ended it by brutally putting down opposition demonstrations, leaving in its wake 38 people wounded and five dead, one of them a 13 year old boy gunned down on his doorstep by Chilean security forces.

Since it overthrew Chile's last elected Government, the military Government has attacked domestic opposition with torture, detention, assassination, and disappearance. Last week's events only show the world the most recent example of the contempt for democracy held by Chile's military Government, and the lack of professionalism of its military forces.

Next weekend the College Militaire Royal, in St. Jean, Quebec, is holding its assault at arms exercices. I was very disappointed to learn that, despite Chile's dreadful record, the College plans to honour Chile's military attaché to Canada, Col. Jorge Lucar, by inviting him to attend the exercises as a special guest.

The Canadian Armed Forces pride themselves on their commitment to democracy and on their professionalism. Since the world has been shown yet again that Chile's military has nothing but contempt for democracy, and none of the military professionalism to which our officer cadets aspire, the Government should direct those in charge of the College to cancel their invitation to the Chilean military attaché.

• (1410)

FISHING AND HUNTING

OPPOSITION TO CAMPAIGNS LAUNCHED BY PSEUDO-CONSERVATIONIST GROUPS

Mr. Peter Ittinuar (Nunatsiaq): Mr. Speaker, I wish to comment on the disastrous effects that the pseudo-conservationist groups are having on all Canadians. These preservationists, as I call them for a lack of suitable words available in this House, tamper and toy with our international markets, and are reducing the quality of life for millions of Canadians. It is we taxpayers and consumers who are footing the bill for these preservationists to galavant around the world on their ridiculous and asinine crusades to save all that is cute.

Anyone who suggests that we succumb to this blackmail is being shortsighted in thinking that they will go away. Trapping, hunting, sport fishing, commercial fishing, forestry and tourism will all be targets of their propaganda. How many billions of dollars and lives does that represent? We must understand that these people are only interested in maintaining a cash flow, and they will not go away until they have sapped every last sentimental dollar from the public and converted mankind into a herbivore, or possibly worse, a herb.

* * *

CANADIAN ARMED FORCES

SUPPORT FOR YOUTH TRAINING AND EMPLOYMENT PROGRAM

Mr. Lee Clark (Brandon-Souris): Mr. Speaker, many young people in my riding are receiving job skills training and work experience at Canadian Forces Base, Shilo, through the Youth Training and Employment Program. YTEP has been well received in Shilo, and I am sure the Program is also well regarded at other Canadian Forces bases where it is offered.

Unlike many of the ineffective, costly programs which came out of last April's federal Budget, YTEP has met a very real need. It is a cost-effective way to provide employment training and experience to many of Canada's young people. It uses existing facilities and, by teaching job skills, the Program prepares young people to compete in an exceedingly tough job market. It would be a shame, therefore, if the Program did not continue for at least another year.

About 5,000 young people are now benefiting from YTEP. If an extension were to be approved by Cabinet, thousands more young people would benefit. The Program could be even more effective if the young people finishing the Program were given the option of entering the Reserves.

The Government's record on unemployment is certainly nothing to brag about, so I would think that Cabinet would want to seize every opportunity to improve its record. I therefore urge the Government to approve the funds necessary for the extension of the Youth Training and Employment Program.

[*Translation*]

INDUSTRY

PROGRESSIVE CONSERVATIVE PARTY'S POSITION

Mr. Marcel Roy (Laval): Mr. Speaker, here is the attitude of Progressive Conservative Members towards the development of advanced technology in Quebec. To hear and read what Progressive Conservative Members have been saying during the debate on Bill C-21, an Act to provide borrowing authority, there seems to be an entirely negative attitude towards the development of the aviation industry. Just read the speeches about Bell Helicopter locating in Mirabel, about biotechnology in Montreal and look at their position on Canadair and the Mirabel International Airport. This Party seems to want to restrict Quebecers to the soft sectors such as textiles, footwear and furniture.

The Liberal Party has shown its firm intention of developing this key sector of the industry by spending $2 billion in the greater Montreal area over the last ten months. That shows faith in the future! This means jobs for graduates from the twenty CEGEPs in the Montreal area and the universities in Montreal itself.

* * *

[*English*]

THE LEADER OF THE OPPOSITION

Mr. Rod Murphy (Churchill): Mr. Speaker, a few days ago the Leader of the Conservative Party, the Hon. Member for Central Nova (Mr. Mulroney), said that his Party was "asleep at the switch" when Bill C-169 was passed with all-Party support. The Conservative Leader also said with reference to the legislation:

> I didn't see it, and I don't think anyone in our caucus saw it.

That is not true. The facts are the following.

Conservative Party representatives, including at least one Member of Parliament, the Hon. Member for Lethbridge-Foothills (Mr. Thacker), were involved in all-Party meetings with the Chief Electoral Officer where these proposals were agreed to. The Conservative Party endorsed these changes after the election of the new Conservative Leader last summer. *Hansard* also contradicts the Leader of the Opposition. During debate on the Bill, the Conservative spokesperson, the Hon. Member for North Vancouver-Burnaby (Mr. Cook), said:

> These amendments to the Canada Elections Act have been discussed, gone over and looked at in meetings I have attended for at least a couple of years now. All Parties were involved in open discussion.

The Conservative MP also said:

> This amendment is more severe than is realized . . . but we agreed to it . . . I endorse the changes on behalf of our Party . . . We are delighted to see this legislation go through—

This was said by the Chief Conservative Whip on behalf of his Party and the Leader who appointed him. The words of the Leader of the Opposition can only be understood when we realize that the National Citizens' Coalition claims that scores of letters have been sent to the Chief Tory fund raiser, David Angus, and that the Conservatives are losing financial donations because of their support for the Bill. Perhaps the Conservative Leader prefers dollars over facts.

* * *

EXTERNAL AFFAIRS

IRAN—PERSECUTION OF BAHA'I COMMUNITY

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, concern is still being expressed around the world, except in Iran, about the vicious—

Mr. Fisher: Where's your Leader?

Mr. Nielsen: In your riding.

Mr. Fisher: The poll should go up—

Mr. Speaker: Order, please.

Mr. Munro (Esquimalt-Saanich): Name him. He is a Fisher, not after souls either.

Mr. Speaker, concern is still being expressed around the world, except in Iran, about the vicious and unprovoked genocidal treatment being meted out by the Government of Iran to the defenceless, law-abiding Baha'i community in that country, during which thousands have lost their lives. I spoke out in protest against this uncivilized conduct in this House as long ago as October, 1981. Persecution persists.

Those of the Baha'i faith are models in any community. Their very faith requires them to love mankind, just as Baha'i means brotherhood. I think this House would support me in urging the Canadian Government to gather support for a motion at the United Nations in protest of this inhuman conduct by Iran, conduct which cries out for condemnation by the civilized countries of the world.

ORAL QUESTION PERIOD

[*English*]

CROWN CORPORATIONS

CANADAIR—ARRANGEMENT WITH GENERAL DYNAMICS LTD.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, my question is directed to the President of the Treasury Board. Did the President of the Treasury Board know, when he approved advances to increase the capital of Canadair, that part of the operation of Canadair involves an arrangement whereby General Dynamics Ltd. produces certain defence products in the Canadair facilities, and that the Canadair financial statement improperly includes the General Dynamics

volume in the Canadair sales volume and Canadair gross margins? The effect of including the General Dynamics business in the Canadair statement is to over-estimate grossly the profit of Canadair.

Hon. Herb Gray (President of the Treasury Board): Mr. Speaker, the amounts in question had been approved not only by Cabinet, but if we are talking about supplementary Estimates, also by this House. We are talking about something that has been a matter of decision by Parliament. With respect to the level of detail my friend is seeking, I will be glad to consult with the Minister responsible for the Canada Development Investment Corporation and Canadair, and get back to him.

NEGOTIATIONS BETWEEN GENERAL DYNAMICS AND CANADAIR

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, when the President of the Treasury Board is consulting, will he determine whether it is true that General Dynamics has been trying to re-purchase the facilities it occupies at Plant 4 at Canadair or, in the alternative, have a modified or changed rental agreement with new equipment supplied by Canadair or it will move its entire production to Texas? Will the Minister find out whether Joel Bell or Senator Austin have done anything on this matter? Will he report to the House what effort is being made by the Government to retain these jobs at Canadair? Why has there been no response to the demand by General Dynamics since May, 1983, for a renegotiation of this transaction? With that transaction outstanding, why did he, as President of the Treasury Board, approve these massive estimates and grants to Canadair?

Hon. Herb Gray (President of the Treasury Board): Mr. Speaker, as I just said, this support for Canadair is not only a decision of Cabinet, but a decision that has now been confirmed by the House of Commons. I will be very happy to have the responsible Minister provide the kind of information that my hon. friend is seeking.

I am sure that the public generally, not to mention the workers of Canadair, are pleased to see further evidence of the greatest conversion since St. Paul on the road to Damascus, with my hon. friend, on behalf of his Party, now talking positively, for a change, about the future of Canadair and its workers. What a change! I hope it lasts!

• (1420)

GENERAL DYNAMICS INVOLVEMENT INQUIRY

Mr. Don Blenkarn (Mississauga South): My final supplementary question is directed to the Prime Minister. Will the Prime Minister advise the House why Senator Austin failed to advise the committees dealing with Estimates for Canadair that a good portion of the activities of Canadair involved activities owned, controlled, and operated by General Dynamics? Can he advise the House why the General Dynamics profits in connection with its Canadian operation are shown as Canadair profits, and why indeed the whole of the General Dynamics-Canadair organization was merged and hidden? Will the Prime Minister give us that information, or is this a secret which we were not supposed to find out?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if it is a secret, I can be excused for not having the answer to the question. I would be happy to take the question as notice, or the insinuation as notice, and try to find an answer.

EFFECT OF AGREEMENT ON JOBS

Mr. Scott Fennell (Ontario): Mr. Speaker, my question is directed to the President of the Treasury Board. Five weeks ago an agreement was reached between the Ministry of State for Economic and Regional Development, Regional Industrial Expansion, a Ministry in the Quebec Government, the Canadair officials, and General Dynamics officials, which will run out on Friday. General Dynamics made the decision that, unless the agreement could be changed, it would shut down Plant 4 of Canadair, and the country would lose 250 jobs. Can the President of the Treasury Board confirm that an agreement will be reached before Friday of this week?

Hon. Herb Gray (President of the Treasury Board): Mr. Speaker, I am glad that my hon. friend is also part of this massive conversion. There must have been some mass sprinkling, or baptism, on that side of the House which affected their attitude on this subject.

Some Hon. Members: Oh, oh!

Mr. Gray: I will be very happy to bring this matter to the attention of the Minister responsible. I am very glad to hear the people on the other side finally talking about saving jobs at Canadair, a commitment we made a long time ago, which they should have made a long time ago as well.

Mr. Fennell: Mr. Speaker, our concern is for jobs in the country. Our further concern is for equity for taxpayers.

PURCHASE OF CANADAIR

Mr. Scott Fennell (Ontario): Mr. Speaker, I have a further question to direct to the President of the Treasury Board. It is interesting that General Dynamics is still operating under the umbrella of Canadair. Was Canadair sold by General Dynamics on a voluntary basis, or was it a forced sale by the Government of Canada which was anxious to enter into the aerospace industry and General Dynamics was interested in defence aircraft as opposed to civilian aircraft?

Hon. Herb Gray (President of the Treasury Board): Mr. Speaker, again I would have to ask the Minister responsible to respond in detail to my friend's question. But I think it is a matter of general knowledge that if the federal Government had not purchased Canadair in 1976, there would be no company today, and there would be no jobs either.

EMPLOYMENT

COST OF BROCHURES ADVERTISING DEPARTMENT'S PROGRAMS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. During the past few days glossy brochures have arrived at the doorsteps of millions of households all across the country. These brochures ostensibly refer to women and to youth. However, in reality each brochure contains on page 1 a very glossy photograph of the Minister.

Some Hon. Members: Oh, oh!

Mr. Broadbent: I would like to ask the Minister to confirm that the cost to the taxpayers of Canada for these two brochures comes to approximately a million and a half dollars. Does he think it appropriate for a Minister who is seeking the leadership of his Party to use the taxpayers' money to finance his campaign?

Some Hon. Members: Leader!

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, the hon. gentleman used the word "ostensibly". The fact is that the substance of those two publications is informative and offers real information which is of use to the taxpayers of the country when taking advantage of the programs of our Department. At the same time as Members opposite complain that we are not vigorous enough in ensuring that the Canadian public is aware of the services and programs we have, they complain when we indeed undertake programs to do exactly that.

If the Hon. Member had looked at the brochures carefully he would have seen that they contain messages from two other Ministers who are not leadership candidates. As a matter of fact, Mr. Speaker, if I had been tempted to try to use the publication to advance my own interests, I certainly would not have chosen the photograph which is contained within the publications, because it is a rather unflattering picture of me.

Some Hon. Members: Oh, oh!

Mr. Broadbent: Mr. Speaker, the Minister is accurate about at least two things. He has mentioned the photograph of himself, and I will not elaborate on that. He is also right in saying that the brochure includes photographs of other Ministers, although they are much smaller in size than the photograph of the Minister and are deeply buried within the publications.

POSITION OF PRIME MINISTER

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I would like to direct my supplementary question to the Prime Minister. Considering that the Minister who is responsible for this brochure is running for the leadership of the Liberal Party, and is the same Minister who brought before Parliament the sleazy creation of a slush fund for jobs for Liberal constituencies, I would like to ask the Prime Minister if he thinks it is appropriate that the people of Canada, on an involuntary basis, should be financing one Minister's leadership campaign.

Mr. Crosbie: Slush pump Roberts.

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, I do not think it is the intention of any of the leadership candidates to have the people of Canada finance their campaigns. However, it is the duty of every Member of the House, Minister or not, to discharge his duties as a Minister or as a back-bencher as the case may be. If the Ministers who are running for the leadership are also operating their Departments, they are doing what I asked them to do.

TIMING OF PUBLICATION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, there are two aspects to this situation. One is that a Minister of the Crown, just by sheer coincidence, is running for the leadership of the Liberal Party and is using public funds to obtain additional publicity at this time. The other aspect is that we are in a pre-election period, as the Prime Minister knows, and some parties in the House think it appropriate to collect money from their own members and supporters to spend on themselves. I would like to ask the Prime Minister if he thinks it is appropriate to send out glossy brochures containing very little factual information in a pre-election period. This amounts to the people of Canada putting up money, either for one Minister's leadership campaign, or for the intentions of the Liberal Party of Canada in the federal election campaign.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Hon. Member seems to base his case on the fact that this is a pre-election period. It is always a pre-election period, Mr. Speaker. Under our system of government, an election can be called at any time.

Some Hon. Members: Shame!

Mr. Trudeau: I hear cries of shame from the Tory ranks.

Some Hon. Members: Please! Please!

Mr. Trudeau: Now they are saying please. Just a few days ago the Leader of the Conservative Party was begging me not to try to have an election in the summer. As usual, the Tory Party is badly divided and confused.

* * *

MINES AND MINING

LAYOFFS BY INCO AT PORT COLBORNE

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, perhaps I could direct a question to the Minister of Finance. He and the Government will have learned of the very painful decision which had to be made by Incoto lay off close to 500 people at Port Colborne. This is demonstrative of the fact that

the mining industry is not participating in what the Minister calls a recovery of our economy, and also demonstrative of the fact that the industry is desperately trying to rationalize its operations and to adjust to dramatically changing world markets. I would ask the Government what it is doing to rationalize its policies and adjust to the circumstances faced by that particular industry.

What is the Government doing, particularly in terms of more innovative tax ideas which would take an inordinate social burden that had been assigned to the industry off of its shoulders, especially in connection with the so-called non-profit taxes, and so on?

• (1430)

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the Hon. Member knows, and is indeed correct in saying, that some sectors of the mining industry, not all of them, have been facing more severe difficulties and have known some lag in benefiting from the recovery in prices and in world demand. Some sectors of the mining industry, however, have been doing much better lately. This will obviously depend on the pick-up in the world demand for their particular products.

The Hon. Member knows that the taxation legislation in this country having to do with mining is one of the most generous of any of the industrialized countries. We are trying to keep our tax legislation very competitive with what is happening in the rest of the world. As a matter of fact, measures taken by both the provincial Governments and the federal Government are extremely generous in some provinces. I am not in the position to comment specifically on the situation in British Columbia in particular, compared to the situation in some other provinces. The fact is that there is a limit on how much we can do in terms of tax incentives in that regard. As the Hon. Member knows, we have other programs having to do with manpower adjustments which are also available to help industries or firms facing particular difficulties.

REQUEST FOR INTRODUCTION OF TAX ASSISTANCE LEGISLATION

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, the experience has been that all of the productivity and efficiency gains which have been achieved by industries through these painful decisions have been negated by the Government's heavy tax appetite. I am not so much speaking of the direct taxation which may well compare favourably with their competitors in world markets, but the indirect taxation, the so-called "non-profit" taxes, heavy taxes on energy, fuel and northern living allowances. These kinds of taxes which are such painful impositions on the industry make it exceedingly difficult for it to compete in world markets and to keep its operations going.

Is it the Minister's intention to introduce legislation which would permit the deduction from taxable income of the northern benefits which have been earned? And perhaps the federal Government, instead of using energy as a cash cow, can give our domestic industry a break with respect to the energy taxes which are imposed on it by the federal Government?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I believe if there is one area where a break could be given it is more in the area of royalties imposed by the provinces, which are imposed right at the source. This is a sector where provinces can have a lot of flexibility, if they so desire. These are taxes which are taken right at the beginning of the level of production and would have a beneficial impact if they were to be reduced.

As far as the specific taxes to which my friend referred are concerned, they are taxes of a general nature which are reviewed at the time of every Budget. I had a Budget in the middle of February, and this is the posture I intend to follow for this year.

As far as the taxation of northern allowances is concerned, the Hon. Member knows that I have not changed the legislation vis-à-vis northern allowances. We have not increased taxes in that regard. I have indicated that we would continue with the current remission order.

REQUEST FOR REDUCTION OF ROYALTIES IN YUKON AND NORTHWEST TERRITORIES

Hon. Erik Nielsen (Yukon): Mr. Speaker, I have one brief supplementary question to direct to the Minister of Finance on his response concerning provincial jurisdiction and royalties.. Will he follow his own advice and have the federal Government, which has sole jurisdiction over royalties in Yukon and the Northwest Territories, reduce those royalties and put mining back on its feet in those two northern Territories?

Some Hon. Members: Hear, hear!

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, if the Hon. Member looks at the federal taxation levels on northern mines he will find that they compare very favourably altogether with what is happening in every single province in Canada. As a matter of fact the federal Government is extremely generous in its treatment of the mining industry in the North as compared to any other area in the country. There is no doubt about that.

* * *

LABOUR CONDITIONS

LAYOFFS BY INCO AT PORT COLBORNE

Mr. Girve Fretz (Erie): My question is supplementary to the questions asked by the Hon. Member for Prince George-Peace River, and is directed to the Minister responsible for employment and unemployment. Four hundred and ninety jobs will be lost in my riding, and in particular in the City of Port Colborne, in an area where we presently have 17 per cent unemployment. Surely the people in government having to do with the industry were aware that the market for this particular product was drying up. Why then was no research done to

determine a new use for this material, or to determine if a new product could be manufactured in the plant at Port Colborne?

Hon. John Roberts (Minister of Employment and Immigration): Although it was not clear, Mr. Speaker, from the Hon. Member's misuse of title, I believe he meant to direct the question to me.

The fact is that we have been in touch on a longer term basis, but also as recently as last Friday, to discuss this situation with the company and to use the services which we have under the Employment and Immigration Commission to assist the company in finding both work for workers and transitional arrangements which will try to respond to the problem.

JOB RETRAINING INQUIRY

Mr. Girve Fretz (Erie): Mr. Speaker, my supplementary question is directed to the same Minister. There has been a lack of initiative by this Government. In the western industrialized world, only Ireland and Iceland invest less than we do in research and development. What will the Government now do, and when will job retraining be available for these unemployed workers in the City of Port Colborne?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, there does seem to be a certain lack of knowledge on the part of the Hon. Member. I am not responsible for the entire industrialized world with the exception of Ireland. If the Hon. Member is interested in questions about research and development, they would be more appropriately directed to one of my colleagues. I have already given the Hon. Member the answer to the second question he asked. We were in touch with the company as of last Friday. We are discussing with them, and with the unions, programs which we mount to try to respond to the situation there.

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SPACE WEAPONRY

ANTI-SATELLITE WEAPONS—CANADIAN POSITION

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, my question is directed to the Prime Minister who will know that the United States plans to move quickly ahead on anti-satellite and other space based weapon development and deployment, thereby projecting earthly folly into outer space. In light of the Prime Minister's stated concern about anti-satellite and other space weapons, and his call for a ban on the testing and development of such weapons, will the Prime Minister assure the House that Canada will not only continue to press for such a ban, but also that we will not participate in any way in the testing or development of anti-satellite or other "Star Wars" weapons or technologies?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, without completely endorsing the premise to the question, because in the proposal which the Government has made we do make a distinction between high altitude and low altitude anti-satellite systems—well, I see the hon. lady shaking her head. If she wants to know what the Government's policy is, I will tell her that is what it is. There are obvious reasons for that. If she does not understand it, I will tell her sometime.

Some Hon. Members: Oh, oh!

Mr. Hees: Cool off. Just walk around the block, Pierre.

Mr. Trudeau: I think I will do that.

Some Hon. Members: Oh, oh!

Ms. Jewett: Mr. Speaker, unfortunately, I have not the time to tell the Prime Minister that everyone is laughing at his attempt to differentiate between high altitude and low altitude testing. He only has to talk to some of the experts in the field. However, may I pursue the question with him since I did address it to him in a serious manner, and I would hope that he would reply in a serious manner.

REQUEST THAT CANADA REFUSE TO TEST ANTI-SATELLITE WEAPONS

Ms. Pauline Jewett (New Westminster-Coquitlam): Will Canada now—not tomorrow, not next month, not next year—say we will not participate in any way, given our abhorrence of the development of "Star Wars" in outer space? Will the Prime Minister give us his assurance we will not participate in any way in the testing or development of anti-satellite or comparable weapons?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have stated to the Hon. Member what the Government's policy was. She can accept it, or not accept it. However, our policy is, and will continue to be, to oppose any form of development of anti-satellite systems in high altitudes. That is our position at the beginning. Whether we can move on to—I see her guffaw, Mr. Speaker, and I really do not understand. She should know that there are anti-satellite systems now at low altitudes. Therefore, it is not a matter of preventing them from happening, as she suggests. They exist now. That is why we are starting with what does not exist so that it not be brought into existence. When she begins to understand that, then I will continue the dialogue with her.

* * *

● (1440)

LABOUR CONDITIONS

YOUTH UNEMPLOYMENT LEVELS

Mr. Gerry St. Germain (Mission-Port Moody): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. In view of recent statements made by the Minister of Finance in Montreal that he does not feel there is a youth unemployment crisis, or a lost generation, when considering all aspects of youth unemployment, will the Minister tell

the House whether he concurs with the Minister of Finance's acceptance of an 18 per cent to 20 per cent or higher level of youth unemployment?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, I agree with the comment of my colleague, the Minister of Finance, when he said that such levels of unemployment were not acceptable.

Mr. St. Germain: Mr. Speaker, I find it deplorable that the Minister concurs with the Minister of Finance when we have 45 per cent unemployment in ridings in western Canada where affluence used to exist.

CRITERIA APPLICABLE TO YOUTH EMPLOYMENT FUNDS

Mr. Gerry St. Germain (Mission-Port Moody): Mr. Speaker, my supplementary concerns the $150 million allocated to youth in the last Budget. Would the Minister please tell this House how that money will be distributed and what criteria are to be used in applying for these funds? We would like to know now.

Hon. John Roberts (Minister of Employment and Immigration): The Hon. Member cannot know right now, Mr. Speaker, because not all of the decisions relating to that $150 million have been taken. However, he will know all the details very soon.

* * *

CANADIAN WHEAT BOARD

INITIAL PRICE FOR WHEAT

Mr. Jack Murta (Lisgar): Mr. Speaker, in the absence of the Minister of Transport, who answers for the Wheat Board, my question is directed to the Minister of Agriculture. Prairie grain farmers face a substantial drop in wheat prices for two main reasons, the soft world grain price and, of course, a highly competitive market. Will it be government policy to maintain the initial price at or very near to the present level for the 1984-85 crop year, thereby possibly having the Government assume some of the risk by putting some money into the pool at the end of the year? If not, would the Government be prepared to implement offsetting deficiency payments to compensate for what appears to be a disastrous pricing situation facing western farmers this particular year?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, first of all the Hon. Member has a very pessimistic attitude about the price for grain. I know, and he knows, that at this time of the year no crop is created or lost. All of these things have to be taken into consideration. Some of my advisers are telling me that prices are going to increase because of world conditions, et cetera. Of the things he has suggested, the last one in particular is not being considered, but the other two are.

Mr. Murta: Mr. Speaker, the Canadian Wheat Board said there could be as much as a $17 a tonne Canadian price drop this coming year. The Minister responsible for the Wheat Board echoes those concerns. Perhaps the two Ministers can get their act together.

GOVERNMENT POSITION

Mr. Jack Murta (Lisgar): Mr. Speaker, the Government obviously cannot allow western grain agriculture to collapse. The fact that farmers have to bear substantially higher transportation costs this year, along with increases in other input costs, on top of the fact that they have had two poor crop years on the Prairies, will force a lot of farmers into bankruptcy. Will the Government live up to its obligation and make sure that the initial prices for the coming year are maintained at not less than the present prices?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the record will show that initial prices have always been set in a realistic fashion which is satisfactory to the farmers, maybe not 100 per cent satisfactory, but at least 90 per cent.

* * *

AGRICULTURE

WESTERN GRAIN STABILIZATION LEGISLATION—REQUEST FOR AMENDMENT

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is also directed to the Minister of Agriculture. I think he knows that prairie farm income is down and bankruptcies are up. Can he tell the House whether he is willing to make the necessary changes to the western grain stabilization legislation which would trigger a payout to prairie grain farmers for the crop year 1983? A lot of grain farmers are asking for this.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, first of all I am sure the Hon. Member knows that every grain farmer in western Canada does not belong to the Western Grain Stabilization Program. About 76 per cent or 77 per cent belong, so about 23 per cent do not. When he says "farmers", he should say those farmers who belong to the plan.

The Hon. Member knows that we have a report, and I am sure he knows that we are already working on that plan, and we hope to have his co-operation and that of the rest of the House when we present the plan to the House.

TIMING OF INTRODUCTION OF AMENDING LEGISLATION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, that is the same answer we have been getting now for weeks from the Minister of Agriculture, and also from the Senator in charge of the Canadian Wheat Board. I want to know when we are going to see the changes in that plan. They were promised in the Throne Speech. I suggest he do it now, otherwise all those green hats for the leadership campaign will go to waste.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I put the welfare of farmers ahead of any kind of a campaign.

Some Hon. Members: Oh, oh!

Mr. Whelan: As long as the agricultural economy is healthy, the rest of the country goes that way.

Mr. Nystrom: When?

Mr. Whelan: He keeps asking when, Mr. Speaker. Soon.

* * *

EXTERNAL AFFAIRS

CYPRUS—PROPOSALS ADVANCED BY UNITED NATIONS SECRETARY GENERAL

Mr. Thomas Siddon (Richmond-South Delta): Mr. Speaker, my question is directed to the Acting Secretary of State for External Affairs. Does the Government of Canada support the recent proposals of UN Secretary General Perez de Cuellar for gradual steps toward the reunification of Cyprus, including the return of privately-owned properties near Famagusta, at Varosha, to their rightful owners in the Republic of Cyprus?

Hon. Gerald Regan (Minister for International Trade): Mr. Speaker, the position of the Government of Canada has consistently been that the taking of territory in Cyprus is not subject to recognition. The present situation is not based on international recognition or acceptance. It therefore follows that efforts by the UN to bring about a restoration to the conditions and structure on the island, as it previously existed, would be a positive step in that direction. We are watching the Secretary General's initiatives with great interest.

Mr. Siddon: Mr. Speaker, I hope the Minister will do more than watch that initiative.

PRESENCE OF TURKISH TROOPS ON CYPRUS

Mr. Thomas Siddon (Richmond-South Delta): Mr. Speaker, recognizing that the continued partition of Cyprus represents a serious threat to relations between Greece and Turkey, which could lead to a dangerous impairment of the NATO Alliance in the northern Mediterranean, what representation is the Canadian Government making in Ankara and Washington to facilitate the early withdrawal of 30,000 Turkish troops from Cyprus?

Hon. Gerald Regan (Minister for International Trade): Mr. Speaker, the Hon. Member is aware of the fact that Canada's commitment to peace and stability in Cyprus is a rather considerable one. We have had a peace-keeping force there for some 20 years. Our position is well known in Ankara and Washington concerning the destabilization of the previous situation in Cyprus by the military action of a number of years ago. Certainly in Ankara and Washington it is known exactly what is our position.

AGRICULTURE

SITUATION OF YOUNG FARMERS IN MANITOBA

Mr. Lee Clark (Brandon-Souris): Mr. Speaker, my question is addressed to the Minister of Agriculture. In response to a recent question he said he was going to take action soon to bring in a payout plan under the Western Grain Stabilization Program. I have spent much of this past weekend meeting and talking with farmers. Young farmers are being forced off the land. Since this last weekend two of those young farmers are no longer farming. They have been forced off within the last 24 hours. Is the Minister's Government unable or unwilling to do anything to prevent the loss of an entire generation of younger farmers?

• (1450)

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, it is very easy to say that it is one Minister's or one government's fault, when the previous Government of Manitoba did not do very much either. Agriculture is a joint responsibility. The Hon. Member should consider the amount of money we have loaned people in Manitoba to assist them with advance payments, et cetera. To say that the Government can be the saviour of everyone in that area is not correct. That is what the Member seems to be suggesting in his question.

I met with the Farm Credit people yesterday. I received letters from the Hon. Member's constituency and I also spoke to him. If he has any suggestion on how to save these people, would he please come forward with them? The people from Manitoba are now suggesting by letter that the Government assume ownership of the land, rent it back to the farmers, and then, if the farms become economically viable entities, they be allowed to purchase them. That is what the farmers themselves are writing. I received several letters yesterday suggesting that.

FARM CREDIT CORPORATION INTEREST LEVELS

Mr. Lee Clark (Brandon-Souris): Mr. Speaker, trying to pass the buck to the Government of Manitoba in this case is no answer. The farmers want action, and they want it now.

The Minister asked for suggestions. There are two specific things he can do. First of all, if he is willing, he can persuade the Minister of Finance, who for some reason seems very unconcerned about the plight of western Canadian farmers, to abolish the present system of charging 16 per cent and 16.75 per cent on long term Farm Credit Corporation loans. The second thing he can do, if he is willing and able, is persuade the Minister of Finance to abolish the tax on farm fuels.

Mr. Speaker: Will the Hon. Member ask his supplementary question?

Mr. Clark (Brandon-Souris): Will the Minister make those presentations to the Minister of Finance?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, if the Hon. Member would like, I am sure we can have a briefing arranged for him by the Farm Credit people who are

in touch with these people all the time. We gave some of these people reduced interest rates as low as 9 per cent and 10 per cent. These subsidized interest rates cost us, I believe, $36 million over a period of two years. Some of these people have not made a payment in two years.

What is the Hon. Member suggesting we do? These people are involved in production entities that are not giving a proper return. These production entities have not allowed them to make payments even with the reduced interest rates. In some instances, Mr. Speaker, if we gave them free money they would not be able to make ends meet under the production entities in which they are involved. That is only in some instances, not in all. I have made suggestions to the Minister of Finance. We are concerned about these people.

The letters that I received from Macgregor, Manitoba, and some other areas suggest that the Farm Credit Corporation take ownership, lease the land back to the farmers and let them stay on the land for three years, with the right to buy it back if it becomes economically viable. His constituents are suggesting that, Mr. Speaker. If the Hon. Member has any different views from his constituents, let him tell me them.

* * *

EXTERNAL AFFAIRS

SRI LANKA—PLIGHT OF TAMIL POPULATION

Mr. David Kilgour (Edmonton-Strathcona): Mr. Speaker, my question is for the Minister for International Trade, if he will return to his seat. Tamil speaking Canadians are most concerned about what has happened today and yesterday in Sri Lanka. What can the Minister tell the House about that situation? What, if anything, does he feel the Government of Canada can do to stabilize the situation in Sri Lanka?

Hon. Gerald Regan (Minister for International Trade): Mr. Speaker, I am unable to report to the Hon. Member on the happenings in Sri Lanka yesterday and today, to which he refers. There has been an ongoing difficult situation in relation to the Tamil population with regard to certain isolated, and some not so isolated, incidents of violence. We have excellent representation in Colombo. Canadian interests are well taken care of. We are confident that the Government of Sri Lanka is doing all it can to deal with the situation.

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GOVERNMENT ADVERTISING

SALARY OF CABINET COMMITTEE CHAIRMAN

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, my question is for the Prime Minister. It is with regard to the advertising management group, the Cabinet Committee on Communications. Mr. P. T. Zarry, the Chairman, has been allotted $14 million to advertise 50 Government programs which the public does not know exist. Mr. Zarry is receiving a salary of $2,000 per day, plus expenses. Can the Prime Minister justify an exorbitant salary like that?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have no knowledge of this. If the Hon. Member had sent me notice, I might have inquired. I will be happy to take notice of the question.

Mr. Speaker: The Hon. Member may have a supplementary question. However, if the Hon. Member is asking for specific details, a question on the Order Paper is usual.

REPORTING AUTHORITY

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, perhaps the Prime Minister can take this as notice as well. Can he also explain why Mr. Zarry reports on his duties to Senator Keith Davey in the other place?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will take notice of that also.

* * *

POOLS

FUNDING FOR SPORTS POOL CORPORATION

Hon. Steven E. Paproski (Edmonton North): Mr. Speaker, my question is for the Minister of State (Fitness and Amateur Sport). What authority did the Minister have to borrow $12.9 million from the Crown corporation, Loto Canada, to start up his sports lottery?

[*Translation*]

Hon. Jacques Olivier (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, as far as I know, we have not borrowed money from Loto Canada. Certainly not. We are continuing discussions in accordance with our agreement, which is to return to the Consolidated Fund the sums of money that remain in the Loto Canada account.

[*English*]

POSSIBLE USE OF POST OFFICES AS LOCATIONS FOR SPORTS POOL TERMINALS

Hon. Steven E. Paproski (Edmonton North): Mr. Speaker, my supplementary question is for the Minister responsible for the Post Office, if he would come into the House. Are you allowing—

Mr. Speaker: Please address the Chair.

Mr. Paproski: Mr. Speaker, through you, to the Minister responsible for the Post Office, is he going to allow 8,300 of his postal terminals to be betting houses for the new sports pool?

Some Hon. Members: Shame!

[*Translation*]

Hon. André Ouellet (Minister of Labour): Mr. Speaker, I may remind the Hon. Member that this Bill was passed by Parliament and that, therefore, it is not an illegal operation. The Parliament of Canada passed a Bill authorizing the establishment of sports pools in Canada.

About the issue whether the Canada Post Corporation will become associated with the new Sports Pool Corporation, discussions are currently taking place between the two agencies, and I can give the House the assurance that the respective authorities of the two corporations will be publishing the results of their discussions very shortly.

* * *

[*English*]

AGRICULTURE

GRAIN STABILIZATION FUND—PAYOUT DATE

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is supplemental to those asked of the Minister of Agriculture with regard to the grain stabilization fund. When is this payout going to be made?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I am sure the Hon. Member knows that the legislation has to be changed, et cetera. The formula has to be approved by the House through the necessary procedures. Unless we have speedy concurrence of the House we would be very lucky to make one in 1984. However, we want to do it in 1984.

* * *

FISHERIES

NATIONAL SEA PRODUCTS LIMITED—APPOINTMENT OF DIRECTOR

Hon. John C. Crosbie (St. John's West): Mr. Speaker, my question is for the Minister of Fisheries and Oceans. Mr. David Mann, who was a member of the Kirby task force, is a lawyer in Halifax. He is one of the group known as Regan's raiders, by the way. He is doing all the legal work on the amalgamation and negotiation with shareholders for Fishery Products International Limited, the Newfoundland company in which the Government is a heavy shareholder. He has now been appointed to the Board of Directors of National Sea Products Limited, their prime competitor. The gentleman is also the campaign manager for Mr. John Turner in the Atlantic Provinces. I do not know how he does all this.

This is an obvious conflict of interest. Would the Minister give instructions to Mr. Mann that he must either leave the Board of National Sea or give up his lucrative legal business for the government owned company, Fishery Products International Limited?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Mr. Speaker, I think this is the most eloquent example of double standards.

Some Hon. Members: Oh, oh!

• (1500)

Mr. De Bané: The Member who just asked me a question is the brother of one of the directors that the Government of Canada has appointed on Fishery Products.

Some Hon. Members: Oh, oh!

Mr. Mazankowski: So what?

Mr. De Bané: When the Government of Canada appoints his brother, this is not a conflict of interest. When the private sector appoints a lawyer who has worked in the past for the federal Government as an adviser to me, then he criticizes the private sector for having confirmed the choice that I had made years ago.

Some Hon. Members: Hear, hear!

Mr. Speaker: Supplementary. The Hon. Member for St. John's West.

Mr. Tobin: Resign!

Mr. Crosbie: The fact that the hon. gentleman—

Some Hon. Members: Resign!

Mr. Speaker: The Hon. Member for St. John's West has the floor.

Some Hon. Members: Resign!

Mr. Crosbie: When you are finished all your excitement that somebody honest got in on one of those companies of yours, just relax.

Mr. Trudeau: You mean your brother is not honest?

CONFLICT OF INTEREST INQUIRY

Hon. John C. Crosbie (St. John's West): Mr. David Mann is a lawyer and his firm is acting for Fishery Products International Limited, owned by the Government of Canada and the Government of Newfoundland, and doing all of the legal work. He has now been appointed a director of National Sea Products Limited.

Mr. Trudeau: But he is not a Crosbie. What's your problem?

Mr. Crosbie: He is not a Trudeau either, but that doesn't make him an ass.

Mr. Trudeau: Precisely.

Mr. Crosbie: He knows a good thing when he sees it. He knows patronage when he sees it.

Mr. Trudeau: If he were a Crosbie he would be an ass; that is what you mean.

Mr. Crosbie: These two firms are in competition. Is the Minister going to stop the conflict of interest? I am not on the board of National Sea nor Fishery Products. I am here trying to keep you honest. Will you keep your appointees honest?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Mr. Speaker, I would like to remind the Hon. Member that for those companies in which the federal Government has made some commercial investments, some of the board members have been appointed by the federal Government and, of course, particularly with respect to National Sea, the majority is in the hands of the private sector. Of course I can do nothing if the private sector wants to appoint Mr. So-and-So.

Second, I would like to remind the Hon. Member that—

Mr. Crosbie: How can he be the lawyer of Fishery Products?

Mr. De Bané: —due to the insistence of his own Party, we have decided that those commercial investments by the federal Government will be reporting, not to me as Minister of Fisheries and Oceans but to the Minister in charge of CDIC.

Again, if he would reflect on it, he would see that there is no problem whatsoever and Fishery Products is absolutely, totally free to appoint whomever it wants as the legal adviser. Hopefully they will be appointing lawyers from Newfoundland, and maybe some brothers and cousins of the Hon. Member.

Mr. Crosbie: That would be an improvement.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

MR. MITGES—SUPPORT FOR CANADA HEALTH ACT

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Grey-Simcoe (Mr. Mitges) on Monday, April 2, 1984, meets the requirements of the Standing Orders as to form.

* * *

[*Translation*]

BUSINESS OF THE HOUSE

Mr. Pinard: Mr. Speaker, I would like to designate this Friday as an Opposition day.

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 172, 386, 452 and 678.

[*Text*]

FIRA ADVISORY COMMITTEE

Question No. 172—**Mr. Mazankowski:**

1. Is there a FIRA Advisory Committee and, if so (a) who are the members (b) what is the (i) background or expertise (ii) term of appointment of each member (c) what remuneration, such as salary or travel expenses, do the members receive and, for the length of each appointment to date, what amount did each member receive (d) what other funding, if any, is provided by the Government?

2. (a) What are the terms of reference of the Committee (b) what matters did it consider in the fiscal year 1982-83 (c) how often did it meet and how often is it required to meet (d) what reports and/or recommendations did the Committee publish in the fiscal year 1982-83?

Hon. Ed Lumley (Minister of Regional Industrial Expansion): 1. No.

2. Not applicable.

CEIC—ALLOCATION OF FUNDS TO NEW BRUNSWICK

Question No. 386—**Mr. Howie:**

With reference to the latest available figures in the current fiscal year for the Province of New Brunswick, what was the total amount of money allocated to recipients in each constituency in respect to each of the following programs of the Department of Employment and Immigration (a) Youth Summer Employment (b) LEAP (c) LEAD (d) Internship (e) Canada Works?

Mr. Jean-Guy Dubois (Parliamentary Secretary to Minister of Employment and Immigration: (a) See below. (b) None. (c) None. (d) The only figure available is for the Native Internship Program. The 1983-84 allocation to the New Brunswick was $114,984 creating employment for 24 native students. (e) See below.

	(a) Summer Canada 1983 (community stream portion allocations)	(e) 1983/84 Canada Works allocations
Carleton-Charlotte	222,400	924,000
Fundy-Royal	178,000	739,000
Gloucester	430,300	3,000,000
Madawaska-Victoria	483,300	1,247,000
Moncton	259,200	566,000
Northumberland-Miramichi	348,300	1,753,000
Restigouche	342,200	1,490,000
Saint John	262,200	334,000
Westmorland-Kent	279,400	2,471,000
York-Sunbury	439,500	358,000

PUBLIC SERVICE COMMISSION

Question No. 452—**Mr. Howie:**

Are any persons employed by the Public Service Commission and, if so, how many and what is the estimated salary expenditure for the current year, and what were the salary expenditures in each of the preceding two consecutive years?

Hon. Serge Joyal (Secretary of State): As of December 31, 1983 the Public Service Commission was employing 2,736 persons.

Estimated salary expenditures for current year	$84,524,000
Actual salary expenditures for 1982-83	76,015,000
Actual salary expenditures for 1981-82	68,273,000

APPOINTMENT OF DIRECTOR OF FITNESS CANADA

Question No. 678—**Mr. Hawkes:**

Did the Ministry of State (Fitness and Amateur Sport) recently hire a new Director for Fitness Canada and, if so, what (a) is the name of the successful candidate (b) steps were taken to ensure that the competition for this position was open to all qualified Canadians?

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): I am informed by the Ministry of State for Fitness and Amateur Sport and the Public Service Commission as follows:

(a) Yes, Mr. Michel Bédard was appointed to the above-mentioned position effective February 20, 1984 for a specified period (two years).

(b) The qualified candidate was selected following a careful examination, by both the Public Service Commission and the Department, of members of the management category via the management resources information system as well as the applicant inventories in which all Canadians can register.

[*Translation*]

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

[*English*]

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

Some Hon. Members: Agreed.

Supply

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—NEED FOR GOVERNMENT POLICY ON VOLUNTARY ORGANIZATIONS

The House resumed consideration of the motion of Mr. McLean:

That this House condemns the Government for its failure to honour the commitment made both in 1974 and 1981 by Canada's Secretary of State to develop, in co-operation with the voluntary sector, a comprehensive government action policy with respect to the voluntary sector and urges the Government to provide an immediate incentive to Canada's 40,000 registered charities by implementing the give and take tax credit proposal.

Mr. Douglas Fisher (Mississauga North): Mr. Speaker, today's motion deals with the dealings between the voluntary sector and the federal Government. I am pleased to rise once again to talk about this topic. I am proud of the partnership that has developed between our Government and the community groups, particularly those in Mississauga.

I would like to spend a few minutes reflecting on the creativity and the value of that partnership. In my view, there is a major policy thrust, particularly in areas like housing, the arts and multiculturalism, that creates a deliberate partnership between the private sector and the federal Government. There is also a second way that we work with the private sector, that is, by creating new jobs and new opportunities in community development. Third, we have undertaken a program that seeks accountability, flexibility and community growth.

Therefore, I want to talk about these parts of the Government's efforts to strengthen and encourage the private voluntary sector in my riding. I intend to use the Mississauga area volunteer and charity groups as the focus of my discussion. I would like to relate our programs to these specific community efforts because I must admit at the outset that I am very, very proud of the efforts that we are undertaking in Mississauga.

For example, on Saturday night the Member for Mississauga South (Mr. Blenkarn) and I had a great opportunity to join the South Asian Community when they held a fund raising dinner to help raise moneys for our new Credit Valley Hospital. It would be remiss of me not to extend my congratulations to them for the great effort they made.

I also want to extend my congratulations to the Streetville Lioness Club which held a dance on that same Saturday night, again to raise funds for our local hospitals.

We have seen many community groups across Mississauga use this hospital as a focal point to raise moneys to help develop our community. They have made a vital contribution that has been good not only for themselves but also for our city at large. It would take me far too long to list all of these different groups here and now.

I said at the beginning that there is a deliberate partnership between the voluntary sector and the federal Government in housing, particularly social housing. I would like to make a reference here to Russett Co-Op and to Tecumseh Co-op, both

of which are new social housing development projects in Mississauga. In addition, I would like to refer to the Sampaguito Philippino Seniors home, which is another private non profit social housing development. As part of those three projects we see over 300 new homes being developed across my city. The two co-operatives are open now and looking forward to their official ceremonies later in June. The Philippino senior citizen's home is currently under construction, and of course we wish them well.

These three projects came about because a particular volunteer had the vision and willingness to undertake the hard work necessary to make these projects happen. These projects reflect the dedication and the community spirit that is so typical of voluntary action. They reflect a willingness to struggle, to spend long hours late into the night, year after year to see a dream turned into concrete and new homes. Then, on the other side, the people of Canada form the other half of the partnership through our willingness to fund these projects through CMHC's social housing program. We provide financial help and management advice to match the voluntary spirit.

● (1510)

I would like to salute the founding members, the founding board of directors and the initial residents in those three housing projects. When those housing projects are opened in my city, the whole city will be far better for it. When those housing projects offer their facilities to the citizens of Mississauga, then all of Mississauga will benefit. This is the kind of creative partnership that we have developed in housing.

As I mentioned to you a moment ago, Mr. Speaker, over 300 new homes were developed in Mississauga in 1983 alone. Over 1,500 new homes have been built across our city since 1980 when I was elected, and over 100,000 new homes have been built under this program across Canada since 1980. This is a partnership, Sir, between people in our city who have vision and determination and the federal Government that is prepared to join with the voluntary sector and make those dreams come true. That is the way the private sector, the voluntary sector, finds help and friendship with the Liberal Government.

There is a similar equal partnership happening in multiculturalism. Again I am going to use examples from my own riding because I have seen our multiculturalism policy work so very well in my city. There are several heritage language schools open every Saturday morning across Mississauga. I see the Hon. Member for Parkdale-High Park (Mr. Flis) here. One of his children is enrolled in the Copernicus Polish school. There is also the St. Sophia Ukrainian school, the Frederick Schiller German school, and the Mississauga Croatian school. Do you know, Mr. Speaker, that the parents in those schools spend hours of their own time making sure those schools are properly established, that proper teachers are hired and finances are arranged properly? In short, this is typical of the kind of dedication and hard work that people put into all our voluntary activities. Again, the federal Government is there as a partner. We offer them some financial assistance to keep the doors open. They have their own private fund raising and God bless everybody, they are great at it. But we are there also to provide some additional help. I remember just the other week going to the Chinese Language school in my city. Six teachers are looking through available text books in Chinese dialects to see if they are suitable for teaching in similar schools coast to coast. The federal Government is helping with some of the research costs. I gave them a cheque on behalf of the people of Canada to encourage them. That project will help Chinese parents and children, not just in Mississauga, not just in that one school, but from coast to coast, from Miramichi right to Vancouver Island. In Mississauga we are proud to be a sparkplug in that partnership between the voluntary sector and the federal Government. Let us remember this is the type of voluntary self-sacrificing activity that is typical of so many groups.

Other multicultural programs are relying on the same willingness of people to give their time unstingtingly and to use their imagination to develop ways to help our community and our country. I think, for example, of the Malton Black Development Association. Early in June that association will be holding a seminar on the family's role in Canadian society. That seminar will help immigrant parents to develop ways of dealing with the great stresses between their traditional societies and the new society in which they and their children are living. Here is a group that saw a need. Here is a group that did not want to stay simply as a social group. They wanted to reach into families and into personal lives to make an improvement. Again the voluntary sector was encouraged and supported by a federal Liberal program. I am proud of the help that we extended to them. I want to wish them well in all the efforts which they undertake in preparation for their seminar next June.

I think of other multicultural groups that have done the same sort of thing. The Malton Catholic Community, for example, is a case where the church, community groups, and individual citizens have joined together to help new Canadians who have not yet achieved Canadian citizenship. They are offering classes and telling people how to fill out forms. They are helping people to anticipate the struggles ahead. Above all, they are helping fellow Canadians to assume the vital role of Canadian citizenship. They are doing this as volunteers. We in the federal Government have provided a small grant to help them with their costs.

Take a look at the Sao Salvadore Centre which is helping Portuguese immigrants integrate into Canadian society in Mississauga. Last summer, the Summer Canada grant program was used by several Portuguese Canadians to develop a film strip that will explain to the rest of us how immigrants feel and what difficulties they have when they first come to this country. Service clubs, churches, schools, and other volunteer groups across Mississauga can now get that film strip and see life as a new immigrant sees it, to experience life as new immigrants experience it, all because of students and the people at the Sao Salvadore Centre which had the imagination and sensitivity to develop such a fine program. We were able

to help and to be a partner through our Summer Canada grant program.

I am reminded today as well of the Mississauga Canadian-Italian Association. A year ago I met with people from that association. At that time it was a social group. People had dances and enjoyed themselves together as a community, but they wanted to go beyond that. They were worried about the way some people were having difficulty integrating into Mississauga. They were worried about drugs. They were worried about family services and about filling in official government forms. They set up a referral service. Today that referral service is launched, thanks to a grant from the federal Government. It is another partnership. It is an extended hand between the community and the federal Government. Today it is a service that is widely applauded. The mayor, the provincial MPP, other volunteers, representatives from the Italian services across Toronto have all said that the Mississauga Canadian-Italian Association has indeed done a good job. I am proud to have been there helping out as a partner on behalf of the federal Government.

I believe that in housing and in multiculturalism we have two outstanding examples of how the federal Government works hand in hand with volunteer activities to build new institutions, to create new aspects to our social safety net across Canada. But there is a third area, and that is where we join the private sector, the volunteer sector, to be a partner in jobs and community development. Every Member in this House knows about the Summer Canada program and the Canada Works program. Personally I prefer to see those job-creation projects go to the private voluntary sector. It is a constant temptation in my city to extend the moneys to the City of Mississauga and to the region of Peel. I try to avoid that temptation because I do not like just to pass tax dollars from one level of government to another. Frankly, I find that the City of Mississauga has great ideas. If I do not give them a grant through our system, they will find the money in another way. Volunteer groups do not have that kind of flexibility. They do not have that kind of partnership.

• (1520)

Let me point out some of the people who worked with us last summer to create jobs for students. Listen to this list. Listen to the broad representation across Mississauga. Here is an honour roll of voluntarism in my city: Theatre Malton, Malton Social Planning Centre, the Volunteer Centre of Peel, the ACFO-Nottawasaga Branch, the Midwich Co-op Housing Project, the Victorian Order of Nurses, the Canadian National Institute for the Blind, and the Credit Valley Treatment Centre. Those are all volunteer groups in my city. All of them offer opportunities to help my city grow and become stronger.

In their Summer Canada projects, they left permanent benefits for our community. They provided our students with useful jobs and training and left us with projects that are responsible. We are now able to measure the benefits because they are accountable groups which are ready to stand up and tell us what they did with great pride. I see us working through volunteer groups to create short-term jobs. I like that process. It is a very valuable way to operate. We need more of this activity, not less.

In conclusion, I want to say that I salute the people from Erindale College, the Mississauga Board of Trade and the Mississauga *News*. Today they are preparing the Citizen of the Year Dinner. This is held annually to salute one person who has done a really outstanding job. They are currently going through the community picking the nominees. In the next days they will boil down the long list into a short list and pick a winner. They do not really pick one winner. In this process, all of Mississauga is a winner. We are picking someone who represents the kind of community spirit that is typical of my city. When that community spirit raises its head, I am proud that the federal Government has been there to help them out in a few small ways.

Mr. Hawkes: Mr. Speaker, I may have missed the first few moments of the Hon. Member's speech. I wonder whether he dealt with the issue of the give and take tax proposal. If the Hon. Member did not deal with it, he has missed the essence of a large part of the concern in the voluntary community.

I have noted in the House over a considerable period of time that he has voted for budgets which provide the $100 standard deduction without making charitable donations, and that has been one of the causes why the voluntary sector has fallen behind in a financial sense. Has he had a change of heart and can he assure the House that he is now in favour of the give and take tax proposal and the fact that people must donate to charities before getting tax credits for having done so?

Mr. Fisher: Mr. Speaker, I appreciate the question. I have to confess that I did not go right to the motion. The Hon. Member has pinned me down. He has found my true strategy. I did not go directly to the motion because I found the motion wrong. I found it too negative. The motion attempts to say that the federal Government does not do anything for the charitable or voluntary sector.

Far be it for the Hon. Member to introduce politics into the House of Commons, but I believe the motion may have had some political overtones. I think his speech may have had some political overtones. It is necessary to balance out that sort of negative motion with a reference to a few positive matters. There has been positive action in housing with 100,000 units across Canada in the social housing program, most of them through a partnership with the voluntary sector. That is not something we should condemn. It is something we should applaud. If we go to examples of other programs, we find the Government hand in hand with the private sector constantly. If the Hon. Member has a particular tax measure that he wants to promote, that is fine, but he should not condemn all Government activity through this motion just because he is trying to promote one particular tax deduction.

Mr. Nickerson: Mr. Speaker, the Hon. Member for Mississauga North describes himself as a sparkplug. On reflection, I do see certain resemblances. Both of them have occasional

flashes of brilliance and both of them are possessed of gaps, in one case between the electrodes and in the other case between the ears. I take it from the Hon. Member's speech that he is in favour of the general Liberal Party approach to this problem where, instead of allowing people to donate to the charity of their choice through the tax system, he would tax all that money away from the taxpayers. It would then be up to politicians, bureaucrats or somebody associated with the government of the day to redistribute those tax dollars to a charity or cause of its choosing. That is supporting charities or causes of the Government's choosing and not necessarily those of the individual's choosing.

Mr. Fisher: Mr. Speaker, the Hon. Member always has enjoyable interventions to make which spice up life around here. I must say that his descriptions of me personally are quite accurate and very generous. I thank him for that. Typically he has asked the key question, and I congratulate him for that. Yes, I believe that generally we should use a grant system. He has described ills that really have not occurred. What happens is a general building of a list of criteria. Any group which meets those criteria applies and receives the grant, not a politically attractive group but any group can get the grant provided it meets the criteria. That is the first important point.

Second, once it has the grant, it is accountable for the spending of the money. It cannot spend the money in ways that are unacceptable or beyond the criteria. The Hon. Member knows that because he has seen how our officials screen the activities of Summer Canada projects in his riding. They want to know what is going on. They want to make sure the money is spent in ways that Parliament has approved. There is nothing wrong with that.

Third, these grant systems are measurable. The Government can make a proposal to the House of Commons, have it debated and approved in this Chamber, and then it applies evenly across the country. It is not open-ended and beyond the capacity of the people to afford.

I remind the Hon. Member that his motion makes reference to 40,000 registered charities. He wants half of the donations to those charities to be a tax credit. That is an enormous burden on the public purse. It is an open-ended one where the spending is not accountable, where the people are not responsible in any way to the general public. I offer him a contrast. Grants are measurable, responsible and accountable, but tax breaks are general, open-ended and very expensive. He should consider that.

Mr. Hawkes: Mr. Speaker, I must be sitting in a different House of Commons. Earlier this day in Question Period the Minister of Employment and Immigration (Mr. Roberts) was asked simply to make public the criteria for the $150 million worth of granting proposals, but he refused. This very day he refused to make public the criteria for spending the $150 million. We have discovered historically that $300 million was spent before anybody saw the criteria. To make that kind of defence of the Government's granting record is to come from outer space.

• (1530)

I would like to ask the Member if he does or does not agree with the position of the national voluntary organizations that voluntary organizations which care about the quality of life in the country, whether it be the social quality, cultural quality or whatever, and which are entitled to a Revenue Canada tax number, should in fact be allowed to advocate for public policy. The present policy of his Government is that they cannot advocate. Is he changing his position and is the Government changing its position to say yes, groups of that kind should be allowed to advocate?

Mr. Fisher: Mr. Speaker, I would not be at all surprised if the Hon. Member found himself out of touch with the debate of the day. If I were him, I would not stand up in the House and admit it.

Mr. Epp: You admitted it for 20 minutes.

Mr. Fisher: Every government grant program which is undertaken has attached to it regular standards. For example, Summer Canada programs indicate quite frequently that there will be priorities for handicapped people. Last year, the Canada Works Program had as a high priority women who were re-entering the work force after a period of time at home.

We know where the priorities exist and we know the kinds of people who are intended to be the beneficiaries of particular grants from year to year. All of us in this Chamber know that, or we should know that, because the employment development people tell us about those standards before the grants are issued. If the Hon. Member does not go through that process, he cannot blame the Government. He is supposed to do so but he may not always undertake the fulfilment of his responsibilities. That is up to him.

Mr. Bosley: Mr. Speaker, I would like to ask the Member one simple question. He is making an eloquent defence of grants as opposed to tax credits. Would he apply the same view to people with child tax credits? Would he apply the same view to political Parties? Would he argue that a political Party, which represents Canadians who on a voluntary basis work for party they want to represent the people, should have their activities controlled through government grants?

Mr. Fisher: Mr. Speaker, I think there is a considerable difference between a political Party and a voluntary or charitable group. I think anyone who cannot see that is having difficulties. The Hon. Member's political Party, the political Party of the NDP and our political Party deal regularly with public decisions, with power and with influence. The Hon. Member knows that the tax grant system was set up to encourage a lot of small donors and to encourage the political Parties to get away from big power blocks which were donating huge amounts of money. In my riding today, I have, I hope, almost enough money to participate in the next election campaign. Every one of those donations has come from small

businessmen and individual donors. That is what the system was set up to do. It was not set up to create a parallel with charity.

Hon. Jake Epp (Provencher): Mr. Speaker, I would first like to commend my colleague, the Hon. Member for Waterloo (Mr. McLean), not only for the motion that he has put before the House this day, but for the work that he has undertaken prior to this motion in support of the the Coalition of National Voluntary Organizations. It is one thing for a Member of the House of Commons to stand up in his or her place and make a case when a motion is before the House. The Hon. Member for Waterloo has done so on behalf of the National Voluntary Organizations in committee, and I can tell the House that he has done so in our discussions within the Party and has been very active in developing policy. Most important, much of his life has been dedicated to serving National Voluntary Organizations. I hope I am not out of place when I say that I know of some of the work that he and his family have undertaken, often at a financial loss to themselves as a family, I am sure. The motion that is before us is not only valid but is structured and placed before us by one who has given of himself to National Voluntary Organizations.

I would also like to make mention of my colleague, the Hon. Member for Fraser Valley East (Mr. Patterson) with whom I spoke just the other day. He has given 50 years of his adult life to this place, to the churches of Canada and to the people of Canada. When we talk about voluntary organizations, these are the kinds of people and the kinds of donations that we have in mind. This is the kind of dedication that I believe should be mentioned from time to time and put on the public record. I believe it is because of these people and their contributions that Canada is a better place. I think that that is what is important about this debate today. That takes me to the issue that is before us, Mr. Speaker.

In Canada today, there are approximately 47,000 so-called registered charities under the Income Tax Act. Those charities are registered on the basis that they have the right to accept donations from the Canadian public, both individually and corporately, and can give tax receipts for the donations they have received. However, I would suggest that this is only a means to an end and is not the central issue. We must look at what these organizations do. They motivate people not only to serving Canadians but to serving others throughout the world who might be less fortunate than we are.

Let us return to the beginnings of our nation. It was the charitable organizations then, and possibly even today, which have given most to the cultural heritage of the country. They were then and are today instrumental in giving spiritual leadership to the people. They were the first to understand the need for an educational foundation for our young people and to sacrifice unstintingly to develop social services in the country. It is important to note that most of our social services were first provided entirely by the voluntary sector. We know that this is the case in the areas of health and education. Even today, the board of directors and many of the supporters of voluntary organizations are volunteers.

I would suggest it is important to note as well that as society has moved toward the greater development of the social welfare state, there has been a shift, and not a subtle shift, from services provided by voluntary organizations and churches to services that the state now provides. While I am not decrying that in total, I do suggest to you, Mr. Speaker, that there is a danger in that kind of a shift. I am talking about balance. Much of the criticisms of today's society are based upon the feeling that the Government is not doing enough in one area or another. However, I would suggest that too often the schools, churches, families and individuals have been very quick to remove themselves from their own responsibilities in these areas. That is why I think that the motion before us today is so important.

As I see it, the motion does two things. First, it recognizes the National Voluntary Organizations and second, it attempts to address how these organizations can better give service to the Canadian public while retaining their independence as voluntary organizations. It is most interesting to note that when speaking to people at the Department of External Affairs regarding the question of our responsibility as Canadians to citizens in other countries, we find that while there are many bilateral agreements between countries, the better use of public funds has come from the non-governmental organizations, almost without exception. It has come from organizations which place Canadians in other countries, not only to give the aid which is immediately necessary but, more importantly, to give direction to development. That is why it is so important to differentiate between what government can do and what volunteers can do.

• (1540)

Frankly, I found the comments of the Hon. Member for Mississauga North (Mr. Fisher) astounding. He chuckles about that, Mr. Speaker, but I thought he was very serious. His whole philosophy is based on the concept that government should take a certain amount of tax money, develope criteria and give grants, and that the National Voluntary Organizations could then function. But is the Government the best agency to set the criteria? I could give the Hon. Member a lot of evidence, although I do not have time today, of instances where the Government's handling of public funds has been wasteful and where there has been economic mismanagement. I could show him cases in development, and I am sure other Members of the House could as well, where voluntary organizations have been much more responsible and frugal in the use of the moneys available to them.

The question comes down to this, Mr. Speaker. Are these organizations more independent and can they function in terms of their duties and obligations more fully through a grant system or a tax credit system? With the grant system they must constantly go to the Government cap in hand and often must adjust their priorities and criteria to meet those of the Government. That is natural. The bureaucratic system will always demand that the criteria be those which the bureaucracy has established rather than those the National Voluntary Organizations feel are valid.

What was so astounding about the Hon. Member's comments was his statement that voluntary organizations were not as accountable as government for money spent. I wonder if he really believes that. I have in front of me a list of some of the National Voluntary Organizations in Canada. Is he saying that in its expenditure of moneys the Government of Canada is more responsible than the Canadian Council of Christian Charities? Is he saying that the Government of Canada is more responsible in spending money than the Canadian Heart Foundation, the Canadian Mental Health Association, the Canadian Red Cross, the YMCA or the YWCA? The list goes on and on. Is that what he is trying to convey to the House? If so, I would ask him to rethink his proposition very carefully.

The Government's record of support for National Voluntary Organizations through words and statements is good. The intentions are noble—and so was the Secretary of State (Mr. Joyal) today. In the Speech from the Throne on December 7, 1983, the Government again commended "the vital voluntary sector". It was interesting to note that in response to a task force led by Ruth Hinkley, which looked at the future of voluntary organizations and issued a report entitled "Charity Today and Tomorrow", the Government said "The definition of a registered charity under the Income Tax Act and related matters will be referred to a joint parliamentary task force". And that is what the Secretary of State announced today, Mr. Speaker, a joint parliamentary task force to look at the whole question of charities.

The point I make is this. We now have in place many registered charities that have functioned in this country for a long time. In this House I have raised questions, and as recently as March 26, in the adjournment debate, about what is a legitimate activity of a registered charity. Is a registered charity to be defined only in the narrow 16th century concept of British common law? That is that basically a charity's only function is to give charity to those in need. Should we look at the definition in a broader sense and say that registered charities not only have a function but have an additional or equal function.

I am absolutely convinced that our society is a better society today because of the voluntary organizations. I am absolutely convinced of that, Mr. Speaker; I know that our communities are better for them. But in so doing, these organizations have been putting forward moral views, ideas on how society should function, concepts of where government is wrong, and have been pointing out that certain legislation will be detrimental to our society. So I ask the Government if that is a legitimate activity of a registered charity. You see the problem we run into, Mr. Speaker, when the Government has the responsibility for setting the criteria. That is the philosophical difference that I have with the Hon. Member for Mississauga North.

Let us look at a practical example of what happens when the Government sets all the criteria. A church has a certain reason for its existence; it has a group of adherents, they have a certain statement of faith and it is because of that statement of faith that people voluntarily join it. Now let us suggest that there is a piece of legislation that absolutely violates the statement of faith of that church and its adherents, and that the church is a registered charity. That church comes out very strongly and publicly against the legislation, saying it is wrong and pointing out that it will have a detrimental effect on society. Is that a legitimate activity of a registered charity? I would say yes.

Let me go back to a letter written by Miss A. A. Conway on behalf of Revenue Canada dated March 1, 1984. I have already put this on the record at page 2447 of *Hansard* as follows:

> We would comment that in our view while it would be acceptable for a religious organization to take a public stand on a moral issue, it would not be acceptable for that organization to engage in a campaign designed to bring pressure to bear upon a government to implement legislative changes or adopt a policy which the organization advocates.

Just listen to that, Mr. Speaker. Are we saying that when these national organizations, some of which I have mentioned such as the churches of Canada, feel that legislation is wrong, then the minute they say so they are in jeopardy of being decertified or deregistered? That is why this debate is so important.

To his credit the Parliamentary Secretary admitted that this was at best a grey area and that the Government does not have a handle on it. I suggest that the task force will not get a handle on it either if the Government does not first accept the fundamental principle that registered charities have a moral role to play within society. What about the give and take proposal? I find it very interesting. The Hon. Member for Mississauga North, who also was at one time the Parliamentary Secretary to the Minister of Finance, said that it is a costly program. Let us examine the details.

• (1550)

First of all, the Government did take 50 per cent of the proposal, namely, it removed the $100 deduction which previously a taxpayer could deduct without the submission of receipts. That will come into force this year, 1984. It is interesting to note that the Minister of Finance (Mr. Lalonde) when he announced this measure said that he had now accepted 50 per cent of the proposal. Well, Mr. Speaker, it never was the intention of the National Voluntary Organizations to have 50 per cent of the proposal accepted, and that somehow it was better than the system which was in place before. The question then is, if a tax credit of 50 per cent is introduced, what effect will it have on the national treasury? That is a valid question which the Hon. Member for Mississauga North raised as well.

At the present time in Canada, at least from the last records I have, approximately $900 million is now taken from the tax system by registered charities through receipts. The cost of the tax provision previously was approximately $500 million to $550 million, in that order. Therefore, donations would have to rise—if you look at a 50 per cent tax credit—somewhere in the order of $1 billion to $1.1 billion to meet the same costs to the Treasury as the old system which was in place. There is no question that, if we adopted the system, we could go above the $1.1 billion. I fully admit that. And possibly there should be

some kind of provision in terms of capping or limiting. I am willing to look at that.

However, what concerns me more is the principle. I believe that when voluntary organizations raise their own money, they give a better service. Whether it is a Liberal or a Conservative Government, I do not believe we can run their organizations, either through the bureaucratic system or the political system, as well as they can. What I am saying to Hon. Members opposite is that in all my discussions with the voluntary organizations, and from my discussions with the Hon. Member for Waterloo, I have never heard from them that they are not willing to look at these questions, that they are not willing to look at some kind of adjustment. However, I believe their philosophical basis is correct, and that is why I make the point. Their philosophical basis is that whatever money is raised and whatever money will be allowed for tax purposes, let them do it themselves, and let them control the agenda. That is what we are asking.

The Secretary of State again today mentioned the task force. I look forward to the report of that task force because I believe that has to be the central question.

As well, Mr. Speaker, as I mentioned earlier to you, virtually every part of our society has been touched by the voluntary organizations. On the question of health care, in my responsibilities as health care spokesman for our Party there are organizations which come to me and say, "We are willing to give it a try, but give us the opportunity." What I feel is important, Mr. Speaker, as we look at the further development of safety nets and the social welfare state, is that we must come back to fundamentals. The fundamental fact is that the best service Canadians can give to each other is when they give service of themselves unstintingly without the criteria which governments are always so quick to place on these systems.

Mr. Evans: Mr. Speaker, I believe there are a couple of points which are somewhat confusing in what the Hon. Member has said. First of all, there are two questions here, the first is whether or not an institution is taxable. A voluntary non-profit organization is not taxable. Second, whether contributions to that organization should be tax deductible on the part of those who make the contributions. Those are two very distinct and separate issues. A charitable organization is not only not taxable but contributions to it are tax deductible. The reason they are tax deductible is because the public good is being served by the functions which they perform, the broad public good. That is the issue.

The next question is, should contributions to a voluntary non-profit organization, which in many cases pursues a very narrow private and special interest, receive broad public tax deductibility? In other words, should it be supported in part by all Canadian taxpayers even though it is not serving the broad public good but serving a narrow special interest? Those are the issues at heart before us. We talk about give and take because give and take would expand the concept of "charitable" to include non-profit voluntary organizations. That question is not one, Sir, which deals with a matter of the philosophy of voluntarism.

Voluntarism is a very good principle but it may not be in the interests of the broad public. The question is should the broad public be asked to subsidize the activities of voluntary non-profit groups whose interests are to pursue a special purpose for a narrow group of Canadian citizens. That is the question, and I do not believe the debate today has addressed it in a way which would convince me that the kinds of changes which the Hon. Member put forward should be addressed. I would like to put that issue to him and ask him if he had thought about it in that way?

Mr. Epp: Mr. Speaker, I want to thank the Parliamentary Secretary for the question. It is a valid one and without any doubt, one which has to be addressed—and I am not trying to dodge the question—through the task force system. However, I put this point to the Hon. Member. He asked whether it is valid for us to consider or to set into train a system whereby the general public would, in part, help finance a special interest group. I do not believe we are ever going to get a totally clear answer to that, and I will give you the reasons why.

We do that now. For example, do we have a saw-off between the services a registered charity gives at a cost less than it would cost the general public if it was done through government agencies? That is one issue which has to be brought into that mix. The other issue which must surely be addressed is that we do that now as well, for instance, through municipal taxation. For example, a registered charity which has property, in most cases, is exempted in whole or in part from municipal taxation as well. So you could argue that we subsidize the charity as well in that sense. However, I do think the philosophy behind it is correct, that the public is better served by giving these charitable organizations not only tax incentives, but also an opportunity whereby they do not have to face tax regimes, which the general public and the corporate world have to face, because the question we then would have to address is whether they could, in fact, exist if that kind of regime were placed on them. Then the question which becomes the most difficult to evaluate is, would the replacement cost of the service we would then lose be not higher both in dollars and in terms of the manner in which society functions?

Mr. Fisher: Mr. Speaker, I am going to make just a short comment. I know the Hon. Member for Ottawa Centre (Mr. Evans) wants to ask a supplementary question. The Hon. Member asked whether I think reputable groups like the Heart Foundation and so on are responsible. Of course I do. In asking that question he has avoided the issue. He knows that when we use the phrase "responsible and accountable" in a tax context we mean something that can be explained in advance and measured afterwards. He knows the great advantage of a grant system is that criteria can be set which the whole world can see and follow; the criteria and the grants can be debated in this Chamber and approved or rejected; finally, the Minister has to account for the way the money is spent. Each of us, when we approve a grant or agree to one, we sign a piece of paper and are accountable as well. That is what I mean by

"responsible and accountable". It is not what he is describing and twisting, and I take objection to that description.

● (1600)

The Hon. Member knows we are talking about a balance, that much of the access he describes exists through the tax deduction system and Revenue Canada's extension of tax deduction numbers. We are both talking about expanding that program and how to extend additional aid into the private sector. I ask him to bear in mind that concept of the words "responsible and accountable"; it is an important one.

Mr. Epp: Mr. Speaker, I agree with both concepts. However, I want to put this in a very practical sense. The Hon. Member took almost his whole 20 minutes to describe various charitable organizations in his riding. He can use his time that way, but let me give you a very specific case; service to the mentally retarded of Canada. This was largely started by volunteer organizations, including Kinsmen or Kinettes, in my area of rural Manitoba in places like Steinbach, Beauséjour, and St. Malo. They are all voluntary, registered charities. They would like to expand their facilities, programs and service to people. But the only way they can expand is if they go back through the system, for instance with Canada Works student programs and so forth. While those programs are welcome, they then start running into the dependency factor. The Government says you cannot have programs one after another because you are becoming dependent on the Government. That is the catch 22 situation we have created. If they were able to raise certain funds which could be used as tax credits beyond what they are doing, then they could expand. I suggest, with all due respect to the Hon. Member, that they would be accountable for those funds every bit as much as the Government of Canada, and I suggest a lot more. They would also be responsible for those funds. Government, by its nature, likes to create dependency. I say leave them independent.

Mr. Deputy Speaker: I would be prepared to recognize the Hon. Parliamentary Secretary, but I must inform the House that the time for questions and comments is over. Is there unanimous consent for a question from the Hon. Parliamentary Secretary?

Some Hon. Members: Agreed.

Mr. Evans: Mr. Speaker, I understand what the Hon. Member is saying, but I do not think he addressed the fundamental points I tried to put forward. I hope we can have a chance to discuss it further because I think they are very fundamental. Certainly they have been central to my thinking on this whole issue, and I have given this particular proposal a great deal of thought.

The other issue I would put to him is that when we start talking about the difference between charitable functions, doing good for society generally, and the tax deductibility of funds expended for that purpose by charitable organizations, and then move to the question of political advocacy, it seems to me we have crossed a very dangerous line. You then run the very great risk of setting up an extra-parliamentary special interest lobby funded by all taxpayers, even though the issues and interests they may be promoting are very narrow and contrary to the broader public interest.

It seems to me, Mr. Speaker, that in a democratic society legislatures are the institutions whereby the public makes its views known. Voluntary organizations can make their views known to the people and try and persuade them to influence their political representatives to make changes in policy. However, I do not think it is appropriate for charitable organizations funded through tax deductible moneys to be going directly to Members of Parliament and lobbying on behalf of narrow interests which are not and cannot be said to be in the broad public interest for which they received their charitable status.

Mr. Epp: Mr. Speaker, there is no doubt that it is not a black and white issue. I think I said that. However, I prefer to err on the side of Canadians. Right now I have a petition in my office through which a number of churches across the country indicate that they will oppose Bill C-10, the Divorce Act. Surely that is legitimate, but it is also political activity. They want to influence the legislation. I do not see why that should give any cause for concern to the Government, yet it might cause them to lose their status as charities. I think we in this House are sometimes too careful. I know why the amendments in Bill C-169 concerning elections were brought forward.

Mr. Evans: Your Leader does not.

Mr. Epp: Let me finish. But I do not think the Canadian public and Parliament are well served by bringing in amendments which restrict the activity of groups who want to put their viewpoint forward during an election campaign. We in this House must always err on the side of freedom rather than follow what is so often the case in a parliamentary system, that of bringing in another regulation, another law to restrict the activities of Canadians. the vast majority of Canadians do not want to violate the natural and decent principles on which democracy is based; let us take a chance on them.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Edmonton North (Mr. Paproski) (a) Lotteries—Federal sports lottery. (b) Request for federal-provincial meeting; the Hon. Member for Kindersley-Lloydminster (Mr. McKnight)—Government advertizing (a) Rail expansion

advertisement. (b) Request that advertisement be stopped; the Hon. Member for Vegreville (Mr. Mazankowski)—Railways (a) Transportation of dangerous goods. (b) Distribution of departmental document.

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—NEED FOR GOVERNMENT POLICY ON VOLUNTARY ORGANIZATIONS

The House resumed consideration of the motion of Mr. McLean:

That this House condemns the Government for its failure to honour the commitment made both in 1974 and 1981 by Canada's Secretary of State to develop, in co-operation with the voluntary sector, a comprehensive government action policy with respect to the voluntary sector and urges the Government to provide an immediate incentive to Canada's 40,000 registered charities by implementing the give and take tax credit proposal.

● (1610)

Mr. André Maltais (Manicouagan): Thank you, Mr. Speaker. I think today's debate on the issue of tax credits for non-profit organizations and, especially, for registered charities is most interesting. I also think it is an issue that has evolved in the course of time. If we look at the matter of non-profit organizations, we should remember that initially, these organizations were declared to be charitable organizations and often had a distinctly religious base. I believe that when discussing the issue now, in 1984, we must look at all aspects of the problem, since many groups, formed for many purposes, are seeking to be defined as charitable organizations. Often these are research groups or groups that have sprung up spontaneously to look into environmental issues. I agree with the Minister that we must be careful in our assessment of so-called charitable organizations. Mr. Speaker, the motion presented today is a motion condemning the Government for its failure to honour the commitment made both in 1974 and 1981 to develop, in co-operation with the voluntary sector, a comprehensive Government action policy with respect to the voluntary sector.

Mr. Speaker, I think the time may be ripe to get together all these people who are working in the voluntary sector. Earlier, the Member for Provencher (Mr. Epp) made a very significant comment when he said that we must ensure that governments, whether they are municipal, provincial or federal, will support the voluntary sector. I believe that Members on both sides of the House agree with the notion of putting more and more committed people in the voluntary sector, because motivation is needed to launch a cause and give a really profound sense of commitment.

Mr. Speaker, when we look at the history of charitable organizations, it is clear that at the time, these organizations fulfilled a role that was often not fulfilled by governments. For instance, I am thinking of the matter of cancer research. At the time, research was often carried out by private organizations, frequently by religious orders, and in that case the Government paid practically nothing. So it was normal that if we wanted to encourage this form of research or support these communities or the work of these communities, that people investing money should be entitled to certain deductions. Today, however, these factors have changed. How much money do governments spend on research alone? Whether it is medical research or research on nutrition or education—Mr. Speaker, research is being done everywhere—it is directly subsidized out of the public purse. Thus, when you get organizations that are lining up to do research on heart disease or other kinds of disease, then we are no longer in the purely "charitable" sphere. These are organizations that obviously want to give even more than what the public authorities are doing. In that case, their work is complementary. And here I think we could consider a form of tax deduction. However, when you get groups that do research on the environment, can this really be considered charitable work? Does it qualify as research? I think there are grey areas that are very substantial and it would, perhaps, be only fair and reasonable to form a committee of the Senate or the House of Commons to meet the people working in this sector. Mr. Speaker, travelling in our own ridings and indeed across the country, we realize how many agencies are doing remarkable work in the voluntary sector. However, I am quite sure that all 282 Members of this House would be hard put to determine accurately whether each of these agencies is really a research organization, a charitable organization or an organization for voluntary action.

Mr. Speaker, after the historical aspect, I would like to consider the issue of the autonomy of these organizations vis-à-vis the public authorities. Nowadays, it is very hard to talk about a private business when we look at the number of grants governments give to businesses that are "private". It is also very difficult to talk about voluntary or autonomous organizations if we look at the subsidies granted by the Departments to various associations.

Mr. Speaker, I think that some kind of balance has to be restored with respect to organizations which consider themselves as being non-profitable and which normally, and I mean normally, should be supported to the same extent as their membership commitments. In my opinion, that is an important point. Perhaps the danger right now is that some non-profit organizations almost act as if they were Government Departments. Since they do not have enough patrons to support their charities—obviously commendable from the start—they come to rely on public authorities. There is a major distinction here. I think that non-profit organizations must be operationally

independent from public authorities, otherwise they might be well advised to become direct adjuncts of certain Departments. I think that an information campaign ought to be directed at people who participate actively in so-called non-profit organizations so that they will do their work and make sure that the public at large is kept informed and makes generous donations.

How can those people be encouraged to contribute financially so that an organization will have enough money to operate? I think that all kinds of formulas are available. The give-and-take formula was mentioned a moment ago. It may be a good formula, but it needs to be put to the test. As to the tax credit, Mr. Speaker, we would want to know just how much credit. I imagine that anyone who gives money to an organization does not expect a full tax credit for that amount. The underlying principle has to be that a donor must not wonder whether he will get something in return. So it becomes a question of evaluation and proportion.

Mr. Speaker, if Canadians are told that 40,000 organizations are registered as being charitable or non-profitable, it is imperative that they be classified so that people will have a much better idea of the value of those organizations and of the limits on tax deductible donations. For instance, I know that some churches in my riding—and the Hon. Member for Provencher (Mr. Epp) spoke clearly to that issue earlier today—have received assistance through various job creation programs. Indeed, we have helped many religious congregations and parish communities to modernize or at least repair and improve rectories and churches. Invariably, some people bring up the question of separation between the powers of the State and those of the Church. Still, we have helped them with public funds. Under normal circumstances, Mr. Speaker, it would be up to the parish to make sure that the parishioners or the community members pay for materials or services. For all sorts of economic or historic reasons or because of factors which must be taken into consideration, the State occasionally steps in to help them. How else could we help those communities if we did not give them grants? Is the deduction now allowed for charitable donations too low? Should it be higher? If it were higher, would the communities find it easier to get organized, Mr. Speaker? In the light of current events, we have to admit that the social and economic reality has undergone a drastic change over the past ten years. Allow me another example. In larger cities, people move so often nowadays that many of them no longer feel responsible for their parish or community or even for the organizations working in their own neighbourhood.

Those are new sociological phenomena which we must face. We would be deluding ourselves, Mr. Speaker, if we believed that a debate such as this one could provide any answer to these problems. In my opinion, the best way to come to a realistic solution, especially one which may be applicable in the long run, would be to let individuals and organizations involved in voluntary work, charitable or research activities to come to us and explain their own position. Indeed, when we confer with officials from various Departments or even with people in charge of organizations, we find it very difficult to find any common ground because many aspects are hard to assess at the present time as we do not have all the components of the problem in hand.

I am happy to see that, basically, everyone taking part in this debate today is aware of the importance of non-profit organizations and of the need for voluntary work and that both sides of the House agree that concrete action must be taken in the short term to guarantee that we will help those who are involved in voluntary work and who take care of other people.

I gave the historical background a while ago. In the early days, non-profit or charitable organizations were dealing directly with individuals. They were not necessarily doing any research work; they were taking care of people because governments were not doing it. However, many services are now provided by the governments. We would have to determine whether there is any duplication of efforts. Perhaps we should also look at whether existing organizations still have an efficient and positive role to play. I believe that these are important questions which should be asked from the people working within these organizations.

● (1620)

Another question which must be asked when dealing with these organizations is this, Mr. Speaker: Is the word "charitable" still acceptable where all these committees or groups are concerned? I believe that the word should be changed because it is now hard to identify all the organizations using this term. Instead, I believe that we should refer to voluntary action. The expression "voluntary action" is much more accurate and appropriate, and if we were to use it, it would be much easier to come to a consensus as to the various provisions that should apply so that we would be sure of actually helping those organizations.

The Hon. Member for Provencher raised a major point when he noted the importance of not over-regulating the voluntary sector. If we really want to review this whole issue of non-profit organizations effectively, we should set up a joint committee of both Houses capable of doing its work speedily. I believe that the time has come to look for a consensus among the various non-profit organizations. I think that a six-month period could be set for a joint committee to listen expeditiously to the comments or wishes of the various organizations, after which the committee could very rapidly, at the government level, find extremely simple methods to meet the needs of these organizations.

Someone was saying earlier that the difficulty is that we do not want to recognize all the organizations and that we are removing one additional motivation for those who do voluntary work. Mr. Speaker, I think that for those who really believe in what they are doing and who truly want support for agencies

or research work, the important thing is not just the financial aspect, but also the structures which can be provided by certain Departments.

I believe that all these aspects should be examined. Often, when people speak about non-profit or charitable organizations, they are only concerned with donations. I think that it could be appropriate to reflect on what the various Departments provide year after year either in terms of money or of human resources.

Often, Mr. Speaker, it is a matter of human resources. And there are needs in this area. Departments could make available part of their human resources to these non-profit and voluntary organizations, thereby avoiding useless expenditures. These organizations could then better reach their goals. There are a great many opportunities, Mr. Speaker, and the best way to find them is to communicate with the people themselves. Then, through a debate free of partisan considerations aimed at helping quickly the registered organizations, we could find a short term solution which would meet the needs of everybody.

On the other hand, Mr. Speaker, it would be important for the Secretary of State to hurry with this matter for Hon. Members from both sides of the House are receiving an increasing number of letters and petitions from organizations which are seeking not only recognition but a voice. I suggest it would be a great opportunity for us to invite to come forward all those who would like to be heard and appear before a joint committee which would patiently listen to their ideas, for Hon. Members from both sides of the House have solutions to propose, Mr. Speaker. I think that both the government and the opposition have solutions to propose, except that they must be discussed before being implemented. I also think that the points raised by the government as well as the Official Opposition are basically very interesting, but they need to be improved upon if we want them really to meet the needs of voluntary organizations.

Coming back to the motion, Mr. Speaker, I think that blaming the government at this stage might mot be the best policy. Personnally, I would rewrite the motion and urge the government to appoint immediately a joint committee to hear the views of the various groups for the purpose of meeting their respective needs. As my time is about to expire, I should like to say that I do not support the motion as moved by the Hon. Member for Waterloo (Mr. McLean), although I recognize the necessity of meeting the various interested groups and find a formula which would satisfy everybody.

Mr. Deputy Speaker: Order! Questions or comments? Debate. The Chair recognizes the Hon. Member for Calgary West.

[*English*]

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I would like to begin by complimenting the Hon. Member for Waterloo (Mr. McLean) for moving the motion. I would point out to the House and Canadians generally that this is the first day of debate on the national voluntary sector in the life of this Parliament, which is approximately four years and six weeks old. That is a curious commentary on the priorities of the Government as they relate to what I think is a very important sector.

In straight economic terms, the voluntary sector, excluding hospitals and educational institutions, accounts for approximately 2 per cent of our Gross National Product. That is just its economic contribution to Canadian society. Its contributions in terms of the inculcation of values which I am sure most people in this Chamber would value is incalculable. It is the national voluntary sector that gives us much of what we enjoy in terms of quality of life in this country.

I think it is a sad statement that the Government has allowed four years and six weeks to pass without bringing forward anything of substance for us to debate in this Chamber relative to this sector. I am disappointed that members of the Liberal Party stand up one after the other to indicate that they are not really willing to support this motion.

I believe this motion is a condemnation of the Cabinet and, as members accountable to their constituents, I think we should condemn the Cabinet from time to time. The Cabinet does not always do a good job; we on this side of the House believe they seldom do a good job. Certainly in relation to the voluntary sector I think it is clear they have not done a good job.

• (1630)

I was particularly struck by some of the questions posed by the Parliamentary Secretary to the President of the Privy Council (Mr. Evans) who was at one point Parliamentary Secretary to the Minister of Finance. What he said in this Chamber today, Mr. Speaker, is that any large corporation, IBM, Imperial Oil, or whatever, is free to lobby, to come to Government and propose changes. When you look at the tax system you find lobbyists from any major corporation lobbying Members of Parliament using 50 cent dollars. The corporate tax rate on profits is 50 per cent. When those lobbyists come to lobby MPs from Toronto, Calgary, Vancouver, Montreal Canadian taxpayers pay 50 per cent of their salary, travel and sustenance costs.

Members opposite, in particular the Parliamentary Secretary to the President of the Privy Council, told us today that, first they do not agree that people should be able to donate to charities with 50-cent dollars and, second, if a group wants to retain its status as a charity and get any relief out of the tax system, then beware. In other words if you are a voluntary organization you do not have the same rights as Imperial Oil, IBM or a thousand and one other companies. You do not have the right to suggest changes in legislation to Members of Parliament, nor do you have the right to suggest improvements in the quality of life. That is an astonishing statement.

Before the Parliamentary Secretary spoke, the Hon. Member for Mississauga North (Mr. Fisher) told us that grants were better than tax relief. Sitting in the front row is

the Minister of National Health and Welfare (Miss Bégin) who is prepared to give grant money from her department to groups who support her personal view of problems in the Canadian health care system, but not to give grant money to groups who disagree, nor to give grant money to groups with an oppositie point of view. That shades of totalitarian states, countries like Russia with one political party. Those who would like to destroy Canadian democracy, would have a state owning all the means of production and a small group of people would decide who got what. That is what a grant system is all about; a small group of people, whoever they are and however described, imposing their will on a community.

Mr. Evans: Including grants to municipalities?

Mr. Hawkes: That includes municipal grants, provincial grants, any granting system of any kind. Some small group of people make the decisions.

Then the Parliamentary Secretary to the President of the Privy Council stood in the House proposing that Imperial Oil should be allowed to lobby with 50-cent dollars and that charitable organizations should not. Now he sits in his place and heckles. He wants to make sure that his constituents understand his philosophy and perspective, that churches should not be allowed to lobby, YMCAs should not be allowed to lobby, boys' and girls' clubs should not be allowed to lobby, and environmental groups should not be allowed to lobby if they are going to use taxpayers' dollars, but major corporations shall be allowed to lobby.

Mr. Evans: I didn't say that.

Mr. Hawkes: Yes, the Hon. Member did. He said, "I did not say that." The Hon. Member might not have understood, as sometimes happens—

Mr. Evans: Don't put words in my mouth.

Mr. Hawkes: But that is what he said, Mr. Speaker.

The fault lies with the tax system, Mr. Speaker.

Mr. Evans: I don't disagree with that.

Mr. Hawkes: Some 25 years ago the Canadian tax system was revised and people were given a standard charitable donation deduction. They could claim they had made a donation to charity and thus reduce their taxable income without providing proof of such a donation. But what happened over a period of 25 years? Let us go back 25 years. Twenty-five per cent of Canadian taxpayers were forwarding receipts for charitable donations to the taxman. One-quarter of the people were making charitable donations. But in 1982, 25 years later, only 9 per cent of the people were making charitable donations. That is a drop from 25 per cent to 9 per cent. And what have we left in place? We have said to the richest Member of Parliament that if he or she wants to donate $10 to a charity it will cost the person only $5. Yet we have said to the poorest person that if he or she wants to donate $10 it will cost that person $10. If you are rich it will cost you $5 to donate $10, but if you are poor it will cost you $10 to donate $10. That is the system we have in place. First, a system where you do not have to donate a dime but you can claim you had donated $100. If you exceeded the $100 donation amount and you chose to produce receipts, if you are rich it cost you 50 cents for every $1 donation. But if you are poor the cost is $1 for every $1 donation.

I suggest to Members of this Chamber, from whatever political party, that that practice is obscene. Why should the poor be allowed only to donate dollar dollars and why should the rich be allowed to donate 50-cent dollars? Large companies in Canada which make charitable donations donate 50-cent dollars because of their 50 per cent tax rate. Small companies donate 79-cent dollars because they have a 21 per cent tax rate. That is the principle, Mr. Speaker. The rich shall be allowed to direct Canadian charities is really the consequence. It is not very democratic.

It is not very democratic when you have a principle in Canadian tax law that says the wealthiest group shall really be allowed to decide which charities shall survive and prosper. But what we on this side propose, and what the voluntary organizations themselves propose and have proposed year after year after year, what this Government agrees prior to elections and never implements after elections, is a democratic principle of allowing communities to decide equitably which organizations in their communities shall survive and prosper in a financial sense. What Members opposite seek to do is to continue a process where a small group of people decide.

Let me give you two or three examples from my own experience, Mr. Speaker. I have tried since the day I was first elected to bring to the attention of Minister after Minister the issue of chess. Chess is an activity engaged in by four to five million Canadians at least once a year. Chess is an activity in which a number of Canadians, young and some not so young, have established world-wide reputations. Chess players are not allowed by this Government to receive funding through charitable donations or any kind of tax break. They are told instead to apply for grants. Lo and behold they can apply to the Secretary of State (Mr. Joyal) and they can apply to the Minister of State for Sport (Mr. Olivier), but the reply every time is that chess does not fit the definition for granting activity. They can go to every department of Government and it will not fit somebody's definition.

• (1640)

Look at highly commercialized activities. A not dissimilar activity like skiing is highly commercialized in Canadian society. Lo and behold, the best Canadian skiers fit the definition for grants. That is a highly commercialized area of activity not engaged in by nearly as many people as those engaged in an activity called chess. You have to wonder which is the more important activity in terms of the public good. Given the nature of the world of the future, is the activity called chess more beneficial to society in terms of the way it conditions the minds of young people, prepares them for a computer age and employment activity in the production of

software? Is that activity more important to the public good than the activity called skiing?

That is a subject worthy of debate by Members of the Liberal Party, who tell us that the purpose of a granting mechanism is to allow a small group of people to decide what is in the public good. They will make infallible, perfect, wonderful decisions time after time. I throw that dilemma out to them. Which activity is more in the interest of the public good, skiing or chess? Skiing gets infinitely larger grants from the Government of Canada, whereas chess does not get a dime.

What would happen if these voluntary activities were treated equally in the tax laws of Canada? What would happen if the proposal put forward by this motion and the National Voluntary Organizations was adopted into law? I will tell you what would happen. The broad mass of Canadians could vote on which activities were in their mind in the public good. The way the vote would be through the process of donating.

If you adopt the 50 per cent tax proposal, then when a dollar is donated, in essence the public would pay out of tax revenue 50 per cent of that. There would really be a truly democratic matching situation where individuals collectively decide what is in the public good instead of a Cabinet Minister, committee or Parliament? We would have a much stronger voluntary sector. We would have a voluntary sector that better meets the needs of local communities and Canadians. We should take Government out of the middle, take these granting committees out of the picture for the most part and return the voting principle to the taxpayers of the country. Let them decide which parts of the voluntary sector are doing the job that needs to be done. Let them decide through the use of their pocketbooks, and let us encourage them to do so through the use of the pocketbook.

I was really disturbed today when I heard the Minister of Employment and Immigration (Mr. Roberts) say in this House that we have $150 million for grants for young people, but he will not tell us what the criteria are. Somebody is deciding. Those criteria are not out. We caught the same Minister with his fingers in the cookie jar to the tune of $300 million under the Special Employment Initiatives Program. The money was spent before Members of Parliament knew what the criteria were.

That is the danger of a granting system, a danger that we do not have and should not have to face. All we have to do is adopt the recommendations put forward by the National Voluntary Organizations. If a 50 per cent tax credit is too rich, maybe 40 per cent is not. Maybe 50 per cent is not rich enough and it should be 60 per cent, but the principle should be non-negotiable. There should be no temptation on the part of any Cabinet Minister or any elected Member of Parliament to use public funds to secure votes for themselves personally through some kind of granting mechanism, giving money to this group instead of that group. The temptation is great for some Members. We caught the Minister of Employment and Immigration, who seeks to become the Leader of the Liberal Party, with his fist in the cookie jar, passing out grants in a fashion that is not accountable, not responsible, not any of those things that Members opposite stood up and told us were desirable.

I had a bias when I began this speech. That bias comes from my first ten professional years which I spent as an employee in voluntary organizations. From there I moved to public sector organizations. I had a small business, I dealt with large business. When you talk about productivity, the biggest bang for your buck in terms of good consequences, I state unequivocally, is in the voluntary sector. A dollar spent in the voluntary sector will give much more back to society than a dollar spent in any other way. The difference is immeasurable.

Next to that comes small business. Most small business owners really volunteer a huge part of their hours. A huge part of their talent is voluntarily put into their small business activity. That is the nature of a true small business. Where the waste comes in is with big business and with big government. When funds are free, when an organization gets grants instead of having to convince its friends and neighbours to make donations, there is waste. When you have civil servants in charge of large organizations, you get even more waste. I suggest to the Members of this House that $1 million spent to facilitate voluntary sector organizations in the provision of recreational services will produce five to ten times as much activity of good quality as the same $1 million spent for a city recreation service.

One of the things in the background of my life that convinced me to run for office ultimately was when my own daughter as a teenager went down to the city recreation program and volunteered to teach gymnastics. She was told to fill out an employment form. She had to be paid because of the insurance regulations. That is not the kind of world in which I grew up. In my day we were looking for volunteers for the YMCA. We went out, recruited and trained them. They provided really first-rate service. It was not a job, it was a labour of love. There is something very special about the quality of an activity in which people voluntarily place their money, time and effort. Anything that exists in legislation that can be changed which goes against the maximal utilization of that is wrong and should be changed as quickly as possible.

• (1650)

The Hon. Member for Waterloo is on the right track and I would hope that the Government is listening. I would hope that we will see quick action that will move in that direction.

Mr. Deputy Speaker: Order. Questions or comments? Debate.

Mr. Jesse P. Flis (Parkdale-High Park): Mr. Speaker, the Hon. Member for Calgary West (Mr. Hawkes) reminded all of us in the Chamber that we have not debated the topic of the voluntary sector for four years. I would remind the Hon. Member that members of the Official Opposition and the NDP also have a role to play when deciding what is debated in the House. We do have an Oral Question Period. How many questions have been asked over the past four years about charitable and non-profit organizations?

Mr. Hawkes: Quite a few.

Mr. Flis: Members of the Opposition may take advantage of Opposition Days. How many full Opposition Days have been devoted to debating this topic?

We in the House hear quite often from the Prime Minister (Mr. Trudeau) and the Minister of Finance (Mr. Lalonde) that business, labour and Government must work together to build a future for the young people of the country. I am very pleased that the voluntary sector was recognized in the last Speech from the Throne. I am pleased that in the last Budget, the Minister of Finance recognized the important contribution of the voluntary sector. It is the voluntary sector which also provides jobs, affordable housing, important cultural centres in which young people meet, scholarships and education to those who might not be able to afford it.

I am very pleased that we are debating this topic, and I am also very pleased that the Hon. Secretary of State (Mr. Joyal) announced this morning the establishment of the parliamentary task force to examine the question of fiscal incentives for charitable giving and the definition of charities under the Income Tax Act.

In debate today, we heard many questions. What is a charitable organization? What is a non-profit organization? How should contributions be recognized and rewarded? Should they be rewarded through the tax credit system, through deductions from income tax, through the 50 per cent proposal which we just heard, through the grant system? I think the job of this task force will be to explore questions such as those.

An important question was asked by the Hon. Member for Provencher (Mr. Epp); what the legitimate activity of a recognized charity was. I think this question will have to be explored. The Hon. Member for Ottawa Centre (Mr. Evans) reminded us, and rightly so, that we must ask what the role of a charitable organization is. Is it serving the broad public good or is it simply that of a non-profit organization which serves a very narrow group of citizens? These will not be easy questions for the combined Senate and House of Commons task force to answer.

When the topic of the voluntary sector arose today, I asked my parliamentary assistant to send to the Chamber a list of all such organizations in Parkdale-High Park. We all have such organizations on our mailing lists and keep in touch with them. It is when one puts them all together that one realizes the impact of voluntary organizations on our ridings.

I was sent a list of the ethno-cultural groups in Parkdale-High Park. There are 35 such groups in a little community like Parkdale-High Park. These groups range all the way from the Council of National Ethnocultural Organizations of Canada, which represents 26 different ethno-cultural groups, to the Chinese National League, the Czechoslovak National Association of Canada, the United Croats of Canada, the Greek Community Metro Toronto Incorporated, the Italian Canadian Association, the Japanese Canadian Citizens' Association, the Baltic Federation in Canada, the Lithuanian Canadian Community, the Latvian National Federation in Canada, the Estonian Central Council of Canada to the Maltese-Canadian Society. The list goes on and on. I have not even mentioned the largest ethno-cultural groups in the Riding of Parkdale-High Park which include the Filipino, Ukrainian and Polish organizations.

I am very fortunate, Mr. Speaker, in that the head offices of many of these organizations are located in the Riding of Parkdale-High Park. I am very pleased that, for example, the Ukrainian Canadian Committee of Ontario has its head office in Parkdale-High Park. I am very pleased that the Canadian Polish Congress has its head office right in the centre of my constituency. The Polish Alliance of Canada has its head office right in the heart of my riding.

This brings us to the question of what is a national organization. After listening to some Hon. Members this afternoon, I would think that they would define these organizations as being ones which did not serve the general good across Canada. These organizations have representation right across Canada and most of them follow a democratic process. The presidents of these organizations must be elected at either annual or biannual conventions. They are responsible to their electorate just as we are responsible to ours. That means that national organizations are very democratic organizations. They account for every penny they spend. I think other institutions could learn from these organizations.

My assistant sent over lists of other organizations. For example, she sent over a list of all the senior citizens' groups in my riding. There are 10 different senior citizens' groups in the riding of Parkdale-High Park. These include the Sampaguita senior citizens' club, the Parkdale Golden Age Club, the Over 50 Club and the Golden Years Club. Again, each of the ethno-cultural groups I have already mentioned have senior citizens' clubs.

My assistant sent me a list of the business and ratepayers' groups. These groups are non-profit, but are they charitable groups? Some of the business improvement associations such as the Parkdale Business Improvement Association, are trying to improve the environment along Queen Street. This will hopefully bring in more business, boost the economy of the area and create more jobs. However, these organizations do more than that. They provide scholarships in the neighbourhood schools. They make donations to help those who need help most.

How do we define these organizations? Are they strictly non-profit commercial organizations or are they charitable institutions? The Bloor West Village Businessmen's Association which is located in my riding does all of these things. What about the churches? There are close to 40 churches in the riding of Parkdale-High Park, most of which have a parish council of one form or another. These churches have helped to bring refugees to Canada in general and to Toronto in particular. They have helped the boat people, the Polish refugees, refugees from Guyana and refugees from other parts of the world. How do we define organizations which are connected with the churches? It is easy to define a church but

how does one define the voluntary organizations connected with churches?

My assistant sent over a list containing 40 other groups which do not fit in with the groups I have already mentioned. Again, those groups provide jobs, affordable housing, scholarships for students who cannot afford to go on to higher education and other services.

• (1700)

Before entering politics I had the good fortune to be a farmer in Saskatchewan, the good fortune to run a family business in Ontario, and the good fortune to work on the assembly line in the Goodyear Tire Factory. Of all my jobs the most rewarding was bringing heritage languages under the Toronto Board of Education, together with the Province of Ontario. I had the good fortune to be supervising principal of 12 different heritage language programs, including Punjabi, Urdi Gujarati, Hindi, Greek, Urkrainian, Polish, Serbian, Croatian, Macedonian, the languages of the Baltic States, Greek, and Portuguese. None of these heritage languages would have been brought into the regular school system if it were not for the co-operation of the various volunteer associations, and the various ethno-cultural groups which helped the Toronto Board of Education and the Province of Ontario in the organization. Rather than children learning these languages in cold basements somewhere, they were taught in a classroom setting. What a rich resource we have in Canada in the 75 different heritage languages that are spoken here.

This House has debated how to increase productivity, and that competition for world trade is becoming greater, Mr. Speaker. What an excellent resource Canada has in people who speak 75 different languages, thanks to the help of all these voluntary organizations. How can we ever reimburse them? What would we have to pay these organizations if they charged the going rate? The country could not afford the programs if it were not for the voluntary sector. Those organizations do not want compensation, they are happy to do this and feel that they are better Canadians because they have made a contribution to the growth of the country.

We have heard various proposals about how Canadians who make contributions to those organizations might be reimbursed and how the Government could assist those organizations. But there has been no mention of a proposal that has been made to me in the 20 years that I have been working with ethno-cultural groups, Mr. Speaker. Those groups do not want a hand-out from the Government, they want to pay their own way, but they would welcome something like long-term low interest loans so they could build their ethno-cultural centres and not be in debt up to their ears with all their energies going into raising money rather than into programs for young people and senior citizens. This is where we as legislators could be of assistance to a lot of service clubs such as the Parkdale Lions Club, Rotary clubs, and Kiwanis clubs.

Ethno-cultural organizations are national, not local, with national networks and duly held conventions where executives are elected and are responsible to the electorate. What would be wrong with giving a loan for 20, 30 or 40 years at 5 per cent interest so that the organizations could provide programs to senior citizens in the cultural centres, could provide heritage language classes, and space for people to practise their heritage cultures? Where do the various Boy Scouts and Girl Guides in our country meet? Some meet in schools, but the Ukrainian Boy Scouts and Girl Guides have their own cultural centres. They have their own camps, built with their own money. Where do the Polish Boy Scouts and Polish Girl Guides meet? They have camps at Barrys Bay, as the Hon. Member for Renfrew knows very well. He is very proud of the work the Polish Canadians are doing in his area. They take children out of the hot cities in the summer and give them a fresh air experience, teaching them leadership and self-confidence and how to preserve their language and heritage. In that way they preserve their identity and become better Canadians.

I would recommend that the task force look into the possibility of giving low interest or interest free loans, if we can afford it, to these organizations. That would not be a hand-out; they would be paying their own way.

I should like to close by tossing out four guidelines that the task force might keep in mind and that we as legislators might keep in mind to help the voluntary sector. I think we have all made a great contribution today. If we could offer some guidelines that the task force could follow that would be helpful.

First, the incentive should be an effective one. It does not make sense if the cost of the incentive exceeds the additional amount of "giving" that results from it.

Second, any tax incentive should provide equitable treatment to taxpayers; this is the essential basis for any tax system.

Third, the cost to the Treasury Board should not be unreasonable. I think we all admit that we are running a very high deficit. We should not increase it but should try to bring it down. The task force should keep in mind that the cost to the Treasury Board should not be unreasonable.

Fourth, administrative and compliance costs should be reasonable.

With those four guidelines and with our discussion of what constitutes voluntary organizations and non-profit organizations highlighting the contribution that all these local and national voluntary organizations have made to the growth of Canada, this Chamber may finally include the voluntary sector when it speaks about co-operation.

Mr. Bosley: Mr. Speaker, I have just a couple of quick questions for the Hon. Member. The first requires only a short answer. Am I correct in believing that he advocates that the joint House and Senate Committee should have the capacity to look at his proposals with regard to low-interest long-term loans and fiscal incentives? Is it his view that the task force should have that right?

Mr. Flis: Mr. Speaker, I think they should explore that and consult with the various organizations to get their input. I

believe it is a proposal that I as the Member for Parkdale-High Park can toss out for the task force to consider.

Mr. Bosley: Is the Hon. Member aware that the Minister's notice of motion tabled yesterday establishing the committee, excludes all questions of fiscal incentive and financing matters from its deliberations?

• (1710)

Mr. Flis: Yes, Mr. Speaker, I am aware of that. As the Hon. Member knows, by unanimous consent in this House we can do whatever we have the will to do.

Mr. Bosley: Mr. Speaker, would the Member care to tell the House whether, as opposed to unanimous consent, if an amendment were moved to the terms of reference to include fiscal incentives and considerations by any Hon. Member of this House, no matter of what Party, he would support such an amendment to the terms of reference so that his matters may be studied, whether or not that amendment is adopted unanimously?

Mr. Flis: Mr. Speaker, that is a hypothetical question. I believe I would first like to see the amendment and the implications of it before I would make any decision on it.

Mr. McLean: This morning when the Minister was in the House, Mr. Speaker, I asked him if the question of tax incentives might be clearly in the frame of reference. At the time he was tabling background documents relating to it. He said he would take the matter under consideration. Today at lunch, as the Minister spoke to the leaders of the national voluntary coalition who are gathered here in conference, they reiterated to the Minister that they felt the task force would be seriously jeopardized in its mandate without the mandate calling for testimony in relation to tax incentives.

Will the Hon. Member join with the members of the national voluntary coalition in Canada and with other Hon. Members in the House with respect to both the question which has already been outlined relating to the definition of "charity", and the question of tax incentives, which we are pressing, and which representatives and leaders are requesting? I sensed, as the Hon. Member said, "We do not want handouts", that the question of tax incentives is consistent with what he was indicating to us in the House. Therefore, will he speak in support of these representations to the Minister?

Mr. Flis: Mr. Speaker, the Hon. Member knows me very well. We have worked on many committees together. I always support any reasonable suggestion or recommendation. However, I was not here this morning. I was at the meeting of the Standing Committee on External Affairs and National Defence so I did not hear the debate. I did not hear what the Minister said on the national voluntary organizations. I would like to read what the Minister actually said, what the exchange was, before answering more fully.

Mr. Fisher: Mr. Speaker, I have just a short comment and question. Earlier, I noted the way in which our housing program and multicultural program have created a partnership between volunteers and the federal Government. The Hon. Member has hinted at the programs for seniors. I see the Minister for National Health and Welfare (Miss Bégin) in the House. I would like to tell her that the New Horizons Program extends these principles to senior citizens and gives them a chance to be partners in community projects with the federal Government. I wonder if the Hon. Member could reflect on some of the experiences in his riding.

Mr. Flis: Yes, Mr. Speaker, I did not have time to go into it so I am happy the Hon. Member has given me some time now.

On Saturday of this last weekend I met in St. Joan of Arc Church in my riding the UMAT Katolik Indonesia, which is an Indonesian senior citizens club. There were 300 senior citizens present. One of the things they are actively pursuing is the building, together with assistance from CMHC, of a senior citizens centre. Because we have no land left to build on in Parkdale-High Park they want to build it somewhere in Mississauga.

We have other excellent examples, Mr. Speaker. We have the Copernicus Lodge in our riding. That was built, thanks to the co-operation of the federal Government, through CMHC, and the Polish community. We have two phases now. The first phase is where senior citizens can live and look after themselves. They have apartments in which they cook and look after themselves. Once they become older they can move into phase two of Copernicus Lodge where there is nursing care and all sorts of assistance for these seniors. Here again is an excellent example of what the community can do in partnership with the Government.

The Lithuanian people have built a senior citizens home right on Bloor Street in Parkdale-High Park. It was filled before it was completed, again, thanks to the assistance of the federal Government through CMHC with respect to Section 56.1. I would urge the Minister responsible for CMHC to give priority to funding for these kinds of senior citizens homes because there is an established organization there. They know what the needs are for their senior citizens. In that centre, they can hear their heritage language and see their own culture. They have a taste for different foods, and so on. However, they do not exclude other Canadians. They welcome all Canadians who want to come and live in that home. The Ukrainians have similar homes, and other groups.

Yes, in response to the Hon. Member for Mississauga North (Mr. Fisher), if anyone would like to come and see and study these excellent models, and I mean this sincerely, so that perhaps they can promote this in their ridings, we would welcome them in Parkdale-High Park. They exist because of the dedication and contributions of these voluntary ethnic culture groups working hand in hand with the federal Government. Unfortunately, Mr. Speaker, I must say that the provincial government, which is responsible for affordable housing, is not doing much to help.

Mr. Bob Ogle (Saskatoon East): Mr. Speaker, I am very happy today to be able to say a few words to the motion before the House. I compliment my friend, the Hon. Member for Waterloo (Mr. McLean) on the motion. I believe we are discussing something today which is of great importance to Canadian life and to every Canadian. The Hon. Member for Waterloo has proposed:

That this House condemns the Government for its failure to honour the commitment made both in 1974 and 1981 by Canada's Secretary of State to develop, in co-operation with the voluntary sector, a comprehensive government action policy with respect to the voluntary sector and urges the Government to provide an immediate incentive to Canada's 40,000 registered charities by implementing the give and take tax credit proposal.

I feel that we have had a good day in the House, Mr. Speaker. I have not been here for all of the debate, but I believe the mood which has been demonstrated by the Hon. Members of all three Parties indicates that we are moving ahead with something which I personally feel is very important, that is, the whole question of voluntary associations and how they operate within our country.

Basically, what the Hon. Member for Waterloo is proposing is that this very valuable work in Canadian society be rewarded, more or less, and those who are taking part, by having a very clearly defined tax break. Those who give to voluntary organizations will have an immediate return, not unlike the return to persons who give to political parties today, which I believe has been a great advance in the whole political system of Canada. I would like to say a little about the historical development of this whole notion of voluntarism, the notion that our Canadian life runs and has run on the idea that people are ready to volunteer to help each other prepare and make a better society. I would like to reflect for a few moments on my own life history.

I was born in western Canada on the Prairies in Rosetown, Saskatchewan. My father was a pioneer. He came to the west early in the 1900s, as thousands of other people came from eastern Canada, from Europe and from the United States. They came to a literally barren land in which there was nothing but open space and lots of sky. There was land, and they were able to take out a quarter section of land, 160 acres, in their own names. Some of them made a success of it and some did not. Some of them were farmers and some were not. However, when the peoples of the world arrived, established and set up the communities of western Canada, they did it basically through their voluntary organizations. If you drive through western Canada now you can see what happened. When people arrived there they did not know each other but they knew they could not survive unless they helped each other. You see the churches and the schools on the Prairies, although most of the schools established in the early days on a voluntary basis are now gone. I went to one of those little one-room schools, as have thousands of others. They were the beginnings of Canadian life in that part of the country. When you talk to the pioneers, it was a rich life even though they had great hardships. It was rich because they worked together in these voluntary organizations. They had their music and drama clubs and other things four or five years after they arrived. My life, and that of many others in the House of Commons, has been shaped and formed by the voluntary sector of our land.

• (1720)

Today we are talking about specific areas in which the voluntary sector can be improved. I have a feeling from listening to what has been going on today that that is going to happen. It may not be perfect and immediate, but it is moving. I think that is very positive because everyone here knows from personal experience that what we are talking about is extremely important.

I am a Catholic Priest and I have lived most of my life in the voluntary sector, the church. The same is true of the Hon. Member who moved the motion. He is a Protestant Minister and he has lived in that part of society. This is part and parcel of what I am all about, it is a way of doing what I am going to put simply as loving your neighbour. That is a simple mandate, given to everyone. The whole world knows that is what we are supposed to do. How do you love your neighbour today in this complicated society? The motion talks about that and it helps us to do it better.

The voluntary sector has to be financed, Mr. Speaker. We all know there was a period of time when everyone in Canada could get a standard $100 deduction for purposes of their taxes. The Department simply found it too complicated, I suppose, to take every little donation and add it up; it just said let us take it for granted that every Canadian is that interested and given at least $100. Well, the last Budget eliminated that deduction. The voluntary sector said that it should be taken out, it was not true that every Canadian gave $100. On the other hand, they asked that for every dollar given to a voluntary organization, there be a tax benefit of 50 cents. When the Minister of Finance (Mr. Lalonde) produced his last Budget he was quick to take out the $100 but he did not give the tax credit. Today the Hon. Member for Waterloo is asking that the second part be respected, and I hope the task force looks at this seriously. If that is done, the whole process of the voluntary sector will improve. The Government will not suffer because more money will flow into that sector. This will be a saving in the end for the Government itself.

Going back to the question of why I believe what we are doing today is so important, Mr. Speaker, I want to refer again to the idea of love your neighbour. By good fortune we have agencies who are doing that. We can become part and parcel of that work by stretching out our hands and helping other people, loving other people, by helping the organizations who are doing just that in the modern world. On the Prairies where I grew up it was easy to know your neighbour; he was a half a mile down the road. Everyone knew the people in small towns in the district, they knew who was sick, who did not have food. But today it is not so easy.

The question today is, who is my neighbour? Who is my neighbour where I live, who is my neighbour in my province, my country or in the international community? That is the question we have to address. Being active in the church at one

level or another all my life, that was where I really came to terms with how that worked, why people were willing to do that through a church or another organization. It is a natural way to respond to the demand to love other people. I could talk of hundreds of thousands of people who are able to do that. Today we are trying to improve what is already in place. As I said, I think from what I have heard in the House today that that is going to happen. It may not be tomorrow or next week, but it is going to happen because the goodwill is present in this House today.

Some things are going to have to be discussed which are not easy. One question is, when does an activity become political? When does this or that particular group become political? It is not an easy question to answer. Some people will consider an action to be political, while someone else will consider it to be very charitable. They can see that the only possible response to a particular thing at a particular time has to be this activity. But two people see it two different ways.

Last Sunday, in a church in which I had never been before, following Mass I went around to a little alcove in which the local community had set up a development project. It was something to do with Lent, showing how this particular parish had responsibility to people in other parts of the world. There was a picture there of a good friend of mine, Dom Helder Camara, the Archbishop for Recife in Brazil. He retired from office in the last few weeks because he is 75 years old. He has visited Canada many times, and many people in this House, as well as those watching on television, have publicly heard him speak. Under the picture of Dom Helder Camara was written: "When I give food to the hungry, people call me a Saint; but when I ask why the poor do not have food, they call me a communist." Through that little expression we come to the question which will be difficult for that task force to answer. Where does religion stop and politics start, or politics stop and religion start? That is going to be difficult.

Dom Helder Camara has worked with many of the volunteer organizations I have worked with in international development. The Canadian Catholic Organization for Development of Peace, for instance, is a volunteer organization that uses the donations of Canadians to help development projects around the world. Dom Helder Camara has frequently come to Canada to speak to that group. I know from my own experience in working with him that much of the funding given by Canadian people has gone to work in his section of northeast Brazil where there is massive poverty, hunger, health problems and so on. I believe that the person who gives what he can to any organization is loving his neighbour. That is one of the ways in which Canadian people, who live in a rich part of the world, can help those less privileged in other parts of the world.

● (1730)

I believe that the income tax law should be changed so that when a person gives a donation to a particular organization which they believe is loving their neighbour they should in turn receive a something themselves; that is, they will get a tax break. This will make it possible for them to extend their own personal income to help someone else.

I think there is strong motivation in what has been proposed by my colleague from Waterloo which will benefit the volunteer sector of our country and will not be a burden imposed on the taxpayers. This type of activity will make funds more readily available. Grants from the Government will not be necessary. The people themselves will take greater responsibility in the local, national and international areas. The responsibilities which are part and parcel of being a human being will be more easily addressed because people will have more say in how their charity is being used in the world.

The National Volunteer Organizations are meeting here today. It is a very good day to have this debate. It is fitting that it should be today. There must be a lot of clarification of words. In the volunteer sector definitions of many things are not clear. There is a lot of vagueness with regard to religion and politics. The information which has been supplied by the National Volunteer Organizations to members and anyone who is interested indicates that a charitable organization has to be defined by the tradition of the common law. A charitable organization can be one of four things. It can be for the relief of poverty, for the advancement of religion, for the advancement of education or for other purposes beneficial to the community. That gives us an idea of what charitable organizations are. In whatever new legislation is proposed there must be clear a understanding of what those particular areas are. When the common law was being established I am sure that the word community referred to a very small group. Today most people have a much bigger vision of what community is. It refers not only to down the road, but to the whole global village.

Another reason I think the debate today is so important is that I suspect what we are talking about today in the House of Commons will touch more people than any other single Bill or motion to which I have spoken. Probably every Canadian is involved in one or more of these voluntary groups. It could be in sports, music, health, with the Red Cross, with the local YMCA or with any one of the church groups I am talking about. Many people are involved with many of these organizations. What we are talking about today is important because it is going to touch every single Canadian directly one way or another. Something will happen so that that person will be affected. Something will happen that will make that person more able to act the way I was speaking about a little earlier; the whole way of how to love your neighbour. We are discussing something today which is of intense interest to every Canadian.

I see that my time is up. I am happy to have had these minutes to propose a few ideas about how I hope the task force will begin its work. I hope it will have direction in its work which will reflect some of the things we have talked about today. I will close by saying that I feel we have had a good and profitable debate, and I am very happy to have been part of it.

[*Translation*]

Mr. Henri Tousignant (Témiscamingue): Mr. Speaker, I will be very brief, since I have been asked to share the last few minutes with my Opposition colleagues.

I am glad the subject was put on the agenda by the Official Opposition. I must admit that in the five years I have been sitting in the House, it is the first time I have seen the Official Opposition move such a constructive motion, and they ask to be congratulated.

If we really take the trouble to give the subject the attention it deserves, it could have a tremendous impact on this country, and the economic benefits will be very substantial indeed.

Have we ever stopped to think what a country would be if it did not have the voluntary sector? It would be unthinkable. So if we can bring this debate, which has been conducted with very little show of partisanship—it must not be a partisan debate in any case—to a satisfactory end, I am sure the entire country will benefit. Why? Because if we stop and think for a minute, this debate and I think we should realize this will help us make all the Members of this House and Canadians who are watching us more aware of what the voluntary sector represents for a country.

If we have the sense to try and harmonize all these efforts and all the potential that exists in our country, if we take the trouble to use these resources intelligently, Mr. Speaker, there are people out there who need only the slightest encouragement to get on board and serve their community.

We see this constantly in our communities, and when we visit our ridings, we see all these groups, these service clubs consisting of men and women, some of whom spend as much as one-third of their time on volunteer work. If that work could be quantified, I think that we could demonstrate that the voluntary sector makes a considerable contribution to the gross national product. If we were wise enough to recognize that contribution in some way or other, either through a tax deduction or otherwise, I would favourably consider the setting up of a House committee. I hope that such a committee would apply itself to the task at hand in order to achieve tangible results. We would thus be able to tap that potential of voluntary work.

There are so many Canadians throughout the country doing voluntary work at present and still more would be ready to do so. There are many retired individuals who are well off; the wives of tradesmen, for example, or other professionals who live at home or have raised their family. They have great qualifications and would be ready to make them available to their community. But first the Government of Canada should ask them to come forward and show them its interest and gratitude?

Mr. Speaker, I realize that some members of the official opposition would like to speak. To conclude my remarks, I hope that the debate will remain non-partisan, that it will continue in committee and that we will be intelligent enough as managers of this country to take advantage of that enormous potential in Canada.

The Acting Speaker (Mr. Guilbault): Questions, comments, debate. The Hon. Member for Don Valley West.

• (1740)

[*English*]

Mr. John Bosley (Don Valley West): Mr. Speaker, I gather that it may fall to me to close this debate today. If there are others who wish to speak, I would be happy to reduce the length of my comments.

I accept the good will and the sentiments of the words of the previous speaker. Perhaps he will understand and even forgive me if I become to some degree what he might regard as slightly partisan. However, I will not be partisan on the question of voluntary associations or voluntary work. We all derive benefits from that work of hundreds of thousands of Canadians who do whatever they can to help their fellow Canadians. That is not a partisan matter. I believe everyone in the House from all parties believes it is absolutely essential.

There is a distinction which must be made between the activities of associations and their members and the frustration that the leaders of those associations feel about what is truthfully significant inactivity on the part of the federal Government to resolve the problems which their institutions have been dealing with, as members trying to help others, for ten years. Let me give an example in order to help members opposite understand.

In 1978, the Department of Revenue issued a circular, later withdrawn, which attempted to come to grips with the issue of what is an activity by a registered charity that is prohibited by law. Let me quote one of the issues raised in this circular. It states that written or oral representations to the involved Minister of the Crown are also looked upon as an acceptable activity on the condition that such representations are limited to presenting the organization's interests and points of view, and otherwise do not attempt to influence legislation.

According to the common law and language of this circular, attempting to influence legislation is illegal for the institutions we are talking about. In other words, the document entitled "Charity Today and Tomorrow", which has sat on the desks of Ministers of the Crown for some years now, is conceivably an illegal document and the presentation of that document is illegal.

In the context of what is not or should not be acceptable activity in terms of public purpose or benefit, the organizations themselves do not know whether they are in fact at risk of losing their charitable registration when they make a representation. While members may say that this has never happened and does not happen, we were told by the Civil Liberties Association last week that they thought they were taking reasonably sensible action in raising some money to defend a person before the courts on a human rights issue, which is their purpose and objective, but were told that they could not do

that. They could not issue charitable receipts for those funds, and if they proceeded they were at risk of losing their registration for doing precisely what their objectives say they should do.

Mr. McLean: Ask the Mental Health Association.

Mr. Bosley: Ask the Mental Health Association of Canada whether it is clear if one is in violation of the law.

Just as a simple administrative matter, that same Civil Liberties Association for some reason did not file a return in 1978 or 1979. The computer system used by Revenue Canada has no capacity to notify a known charity of its failure to file a return and simply deems it to have disappeared. When this association raised its funds for the next year, it discovered that it had no right to issue receipts. These organizations do not know what their rights are.

Hon. Members opposite have tried to see this issue in terms of the good work that is done, but they have missed the issue as it is seen by the institutions. The issue facing organizations who are attempting to do something useful in this country today is that they have no way of knowing whether they are acting illegally or at risk of losing registration. They have no way of determining this because it is still a common law matter.

Since 1974, those institutions have sought a collective definition in the law to clarify their circumstances. Since 1974, the Government has been promising over and over again to do that. Here we are, on April 3, 1984, discussing a motion on the Order Paper asking the Minister to create a joint committee to look at the question of what charitable objects are and what the legal rights should be.

This is not a new issue. This same document from the National Voluntary Organizations, now in their tenth year, shows that in 1981 they submitted proposals to the Minister of Finance to resolve the issue. The key phrase in this document is, "That following three years of consultations the Coalition of National Voluntary Organizations submitted a proposal to the Minister of Finance in December, 1981". How long will it take parliamentarians—I mean all of us—to recognize that we have a special obligation to clear these matters up quickly for people who are put into a position by our inactivity of potentially being illegal if they call us or write to us to tell us their problems. They do not have the same rights to lobby us or raise their own issues with us. They responded to consultations over three years by submitting a document in 1981. What did they get? They got three more years of non-action and another motion before the House, presumably well-intentioned. We all hope it produces action to resolve this question.

● (1750)

What have various Ministers said, Mr. Speaker? In 1981 the then Secretary of State at a conference entitled "Consultation '81" said:

> I am committed to the development of a comprehensive federal government action policy developed jointly with the voluntary sector.

The Secretary of State (Mr. Joyal) at the Conference of the Canadian Centre for Philanthropy in Toronto On November 10, 1982, said:

> With this in mind, I intend to place this matter before Cabinet. My plan of action has five objectives . . .
>
> 1. To determine the legal and fiscal framework within which the Government and the voluntary sector can work together.

In 1983 and 1984, what do we have? We have a motion that takes precisely that line, to determine the legal and fiscal framework within which the Government and the voluntary sector can work together, and it strikes out half of them. The motion before the House leaves out the words "and fiscal". It would not be surprising to me if leaders of the National Voluntary Associations were a little skeptical about the purposes behind the motion tabled on the Order Paper. It says:

> That a Special Joint Committee of the Senate and the House of Commons be appointed to examine and report upon the legal framework for voluntary actions with particular reference to the following:

There have been two issues facing the volunteer world: one, definition of status; and two, an attempt to get a better fiscal support mechanism for their activities. It is not as though Members of the House do not know this. Members of the House have heard the debate about give and take for at least four years. Members of the House know full well that the Minister of Finance (Mr. Lalonde) took half of give and take. He kicked out the $100 charitable donation deduction. He did not put back the proposal to allow charitable institutions and voluntary associations to get at the tax credit, which was the second leg of that proposal.

Mr. McLean: An $80 million tax grab.

Mr. Bosley: The Minister of Finance could have tabled in the House at the time what he expected the tax expenditure saving to be, which is that wonderful technical phrase which means how much money he was going to get in extra—what he was going to get in extra. In fact, if you work it out in his documents, it is $80 million. The Minister of Finance could have said that this issue of support for those who are trying to help others has been around long enough; I am taking the take part of give and take and I am going to give only $80 million worth of the give proposal. But no, we get into more of the language, Mr. Speaker, that says let us have a Parliamentary committee some day. Let us look at the proposal somewhere else some day. In fairness, many of us expected that the new Secretary of State meant what he said 13 months ago and before that, that there would be a joint committee to look at these questions and try to resolve them.

It is frustrating to recognize that all Members of the House—and let us keep this as best we can non-partisan—who believe that the issue of the way people raise money is an important part of understanding the issue of the charitable institutions, and we are now going to have to lobby, I hope with the help of those on the other side who have raised the issue themselves. We still must persuade the Minister, it would appear, to include that issue in the joint committee study. It should not be surprising if many Members of this House

believe that the words of the motion put by the Hon. Member for Waterloo (Mr. McLean) are absolutely correct. It states:

That this House condemns the Government for its failure to honour the commitment made both in 1974 and in 1981—

And it goes on to urge the Government to do, in effect, what it has been saying all along it was going to do. I repeat, we can go on and on forever talking about the reasons there may be difficulties with definitions or difficulties with certain proposals, but we miss the fundamental point if we do that.

The fundamental point is, and I say this particularly for those who have raised several issues today, can we reverse our thinking on the issue? Can we stop finding ways to say no to people who are trying to help others, and find ways to say yes to them? They have not asked for very much. If we want, we can get hung up on questions of whether we should treat non-profit institutions differently from charitable institutions. We can get hung up on the questions of what shall be acceptable activity and what should not. Why not do the sensible thing and say "we will define what you may not do"; we will tell you what activities, presumably to use their own definition, such as the support of a political party. Those will not be activities acceptable for people who have tax exempt status. Why do we not give them the freedom that they should have to be able to make representations to us, as every other Canadian can make on issues that are matters of public policy?

Some Hon. Members: Hear, hear!

Mr. Bosley: Why should that be a surprising idea? Somehow we have invented some mindset that says if an organization has a view about public policy, it is all right for it to raise a lot of money, conduct a public education policy and run ads about that issue, which presumably would have an indirect effect on us through the voting public, but if we were able to prove that its purpose was to influence the legislation, we would declare it illegal. Or as one Member opposite told us recently in his view it is all right if they educate the public because the public are the people who elect us, and then the public can respond. In other words, if they can influence us indirectly, that is fine, but they shall have no right to influence us directly, to make their views known to us. Surely that is lunacy; surely it is self-evident lunacy, that we would say that to the National Cancer Society, the opera society, or others, for example the cultural organizations who we asked to tell us through the Appelbaum Hébert process, through parliamentary committees for a year and a half what policies there should be. We paid many of them some expense money to come here to tell us, because they are the practitioners, what cultural policies should be. Does it not sound absurd to have a law that says Revenue Canada might then be able to go after them for appearing before a Parliamentary committee because they had now violated the law, were illegal and could lose their charitable registration for telling what public policy should be in the area of arts and culture? Surely it is self-evident lunacy. What justification can there be for the delay?

Before I sit down, I want to say something about some of the responses made today to the give and take proposals in the area of the policy distinction that must be made between grants and tax credits. According to some, notably the Hon. Member for Mississauga North (Mr. Fisher), the issue is more than simply grants and tax credits. It is whether we accept the principle that people should be encouraged to give of themselves voluntarily for public purposes and objects about which they care.

The grant systems of government are designed to find vehicles, whether they be in or out of government—notably out of government—to do things, projects, programs, be it for the Minister of State for Sport (Mr. Olivier) or the Minister of National Health and Welfare (Miss Bégin), and which the government has decided should be done. The Minister of State for Sport provides funds for the ski team if he chooses because he believes it is important. That is a grant. What if somebody on the ski team, in the association or someone in the health programs or in culture believes there is a program their organization should mount that is within their purposes as a charitable organization? Surely it is equally self-evident that the purpose of a tax credit system is to assist people doing work within the public arena of purpose, to do projects they believe are important within those objects, within the registration and within what is permitted activity.

If we ever were to get to a situation, as the Hon. Member from Mississauga was suggesting, not only would we define a charity for the purposes of the law, but we would then define, restrict and control the programs they could get into by administering them through a grant system as opposed to a system of encouraging people to give to them. Then we really would be crazy.

[*Translation*]

The Acting Speaker (Mr. Guilbault): It being 6 p.m., it is my duty to inform the House that in accordance with Standing Order 62(11), the proceedings on the motion have expired.

● (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

LOTTERIES—SPORTS POOL CORPORATION. (B) REQUEST FOR FEDERAL-PROVINCIAL MEETING

Hon. Steven E. Paproski (Edmonton North): Mr. Speaker, I am sorry I did not get a chance to speak in the debate today. I would have contributed more impetus in so far as the voluntary sector with regard to the different sporting fraternities is concerned. It would have been a great little bit of debate. I

know my friend the Sports Minister would like to have taken part in the debate.

The question I asked on March 27, as reported at page 2472 of *Hansard*, was directed to the Minister of State for Fitness and Amateur Sport (Mr. Olivier). There have been three such Ministers prior to this Minister. One is in the other place. He is now going to lose a baseball franchise, along with another Senator. They are very worried because of the sports pool. The other one was a sports broadcaster. I thought he would, without making unilateral decisions, sit down with some of his provincial counterparts. Then there was the Hon. Member for Montreal-Mercier (Mrs. Hervieux-Payette) who was looking for Canadian unity so that she could get as much publicity as she could in her portfolio but she really did not do very much.

I am delighted that the Minister of State for Fitness and Amateur Sport is here today to answer my question. I want to bring to the attention of the House the current unilateral action of the Liberal Government, which in effect abrogates the 1979 federal-provincial lottery agreement. It is a direct assault on co-operative federalism. The Chairman of the ILC shareholders' committee has twice made specific invitations to the federal authorities to discuss federal-provincial differences over lotteries.

The new sports pool could result in a tremendous proliferation of sports pool/lottery games as the Canadian Sports Pool Corporation tries to meet its heavy start-up costs. The poor results of Loto Quebec's Hockey Select suggests that the federal Sports Pool will fail if they do not create a number of lottery-type games. Since there is a limit to the lottery market, the resulting competition could result in higher administrative, advertising and commission costs, resulting in lower profits to distribute to culture, amateur sport, fitness, recreation, health and environmental research.

As well as treating a legal federal-provincial agreement with disdain and thereby threatening all federal-provincial agreements, the Liberal Government seems to be reneging on the 1979 agreement since it was agreed to by the Clark P.C. Government. That could set a particularly bad precedent, putting into question whether a new Brian Mulroney Government could likewise unilaterally terminate any or all legal agreements which the former Liberal Government had entered into.

It should be recalled that the 1979 agreement was a good agreement. It established in Canada a practice common to most other federal jurisdictions, such as the United States and West Germany, wherein lotteries/sports pools are left to the provincial level of jurisdiction. Even economically, the 1979 agreement was beneficial for the federal Government. For doing nothing, except vacating the lottery field, the federal treasury has received to date $124 million or $125 million from the ILC, and could receive approximately $35 million this year. I am sure the Minister would agree.

While the provinces have done well in the four years they have managed exclusively the lottery field, the true comparison of what the federal Government has gained is when you compare what the federal Loto Canada turned over to the federal treasury compared to the ILC payments. In 1977, 1978, 1979 and 1980, four years, the total profits in Loto Canada were $210 million. The federal treasury received $10.5 million and 5 per cent of the total profits were supposedly earmarked for physical fitness, amateur sport and recreation. I say supposedly since, unlike Ontario where lottery profits are designated by legislation, the federal Government has put the ILC payments it receives directly into the general revenue. I plan to check over the last four years to see whether both the federal Department of Multiculturalism and the Department of Fitness and Amateur Sport each received their full 50 per cent share of the ILC payments for the last four years, or whether they were shortchanged, and whether any of these lottery moneys were used to replace basic funding.

• (1805)

There is also a potentially embarrassing issue pertaining to some $3.2 million in unclaimed Loto Canada prizes. Loto Çanada retained this money instead of ensuring that the Canadian public was able to win it through some kind of bonus draw like Loto 649 or proportioning it according to the distribution of its profits.

I will not deal with this now, but today I raised a question referring to the fact that there was $12.8 million in the kitty initially, and I asked how the Minister transferred those funds into the other fund. I know that the Minister will at least ask his counterparts to discuss this matter because, if he does not he will lose the baseball franchise and get himself into more trouble.

[*Translation*]

Hon. Jacques Olivier (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I want to thank the Hon. Member for having given me this opportunity to speak on this subject. The House will recall that the provinces have shown their intentions, and what is more, they have gone already to Court. I shall therefore be careful what I say. Where my hon. friend opposite claims that we broke an agreement he himself signed in 1979. My answer is, simply, that we did not break this agreement because we have no intention of administering a lottery.

What we intend to do is to administer a sports pool, which is entirely different from a lottery. In a lottery, you take a number at random and you have a chance of winning. A sports pool is mainly a test of a person's intelligence and the individual's knowledge of sports, all of which must be used in determining who the winner or loser will be.

My hon. friend opposite says that we did not hold consultations. I am sorry, but my senior officials have held consultations with lottery authorities across the country to advise them that we did not intend to break this agreement. The best proof is, Mr. Speaker, that only today, I heard through the media that people who signed the 1979 agreement sent us a cheque for $8 million. So, when you have a party who says he is not observing the agreement, he is not paying, and who says the next day that you did not observe the agreement, I think this is

very strange indeed. However, we do have a very serious problem, which is that the Government of Canada needs money to make the Calgary Games the best Olympic Games ever in this country, we need $200 million. Amateur sport needs money, medical research needs money; and the taxpayer can no longer pay taxes and this is a perfectly normal and easy way to raise money without unduly taxing Canadians and it gives sports enthusiasts a chance to participate indirectly in the Canada Games, the Commonwealth Games and the Pan American Games. That is what we had in mind when we set up these sports pools. My honourable friend opposite signed an agreement in which he substituted $35 million for a potential $200 million. I do not know of many people in this House who would sign this kind of agreement. We intend to abide by these terms because, for the time being, we do not intend to get involved in lotteries. Our purpose is strictly to get into the sports pool area, and I think that is quite clear. This was explained when Parliament passed the Bill last June, authorizing the Government to get involved in sports pools. Since the matter is now before the courts, I would rather not elaborate on the subject much longer.

Regarding the franchise, I had a meeting this morning with the president of the baseball leagues, and he said very clearly that to him, these were two different matters. He felt it was morally questionable and said that, as a matter of principle baseball disagreed with the sports pool concept. Regarding the Vancouver franchise, this is a matter of—

• (1810)

[*English*]

GOVERNMENT ADVERTISING—RAIL EXPANSION ADVERTISEMENT. (B) REQUEST THAT ADVERTISEMENT BE STOPPED

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, I rise during the adjournment debate to elaborate on a question I put to the Minister of Transport (Mr. Axworthy) on March 26. It referred to the misleading and self-serving advertising by his Department, paid for with Canadian taxpayers, which appeared in the *Financial Post* of March 8. In this misleading and self-serving piece of government propaganda, paid for by the taxpayers in Canada, entitled "Canada's Rail Expansion to Meet the Demands of a Growing World", there was a statement that there would be 375,000 jobs for Canadians and a $16.5 billion investment in our rail transportation system.

On February 8, 1983 when the then Minister of Transport presented proposals for the change in the statutory rate for the movement of grain, he did not refer to 375,000 jobs, he referred to 375,000 person years. So in February of 1983, we have reference to 375,000 person years. When I questioned the President of the Canadian National Railways at the Standing Committee on Transport about the investments that would take place in all the railroad industry and about the creation of jobs, he said that approximately 50,000 person years would be created. Using a multiplier effect of three, that means 150,000 jobs to be created between now and 1991.

The Minister of Transport gave another figure. He said that $1.1 billion of new capital investment will be going into the Canadian economy this year. I hope that when the Parliamentary Secretary answers my question she will be able to tell me where that $1.1 billion is being invested. I hope she will be able to tell me the reason for this advertising.

In February, 1983, we were given the figure of 375,000 person years. Then in the March, 1984 advertisement 375,000 jobs are mentioned. Next, in *Maclean's* magazine of April 2, 1984 there is another ad, paid for by the people of Canada, produced for some self-serving reason, which states that more than 300,000 jobs will be created. We have come down from 375,000 person years to 375,000 jobs and now we have only 300,000 jobs. All the time the people who will develop the rail network in western Canada, the railroads, are saying 150,000 jobs will be created between now and 1991.

Let us come now to the matter of expenditures. In February 1983, the former Minister of Transport said that $16.5 billion would be invested in the rail network by the year 1991. The officials of that Department are now saying that it will be closer to $12.5 billion. The Minister says that is because of inflation, that inflation has gone down. When the Bill was passed, Mr. Speaker, we were in the second year of the six and five program. The Government was so sure that inflation would come down to 4 per cent that it said the farmers would have to bear all the inflation over 4 per cent—everything would be borne by the producer.

The reason that investment has gone down can be found in one of the Minister's in which he that we do not have to invest that money at this time because the movement of coal has decreased by 13 per cent and, therefore, we do not have to invest in coal cars. Apparently the reason the statutory rate for the movement of grain was removed and this substituted was for the movement of coal; it did not have anything to do with the movement of grain.

The April 2, 1984, issue of *Maclean's* carries an advertisement that mentions 300,000 jobs. The Minister does not even have the courage to estimate the investment that the railroads will make even in the next few years. He just says that there will be billions of dollars of new investment. He has corrected it a little bit but the rational is self-serving, erroneous, and it is paid for by the taxpayers.

• (1815)

There is one thing we have to know, Mr. Speaker. The Minister says these ads were placed to show Canadian businessmen the opportunities available to them over the next number of years. I hope the Parliamentary Secretary will be able to tell me the number of tenders which have been called, which was the reason for these businessmen and women being alerted to the opportunities, because, Mr. Speaker, I am sure the tenders which have been called fall far, far short of the $1.1 billion which the Minister said would be invested this year.

[*Translation*]

Mrs. Éva Côté (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I think that the controversy concerning the western grain transportation issue has not been laid to rest. I am somewhat surprised to hear so many comments about the advertising campaign to tell people that Western Canada's transport facilities will be upgraded for all users, regardless of the type of freight transported. We are now witnessing a "war of figures", as some people are wont to say.

Mr. Speaker, if we keep in mind the interest rates and the costly inflation of 1981, the figures then provided by the railway companies concerning the investments that the Government of Canada had asked them to make to meet market conditions still seem fair and realistic, today in the context of the economic conditions prevailing at that time.

In case anyone should be in doubt, today is April 3, 1984 and the inflation rate is less than 4 per cent. Current interest rates are not running at 21, 22 or 23 per cent, but at 10.5 or 11 per cent. We have now been told that if the two railway companies were to slash their total investments to the tune of $4 million, the number of jobs created would be reduced by about 50,000 person-years. I have no idea whether that is true or not. One thing for sure, Mr. Speaker, is that the commitments made through Bill C-155 to upgrade considerably and almost spectacularly Western freight transport, in either direction, mean that those projects will be carried out at current costs. The one undeniable fact is that the annual investments which will be made by the railway companies and the Government—with taxpayers' dollars, I agree—will be in excess of $1 billion. I am being asked whether interest rates in 1990 will be 25 per cent, what the costs will be and how many jobs will be created. I cannot answer that today, Mr. Speaker. However, one thing is true, and the Members opposite should stop annoying the public with that: the fact is that the work has started and will be completed. The movement of all Western products, including the movement of grain, which will increase substantially, will become much more efficient, and thus less costly for the users, because there will be fewer delays and because our objective, which will certainly be met, is to have in Western Canada an efficient railway system which will benefit the whole country.

Mr. Speaker, I do not agree with those who think only in terms of so many person-years and of so many jobs created in relation with the amounts of money invested, without taking into account the evolution of the economy itself and of world markets, or what we can produce ourselves to be marketed and to meet future requirements. The 1981 forecasts were made at a time when interest and inflation rates were very high, but the situation has changed. I hope that I have answered the Hon. Member's question, Mr. Speaker.

● (1820)

[*English*]

RAILWAYS—TRANSPORTATION OF DANGEROUS GOODS. (B) DISTRIBUTION OF DEPARTMENTAL DOCUMENT

Hon. Don Mazankowski (Vegreville): Mr. Speaker, I am very pleased to rise concerning a question I posed on March 5 having to do with the transportation of dangerous goods. I am particularly pleased to rise following the presentation of my colleague, the Hon. Member for Kindersley-Lloydminster (Mr. McKnight). After listening to the Parliamentary Secretary and watching the expressions on my colleague's face, I sense that he is not better informed than before he posed the elaboration of his question.

This occasion, Mr. Speaker, gives me an opportunity to say that I believe the current Minister of Transport (Mr. Axworthy) is the most elusive and shifty Minister we have had in this Chamber in the last 15 years. He is ready to agree to almost anything politically advantageous or attractive. He is prepared to promise almost anything. But when it comes to delivering on those promises, he fizzles. He finds that he lacks Cabinet support or it is not desirable. In some cases he fails to act because his critics find his initiatives foolish. Such is the case with respect to the matter of the transportation of dangerous goods.

I asked the Minister what progress he was making in fulfilling a statement he made in the course of his speech to the Council of Transport Ministers in Hull on December 5, 1983, when he said that he had a firm resolve to make progress in improving the transportation of dangerous goods. He talked about limiting the speed of trains carrying dangerous goods through densely populated areas. He talked about labelling empty cars which had carried dangerous goods because they should be treated as though they were full. He talked about a whole host of things he was going to initiate. Three or four months have now passed, Mr. Speaker, and there is really little in the way of action. So it is with VIA Rail, grain transportation investment, air safety and deregulation. We are really not sure where the Minister stands. He is interested in short-term political gain rather than real improvements in the transportation industry.

This is a very dangerous approach, Mr. Speaker, when it deals with a matter so important as dangerous goods. We have to recognize that this not only affects the workers directly involved in the movement of dangerous goods, but indeed Canadians who are domiciled near the corridors through which these dangerous goods move.

It is rather interesting that the Minister came out swinging, saying he was going to get tough with the railroads, plan tighter regulations concerning the rate of speed, treat empty tanker cars as if they were full, and a whole host of other things. But low and behold the railways fired back and said his plan was foolish. So his get-tough stance really evaporated very quickly when the railways stood up to him. That is rather strange because just the other day he made a speech in which he said any overhaul of passenger rail service in Canada should address the needs of the traveller first and the railways

second. He said we have to move away from a preoccupation with the corporate interests supplying the services and put the onus back on the people. He also said that decisions to close community rail lines or make other changes in service cannot be dictated from on high. Well, glory hallelujah is all I can say. What a great day has arisen.

It is this same Minister, Mr. Speaker, who sat on the major Cabinet committees which authorized the dismantlement of 20 per cent of the rail passenger service in this country. I wonder in whose interest he was acting at that time. That is the kind of double standard and hypocrisy we hear from this Minister. The transportation of dangerous goods is too important to be used as a political volleyball. It became very prominent in this country following the Mississauga incident and the action that we as a Government took back in 1979 in calling for a full-scale inquiry, the Grange Commission, which was really the most objective and thorough way in which we could have dealt with that matter.

There is an Act in place covering the transportation of dangerous goods. There are regulations flowing that are very voluminous in nature, very complex, very expensive to comply with and excessively bureaucratic. There are differences of opinion between the industry and those who are domiciled along the corridor. There is a genuine fear, and this matter has to be dealt with in a realistic and practical fashion. There is a question of reciprocity with the United States of America and the regulations that apply there.

• (1825)

The fact of the matter is that we have a growing number of accidents involving the use of dangerous goods. In 1982 there were 170 major rail accidents involving hazardous products. In 1983 there were 159 major accidents. In 1982 there were 91 minor accidents and 323 minor accidents in 1983. Those are CTC figures, Mr. Speaker. The matter is not improving, it is getting worse. This Minister is failing to act. He is making political speeches, grandstanding and jockeying. He is on the bandstand of anything that is politically attractive. However, he has not delivered. The fact of the matter is that he can take some very positive and definitive initiatives with respect to reduction of speed. He can take some very positive initiatives with respect to the treatment of empty tank cars. He can take a positive initiative with respect to the proper identification of cars that carry dangerous goods. So far he has failed to do anything. I call upon the Minister to live up to his commitments. I call upon the Minister to put the railways on the spot and make them deliver. This issue is far too important for the Minister to engage in this kind of political jockeying.

[*Translation*]

Mrs. Éva Côté (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I would like to say very briefly that I do not agree with the Hon. Member for Vegreville (Mr. Mazankowski), who said that the present Minister of Transport (Mr. Axworthy) is elusive and shifty. I would rather say that he has taken very good decisions that are in the best interests of all Canadians.

As to the question put by the Hon. Member for Vegreville regarding the transportation of dangerous goods, the document referred to by the Hon. Member was prepared by the Department's service of transport of dangerous goods and includes recommendations made by M-Trac as well as the reply by the railroads. Lack of time prevented the Department from checking or controlling the data contained in this report. Only 40 copies of the report were printed and it has had a very limited distribution. However, a copy was sent to the office of the Hon. Member for Vegreville.

The Office of the Inspector General of Security in Transport was given the mandate to review the whole matter of the transportation of dangerous goods, and this review is already under way. The Inspector General has undertaken a study of all documentation in this field and he also attended a recent meeting between the Minister and the M-Trac group to hear representations on some aspects of the matter.

Discussions were also held in Toronto with representatives of CP Rail who provided a guided tour of the rail facilities in the Metropolitan Toronto area. As soon as the review is completed, Mr. Speaker, and when all concerned groups have made representations, this information will be assessed and a report with recommendations will be submitted to the Minister.

As regards the very strict measures taken concerning an incident at the McMillan Station in north-west Toronto, involving a rail car containing either butane, propane or anhydrous ammoniac, the Railway Transport Committee of the Canadian Transport Commission has just ordered today that 26 tank cars be taken out of service due to possible defects. However, an inquiry has been launched concerning this incident which happened in Toronto; this inquiry is continuing and will be pursued until all details are known about these cars which have been taken out of service because of possible manufacturing defects.

Mr. Speaker, I believe, that these comments should provide a satisfactory answer to the question put by my colleague from Vegreville.

The Acting Speaker (Mr. Guilbault): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m.

At 6.30 p.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, April 4, 1984

The House met at 2 p.m.

● (1405)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

HUMAN RIGHTS

U.S.S.R.—PLIGHT OF YURIJ SHUKHEVYCH

Hon. Steven E. Paproski (Edmonton North): Mr. Speaker, Yurij Shukhevych, aged 50, is a Ukrainian political prisoner whose history of persecution has come to span three decades. Currently serving his thirty-first year of imprisonment, he has been free for only four years since the age of 15. His case serves as a tragic example of Soviet persecution of minors who are held responsible for their parents' political beliefs and activities. They suffer the consequences of a Soviet legal system that punishes their refusal to denounce or disassociate themselves from their parents and their cause. Shukhevych can in fact personify the cruel fate of thousands of Ukrainians, Poles, Latvians, Lithuanians and Czechs who have maintained, against great odds, a determination to realize their goal of a self determined national state.

We appeal to you, Sir, as the first Commoner, to intervene on behalf of Yurij Shukhevych and on behalf of humanity. Pressure must be brought to bear on the Soviet Union to stop the insidious practice of persecuting minors for their parents' political beliefs and activities.

* * *

[*Translation*]

THE ECONOMY

ALLEGATIONS APPEARING IN THE MEDIA

Mr. Marcel Dionne (Chicoutimi): Mr. Speaker, last week I read an article published in an Ontario newspaper which said that the riding of Chicoutimi had the lowest per capita income and the worst economic problems in this country.

Mr. Speaker, I would also like to point out that last Monday I announced the appointment of the professionals who are going to renovate harbour facilities at Chicoutimi for the sum of $9 million. I may add that construction on the harbour at Chicoutimi has started, involving an investment of $50 million. In addition, since it has been recognized that the base at Bagotville is very important to the air defence of our country, NATO and the United States, the Liberal Government has agreed to invest $54 million, and, Mr. Speaker, I should mention that, although the newspaper article was somewhat negative about my riding, the Canadian Government, as part of its energy policy, has just announced the construction of a pipeline for $240 million in the Saguenay-Lac-Saint-Jean area.

Mr. Speaker, you will agree that as far as infrastructures are concerned, we have a region that is becoming very attractive as a place for foreign industry to locate, and furthermore, this region has exceptional human resources.

* * *

[*English*]

THE ECONOMY

NEED FOR RETRAINING, RESEARCH, AND DEVELOPMENT

Mr. Girve Fretz (Erie): Mr. Speaker, despite all the claims by the Minister of Finance (Mr. Lalonde) that the economy is recovering and business is booming, the reality of the situation is that things are much worse than they appear. Just ask any of the 500 workers laid off at the Port Colborne Inco plant, or the 50 workers for Hart and Cooley in Fort Erie, almost all of whom are being let go and the Fort Erie plant shut down. To what can we attribute this? Two things: the lack of a comprehensive retraining plan, and the need for more research and development.

If this economy were really buzzing as it should, any workers who were laid off from one industry would be quickly retrained to take up work in another area. We should be training the people who used to make chrome auto bumpers, and put them into programs designed to prepare them for the high-tech world of the future. They should be learning now how to build computers and satellites, instead of being at a dead end and subsisting on UIC and welfare.

R and D must not be forgotten either. It is indeed amazing to note that one company in West Germany employs 30,000 people in industrial research and development alone. This is more than the entire Canadian Government spends on that item. IBM in the U.S. also employs more people in this field than our federal Government.

Why then does the Government not invest more in research and development, as an investment in the future? The Government, despite its brave rhetoric about meeting the challenges of the 80s, is nevertheless spending only 1.1 per cent of GNP on R and D, while back in 1968, in the rookie year of the Prime Minister (Mr. Trudeau), we spent 1.4 per cent of GNP.

Perhaps the Liberal leadership candidates, who are so eager to criticize the record of the Leader—

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

* * *

[*Translation*]

PALESTINE LIBERATION ORGANIZATION

SENATE COMMITTEE DECISION TO HEAR WITNESS

Mr. David Berger (Laurier): Mr. Speaker, it is with great regret that I heard about the recent decision of the Senate Committee to hear as a witness the PLO's official observer at the United Nations. This terrorist organization has never done anything to advance the cause of peace and has constantly resorted to terrorism and violence to further its objectives. Since 1968, thousands of moderate Palestinians who were prepared to talk with Israel have been assassinated by the PLO. In fact, to date, the PLO has killed more Palestinians than Israelis. We were all shocked by the senseless attack on forty-eight civilians in Jerusalem earlier this week. Responsibility for the attack was claimed by the Democratic Palestine Liberation Front, one of the component organizations of the PLO, and which was not condemned by the PLO.

The witness the Senate will hear tomorrow belongs to the same organization. It is an insult to the democratic traditions and institutions of our country to be having talks with representatives of a terrorist organization.

[*English*]

When I was elected to Parliament, I thought that it was to serve the law and not terrorism and violence.

* * *

MEDICAL CARE

TRAVELLING COSTS OF SICK PEOPLE IN REMOTE REGIONS

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I rise today to address a health care problem experienced by thousands of Canadians living in remote regions of the country, notably the high cost of travelling to an urban area for medical care that is unavailable in isolated communities.

In recent days I have received hundreds of messages from the Thunder Bay area alone, pointing out the magnitude of this problem in the Lakehead region where some 1,000 residents a year must travel to Toronto and Winnipeg to get specialized treatment. For the period 1976 to 1982, this represents a 50 per cent increase in patients going to Toronto, and a 98 per cent increase in patients going to Winnipeg. Unfortunately, Mr. Speaker, many of these people must pay out of their own pockets for medically necessary trips to large urban centres or, worse, they are forced to rely on charity.

Surely, Mr. Speaker, such a situation does not represent reasonable access as defined in the Canada Health Act, nor does it meet the Act's universality requirement that insured services be provided to all residents on uniform terms and conditions.

● (1410)

The accessibility problem I am referring to, Mr. Speaker, is by no means peculiar to the Lakehead region of Ontario. Similar problems exist throughout Canada. I call on the Government to live up to the spirit of the new Canada Health Act and co-operate with the provinces to ensure that all Canadians, in both urban and rural areas, have truly reasonable and universal access to quality health care.

* * *

[*Translation*]

INDUSTRY

FOOTWEAR QUOTAS

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, in November this year, import quotas on footwear will be lifted. Since the Canadian footwear industry employs nearly 20,000 workers, I think it is essential that our Government should support this industry. To do so, we absolutely must extend the quotas, otherwise thousands of jobs will be lost, especially in regions whether the unemployment rate is extremely high, including my riding.

In 1981, this Government took the excellent initiative of setting up a remarkable program referred to as the CIRB Program. A specific portion of this program was designed for the footwear industry. Several dynamic businesses, including H.H. Brown Shoes in Richmond, took advantage of substantial grants under the program. These businesses wish to continue the trend towards modernization and are prepared to invest in order to protect existing jobs and create new ones. We must react positively to the request being made by the manufacturers, a request that is both realistic and reasonable. They want a five-year quota extension and fifty per cent of the Canadian market. Fifty per cent of the market and five additional years would consolidate existing jobs and create hundreds more. Contrary to certain claims, the interests of the Canadian consumer would be protected in such a way that they would benefit, since consumers have always benefited from a competitive market.

* * *

[*English*]

ADMINISTRATION OF JUSTICE

TORONTO SICK CHILDREN'S HOSPITAL INQUIRY—
CROSS-EXAMINATION OF WITNESSES

Mr. Chris Speyer (Cambridge): Mr. Speaker, I rise this afternoon to register my deepest sense of concern and unease

with respect to what I view to be the abridgement of rights accorded to Susan Nelles and Phyllis Trayner. My chief concern focuses on the judgment which was rendered this morning by Mr. Justice Grange to the effect that counsel for the police and counsel for the Attorney General of Ontario were entitled to cross-examine Susan Nelles.

It is my view that it is one thing to allow Mr. Lamek, who is a neutral counsel acting on behalf of the Commission, to cross-examine these nurses. It is quite another thing to allow counsel for the police, and counsel for the Attorney General of Ontario, to cross-examine in circumstances where they have a vested interest and where they may very well have an axe to grind. To recall the facts of this particular case—

Mr. Speaker: The Chair has some concern. This is a proceeding in provincial jurisdiction before a semi-judicial body—

Mr. Speyer: There was a decision this morning.

Mr. Speaker: There is a decision rendered by the body?

Mr. Speyer: This is a matter, Sir, of criminal law and the criminal law power.

Mr. Speaker: The Chair will let the Hon. Member continue but must express some concern.

Mr. Speyer: This is a matter which affects the rights of all people and deals with the criminal law power, Mr. Speaker. My sense of concern, as I say, stems for these facts. There was a preliminary inquiry and there was not sufficient evidence at that preliminary inquiry to put Miss Nelles to a trial. There was not sufficient evidence. A law suit was then commenced by Miss Nelles with respect to the propriety of the police action and the action of the Attorney General of Ontario.

It is my view that they are not getting to the issue of the inquiry, which is what happened to the babies, how did they die? What we have is vested interest in the police defending their own conduct, and Miss Nelles does not have the safeguards she should have to protect her own interests.

Some Hon. Members: Hear, hear!

* * *

SENATE REFORM

LENGTH OF SENATORIAL TENURE

Mr. Bill Yurko (Edmonton East): Mr. Speaker, one year after I introduced a resolution in this House, the Government established a joint committee of Parliament to consider Senate structural reform. That committee's commendable report now rests neglected. The initial excitement has died down, but the need for action remains. The committee recommended a nine-year non-renewable term, an elected Senate, and more equitable provincial and regional representation in a reformed Senate of 144 members.

All recommended changes are subject to the new constitutional amending formula requiring the agreement of seven provinces having at least 50 per cent of the Canadian population, with one exception. Constitutional change affecting the tenure of existing, newly appointed, or newly elected Senators, requires only the approval of Parliament. Therefore, this House should act now to adjust senatorial tenure.

• (1415)

Today, Mr. Speaker, I will introduce in this House a Bill to provide for a nine-year maximum non-renewable term for all Senators, both existing and new appointments, so that only one class of Senators will prevail. The Hon. Member for York Scarborough (Mr. Cosgrove), who was joint chairman of that committee, has agreed to second and support that Bill. Such a constitutional change will be a signal to western Canada, in fact to all of Canada, that Parliament is serious about Senate reform. It would be another major step on the road to national unity.

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

ORAL QUESTION PERIOD

[*English*]

AGRICULTURE

WESTERN GRAIN STABILIZATION ACT

Mr. Speaker: The Hon. Leader of the Opposition.

Some Hon. Members: Hear, hear!

Mr. Brian Mulroney (Leader of the Opposition): Mr. Speaker, I thank the Members opposite for the warmth of their welcome. I was in their constituencies, saying good-bye for them.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Some Hon. Members: You are paid to be here.

Mr. Mulroney: The Prime Minister is aware of the growing concern of western grain farmers because of the Government's delay in carrying out its commitment to amend the Grain Stabilization Act to permit desperately needed cash payments this spring. Will the Prime Minister prod his lethargic Ministers to bring down the legislation so that hard-pressed grain farmers in western Canada can have the assurance right now of desperately needed cash flow at this time?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would be in a better position to give that assurance to the Hon. Leader of the Opposition if he were to assure me that his Party would co-operate with the Government House Leader in get-

ting through that and many other pieces of legislation which the country needs.

Some Hon. Members: Bring it on!

INTRODUCTION OF AMENDING LEGISLATION

Mr. Brian Mulroney (Leader of the Opposition): Mr. Speaker, if the Prime Minister will undertake to bring that legislation in immediately, I guarantee we will give it quick passage in this House so that western farmers can benefit from the cash to which they are entitled.

Some Hon. Members: Hear, hear!

Mr. Mulroney: May I take the Prime Minister's earlier comment as an assurance that, no later than tomorrow, that legislation will be before the House so we can pass it within hours?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we would have to have the assurance that the Hon. Leader's Party would not be ringing the bells and delaying the Government and the House all the time.

Some Hon. Members: Oh, oh!

Mr. Trudeau: The difficulty in running Parliament is well known to the Hon. Leader of the Opposition. There are many Bills of great importance to all Canadians which have to be moved forward.

Mr. Mazankowski: Don't weasel now.

Mr. Trudeau: I can certainly give an undertaking concerning that particular Bill if the Hon. Leader of the Opposition, speaking for his Party, will give us an equal undertaking on several other Bills which I will give—

Some Hon. Members: Oh, oh!

Mr. Trudeau: Oh, well, Mr. Speaker! The Leader of the Opposition has just come back from the West and he has discovered that the western farmers have some requirements.

Some Hon. Members: Hear, hear!

Mr. Trudeau: He is asking for one Bill. Why does he not ask for a Bill to pass the Guaranteed Income Supplement for the elderly? Why does he not ask us to pass the Bill to give rights to the Indians?

Some Hon. Members: Bring them on.

Mr. Trudeau: They are there, Mr. Speaker.

Mr. Lalonde: The budget Bill.

• (1420)

Mr. Trudeau: There are budget Bills before the House to give relief to Canadians. His Party has been ringing bells, goofing around, wasting time.

Mr. McDermid: Give it up.

An Hon. Member: You are the goofy one.

Mr. Trudeau: Suddenly he discovers one constituency that needs assistance and he stands up on that.

Some Hon. Members: Oh, oh!

Some Hon. Members: Shame! Shame!

Mr. Trudeau: Mr. Speaker, they have discovered one constituency—

Some Hon. Members: More! More!

Mr. McDermid: Keep it going.

Mr. Trudeau: They ask me for more, Mr. Speaker. I hope you will recognize that I have a long answer to give. Give me the Order Paper.

Some Hon. Members: Hear, hear!

Mr. Speaker: With all due respect to the Right Hon. the Prime Minister, the Chair could call to the attention of Members of the House the Order Paper and the items on it. I wonder if it is essential to read it.

Mr. Trudeau: Mr. Speaker, I will heed your admonition and I will not read the five pages of the Order Paper. When they ask for more over there, we agree. Let us have more action from the Opposition and more time seriously spent on legislation, instead of goofing off with ringing bells.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Mr. Speaker, no wonder the Liberal Party and all of its putative Members are dead as doornails in western Canada.

Some Hon. Members: Hear, hear!

Mr. Mulroney: And that is where they are going to stay.

Some Hon. Members: Hear, hear!

REQUEST FOR IMMEDIATE INTRODUCTION OF LEGISLATION

Mr. Brian Mulroney (Leader of the Opposition): I asked a question on behalf of western farmers, whose bankruptcies were up 110 per cent last year, and all you get is a jokester hamming around with a piece of paper. We want answers on behalf of western farmers.

Some Hon. Members: Hear, hear!

Mr. Mulroney: For 16 years the Prime Minister has been sitting around talking about pieces of legislation that he refers to on the Order Paper. I am asking a specific question on behalf of thousands and thousands of western producers. Will the Government bring that piece of legislation in immediately?

I give the Government the assurance that when it does it will pass this House to the benefit of thousands of western farmers.

Some Hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I think the Hon. Leader of the Opposition is showing contempt for the House when he refers to the Order Paper as "goofing around with a piece of paper".

Mr. Mulroney: You goof around with it.

An Hon. Member: It is you goofing around with it.

Mr. Trudeau: It is not a piece of paper, Mr. Speaker. It is a serious program of action for the Government. Yes, I will give an undertaking to pass that Bill.

Mr. Mazankowski: Bring it in.

Mr. Trudeau: And he will give me an undertaking to pass—

Some Hon. Members: Oh, oh!

Mr. Mulroney: Just give your undertaking.

Mr. Trudeau: —relief for the taxpayer, Mr. Speaker, the budget Bills, the Bill of the Minister of National Health and Welfare on Medicare. Can he do that in five hours?

Mr. Nielsen: Bring it in.

Mr. McDermid: Bring it in.

Mr. Epp: Let us have it.

Mr. Trudeau: Will they give second reading and reference to the Standing Committee of Bill C-4? Will he give me that undertaking?

Mr. McDermid: Be careful.

Mr. Trudeau: Will he give me an undertaking to pass the Crown corporations legislation?

Some Hon. Members: Oh, oh!

Mr. Trudeau: He is laughing, Mr. Speaker.

Mr. Epp: It has not had second reading.

An Hon. Member: He is a joker.

Mr. Trudeau: Who is the joker, Mr. Speaker? Sure, we have the partisan Tories—

An Hon. Member: Order.

Mr. Trudeau: —echoing their Leader about who is a joker. However, that Party has been ringing bells, the way it has, preventing Parliament from functioning—

Mr. McDermid: Who rang the bells two weeks ago?

Mr. Trudeau: —keeping this legislation from proceeding. Our House Leader has been trying to make a deal with the Opposition House Leader in order to have orderly process in discharge of this legislation. The Leader of the Opposition has just discovered one constituency and he pleads for them. There are thousands and millions of Canadians in Canada who want this legislation.

An Hon. Member: And who are in trouble.

Mr. Trudeau: Why does his Party not help Parliament function?

Some Hon. Members: Hear, hear!

• (1425)

ANNOUNCEMENT IN SPEECH FROM THE THRONE

Mr. Brian Mulroney (Leader of the Opposition): It is typical of the Government that when the interests of western Canada are involved, it is always tied to something else. You can't get a straight answer from the Government.

Some Hon. Members: Hear, hear!

Mr. Mulroney: No wonder you are all going down the shute, and no wonder western Canada won't trust them as far as they can throw them.

Some Hon. Members: Oh, oh!

Mr. Mulroney: My question is simple. Everyday we raise questions on behalf of groups of Canadians who have been trod upon by the Government.

There was an undertaking in the Throne Speech that amendments will be introduced to the Western Grain Stabilization Act to make it more responsive to the needs of producers. When will the Government bring that in? If it does bring it in, we will pass it in the interests of western farmers. Stop fooling around and bring it in now.

Some Hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I gave a serious undertaking. I said that we would bring it in and pass it.

Mr. Mulroney: Bring it in now.

Mr. Trudeau: He has not given a like undertaking. He wants to pass one Bill because he just discovered the West.

Mr. Mazankowski: There are no conditions in the Speech from the Throne.

Mr. Trudeau: No, of course not, but there are many measures in the Speech from the Throne, and when you are the Government—you will never learn this because you will never be the Government—

Some Hon. Members: Hear, hear!

Mr. Trudeau: There are about 40 days left of parliamentary time before the end of June. Out of that one must take into account Opposition days, special motions, and so on. But if the Hon. Member Leader of the Opposition will ask his House Leader to sit down with our House Leader to decide how this time will be allocated in a reasonable, sensible way, so that the Opposition can debate the motions and debate second reading, but seriously consider this legislation, I can guarantee to him that this legislation, which is of importance to the western farmer, will be passed expeditiously. Can he give me that guarantee that this House Leader will bring allocation of time?

Mr. Mazankowski: Bring it on.

REQUEST THAT FARM FUEL TAX BE REDUCED

Mr. Len Gustafson (Assiniboia): Mr. Speaker, the Prime Minister might remember that in 1980 he promised the western farmers that he would not forget about them, since there was no representation from western Canada. For two years we have been calling for a western grain stabilization payment.

Some Hon. Members: Question!

Mr. Gustafson: My question is directed to the Minister of Finance. He will know that the farmers have very serious cash flow problems this spring. This is why we have addressed the Western Grain Stabilization Program as a priority. Furthermore, the high fuel costs to farmers are bankrupting them, as well as high interest rates, and their cost of production is exorbitant. Will the Minister of Finance do the right thing and reduce the fuel costs by reducing the federal tax on farm fuels?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, some Conservative Members have discovered that there are problems amongst the farming community, and their answer is to do something about the Western Grain Stabilization Act. Our answer has been to try to introduce measures that affect farmers all across the country, not only western farmers.

We have implemented a number of measures which are of service to all farmers across the country, and that is what we intend to do. As to the specific question raised by the Hon. Member, I stand by my Budget of last February 15.

EFFECT OF INTEREST RATES ON FARMERS

Mr. Len Gustafson (Assiniboia): The Minister will know that when his Government took power in 1980 fuel costs to farmers were 92 cents a gallon. I just got word by telephone that fuel costs today are $1.80 a gallon. They are double. You will remember some of the promises that Government made, Mr. Speaker.

• (1430)

Mr. McKnight: On farm fuel.

Mr. McMillan: Phony promises.

Mr. McDermid: Where is Allan MacEachen?

Mr. Gustafson: Another problem facing farmers is the high interest rates.

Mr. Speaker: Will the Hon. Member please ask his question?

Mr. Gustafson: Mr. Speaker, the Minister of Agriculture has again and again promised reduction of high interest rates. Will the Minister of Finance consider and bring in a program, which the Minister of Agriculture cannot bring in seemingly, and alleviate the problems of high interest rates for farmers?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the Hon. Member talks about fuel costs. What he should also mention is that if the Tory plan had been put into effect—

Mr. Mazankowski: Nonsense.

Mr. Lalonde: —and if we had not defeated the Tory Budget in 1979, fuel costs today would be at international price levels for farmers.

Mr. Mazankowski: Nonsense.

Mr. Epp: No way.

Mr. Lalonde: And this would have meant even higher prices than the price farmers are called upon to pay at the present time.

Some Hon. Members: Oh, oh!

Mr. Lalonde: These are the facts which the Hon. Member should know.

Some Hon. Members: Oh, oh!

Mr. Lalonde: I understand Hon. Members over there shouting, because they are afraid of the facts. They are afraid of recognizing what their policy would have meant for this country, and that is why their policy was rejected wisely by Canadians in 1980.

As far as the interest rates are concerned, we have taken steps to reduce interest rates. Interest rates have come down quite significantly over the last two years, as the Hon. Member knows. They have been cut by half, approximately. In addition, we have introduced measures to take care of farmers in difficulties. Over $25 million in support has been put into such a program to help farmers in difficulty, in addition to the increased funding provided to the Farm Credit Corporation. My friend should at least bother to examine the facts, get briefed, and he will realize that this Government has delivered in terms of its concerns for the farmers of this country.

Some Hon. Members: Hear, hear!

VISIBLE MINORITIES

INJUSTICES DONE TO JAPANESE CANADIANS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I would like to begin by saying that I listened with interest to the Leader of the Opposition's question concerning the West. I am pleased he read the questions asked by three members of the New Democratic Party as recently as yesterday.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Broadbent: My question to the Prime Minister concerns a matter which is not on the Order Paper, but which thousands of Canadians wish were there.

Mr. Epp: He does not know where Yorkton is, and they do not know where he is.

Mr. Broadbent: It concerns the important redress of the injustice which was inflicted upon more than 20,000 Japanese Canadians during the Second World War. On Monday a Member of the House asked the Prime Minister if the Government would commit itself to redressing these terrible wrongs, to use the words of the Prime Minister himself, that were inflicted upon Japanese Canadians. On Monday the Prime Minister said, I hope in a premature way, that he was expressing the personal view that it would be inappropriate to redress wrongs that were inflicted upon our ancestors.

Considering the people who are being discussed are not simply ancestors—more than one-half of them are still alive today, considering the injustices are real and that the Government of Canada should do something about them, I would now like to ask the Prime Minister if he would, not personally, but on behalf of the Government, say, first, that there were injustices inflicted upon Japanese Canadians, and we ought to acknowledge that wrong-doing, and second, will he commit the Government to some compensation for such past injustices.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Hon. Member asks two questions, Mr. Speaker—first whether there were injustices and, second, would there be compensation. I believe my answer the day before yesterday indicated quite clearly that, in my view, there were injustices. I have said that in the House. I have said that publicly. I have said it in writings. I have said it even in Japan when I was there on an—

Some Hon. Members: Oh, oh!

An Hon. Member: Injustices.

Mr. Trudeau: I understand. But I also said it in Japan. Did the Hon. Member say Japan?

An Hon. Member: What for?

Mr. Trudeau: Because, Mr. Speaker, I think it is important in order that the people over there realize that the Government of Canada, today's Government of Canada, has regret, and expresses regret about what has happened in the past when it is unjust. And also, as I answered, we had taken specific measures in the Constitution to ensure that there would be a Charter of Rights to prevent this kind of thing in the present and in the future.

Some Hon. Members: Hear, hear!

Mr. Trudeau: There is no question that justice has been denied, Mr. Speaker. But what I went on to add on the question of compensation is that I did not feel it necessarily followed that compensation should necessarily be promised and paid to all those who, in the course of our history, have suffered some form of injustice. That is all I said.

There is a report of a parliamentary committee. It will come before Cabinet in the usual way, and we have an undertaking to state the Government's view on it and to table it in Parliament, in a specified time. I believe it is three months. Obviously we are going to have to state views on it.

But I repeat my personal view, which I will argue in and out of the House and in and out of Cabinet, that Government's main function is to be just in its time. It is not to try and correct the injustices that have been done to everybody in the past. If it is possible, well, that is fine. But as I said to a colleague of the Hon. Member from Oshawa, if we have, say, millions of dollars or hundreds of millions of dollars of compensation to pay to all those who have been somehow unjustly treated in the past, we should begin by perhaps using those hundreds of millions of dollars to help those who are below the poverty line, to help those who are on unemployment insurance. Those are the kinds of priorities that we have, Mr. Speaker. If the Hon. Member wants to go back once again to the deportation of the Acadians, I will make a case that they should have better lands in Nova Scotia and in New Brunswick than they have now—

Some Hon. Members: Hear, hear!

Mr. Trudeau: —because when they came back from deportation they were given the rotten land.

Mr. Nowlan: It is a different situation totally. Tell them the history, Gerry.

Mr. Trudeau: What about the NDP standing up for that justice? I know the Right Hon. Member for Yellowhead does not like this because he is always interested in politics.

Mr. Clark (Yellowhead): Order.

Mr. Trudeau: If he were more interested in thinking, he might be sitting here instead of over there.

Some Hon. Members: Hear, hear!

Mr. Epp: Order.

Some Hon. Members: Oh, oh!

CORRECTION OF INJUSTICES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Prime Minister has said, and I believe I heard him correctly, that he was interested in having justice in our time. I agree with that, and that is why we stood up in this House to make sure that justice was restored to Franco-Manitobans, even if it was taken away in 1890. That is why we stood up in this House and fought for constitutional rights for native Canadians, even if they were denied in the past.

Some Hon. Members: Hear, hear!

Mr. Broadbent: I ask the Prime Minister if it is right to redress past wrongs for living Franco-Manitobans, if it is right to redress past wrongs inflicted upon native Canadians, because those native Canadians are still living today, why is it not right to redress the past wrongs of living Japanese Canadians today?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Hon. Member gives an interesting example. He is going to redress the past wrongs of Franco-Manitobans. I would like to know how he is going to operate that redress. Since 1890, as he correctly points out, they have been suffering injustice because they have been legislated in a language by laws which were *ultra vires* because, according to the Supreme Court in 1979, the laws passed since then were *ultra vires*. I would like to hear the Hon. Member say how he is going to redress that.

Mr. Lalonde: And compensation.

Mr. Trudeau: And how he would compensate for that suffering and how he would also deal—he talks of the Japanese—with Chinese Canadians, of whom we heard not so long ago, who were asked to pay head taxes to get into the country, and who were certainly treated in a way which was not compatible with equal justice to everyone.

Some Hon. Members: Oh, oh!

Mr. Trudeau: I hear the heckling back there, Mr. Speaker. I think the Leader of the New Democratic Party can think for himself. He does not need the backbenchers to give him the next answers.

Mr. Regan: I do not know about that.

Mr. Trudeau: There may be some doubt about that.

Some Hon. Members: Oh, oh!

Mr. Trudeau: I am just trying to state the principle.

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): Order.

Mr. Trudeau: Mr. Clark is disturbed again. I will sit down.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

• (1440)

Mr. Broadbent: The Prime Minister has dropped from being merely disagreeable to being somewhat pathetic, and I say that directly to him.

METHOD OF REDRESS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Prime Minister knows that we tried to redress past injustices to Franco-Manitobans by bringing forward a Constitution in the House, in which some of us believed, to make sure those rights would be entrenched. That is the way we dealt with that. There is a different way now to deal with the rights of Japanese Canadians, that is, to provide some compensation through financial measures here in the House.

Does the Prime Minister not see that there is a connection between Franco-Manitoban rights, if those Franco-Manitoban rights were destroyed in the past but had to be restored in the present for the living, and the rights of native Canadians which were denied in the past but were restored for the present and for the future? If he agrees, does he not also agree the Japanese Canadians who had their rights denied, who were cruelly and inhumanely treated in the past, ought in the name of simple justice have those grievances dealt with in a straightforward and compassionate way by the House of Commons?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Hon. Member makes a parallel, and I suggest he is then departing from it himself. He says that Franco-Manitobans were unjustly treated and we brought in redress in the House will a Bill of Rights and with resolutions before the House. He does not talk of compensation. He talks of making sure in the future— and God help us that we succeed—that they will not be treated unjustly. In an exact parallel we did the same thing with the Japanese Canadians. They were unjustly treated in the past. This Party brought in a Bill of Rights to ensure that there would be no more of that kind of discrimination in the future.

The parallel is perfect, but when we get to the financial compensation—and I take it he is talking about financial compensation, not apologies, because there have been apologies which I made personally on behalf of the Government of Canada—let him, perhaps not today but maybe by way of correspondence, tell me how much he thinks we should compensate not only the Japanese but the Chinese who have been unjustly treated, other Canadians who suffered from immigration practices, and let us go back as far as the Acadians. Then we will see if it is a reasonable request that he stands up in the House and tries to increase his favour with a particular lobby in the country, as the Leader of the Conservatives was doing at the beginning of this Question Period, by standing up for one group. The Government has to govern for all of Canada; it has to take everything into account.

GOVERNMENT ADVERTISING

MANAGEMENT GROUP CHAIRMAN

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, my question is directed to the Prime Minister.

Some Hon. Members: En français.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. McKenzie: The Prime Minister took notice of a question of mine yesterday regarding the advertising management group and the function of Mr. P. T. Zarry, the chairman. I wonder whether he could provide us with an answer today on what are his functions, whether he is receiving this $2,000 per day salary, and does he report to Senator Davey?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, yes, I did take notice of it. In effect the Hon. Member was right that Mr. Zarry is chairman of the advertising management group which does co-ordinate all the advertising of the Government of Canada. He, and the group which he chairs, the management group, do not report to Senator Davey. It reports to the Chairman of the Cabinet Committee on Communications, who is a Minister, not a Senator.

SALARY INQUIRY

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, could the Prime Minister inform us as to what is Mr. Zarry's salary? Is it $1,500 or $2,000 per day?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the Hon. Member is willing to put that on the Order Paper, I will ensure that he gets an answer. I do not have the answer here.

Mr. McDermid: He asked you yesterday.

Mr. Trudeau: I am sure he is receiving a salary which is in the market range, and I do not know what it is.

* * *

TOURISM

GOVERNMENT EXPENDITURES ON ADVERTISING

Mr. Otto Jelinek (Halton): Mr. Speaker, my question is directed to the Minister of State for Small Businesses and Tourism. As the Minister knows, we on this side of the House, and the tourist industry, have been calling upon the Government for over a year to take the initiative or to take the lead by attacking tourism's No. 1 problem, namely, overtaxation. In response, the Liberal Government dipped into its slush fund for $22 million for government advertising through Liberal agencies. As the Minister well knows, this ploy has not worked in other countries promoting tourism. Germany is a typical example.

Can the Minister justify this blatant porkbarrelling by the Liberal Government as far as government advertising is concerned? Second, and perhaps more important, when will the Government attack the underlying problem facing the tourist industry, which was responsible for a $2.1 billion deficit last year, namely, overtaxation?

Hon. David Smith (Minister of State (Small Businesses and Tourism)): Mr. Speaker, it is interesting to hear the question, because it seems to me that the Opposition wants to have it both ways. We have been accused of not doing enough to promote Canada. People have pointed to the fact that our tourism deficit with the United States reached $2 billion this year. What have we done? We are doubling our advertising efforts in the United States in 1984 to bring Americans up here to spend dollars, so that those in the tourism industry in this country will benefit. That is exactly what we should be doing, and that is exactly what we are doing.

With regard to taxation, let us take one specific example. In the alcoholic industry, which is related to tourism—

Mr. Stevens: The alcoholic industry?

Mr. Smith: —ten years ago the federal Government took 40 per cent of the tax revenues. That is now down to 31 per cent, whereas the provinces have increased their share from 60 per cent to 69 per cent. I think the Hon. Member ought to talk to a few of the Tory premiers in the country.

REDUCTION OF ALCOHOL TAX IN NEW BRUNSWICK

Mr. Otto Jelinek (Halton): I am glad that the Minister referred to the provincial premiers and talked about alcohol overtaxation. The provinces have been asking the Government to take the lead over the last year and a half. As a matter of fact the Government of New Brunswick earlier this week, in case the Minister does not know, reduced the provincial tax on alcohol in that province because the federal Government did not take the lead. Will the Government, if it is not prepared to lead, at least follow the positive example set by the Government of New Brunswick? If not, why not?

Hon. David Smith (Minister of State (Small Businesses and Tourism)): Mr. Speaker, we have taken an initiative. The Minister of Finance some months ago, in response to a request from that industry, established a task force to review that issue and to report to him. I understand that task force is under way.

[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF DESIGNATED MINISTER OF EMPLOYMENT OF FRANCE

Mr. Speaker: Order. I wish to draw the attention of the House to the presence in our gallery of Mr. Jack Ralite, designated Minister of Employment in the French National Assembly.

* * *

[*English*]

PUBLIC WORKS

USE OF MUNICIPAL WASTES TO GENERATE STEAM

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, my question is directed to the Minister of Public Works. For several years now, the federal Government, the Ontario Government, and the Regional Municipality of Ottawa-Carleton have been studying the feasibility of using municipal wastes generated within the region as a fuel to produce steam to heat and cool federal buildings. The Hon. Member for Ottawa Centre opposed that when it was proposed in the LeBreton Flats area, and I took a strong stand against it in the Overbrook area.

My question to the Minister relates to the financing and the possible participation of Public Works Canada in this project. Given the environmental difficulties and the high costs of this project, will the Minister's Department take a position of instigating, promoting, or supporting this steam plant in the near future?

[*Translation*]

Hon. Roméo LeBlanc (Minister of Public Works): Mr. Speaker, strong representations from all Members in the Ottawa area led me to make the decision I communicated to the main parties concerned—the Province and the region's municipal governments—in a letter I signed this morning.

[*English*]

Four years ago when there was an appearance of a shortage of steam energy in the centretown area, we agreed to participate in the feasibility study of this project. However, conservation measures have worked even better than we had expected. For this reason, I have informed the province and the municipal authorities that the Department of Public Works and the National Capital Commission will not be proponents of this project.

• (1450)

CONSUMER AND CORPORATE AFFAIRS

MONITORING OF EFFICIENCY GAINS FOLLOWING CORPORATE MERGERS

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. The Minister is well aware that in Canada in the past couple of years there has been a record number of mergers and takeovers, particularly foreign takeovers, which have often squeezed out smaller businesses. Under the Minister's proposed competition legislation there are absolutely no guarantees whatsoever that the efficiency gains which are promised by large corporations in exchange for allowing mergers will be passed on to consumers and effectively implemented. I would like to ask the Minister to explain why she has effectively knuckled under to the big business community in this important respect, and failed to protect consumers adequately by providing for assurances that efficiency gains will in fact be monitored and enforced.

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Mr. Speaker, frankly I am amused that the Hon. Member has asked this question in view of the fact that he has not himself had time to study the legislation. We have made some attempts to brief him about it, and he is basing his judgment on a very superficial press release.

I would suggest to the Hon. Member that he take some time to examine the Bill thoroughly. He would find that the Bill has indeed been strengthened. The conspiracy section has been strengthened. Indeed, we are calling for mandatory pre-notification in case of mergers. All of that never existed before. It is a much stronger Bill, and I suggest to the Hon. Member that he examine it thoroughly before he makes such statements.

Mr. Robinson (Burnaby): Mr. Speaker, I have seen the Bill and I have read the Bill. Given the whoops of joy from the business community, it is quite clear that the Bill was in fact ghost-written by John Turner's Bay Street buddies.

UNITED STATES AND CANADIAN LEGISLATION

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, the Minister knows very well that the United States' trust-busting legislation is much tougher than the Minister's proposed Bill. Given the fact that there is no maximum ceiling whatsoever on market share before a merger can be effectively reviewed and presumed to be against the interests of consumers, how can the Minister explain to consumers, and particularly to small business, why this legislation is so much weaker than the equivalent American anti-trust legislation?

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Mr. Speaker, again I suggest to the Hon. Member that he does not understand the Bill. Otherwise he would not be making the outrageous statements that he is making in the House. This Bill is far stronger than previous legislation, and it is a Bill that faces the economic realities of Canada and of

world markets in general. I suggest to the Hon. Member that he see that this Bill is brought to committee very quickly so that we can all have a good look at it. When he asks about guarantees, is he suggesting a performance review and direct regulation? If so, I think that he would find himself in serious difficulty.

* * *

NATIONAL REVENUE

STATUS OF NATIONAL VOLUNTARY GROUPS

Mr. Walter McLean (Waterloo): Mr. Speaker, my question is directed to the Minister of National Revenue. The Minister will know that yesterday leaders of Canada's national voluntary agencies were gathered here in Ottawa and were alarmed by reports that the Minister's Department has engaged 12 new lawyers to investigate systematically Canada's national voluntary groups. The Minister is also aware that his officials are at this time threatening to remove the charitable status of the Canadian Mental Health Association. The charter of that Association has always included the aim of urging Governments at all levels to take legislative and financial action to further its objectives.

Why has the Minister chosen this particular time when his colleague, the Secretary of State, is introducing a Joint Committee to look at this very matter of charitable activity? Why has he chosen this particular time to turn his guns on the Canadian Mental Health Association?

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I would like to correct the impression given by the Hon. Member. I would like to tell him that we have not added person-years to the charitable organizations division of the Department in order to look after the charitable organizations. We have added person-years because there was a large backlog of requests by charitable organizations and we wanted to speed up the processing of those requests in order to have charitable organizations recognized more rapidly. That is what we have done with those added person-years.

Mr. McLean: Mr. Speaker, I am sure that the leaders of the voluntary agencies will be reassured by the Minister's comment.

REQUEST THAT CHARITABLE ORGANIZATION STATUS BE MAINTAINED

Mr. Walter McLean (Waterloo): Mr. Speaker, in the spirit of the Minister's comment, will he then follow the recommendation made by the Secretary of State during yesterday's debate, which was that until the Special Joint Committee has completed its report there will be no further removals of charitable status from voluntary agencies?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I have a great deal of trouble understanding the Hon. Member's suggestion. The Hon. Member is asking that when there is an obvious case of abuse of the provisions of the Act with respect to charitable organizations, I, as Minister of National Revenue, should ignore the fact and refrain from enforcing the law. I hardly think the Hon. Member would want us to administer the laws of this country in that way.

However, I may point out to the Hon. Member, as my colleague, the Secretary of State, said previously, that a committee has been established, further to a proposal made in the Throne Speech, for the purpose of examining the status of charitable organizations and what their status should be in relation to the tax system. Any charitable organizations that wish to submit their complaints to this committee will be welcome. This will not be considered to be political activity on their part, since they have a formal invitation from the Government and the House of Commons to come and submit their comments with respect to the status of charitable organizations.

* * *

[*English*]

WAR MEASURES ACT

REASONS FOR INVOCATION IN 1970

Right Hon. Joe Clark (Yellowhead): Mr. Speaker, my question is directed to the Minister of Justice and concerns the War Measures Act. He will recall that his predecessor Minister of Justice, Mr. Turner, said on October 16, 1970, as reported on page 215 of that day's *Hansard*:

> It is my hope that some day the full details of the intelligence upon which the government acted can be made public, because until that day comes the people of Canada will not be able fully to appraise the course of action which has been taken by the government.

I wonder if the Minister of Justice would tell us whether it is his intention to continue to keep secret the information which Mr. Turner kept secret 14 years ago?

Hon. Mark MacGuigan (Minister of Justice): Mr. Speaker, this is certainly a day for the Opposition to try to rake up the past. I have not had an opportunity to consider that question. My hon. friend is aware of the fact that there is a rule that, after 30 years, information becomes available. However, I will certainly have another look at that file to see whether there is any public interest to justify having the information released now.

Mr. Clark (Yellowhead): Mr. Speaker, there has also been a rule that Canadians do not get thrown into jail without charge. This Government, this Prime Minister, and Mr. Turner as Minister of Justice, threw hundreds of Canadians into jail without charge under the War Measures Act, and they solemnly promised in this House that they would tell the people of

Canada why they took that extraordinary action. It is not a question of the past, it is very much a question of today.

REQUEST FOR MINISTERIAL UNDERTAKING

Right Hon. Joe Clark (Yellowhead): Mr. Speaker, will the Minister of Justice give us an undertaking that he will be back in the House within a week to give us a full answer to the question of whether or not he will reveal the information kept secret by John Turner, so that Canadians can judge for themselves whether or not the Government was justified in throwing Canadians into jail without charge in 1970?

Some Hon. Members: Hear, hear!

Hon. Mark MacGuigan (Minister of Justice): Mr. Speaker, the hon. gentleman has his history a bit askew. First of all, his Party supported the legislation that was passed by the House at that time. Second, those prosecutions which occurred took place in a province and were not under federal authority. Third, I believe that all of this was looked at by the McDonald Commission and has been discussed by the Canadian public. There is nothing at all of the sinister character that my hon. friend would wish to impute to this past history.

REQUEST FOR EXPLANATION

Right Hon. Joe Clark (Yellowhead): Mr. Speaker, the Minister of Justice is now getting briefed by the Prime Minister. Perhaps now he has an answer.

● (1500)

We consider it sinister when Canadian citizens may be thrown into jail without charge. We consider it sinister when the House of Commons is promised that it will receive an explanation about why those actions took place, yet never receives that kind of explanation.

What I am asking the Minister of Justice is quite clear. Will he now give us an undertaking to come into the House within a week to tell Parliament whether he is going to honour the undertaking given by Mr. Turner and ignored by Mr. Turner? Will he also tell us whether he is going to reveal to Parliament the reasons the Government introduced the War Measures Act, an Act that was supported in part by this Parliament because the information was not given and because we took it on faith? We have had enough of taking things on faith. Now we want to know the facts. I want to know if the Minister will come into the House within a week and give us those facts.

Hon. Mark MacGuigan (Minister of Justice): Mr. Speaker, essentially all of the facts on which Parliament and the Government acted at that time are in the public domain. They have been much written about and much talked about. The Hon. Member's Party voted for the actions of the federal Parliament at that time. All of the abuses, if any, which took place at that time have been opened to investigation subsequently, either by the courts of appeal or by the McDonald Commission. There is nothing to be added to that file. At some time in the future it may be that there will be some small fact that is shown by the revelation of documents, but there is no substantial fact of any kind which is not known to the Canadian people and has not been known for many years.

ROUTINE PROCEEDINGS

[*English*]

PETITION

MR. EPP—OPPOSITION TO BILL C-10

Hon. Jake Epp (Provencher): Mr. Speaker, I have the honour to present a petition to the House this afternoon. It is signed by more than 6,000 Canadians from every province and territory. Now that Bill C-10 will be before the House shortly, these Canadians are availing themselves of their opportunity to indicate to the House their strong objection to the provisions of Bill C-10.

Mr. Speaker: The Hon. Member for Pembina (Mr. Elzinga) rises on a point of order.

* * *

POINTS OF ORDER

MR. ELZINGA—LENGTH OF RESPONSES DURING QUESTION PERIOD

Mr. Peter Elzinga (Pembina): Mr. Speaker, on behalf of a number of Members in the Chamber I wish to share with you a concern and a reservation that we have. I do so with no criticism whatsoever directed at the Chair. As a Member of the House of Commons who wishes to put questions to government Ministers about their accountability, I share with you my deep concern at the time it takes for the Prime Minister (Mr. Trudeau) and Cabinet Ministers to respond to legitimate questions.

Some Hon. Members: Hear, hear!

Mr. Elzinga: I stand to be corrected, but I believe that during the entire Question Period only 10 questions were put to Cabinet Ministers. We all have equal responsibilities as Members of Parliament from all across the country. I share with you my deep concern and I make a plea and a request to you to examine how long it takes these individuals to answer questions which could be answered in a much shorter time. They could be much more curt in their reply.

I make that plea to you, recognizing the responsibilities that we all have as Members of Parliament.

Mr. Speaker: The Chair is happy to respond to the statement of the Hon. Member for Pembina (Mr. Elzinga). For some time the Chair has been concerned about the change in Question Period. It is no longer a period of question and

answer; it is debate and counter-debate without a length of time being assigned to answers or even to questions. Under these circumstances, a very provocative question will bring a provocative and lengthy reply.

The Chair is as concerned as any Hon. Member. Today there were 9 questions, not 10. Yesterday there were 17. The Chair does its best to call Hon. Members, including Members of the Cabinet and senior Members on both sides, to account and to call to their attention what it does to Members on the back benches when the questions and answers and supplementary questions that are not supplementary questions but supplementary speeches, take place in the House.

The Chair is the servant of the House and is as anxious as anyone else to bring in more rules governing the length of time in which questions can be asked and answers given. I suggest that this is a matter for the House Leaders to consider, or perhaps the Standing Committee on Procedure and Organization.

The Hon. Member for Pembina on a supplementary observation.

Mr. Elzinga: Mr. Speaker, when I share my concerns with you that does not affect my high regard and high respect for the Chair and the high respect and high regard I have for you as an individual, Sir. I say that very sincerely. I realize the difficult role that you have to play, but I just ask for some acknowledgement and respect for the role that we have to play as well.

Mr. Speaker: No previous incumbent of the Chair in recent times spent more time on the back benches than the present incumbent.

MR. McDERMID—CAMPING ON PARLIAMENT HILL

Mr. John McDermid (Brampton-Georgetown): Mr. Speaker, I rise on a point of order. I wonder how a Member would go about addressing the problem of camping on the front lawn of this beautiful House of Commons or how we might remove the unsightly camping that is going on at the present time. It is a disgrace to the grounds of the House of Commons.

Mr. Speaker: The Chair is aware of the Hon. Member's views. The Chair would again invite the Hon. Member to make use of a Standing Order 21 statement on the matter.

Mr. McDermid: That has been done many times.

Mr. Speaker: The Chair is as concerned as is the Hon. Member and has raised it in appropriate places.

Mr. McDermid: Where are the appropriate places?

Mr. Speaker: The Hon. Member for Richmond-South Delta (Mr. Siddon).

Mr. Siddon: Mr. Speaker, I wonder if you might give consideration to the possibility of inviting all Canadians to camp on the front lawn of the Parliament Buildings this summer?

Mr. Speaker: We are stretching petitions a little far at this point. The Chair has made note of this, but the Chair would also hope that other very senior Members of the House who carry responsibility would make note of the views expressed.

* * *

CONSTITUTION ACTS, 1867-1984

MEASURE RESPECTING TENURE OF SENATORS

Mr. Bill Yurko (Edmonton East) moved for leave to introduce Bill C-231, an Act to amend the Constitution Act, 1867 (tenure of Senators).

He said: Mr. Speaker, the recommendations of the Special Joint Committee on Senate Reform would create three classes of Senators; in contrast this Bill would create one class of Senators by making all existing appointments subject to a nine-year term or retirement at 75 years of age, whichever occurred first. Because this amendment would not affect the powers of the Senate and the method of selecting Senators, it could be passed by Parliament exclusively without recourse to the general procedure for amendment requiring provincial approval.

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

* * *

● (1510)

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 42, 339 and 357, revised.

[*Text*]

CANADA STUDENT LOANS PROGRAM

Question No. 42—**Mr. Herbert:**

1. By province and for each of the last five years for which figures are available, what (a) was the contingent liability of the Government for the Canada Student Loans Program (b) were the statutory expenditures related to the Program?

2. For each of the same years what (a) were the costs, by province, related to (i) defaulted loans (ii) interest payable while the borrowers were in school (b) amount was either paid to the government of the Province of Quebec or foregone via a transfer of tax points?

Hon. Serge Joyal (Secretary of State): 1. (a) The contingent liability under the Canada Student Loans Program is based on reports from the banks and the individual data pertaining to the provinces is thus not available. The figures for Canada as a whole are:

	$ million
1978-79	677.8
1979-80	689.2
1980-81	739.8*
1981-82	802.5
1982-83	930.1

* figures for July 1981 are excluded since loan year changed from July 1—June 30 to August 1—July 31.
Source: Canada Student Loans Program Annual Report Table B

Statutory Payment and Recoveries—Canada Student Loans Program

Loan Year	Interest Payments (1)	Loss Claims (2)	Death Claims (3)	Collection (4)	Recoveries (credit) (5)	Alternative Payments to Gov't of Que. (6)	Total (7)
1978-79	39,003,234	25,139,759	282,740	2,718,448	11,692,772	15,875,306	71,326,715
1979-80	32,922,029	25,943,518	213,010	2,773,540	13,192,936	21,670,352	70,329,513
1980-81*	38,133,463	28,648,268	417,457	4,085,625	19,121,137	17,452,508	69,616,184
1981-82	49,408,241	33,626,693	400,801	3,703,735	18,407,459	17,612,136	86,344,147
1982-83	71,773,235	43,234,255	442,131	4,160,931	20,265,474	25,828,646	125,173,724

* Includes July, 1981 and therefore is a 13-month year.
Source: Table D Canada Student Loans Program Annual Report

2.(a) (i) Column (2) of 1.(b). (ii) Column (1) of 1.(b).

(b) Column (6) of 1.(b)—The Canada Student Loans Program pays to a province which chooses not to issue loans under the program an alternative payment based on the 18—24 population in that province compared to the 18—24 population in the participating provinces as a factor applied to statutory costs. There are no tax transfer payments.

"SEMI-ANNUAL REPORT ON THE PROGRESS OF SIX AND FIVE"

Question No. 339—**Mr. Orlikow:**

1. How many copies of the "Semi-Annual Report on the Progress of 6 & 5" were printed?

2. (a) Who were the authors (b) what were they paid (c) what was the total cost of the report?

3. Was the report distributed and, if so, to which (a) public and private groups or organizations (b) departments (c) individuals?

Hon. Roy MacLaren (Minister of State (Finance)): 1. Seven hundred and fifty.

2. (a) and (b) The authors of the report were salaried public servants. (c) $14,000.

3. The report was distributed to all Members of the Senate, House of Commons and to the Members of the six and five committees.

ARTISTS' STUDIOS ACQUIRED BY DEPARTMENT OF EXTERNAL AFFAIRS

Question No. 357 (Revised)—**Mr. St. Germain:**

Does the Department of External Affairs and/or the Canada Council maintain artists' studios at the (a) Cité Internationale des Arts in Paris (b) Institute of Art and Urban Resources in New York and, if so (i) how many (ii) at what total cost?

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of External Affairs and the Canada Council as follows:

(b) As in (a) statutory expenditures are not available by province.

(a) (i) and (ii) The Department of External Affairs has bought the right to occupy three studios at the Cité internationale des Arts in Paris. These occupation rights were acquired in 1964 for a total cost of $48,000. The maintenance costs of these studios are paid by the artists. (b) (i) Two studios are leased by Canada Council. (ii) $U.S. 7,000 per year.

[*English*]

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

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

Some Hon. Members: Agreed.

* * *

QUESTION PASSED AS ORDER FOR RETURN

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if Question No. 203 could be made an order for return, this return would be tabled immediately.

Mr. Speaker: Is it the pleasure of the House that Question No. 203 be deemed to have been made an order for return?

Some Hon. Members: Agreed.

[*Text*]

DEPARTMENT OF FISHERIES AND OCEANS—OUTSIDE CONSULTANTS

Question No. 203—**Mr. Blenkarn:**

1. In the fiscal year (a) 1981-82 (b) 1982-83 were outside consultants employed by the Department of Fisheries and Oceans, and, if so (i) how many (ii) what was the total amount paid?

2. Were any consultants paid more than $20,000 and, if so, in each case what (a) was his/her name (b) was the amount (c) services were provided?

Return tabled.

* * *

[*English*]

MOTIONS FOR PAPERS

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

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND ESTABLISHED PROGRAMS FINANCING ACT, 1977

MEASURE TO AMEND

The House proceeded to the consideration of Bill C-12, an Act to amend the Federal-Provincial Fiscal Arrangements and Established Programs Financing Act, 1977, as reported (without amendment) from the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Speaker: As Hon. Members are aware, there are 9 motions standing on the Notice Paper at the report stage of Bill C-12, an Act to amend the Federal-Provincial Fiscal Arrangements and Established Programs Financing Act, 1977.

Motions Nos. 1, 2, 3, 6, 7, 8 and 9 give the Chair some concern as to their procedural acceptability, in that they infringe on the financial initiative of the Crown and, in some cases, are contrary to the Royal Recommendation attached to the Bill.

It would seem that Motion No. 4 is proposing to impose a condition on the expenditure of each cash contribution by the provinces. While the Chair has some concerns about the procedural acceptability of the motion, I am prepared to give the Hon. Member the benefit of the doubt and will, therefore, put the motion to the House, that is, Motion No. 4.

Motion No. 5 seeks to add a new element to the Bill and is therefore beyond the scope of the Bill.

If either the Hon. Member for New Westminster-Coquitlam (Ms. Jewett) or the Hon. Member for Kingston and the Islands (Miss MacDonald) wishes to put forward procedural argument, I am prepared to hear them when each motion is numerically called by the Chair. Since the first three motions

are in the name of the Hon. Member for New Westminster-Coquitlam, perhaps the Chair can recognize her first in order for the Hon. Member to present her arguments.

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, Motions Nos. 1 and 2 address the retroactivity of this Bill as do subsequent Motions Nos. 6, 7, 8 and 9. Motion No. 3 addresses the six and fiving of post-secondary educational transfers.

Speaking first then on Motion No. 1, and the subsequent motions which also address retroactivity, my argument, Mr. Speaker, would be that this legislation is retroactive to April 1, 1983. That is to say that the six and fiving goes back to April 1, 1983, a full year ago. A full year has passed. We are now into the second year covered by the Bill, namely, 1984-85. The argument, surely, Mr. Speaker, is that the supreme authority of Parliament is totally denied when we are asked to impose restrictions on post-secondary educational transfers for a year which is now finished and over.

There was an opportunity, Mr. Speaker, for the Government to have done this six and fiving on time. As you will recall, Mr. Speaker, it did indeed introduce a Bill last year to cover the 1983-1984 part of the two-year program. That Bill sat on the Order Paper and actually the Government allowed it to die. The Government, in other words, knew itself by introducing it that the correct procedure would have been to have the Bill passed during the year in which it would take effect.

It seems to me that it is utterly disdainful of the authority of Parliament to ask this House now to place limits on fiscal transfers for a year which has already expired. That would be my main argument, Mr. Speaker.

Mr. Speaker: The Hon. Member has indicated her desire to interpret the intent of the Bill and, in her opinion, her motion is a logical interpretation of the implications of the Bill. However, in the opinion of the Chair, Motions Nos. 1 and 2 propose to change the base year for calculations of cash contributions and entitlements. In the opinion of the Chair, they call for greater expenditures than provided for in the Royal Recommendation and, therefore, are out of order.

Motion No. 3, if adopted, would change the basis for calculation of the escalator which is used in determining the level of an entitlement. In the Chair's opinion, such a change in the escalator would increase post-secondary education entitlements and hence be an added charge on the public purse which, lacking the Royal Recommendation, is out of order. As well, the motion proposes to eliminate a phase-in formula which is contrary to the purpose of the Bill.

So, regretfully, I will have to rule Motions Nos. 1, 2 and 3 out of order. However, I will put Motion No. 4 to the House for debate.

Ms. Jewett: Mr. Speaker, I did not give my arguments for Motion No. 3. I thought you only wanted to hear my arguments for Motions Nos. 1 and 2 on retroactivity. I wonder if I could make my argument for Motion No. 3?

Mr. Speaker: The Chair was very specific in inviting the Hon. Member to make her observations on Motions Nos. 1, 2 and 3. It could not have been more specific. The Hon. Member was invited to so comment and the Chair has made a ruling.

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

That Bill C-12 be amended in Clause 8 by adding immediately after line 25 at page 7 the following:

"(3) Any such cash contribution for hospital insurance and medical care programs and post-secondary education program shall be expended by the province for the purposes of those programs only."

She said: Mr. Speaker, one of the problems of the transfer of funds under the post-secondary education provisions of the fiscal arrangements Act is that the funds do not need to be expended by the provinces for the purposes for which they were intended. The provinces can take these moneys and spend them in any fashion they please and, indeed, many provinces have been doing so. It was quite apparent that all members of the committee from all three Parties felt that the time had come when the federal Government's contributions to the financing of post-secondary education should be earmarked and used by the provinces for the purposes intended.

We realize that this Motion No. 4, which reads with respect to post-secondary education transfers:

Any such cash contribution for hospital insurance and medical care programs and post-secondary education program shall be expended by the province for the purposes of those programs only.

This motion, we realize, is in some way symbolic rather than real because, in fact, these are relatively limited amounts of money. They are only a drop in the bucket compared with the total amount which the federal Government makes possible for post-secondary education, either through transfers or tax points. Therefore, with this amendment we are only getting at a tiny part of the problem in cash terms. Indeed, one could probably argue, and others will, that most provinces will undoubtedly be spending or have already spent the money embodied in the six and five increases provided by this Bill. We understand that the whole operation of fiscal transfers and tax points is not covered, indeed it cannot be, under this particular Bill. That will have to await a complete re-examination by the federal and provincial Governments of the financing of post-secondary education.

● (1520)

There was much concern expressed on all sides about the absence of accountability in the field of post-secondary education funding. Everyone on the committee—and I think I can speak for everyone on the standing committee—argued quite strongly that the provinces should not be able to spend the federal contributions in any fashion they pleased, such as on highways or put it into their general revenue fund, or whatever. Some signal should be given to the provinces from the federal Parliament of Canada that their practices were contrary to the spirit of the federal contribution to post-secondary education.

We found, at least in the course of all my discussions with the experts in the field, that the way we could get that message across would be through this kind of amendment. It would be a very clear signal to the provinces that the Parliament of Canada felt that it had a responsibility to the taxpayers of Canada to ensure that the moneys being transferred would be spent in the way that Parliament and the taxpayers intended them to be spent.

I may say that we in this Party opposed block funding at the time it was first introduced in 1977 because we feared that exactly what has happened would happen, that the provinces would not in all cases spend the money on post-secondary education. But we cannot repair that now. I think every Member of this House is hopeful that in the course of the next six or eight months we will, however, together with the provinces find a new formula in which the provinces are accountable for the spending of federal transfers on post-secondary education. In the meantime, surely all would agree with the spirit of Motion No. 4.

This is an extremely important message to get across, namely, that we want to have some degree of accountability for the spending by the provinces of money that this Parliament allocates for post-secondary education. Until we get a new formula and an adequate system of accountability, which as I say will come within the next few months, we should proceed with this motion in the interval.

Mr. Lyle S. Kristiansen (Kootenay West): Mr. Speaker, I rise to speak in favour of Motion No. 4 which reads:

That Bill C-12 be amended in Clause 8 by adding immediately after line 25 at page 7 the following:

"(3) Any such cash contribution for hospital insurance and medical care programs and postsecondary education program shall be expended by the province for the purposes of those programs only."

While there is a great concern right across the country, particularly in the student and academic community, I believe it is fair to say that nowhere is this feeling as strong and universal as it is in my own constituency of Kootenay West, and more particularly in my own home of Nelson, British Columbia. In dealing with this Bill, both inside and outside this House, I have outlined the situation in that province and in my own community. For the second time in seven years a provincial Government has closed the post-secondary institution in that community. These are the only times that a university facility has been closed in Canada, to my knowledge, and both of them were in the same community, a community of only 10,000 souls.

Mr. MacLaren: Mr. Speaker, I have a point of order. I regret to interrupt the Hon. Member but it seems to me that we are now having a discussion on substance rather than a discussion, which I understood the Speaker to introduce, of whether Motion No. 4 is in order.

Ms. Jewett: It is in order.

The Acting Speaker (Mr. Herbert): Order, please. We are debating Motion No. 4.

Mr. McDermid: Where have you been?

Mr. Kristiansen: I can only say to that, Mr. Speaker, that the Hon. Member opposite seems to be as confused on this issue as his whole Government was confused in 1977 when it decided it was going to believe in the goodwill and good faith of provincial governments across this country, whether they be Tory or whatever—

Mr. McDermid: Or NDP.

Mr. Kristiansen: —that they would somehow respect the intent of the legislation and that the money would be spent for either medical or post-secondary educational purposes. It shows exactly the same ignorance, if I may say so, and naivety of which, astoundingly enough, the federal Secretary of State (Mr. Joyal) suggested the critics of Bill C-12 were guilty when he spoke to the Faculty Association of the University of British Columbia in Vancouver just last Thursday. He suggested that we in the Opposition who criticize the application of six and five to post-secondary education were the ones who were naive. One way to correct the problem, which he seemed to think existed for us now, is to make clear in this legislation that if this parliament authorizes the transfer of funds to the provinces for post-secondary education, we ought to be able to demand in law that those provinces act in good faith and spend the money for those purposes.

What the Conservative Government in British Columbia has done in the last few months has been an absolute disgrace. It has impacted not only on the students and faculty, but on the life of the community of Nelson, B.C., as well as on the rest of the province. That Government has reneged on its commitment to the people of Canada who provided most of these funds. We have large-scale fee increases of 23 per cent, 25 per cent and up to 30 per cent, being levied on students in post-secondary education in our province. They are denying accessibility not only on the grounds of how much money you have in the bank, but they are also denying equal access to students simply because they do not reside and earn their living in the major metropolitan communities of that province. That is wrong.

The Government across the way, Mr. Speaker, if it refuses to adopt this amendment or something very much like it, is equally responsible. It invites people such as those who now inhabit and misgovern the Government of the Province of British Columbia to do exactly what they are doing, that is, to ignore the principle of equality of access to education. That is wrong. If anyone, they are the ones who were naive. In 1977, other Members of the House moved from unconditional funding to block funding. Members of this Party were not among them, I am glad to say. The other Parties are thus equally culpable of the actions we are now seeing in British Columbia and elsewhere, which this amendment is designed to correct, at least in part.

● (1530)

In my own community there is a mass meeting taking place today at the David Thompson University Centre. The citizens of that community are talking about setting up picket lines. Negotiations are going on between representatives of that community and representatives of the federal Secretary of State. Negotiations are still going on between that community and representatives of the provincial Government in Victoria with regard to whether we shall continue to have access to our facility so that if we can find the funds and co-operation to ensure continued programs in the future, that this will be possible. While those negotiations are under way we are being threatened by the provincial Government in Victoria with having agents move in in the middle of the night to steal library facilities and books which belong to that institution. By the law of the Province of British Columbia, which has not yet been repealed, those books and facilities are guaranteed to the people of that city. Citizens of that community are meeting today to talk about setting up picket lines to enforce with their bodies their right under law to equal access to education and their right to defend their private or community property from a government which has acted so rudely and crudely. I am talking about the Government of British Columbia. At least the federal Government has had the courtesy to talk to people and negotiate in some good faith with us about the ongoing chances for the delivery of some educational programs in our community.

While I am being critical in other areas, I would like to congratulate and thank the federal Secretary of State who met with me, the mayor of my home town, consultants for the City of Nelson and representatives of the David Thompson University Action Committee last Thursday. In response to our requests, he agreed at least to fund the cost of the research and development which is now taking place and being paid for by the citizens of the City of Nelson. Other communities in that area had also volunteered funds to assist my home community to bear the costs of investigating and negotiating with other institutions which may agree to locate there. He thus agreed to help with the cost of negotiations and of the delegations to Victoria and Ottawa to pursue the rights of our young people and our community. When the federal Secretary of State realized the economic hardships which our community is going through, he immediately agreed to provide at least a token amount of money to assist with those costs. That action was most welcome.

The Acting Speaker (Mr. Herbert): Order, please. I have to remind the Hon. Member that the motion before the House is Motion No. 4. The rule of relevance applies. He should be speaking to Motion No. 4.

Mr. Kristiansen: Mr. Speaker, to make the point of relevance clear, I think it is wrong that we should have to meet in a hit and miss way with the federal Secretary of State or any other Minister in order to have some chance of access to those post-secondary education facilities which should be ours as a matter of right. The federal Parliament of Canada has, over the years, allocated certain significant funds for post-secondary education to the Province of British Columbia, as it has to other provinces. No provincial government in the country has been so callous in the disregard of its duties as has the

Government of British Columbia. Even though the increases are going to be cut back by the six and five program in the Bill before us, there have at least been some increases. In our province they have not been passed on and the province has even taken away from what had previously been accorded to the province for the purpose of post-secondary education.

Mr. Speaker, I know that in dealing with specific amendments it is not always normal to talk about specific instances that are having an impact. However, I do not think that is because it is not proper to do so. Surely it is correct to talk about the impact which the absence of such an amendment as we propose here is having on a particular community, on 500 full-time and part-time students and on their families. Surely it is proper to talk about the devastating economic impact as well as the impact on the careers of these students and faculty members. The impact is absolutely horrific.

I would ask the federal Secretary of State to recall some of the conversations which took place last Thursday. I would ask him to recall what gave rise to those complaints and to those very serious problems for those hundreds of young people and for an entire community which now has some 24 per cent to 30 per cent unemployment. I ask him to realize that if he were to agree to such an amendment as we propose today we would not in future have the type of serious problems we are now facing. I would again appeal to the Minister, to the Government, and to all Hon. Members of the House to move in this direction.

The Acting Speaker (Mr. Herbert): Order, please. I am sorry to advise the Hon. Member that his time has expired.

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, it is very important in the life of man to have a philosophy. It is obviously the responsibility of any political Party also to have a philosophy. However, when you start to mix your personal politics with your philosophy, you denounce your philosophy and second rate yourself. Then you mean nothing to anyone.

I would like to say that I admire the philosophy which suggests that there is a federal responsibility for education, particularly as it relates to post-secondary education. However, I do not think we should exert our politics to the extent of pointing the finger of blame at the wrong place totally. I cannot speak for all the provinces of Canada. I can speak from some knowledge of things in Atlantic Canada. It is no wonder the NDP does not have any seats in Atlantic Canada. It is attacking the wrong people in the House.

The Atlantic provinces of Canada have negotiated for years and years with the federal Government to be able to sustain the programs recommended by the federal Government, whether they be hospital care, welfare, medicare or post-secondary education. It was hoped by many that when the block funding system was adopted at long last, after four decades of negotiation and cost shared programs, the Government of Canada would in fact honour what was perceived to be its commitment and intentions. The failure to honour those commitments and apparent intentions has been expressed by the Minister of Finance of New Brunswick in the shortage of $234 million in the budget which he is about to bring down. What can a province of limited means do?

I am rather amazed that the lady who moved this motion, who has knowledge of the Province of New Brunswick, would not have attacked the Government of Canada first, and only later the provinces if she so wished, for the shortage of $234 million to the province from which she hails. That is a very serious thing.

Ms. Jewett: It is not in the motion.

Mr. McCain: I only said that the Hon. Member was a descendant of New Brunswick people.

Ms. Jewett: And proud of it.

Mr. McCain: I hope that the Hon. Member would be.

Mr. Kristiansen: So is the Premier of British Columbia.

Mr. McCain: There is no better stock in Canada. I do not like the failure to recognize that with its block funding system the federal Government has again avoided the intent and the perceived commitment of the Government of Canada to do what needed to be done and not to shortchange it. I say unequivocally that Atlantic Canada has had the proudest history in education of any province in Canada. We have dedicated ourselves to better the education of our people. However, this cannot be done when the money is not available. While the Government has shortchanged every province in Canada, I am more knowledgeable about the situation in my province and its neighbouring provinces in Atlantic Canada. If we are going to mix our philosophy about this amendment, which I suppose is not objectionable, and overlook the fact that money is needed to meet the objectives of this amendment, then I think the credibility of the proponents of this amendment will be perceived by Atlantic Canada as lacking.

• (1540)

I must say that the Government has been remiss in its duty because in its attempt to take credit for itself it has shortchanged the provinces. It has tried to take action in other forms to appear as if it were taking action since the provinces will not do so. It has done this through medicare and post-secondary education, to the point even of putting a note in old age pension cheques saying that the Government of Canada is in favour of people getting all their health and medical services free. That is a blatant political exploitation of the senior citizens of this country at public expense. It implies that other Parties in the House do not support the same concept. But we have supported that concept. It is a blatant, contemptible trick to pull, but it was done.

Here we are again, with the supposed friends of Canada to our left and the supposed friends of universality, criticizing the provinces that have been shortchanged for not doing a job for which the federal Government had essentially committed the provision of funds.

Mr. Parker: Our record is clear.

Mr. McCain: Your record is contemptible at this time. They do not recognize the realities or the reason for this amendment.

Mr. Kristiansen: Look at the other amendments.

Mr. McCain: Until such time as the New Democratic Party is prepared to recognize the total picture rather than the narrow conceptual picture of colloquial politics, about which they have spoken in this House and have illustrated—

Mr. Kristiansen: Do you know how to read?

Mr. McCain: Those fellows must believe that everyone in the House is deaf. I did not have to read. All I had to do was to listen and to isolate the colloquialism of the last two speakers. They do not give two hoots about Canada.

Ms. Jewett: Mr. Speaker, I rise on a point of order. Could I bring the Hon. Member to order? He is speaking on Motion No. 3, not Motion No. 4. Motion No. 3 was the one which blames the federal Government for imposing six and five on these transfers and suggested going back to the 11 per cent at which they should have been. That concerned Motion No. 3 and is what the Hon. Member is addressing. It was my motion that, unfortunately, was declared out of order.

He is wrong to be speaking totally to Motion No. 3, which is the one I wanted to have discussed in the House. If he had attended the committee he would have known that we are on record as opposing the imposition of six and five on post-secondary educational transfers.

The Acting Speaker (Mr. Herbert): I will draw the remarks of the Hon. Member to the attention of the Hon. Member for Carleton-Charlotte (Mr. McCain) and ask him to address his remarks of the last few minutes to Motion No. 4.

Mr. McCain: Mr. Speaker, I was asked if I could read. May I just read the motion to you. It reads:

> Any such cash contribution for hospital insurance and medical care programs and post-secondary education program shall be expended by the province for the purposes of those programs only.

Have I addressed any other subject than these programs? I leave it to you to rule on, Mr. Speaker. While I discussed the source of those moneys and the obligation of the federal Government in respect of them, as well as the distortion of the facts by the members of the NDP, the Hon. Member did debate that subject somewhat and I do not begrudge her that opportunity. It is one of the privileges of the House which she should exercise.

On the other hand, I believe there should be somewhat more resemblance to the truth and the basic problem as it exists in Canada. Let us not address this on a carte blanche basis, speaking against every Premier in Canada for not spending enough money on these programs. The fact is that since they do not have the money, they cannot spend what they do not have.

Ms. Jewett: They do not spend what they get from us.

Mr. Epp: They do, Mr. Justice Hall said they did.

Mr. McCain: Mr. Speaker, I have heard this accusation from Members on my left and Members on your right. Not one speaker has documented the fact that the Province of New Brunswick has not spent all of its grants or the equivalent of those grants for the purposes for which the money was granted. While slimy accusations have been made against the Premiers of Canada, not one Member has documented any facts to show that a province in Canada has misspent or misappropriated the money. Mr. Justice Hall supported the provinces in spite of all the accusations of those who would say otherwise.

When one gets one's tail caught in a trap one screams, and that is why they are screaming.

Ms. Jewett: You should have listened to the committee.

Mr. Kristiansen: You are deaf and blind.

Mr. McCain: I attend the committee as regularly as the screaming Member on my left attends the Fisheries Committee. We each have our interests and responsibilities. When she begins to attend the Fisheries Committee, the Agricultural Committee or the Forestry Committee, then I will start to attend the committee to which she refers, that is, if my Party has room for me on that committee. However, in view of the expertise from our Party that is already on that committee, I recognize that I am not needed in that sphere. We all have our own interests, and I suggest that she attend to hers. I will look after my constituency and I will try to look after the integrity of the provinces of Canada.

I want to deflect the accusations which have been made against those provinces and which have been alleged without any foundation by any Minister or backbencher since the subject matter has come before us.

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, let me first deal with the remarks made by the Hon. Member for Carleton-Charlotte (Mr. McCain). I recall that he began his speech by admonishing the House that we ought not be too political in our remarks. He charged us with overexerting, I believe he said, politics in our analysis. After making that self-righteous comment, he went on to be obviously political in his very selective interpretation of what our criticism of this Bill has been.

As the Hon. Member for New Westminster-Coquitlam (Ms. Jewett) pointed out, we are debating Motion No. 4, which admittedly implies a criticism of some provincial governments and is symbolic of our desire that the money transferred from the federal Government to provincial governments for the purposes of education should be spent on education. We make no apologies for that. If that provokes a defensive attitude toward the provinces on the part of that Hon. Member or any other Member, so be it.

However, to be fair, the Hon. Member neglected to say that we had another amendment which, had it been ruled in order and debated, would have acknowledged that we also view the

federal Government as being culpable in the confusion which surrounds the whole question of post-secondary education.

Therefore, I suggest it is evident that we are not playing politics with this issue because we moved a number of amendments which, taken together, provide an equitable approach to the question. The Hon. Member, who accused us of playing politics, is the one who, with his incredibly select interpretation of our criticism of Bill C-12, gave a very adverse political analysis of our position and thus contradicted himself.

• (1550)

Speaking to the substance of the amendment, I would have thought it would go without saying that all Members would want to indicate that any money transferred to the province for a particular purpose should be spent on that purpose. It may not be the case with the Province of New Brunswick. I do not have the most current figures, but I know it has been the case that certain provinces have spent less in total on post-secondary education than what was transferred to them by the federal Government for that purpose. In other words, the federal contribution in a couple of provinces has sometimes been over 100 per cent of what has been spent by those provinces on post-secondary education. Again, to be fair, lest I lapse into a purely political analysis, that has something to do with the arbitrary nature of the division of the transfers into one-third for post-secondary education and two-thirds for hospital and medical care. It is the case that there are some provinces in which the federal Government always paid more than 50 per cent, in which the federal government always carried, right from the beginning of the serious development of post-secondary education facilities in those provinces, a heavier burden than it carried in some other provinces.

There has been some confusion as to who is living up to what expectation as a result of the arbitrary division, which was made in 1977, but of the total EPF transfer, two-thirds seem to be allocated for health care and one-third seems to be allocated for post-secondary education. That confusion and what arises from it was acknowledged in the special parliamentary task force report on federal-provincial fiscal arrangements entitled *Fiscal Federalism*, a committee on which I sat in 1981. But one of the things to which everyone was agreeable was the idea that there ought to be more accountability. The amendment which the Hon. Member for New Westminster-Coquitlam has moved on behalf of the NDP makes that point. That is the only point trying to be made by this amendment. There was absolutely no good reason, except obvious partisan reasons or perhaps confusion on the part of the Hon. Member from New Brunswick, to imply either that this was the only criticism that was ever made of Bill C-12 and, therefore, it was completely unbalanced, which is not true, and, as I said, it is part and parcel of a number of amendments and criticisms, or to imply that we somehow view the provincial governments as the only ones to be blamed for the crisis in post-secondary education. We hold neither of the views which the Hon. Member attributed to us.

I hope that in future if the Hon. Member wants to get up and accuse others of simply playing politics with the issue, he will take more care to be even-handed, to be well informed, to read our speeches and to know what we have said. Then he can comment on what we have actually said. We are quite prepared to defend what we have said. If there is something he does not like about what we have moved and what we have said about Bill C-12, then let him get up and say so. Let him not just comfort himself with being able to get up and be eloquent about things that are not there, knock down straw men and use that wonderful voice of his to criticize things that are not there.

Mr. McLean: There's the birds nest of Birds Hill.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Herbert): Ms. Jewett, seconded by Mr. Blaikie moves:

That Bill C-12 be amended in clause 8 by adding immediately after line 25 at page 7 the following:

any such cash contribution for hospital insurance and medical care programs and post-secondary program shall be expended by the province for the purposes of those programs only.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

The Acting Speaker (Mr. Herbert): Pursuant to section 11 of Standing Order 79, a recorded division on the proposed motion stands deferred.

Mr. Epp: Mr. Speaker, I rise on a point of order. You will know that Motion No. 5 which stands in the name of my colleague, the Hon. Member for Kingston and the Islands (Miss MacDonald), was ruled not acceptable by the Chair earlier this afternoon.

If you can find consent in the House, and I believe there is consent, there have been discussions and negotiations, I would be willing to move an amendment which covers the subject matter of Motion No. 5. This amendment has found favour, I believe, with the Government as well as with the New Demo-

cratic Party. I would like to move the motion, if the rules of the House will allow me to do that at this time.

The Acting Speaker (Mr. Herbert): The Hon. Member can move the motion only with the unanimous consent of the House. Is there unanimous consent?

Some Hon. Members: Agreed.

Mr. Epp: Mr. Speaker, I want to thank Members of the House for the courtesy extended to us.

Therefore, I move:

That Bill C-12 be amended

(a) by adding, immediately after line 25 on page 7, the following:

"9. The said Act is further amended by adding thereto, immediately after section 24 thereof, the following section:

"24.1 (1) The Secretary of State shall cause to be laid before each House of Parliament, not later than the fifth sitting day of that House after the 31st day of January next following the end of each fiscal year that begins after March 31, 1984, a report for that fiscal year on

(a) cash contributions and total equalized tax transfers in respect of the post-secondary education financing program applicable to each province;

(b) expenditures by each province on post-secondary education;

(c) any other federal programs of support to or involvement in post-secondary education;

(d) the relationship between such federal contributions, transfers and programs and Canada's educational and economic goals; and

(e) the results of any consultations by or on behalf of the Secretary of State with the Council of Ministers of Education, Canada relating to the definition of national purposes to be served by post-secondary education and the means by which the governments of Canada and the provinces will achieve those purposes.

(2) Every report laid before Parliament under subsection (1) shall be referred for review to such standing committee of the House of Commons, of the Senate or of both Houses of Parliament as is designated by Parliament for that purpose."

(b) by renumbering the subsequent clauses accordingly.

There would also be a subsequent re-numbering of Clause 13. If you want me to move that at this time, I would be willing to do that.

The Acting Speaker (Mr. Herbert): Yes.

Mr. Epp: Mr. Speaker, I move:

That clause 13 (renumbered as 14) of Bill C-12 be amended

(a) by striking out line 28 on page 9 and substituting the following:

"14. (1) Sections 1 to 9 shall be deemed to"

(b) by striking out line 30 on page 9 and substituting the following:

"(2) Sections 10 to 13 shallcome into force"

That is in both languages, Mr. Speaker.

The Acting Speaker (Mr. Herbert): Hon. Members have heard the reading of the motions proposed by the Hon. Member for Provencher (Mr. Epp). Can I dispense with re-reading the motions?

Some Hon. Members: Agreed.

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

To speak on the debate, the Hon. Member for New Westminster-Coquitlam (Ms. Jewett).

● (1600)

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, initially we supported the motion which is now before the House in the final report of the parliamentary task force on fiscal arrangements, the fiscal federalism task force which the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) mentioned a moment ago. Hon. Members may not all realize that the 1981 report of that parliamentary task force made the identical recommendation to the Government. Why the Government, which is now prepared to accept this recommendation, was not prepared to accept it over the last two years is difficult to know. Perhaps I should not dwell on the past. Perhaps I should congratulate government Members for having now adopted an all-Party agreed resolution identical to the one we are now discussing.

I should point out that, excellent though this recommendation is, it does not yet address the question which we in this Party were doing our best to address in the previous motion. Perhaps it has not been fully understood by some Hon. Members. As I say, this motion is very useful. It requires that the Secretary of State every year will have to provide to Parliament, to the House of Commons and to the other place, a full report on the cash contributions and total equalized tax transfers in respect of post-secondary education to each province. It is very interesting that in that report will have to be provided a breakdown of expenditures by each province on post-secondary education. Also in the report a listing will have to be provided of any other federal programs of support to or involvement in post-secondary education and so on.

That kind of report will be a real first for the House in the subject of the funding for post-secondary education. It will then be sent to the appropriate committee of the House, of the other place or of both, for review. Therefore, until we have a system of real accountability, it seems to me this is an excellent intermediate step. That is exactly what it is, an intermediate step. At least we will be in a position to know, as the Hon. Member for Carleton-Charlotte (Mr. McCain) was not because he was not a member of the particular committee, what is being spent on what and by which level of government. At least we will have information at our disposal under this amendment which we do not have today, except by doing an enormous amount of digging around, ferreting out and listening to contradictory statements by provincial Cabinet Ministers and the federal Ministers involved in post-secondary education. That confusion or that lack of knowledge, unless we really dig to get it out, will be overcome by this amendment.

When we take a vote later this day I urge all Hon. Members to support Motion No. 4 standing in my name. This in itself does not require what we used to have prior to 1977 and that we could have again, namely, a full system of accountability of all federal dollars which are being spent by the provinces in post-secondary education. We still will not have that, and we still want to have that. I thought I spoke for members of the

Conservative Party as well. I have talked to many of them on this. However, the Hon. Member for Carleton-Charlotte did not seem to approve of that concept of accountability. Those to whom I have spoken have certainly said that they approved it. Many on the other side have told me that they approved it. While supporting very strongly this particular motion, we should not kid ourselves. It is an interim motion. It is there because unless we pass Motion No. 4 later today we do not have a genuine signal going out to all concerned that what we want and what we owe to the taxpayers of the country is accountability for the spending of federal funds on post-secondary education. We still have to get that. I hope Hon. Members on all sides will support the efforts of my colleagues and myself to bring this about through Motion No. 4.

Mr. Lyle S. Kristiansen (Kootenay West): Mr. Speaker, I rise to give support to the amendment of the Hon. Member for Provencher (Mr. Epp). I simply say again that while we believe the amendment will help those of us who are currently being hurt, whether by Ottawa or by a provincial capital—and I most certainly know that students in post-secondary institutions in my own province are being hurt—to know whether we are being shafted, by how much and by whom—at least according to the federal Government and according to the Minister responsible—the amendment will not really tell us any more than what we know today. We will still not know whom we can believe or which level of government we can believe. We get different stories on that today. Even if the Minister tabled such reports in the House, there would still be issue taken with the findings of the reports by various provincial governments. It will not tell us whom we can believe or, with any degree of verifiability, who is shafting us and by how much. It certainly will not save our institutions from being destroyed and our students from being hurt.

Recently British Columbia was accused of not passing on federal funds by cutting provincial aid to post-secondary education by 6 per cent. The B.C. Minister of Education denied it and said that B.C. only cut the funds to universities by 5 per cent and to other post-secondary institutions by 3.5 per cent. We thus have an admission that the Government of British Columbia is not passing on the funds received from Ottawa, inadequate as they may be. We believe they are inadequate. We have a further admission from that Government that it has cut past levels of provincial funding to universities by 5 per cent and to other post-secondary institutions by 3.5 per cent respectively.

While the information which will arise from the amendment before us will be welcome, we really do not need it in order to find out what is happening in British Columbia at this point. At least we already know that that provincial Government is not passing on the money received from Ottawa for post-secondary education and in fact is cutting back on its own expenditures for those purposes from previous levels of funding.

We will support this amendment. Hopefully we will then be seen to have recognized, even to the satisfaction of the Conservative Party, that there is more to this issue than just the fact that some provincial governments—and none of us have suggested all of them—are denying access to students to education to a greater amount than is necessitated by the level of federal funding made available. Hopefully, even the Conservatives will now recognize that we recognize the issue is broader. Perhaps they will look at it themselves and decide, despite their protestations on another amendment a few moments ago, to reconsider their view of that previous amendment and give it, as well as their own, some support.

We not only need to know what is happening to post-secondary education across Canada, we actually have to do something about it. It is not enough to know if we refuse to act. What I gather from statements made by representatives of the Conservative Party in the last few moments is, that just because some of the provincial governments in Canada may be doing an adequate job, that they will deny my constituents and the people who live in my province the right to equal access to education, because they only want to have a talk shop and know what the facts are, but do not actually want to do anything with the facts that are already admitted. To me, Mr. Speaker, that is totally irresponsible.

• (1610)

If Conservative Members want to have any hope of being able to speak for the people of British Columbia in any good conscience, they should not only support this amendment but also support the amendment which we dealt with just a few moments ago.

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I have a few words to say about this amendment. As has already been pointed out, it will not have the same effect as the amendment moved by the Hon. Member for New Westminster-Coquitlam (Ms. Jewett). That amendment would have had the effect of requiring that we make sure that the money transferred to provinces for the purposes of post-seondary education would actually be spent for those purposes. In the absence of the political will to accept that amendment—

Ms. Jewett: It has not been voted on yet.

Mr. Blaikie: It has not been voted on yet but I am making the assumption that the Government is not likely to change its mind between now and some time later this afternoon, although I hope that I am wrong. If that were to happen, government Members would need to have open minds, and I have not seen that demonstrated up until now.

As I think has been said before, this amendment as it stands comes very close to what was recommended by the special parliamentary task force on federal-provincial fiscal arrangements. Again, as on a couple of other occasions, I note with pleasure that recommendations which I had a hand in formulating as a member of that task force are coming into legislative form. I think this is one of the rare delights for a Member of Parliament. So many recommendations in which one participates collect dust and never see the light of day or are rejected by the Government.

It is always worthy of note when one can say that something that was recommended by a parliamentary task force is now being incorporated into legislation. Indeed, the separating out of post-secondary education transfers from transfers for the purposes of hospital care and medical care was another recommendation of the committee. I would like to take this opportunity to recall that you yourself, Mr. Speaker, sat on that committee that made these recommendations, and I hope that you will be taking equal pleasure in the fact that one of our recommendations which we made some three years ago is being adopted.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I would like to comment on this amendment and its relevance to the past amendment. In 1977, the Government made a wrong decision, and it has squirmed underneath that decision ever since. It has been unable to protect, in the eyes of the people of Canada, the universality and accessibility of guaranteed medicare to all of the people of Canada. The provinces have made various interpretations of the decision which was made in 1977, and these interpretations have varied considerably from the one-third two-thirds decision which was made at that time.

Today, Mr. Speaker, we are talking about the accountability of the provinces and to some extent the accountability of the federal Government to let the people of Canada and Parliament particularly know how that money is being spent. This motion asks that there at least be a reporting to Parliament so that Parliament and the people of Canada can make a judgement about how the provinces spend the moneys which are transferred to them under the transfers which are allowed for in this Act.

The previous motion required the spending of the money in a particular way. This motion only requires the reporting of how that money is spent. The dollar-for-dollar suggestion still makes more sense. We said that in 1977 and we say it again now. The Government seems unwilling to back up its continuing suggestion that it is the champion of the universality and accessibility of expanding medicare and of providing job training and university training to the people of Canada. It has been unwilling to back that up with dollars and, consequently, has backed away from the dollar-for-dollar position it took up until 1977.

We support this motion which allows the knowledge of how funds are spent to be given to Parliament and the people of Canada. That in itself might eventually convince the Government that it should perhaps back up its plans with money to the provinces so that the provinces can fulfil the requirements of good medicare and good education as fully as possible with the help of the federal Government.

The Acting Speaker (Mr. Herbert): The Chair has had the opportunity to read the motion and has some reservations. In fact, the Chair finds the motion somewhat similar to the motion that has already been ruled out of order. However, there appears to be unanimous consent of the House to accept the motion despite the reservations of the Chair.

If I get an indication that there is unanimous consent to accept the motion, I shall deem the motion to be in order and put the motion as presented. Is there unanimous consent to accept the motion?

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion (Mr. Epp) agreed to.

The Acting Speaker (Mr. Herbert): The House will proceed to the division on Motion No. 4. The House has already indicated that it is the wish that the bells be rung on this motion. Call in the Members.

The House divided on the motion (Ms. Jewett), which was negatived on the following division:

(*Division No. 38*)

YEAS

Messrs.

Blaikie
Broadbent
Deans
de Jong
Heap
Hovdebo
Jewett (Ms.)
Keeper
Knowles
Kristiansen
McDonald (Ms.)
(Broadview-Greenwood)
Murphy
Nystrom
Ogle
Orlikow
Parker
Robinson
(Burnaby)
Sargeant
Young—19.

NAYS

Messrs.

Allmand
Appolloni (Mrs.)
Bachand
Baker
Beatty
Beauchamp-Niquet
(Mrs.)
Bégin (Miss)
Berger
Bloomfield
Bockstael
Bosley
Bossy
Bradley
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss)
(South West Nova)
Campbell
(Cardigan)
Chrétien
Clark
(Brandon-Souris)
Clarke
(Vancouver Quadra)
Collenette
Comtois
Cook
Cooper
Corbett
Corbin
Corriveau
Cossitt (Mrs.)
Côté (Mrs.)
Cousineau
Crombie
Crouse
Cyr
Dantzer
Darling
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dion
Dionne
(Chicoutimi)
Dionne
(Northumberland-
Miramichi)
Dubois
Duclos
Dupont
Dupras
Duquet
Ellis
Elzinga
Epp
Erola (Mrs.)
Ethier
Evans
Fennell
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Fraser
Fretz
Friesen
Frith
Gamble
Garant
Gass
Gauthier
Gendron
Gimaïel
Gingras
Gourd
(Argenteuil-Papineau)
Gourde
(Lévis)
Gray
Greenaway
Gurbin
Halliday
Hargrave
Harquail
Hawkes
Henderson
Herbert
Hnatyshyn
Hopkins
Howie
Hudecki
Huntington
Irwin
Isabelle
Joyal
Kaplan
Kelly
Kempling
Kilgour

Divorce Act

Messrs.

Killens (Mrs.)	Massé	Regan
King	Masters	Reid (St. Catharines)
Korchinski	Mayer	Roberts
Lachance	Mazankowski	Rossi
Lajoie	McCain	Roy
Lalonde	McCauley	St. Germain
Lambert	McCuish	Savard
Landers	McDermid	Schellenberger
Lang	McKinnon	Schroder
Laniel	McLean	Scott (Hamilton-Wentworth)
Lapierre	McRae	Shields
Lapointe (Charlevoix)	Mulroney	Siddon
Lapointe (Beauce)	Munro (Esquimalt-Saanich)	Simmons
La Salle	Munro (Hamilton East)	Smith
Lawrence	Neil	Speyer
LeBlanc	Nickerson	Stevens
Leduc	Nielsen	Tessier
Lefebvre	Nowlan	Thacker
Loiselle	Oberle	Tobin
MacBain	Olivier	Tousignant
MacGuigan	Ostiguy	Towers
Mackasey	Ouellet	Turner
MacLaren	Parent	Vankoughnet
MacLellan	Patterson	Veillette
Malépart	Pelletier	Watson
Malone	Pepin	Wenman
Maltais	Pinard	Wilson
Marceau	Portelance	Yanakis—182.

● (1700)

Mr. Speaker: I declare the motion lost.

[*Translation*]

Mr. Lalonde moved that the Bill as reported be concurred in.

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

Some Hon. Members: No.

Mr. Speaker: On division?

Some Hon. Members: On division.

Motion agreed to on division.

[*English*]

When shall the Bill be read the third time? At the next sitting of the House?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

DIVORCE ACT

MEASURE TO AMEND

The House resumed from Friday, February 24, consideration of the motion of Mr. MacGuigan that Bill C-10, to amend the Divorce Act, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, in what I have to say this afternoon, whether it is heard or not—I do wish that those who have conversations would carry them on behind the curtain—in what I have to say in continuance of my intervention in this debate on February 24, 1984, as recorded at page 1731 of *Hansard*, I want it clearly understood that—

Mr. Deputy Speaker: Order in the House.

Mr. Munro (Esquimalt-Saanich): I want it clearly understood that although I am opposed to this Bill, I am not opposed to it on the grounds that it introduces the notion of what is called no fault divorce. That I can live with, as a notion. It is perhaps time that an element of that sort was introduced into legislation, if only to eliminate some of the fraud and/or fictitiousness that I am told surrounded many divorces under the present legislation. A no fault provision may well put an end to that fraud and/or fictitiousness and some of the pain and anger that has gone with it for the partners and for the children. Pain and anger may even be putting it mildly. It may well be worse, it may be agony and psychological trauma. If we can avoid that by introducing a no fault provision into the divorce proceedings, perhaps we will be doing well.

● (1710)

Not all divorce should have to rest on the no-fault provision. In some marriages there is fault. If there is, that fault should be revealed honestly in the clear light of day, assessed, and settlements determined accordingly. That is one point. The Bill is too restrictive in the grounds it recognizes and in the instructions it gives to judges who sit on divorce cases. They are being instructed to disregard fault where real fault can be established. Also, the provisions in the Bill with respect to ensuring that support costs are paid do not satisfy me and should not satisfy any Canadian. They are not strong enough.

In addition, Mr. Speaker, there has been no real attempt so far as I can see to enforce the payment of support costs when one or other of the partners moves beyond the provincial jurisdiction in which the decree is granted. A central registry is essential if we are to manage the payments to the injured party in any divorce procedure. On these grounds alone I am opposed to the Bill. The grounds are too limited and there is inadequate provision for enforcing payment of support costs even within the jurisdiction of the court granting the divorce. As well there is no central registry and inadequate consultation with the provinces to assist with the payment and collection of support costs.

I would go further and suggest that Canada ought to begin by entering into bilateral arrangements to ensure support costs; even a multilateral or UN move to ensure that if one of the partners should leave the jurisdiction of Canada there is still a possibility of collecting support costs and ensuring that they are paid. That sort of thing should be put in place. I came to this conclusion after looking at the provisions of the Bill. I think it well that we should look at it again. Let us understand how the Bill proposes to deal with divorce.

First, a husband or a wife may individually petition for divorce on the grounds of a breakdown of marriage. Second, a husband and/or wife may jointly petition for divorce on the same grounds of breakdown of marriage. That is all, no other grounds. No other grounds can be accepted by the court. We must, therefore, ask what constitutes a breakdown of a marriage.

Here a breakdown is established under clause 3 of the Bill if the husband and the wife assert, or if the husband and the wife have lived apart for one year or more. One of these provisions calls for an "or" and an "and". The other calls for two "ands", Mr. Speaker. Something is wrong with the drafting of this Bill. The nonsense and the double "and" provision lies in this: How can a woman, let us say, who is not in a no-fault situation but in a real fault situation, be it wife-beating or child-beating or some other child abuse situation, who has no other means of support except what is begrudged by her husband? How could such a woman live apart for a year, especially if child abuse is involved and she wants to protect the child and take that child out of the household during that period. It is pure nonsense to suggest you have to build a case for a breakdown of marriage by saying a husband and wife have to live apart for a year, completely disregarding the fact that one person who is trying to protect—perhaps herself, perhaps herself and a child—has no means of living apart.

How do we determine under clause 2(4) on page 2 the deeming provision? This is extraordinary wording. They shall be deemed, says the clause, to have lived separate, and here I would suggest that the word is "separately" and not "separate", Mr. Speaker. The word "separate" is more usually considered as an adjective. The word "separately" is the adverb. Let me continue they shall be deemed to have lived apart if for that period either of them had the intention to live apart. That is in the legislation. How is intention to be determined? Who is to determine intention?

But to return to the main theme, politically I agree. I mentioned this in my earlier intervention. It looks to me as though this Bill and several other Bills that are due to appear in the Standing Committee on Justice and Legal Affairs have been put forward by Ministers as political Bills, not with any real intention of solving social problems. One of the Bills, of course, is this Bill, one is the Security Bill, and the other one contains reforms to the Criminal Code. Those three Bills are presumably intended, all of them, to land in the Standing Committee on Justice and Legal Affairs between now and an election.

I suggest, with all due respect, Mr. Speaker, that these Bills have been brought forward by a Government which is seeking some means of saying "well, we had to do something" in order to indicate when we got into an election that it brought forward a Bill, the Opposition dragged its feet and did not put its back into the matter. Therefore, the Government can say "it is not our fault that these particular Bills could not become law."

The family unit in my mind is so important to the community that to play with it politically, as I have suggested this Bill does, is an insult to the Canadian people and to their beliefs. Bring in no-fault divorce if you must, but remember there are other causes for divorce. There is also a fault divorce. The guilty party, be it husband or wife, should have to pay under the law for having failed to live up the marriage vows and also to the vows taken during the baptism ceremony.

Miss MacDonald: Mr. Speaker, I would like to put a couple of questions to the Hon. Member for Esquimalt-Saanich. (Mr. Munro). One is on the question of fault. He mentioned that judges should determine according to fault. I understand him to mean with regard to maintenance. Would the Hon. Member clarify that? Is he suggesting in cases where there is fault that the economically dependent spouse should therefore get a lower maintenance order because of the fault, or similarly that a faulty provider spouse should pay a higher amount of maintenance on grounds of the fault?

Second, will the Hon. Member give a little more information as to what he would consider adequate by way of support provisions? The mechanisms for ensuring support payments are made in this Bill. Specifically, would the Hon. Member agree to equal splitting of all pensions in federal jurisdiction? Does he think this should be in the Bill? Would he agree that there should be access to all federal data sources, such as income tax and unemployment insurance for the location of defaulters of court order maintenance and interception of any funds under federal jurisdiction, such as unemployment insurance or pensions for the payment of court order maintenance?

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, in reply to the first question asked by the Hon. Member having to do with a higher payment situation, I had thought I had made it quite clear in my comments that fault has got to play a role. If there is a fault that can be determined and assessed, obviously the person who is at fault ought to pay more than if there was a general agreement in a no-fault situation, particularly when there are children involved.

• (1720)

As to the splitting of resources, I do not know whether the Bill makes adequate provision for the judge to determine the role of the two spouses in the accumulation of savings and assets of a particular marriage and how they can be divided. I do not think the law as now drafted really takes that into account. Actually the judge is barred from looking at fault, as I understand the Bill. While I agree that the greater the fault the greater the settlement, I do not think the Bill makes any provision for that, and I think it ought to.

Mr. Simon de Jong (Regina East): Mr. Speaker, in participating in the debate on Bill C-10 one could start off by labelling it as creeping progressivism. It is creeping because the divorce proposals in Bill C-10 were really recommended by both the Anglican and the United churches in 1968. I know in the New Democratic Party we have a resolution on record from the 1967 federal convention urging that divorce be granted on a no-fault basis. The Bill gives the appearance of being progressive. Most Canadians and most Members of the

House agree that granting divorce on a no-fault basis is long overdue.

One can enumerate many reasons in favour of the Bill. Many Members on both sides of the House have dealt with some of its positive aspects. Making marriage breakdown the sole ground for divorce is a welcome aspect. It can help eliminate many of the problems which couples now face when going into court to obtain divorce in marriages which have obviously been broken down for some time. Now it will not become necessary for one of the partners to commit adultery or for other people to start lying and playing all sorts of games. With the present provisions it will become cleaner and more direct. Hopefully they will help create an atmosphere in which amicable settlements in terms of property, maintenance and child custody occur.

I would like to introduce two quotations if I may supporting the concept of no fault. The National Action Committee on the Status of Women in a brief to the Minister in October 1983 indicated:

> Marriage must be recognized as an equal partnership entered into voluntary by a woman and a man. Once one of the parties has decided that the partnership is not working, the relationship is clearly ended and no legal rule will make it work. That spouse should be able to declare that the marriage has broken down, and that declaration should be regarded as sufficient to prove the breakdown. Proof of separation or fault should not be required.

The other quotation to which I should like to refer is from a brief of The Catholic Women's League of Canada presented to the Minister in May 1983. In part it reads:

> —the accusations and counter-accusations of the present adversarial system seem to do a great deal of harm to the familial relationship which oftentimes must survive the dissolution of a marriage because of children. Accordingly it is our submission that the best interests of all parties concerned, including children would be best served if the only ground for divorce were permanent breakdown of the marriage.

As I mentioned before, all Members of the House admit to the positive aspects of the Bill. What distresses us is that which the Bill does not address, considering how long it has taken in Canada to bring our divorce legislation into the 20th century or into modern reality. This is a rare opportunity for Parliament to deal with the question of divorce. The last time we dealt with it was in 1968, or almost 16 years ago. Perhaps the next time we will deal with it will be some 16 years down the road. We can only regret that in this rare opportunity the Government failed to deal with some of the more pressing problems confronting dozens of Canadians in marriages which are no longer functional and have broken down.

The major problems confronting Canadians involved in divorce are maintenance, and the court order in terms of financial and property settlement between the two parties. The Minister has indicated in the past, "I am sorry, this is not our responsibility; this is a provincial responsibility". In part he is right, but a contemporary law or an attempt by government to create a contemporary law would recognize that federal-provincial co-operation is needed, and that in order to bring the Divorce Act into the 20th century it will have to deal with the questions of property settlement and maintenance. Before introducing the Bill, the Government should have held meetings with the provinces to determine to what extent it could obtain co-operation on these vital issues. It failed to do that. It failed to come to Parliament with a Bill which had the co-operation and blessings of provincial jurisdictions. It failed to bring forward a co-operative approach. A party who is responsible for maintenance payments can skip into another province and sort of disappear, very often leaving—in fact in most cases—a woman with dependants in the lurch with no real means of enforcing the court order.

The Government speaks about creating a central registry and being in contact with the provinces in an attempt to set up such a registry. It is a great move, but surely it is a little late. If that is an indication of where the Government is at, it is also an indication that reform in the Divorce Act will continue to be the slow and arduous process it has been in the past. That is just not good enough.

There are other aspects of the Bill which certainly displease us. The suggestion of time limitations on maintenance orders could certainly create much hardship in the future. It is a provision which would allow a maintenance order to expire and there would be no recourse to extend maintenance unless one of the parties went to court and asked for an extension. Another aspect which I find mischievous, and mischievous is the best way to describe it, is the notion of self-sufficiency. In terms of property settlements or maintenance orders, the court will encourage the notion that both parties become self-sufficient. Indeed theoretically this is an ideal solution. Neither of the two parties will be dependent upon each other and they can each go their merry way in life in a self-sufficient manner. However, that defies contemporary reality.

● (1730)

The reality for women in the work force is that the chance of getting a good job is very minimal, given the present economic situation. I do not think that the present economic situation will change radically in the next number of years.

The other reality is that in most cases, women have been the housekeepers. The woman has forgone and sacrificed her educational opportunities in order to raise a family and keep the home while the husband has secured his education, often supported by the wife's part-time job, and then secured himself a decent income. They are now in a divorce situation and the wife is expected at mid-age or in old-age to become self-sufficient and establish a career on her own while still being responsible for several youngsters in the home. This is not very realistic at all, Mr. Speaker. If this is an indication of the thinking of government lawyers and of the Minister, I am suggesting that they are still out of touch with contemporary reality.

There is the case of the older woman who is in her fifties or sixties and has been the homemaker and raised a family. Perhaps the husband or the wife has decided that their relationship is no longer a workable one. Very often in these situations the husband and wife decided to stay together in order to maintain a family home for the children. When the children have left the home and established their own careers, the husband and wife feel that their union is not in each

other's best interests and decide to get a divorce. To expect women who find themselves in that situation to all at once establish a new career, to go to university or technical training schools and acquire skills is just ludicrous. These women do not stand a chance at all. It is a cruel joke that the courts are suggesting that women should become self-sufficient.

The Bill dramatically fails in addressing itself to the question of enforcement. As I mentioned before, all too often husbands will skip the province and forget about making maintenance payments. In fact, statistics show that some 70 per cent of court settlements are in arrears. On the one hand we have a Bill which proclaims itself as one which deals with the contemporary problems and concerns of Canadian society. However, when looking at the Bill, one sees what is not included in it and one must realize and admit that the Bill fails to address the real concerns of Canadians who are caught in the situation of marriage breakdown.

This is not an easy topic to deal with. It is difficult for the House to address itself totally to this question. There is a sharing of jurisdictions between family courts, provincial courts and federal courts. Somebody described this as being like a Rubic's cube. Indeed, the present situation does not set the Rubic's cube straight and does not provide a coherent overall policy. Such a policy can only be provided with the co-operation of the provinces. Before this Bill was introduced, there should have been major consultations with the provinces, during the latter part of the 1970s, so that there would have been a coherent policy the Minister could have presented to the House. However, he has failed to do so and in fact has only addressed himself to a small part of the problem.

Like the previous speaker, who is a member of the Conservative Party, I wonder if this is indeed simply a political ploy. If this is the case, the Minister stands condemned and someday, when he faces his maker, he will have to answer to a great many questions. Playing with people's lives for political appearances simply will not work. I for one believe in the notion of karma and karma will get that Minister.

My own experience with divorce is not personal, but some good friends of mine have been suffering through the process of divorce. I can think of one case in particular, Mr. Speaker, and these people are very close to me. There are three young children in this family. Obviously the marriage has not been working for a number of years and finally a decision was reached that someone should make the effort to end the marriage. In order to do that in this particular case the husband took the initiative and entered into what, in terms of court consideration, became an adulterous relationship which then became the grounds for divorce. I think that there would have been a mutual consent between the two parties in terms of a no-fault divorce had this Act been in effect at the time. I think both parties would have agreed that their union was not working out. However, the real bone of contention is the question of property and maintenance costs.

During the divorce trial of the couple to whom I have referred, I heard the judge direct the woman to become self-sufficient. She has three youngsters at home. She does not have the opportunity to send the children to daycare so she can receive technical training or go back to university to establish a career. In this particular case, one of the youngsters has some learning disabilities and needs some special attention. This woman needs to function as a homemaker for a number of years yet. It will not be easy for her to get a job.

At the same time, it is not an easy situation for the man either. He is a middle-income earner and is all at once faced with maintaining two residences, two cars and double expenditures. A good chunk of his income must go to the woman. At the same time he must maintain himself. Perhaps at some stage, like most Canadians who have divorced, he will remarry and will have obligations to his second family. It is not easy for either party, Mr. Speaker. Certainly this Bill will not help them. This Bill alone cannot solve some of the fundamental problems faced by this young couple.

We need social programs, adequate daycare and income support programs for single parents, and particularly women if they are to be able to provide their children with a good and wholesome environment so that children who come from broken homes can have an equal chance and a secure future in Canadian society. We will need a host of social programs in order to support those families. This Bill does not address those problems and concerns either.

This Bill is lacking a great deal. If it were easier to have Parliament deal with divorce legislation, I do not think that either of the two Opposition Parties would have opposed this Bill. None of us is opposed to the principle of no-fault divorce. However, it took some 16 years to make this change. This Bill is simply not good enough for 16 years of waiting. It simply is not good enough and that is why I believe that both Opposition Parties will stand opposed to this legislation.

Mr. Deputy Speaker: Questions or comments? Debate.

Mr. Joe Reid (St. Catharines): Mr. Speaker, the legislation before us this afternoon is important, and it is timely. However, I regret to say, as so many of my colleagues on this side of the House have already said, as an Act of divorce reform it falls far short of the expectations of most Canadians.

The Lincoln County Law Association, of which I have the privilege of being a member, wrote to me saying that after giving the matter serious and extensive consideration they feel very strongly that further changes should be made. We in this House are well aware of the fact that society is anything but static. Society is constantly undergoing change and public opinion moves with that move in society. Parliamentarians who fail to keep in touch with the changing mores of our society do so at their own risk.

• (1740)

As has been mentioned by the previous speaker, the Divorce Act has not been subject to amendment for some 15 or 16 years, although there is no doubt that society has changed in those 15 or 16 years. Divorce and divorce reform must then be given in depth priority consideration.

Much as I dislike relating divorce statistics in the House, they are a fact of life. Four out of 10 marriages in Canada are ending in divorce. In 1982 some 140,000 people found themselves divorced and thousands more were directly affected by those divorces. The financial cost of divorce is grim and it is not all measured in dollars. It has been estimated that some $500 million has been spent in legal fees alone relating to divorce proceedings in the last 10 years. The legal cost is nothing compared to the trauma of divorce and the dissolution of marriage. Divorce is a cruel and hard experience for anyone and everyone involved. Children especially find their lives torn apart by the tension and struggles between their divorcing parents.

The law as it now stands virtually assures acrimony. From start to finish divorce pits one spouse against the other because of the adversarial nature of our present process. The sole escape is a three-year waiting period for an uncontested divorce—three years of family life held in limbo. Like other Hon. Members, I have received the argument from constituents that the state should not make divorce easier because it leads to the increased breakdown of marriage and a breakdown in society. I am rather sympathetic to that argument because I am a strong believer in the institution of marriage as is perhaps every Member. Nonetheless, the state already regulates our way of life, perhaps to a greater extent than most people would approve.

Despite the toughness of the present law, despite the tremendous financial and psychological cost of divorce and despite the continued overwhelming support for the institution of marriage, 40 per cent of marriages end in the divorce courts. Parliament cannot ignore what is happening to divorce, and that does not reflect the law as Canadians see it today.

This leads me directly to the legislation before us for consideration, Mr. Speaker. The Minister of Justice (Mr. MacGuigan) deserves credit for taking the action he has, but he deserves much criticism for not taking it further than he has. He should have taken advantage of the public momentum available to him, and he might have taken greater advantage of the time allocated in the House.

Comment has already been made on the fact that there was a real lack of negotiation and discussion with the provinces, so that when the Bill was brought forward it could be rather comprehensive on divorce reform. An editorial in *The Province* of Vancouver reads as follows:

> After all the preening and advance promotion of its divorce law changes, the federal Government has brought forward a mouse—The end product is the work of a tired administration sapped of political courage.

Purely and simply, the Minister has taken the easy way out. He has thrown away the opportunity that is his and might have been that of the House to consider divorce reform after that lapse of 15 years. Issues like custody and maintenance orders are pressing today, but they are ignored. I want to return to those items later, Mr. Speaker.

Bill C-10 offers a significant lessening of the time a divorce action takes and the toll it imposes upon those involved. I am rather cognizant of the exchange that took place a moment ago regarding the fact that as a result of this Bill marriage breakdown will be the sole grounds for the dissolution of marriage. A one-year separation period would replace the present three-year waiting period. That marriage breakdown issue will replace the different causes and reasons for dissolution of marriage, thus ending the adversarial approach to divorce proceedings. We on this side heartily accept that aspect of the Bill. We want to make divorce proceedings less acrimonious and less difficult to bear. Nonetheless, the Minister has opted for flash and little substance.

Bill C-10 will reward the deadbeat and punish the innocent. I can think of no other way to describe a situation where fault goes totally by the boards while maintenance and custody orders are left hanging in limbo. All Hon. Members have often enough received letters from constituents who have been left with inadequate support settlements; either that or court orders made but not carried through. Those writing have one simple question and they want an answer; when will the law take the side of the innocent? We know that Bill C-10 will not come to their assistance, and worse yet, we fear that women particularly will be worse off than before as a result of the legislation.

If we consider the case of older women that point becomes exceedingly clear. A woman married for 20 or 30 years may well have spent her whole time and effort in the occupation of homemaking. She may not have any marketable skills and her age may add to her disadvantage when it comes to seeking gainful employment. To become self-sufficient, retraining is a must and that requires support and an extra, special effort. Even after retraining, will the opportunity be given to her to make a meaningful contribution to society?

Bill C-10 does not even begin to address the situation. Even if the woman receives a sympathetic hearing in court there is no guarantee that the settlement will be adequate or equitable. The absence of any assessment of fault makes it even more likely that maintenance and custody orders will become weaker, not stronger, as has been suggested. Frankly, Mr. Speaker, it comes down to this: The Minister of Justice must do better before this Bill comes back to this House for third reading.

● (1750)

Of equal concern is the issue of enforcement. In the Province of Ontario for the year 1978, $25 million was collected in support payments. Under half a million dollars came from outside the province. This emphasizes the mobility of people, one or the other of the spouses, from province to province. It is a fact of life that some people will do what they can to avoid their responsibility under such maintenance orders. The law should not assist them to avoid their responsibilities. Let us be honest, Mr. Speaker, a maintenance order is of no use whatsoever if it can be ignored by the person responsible for the making of payments under that maintenance order.

At present, an estimated 75 per cent of those maintenance orders are in default. Just think of it, Mr. Speaker. This year, 1984, 75 per cent of the existing maintenance orders are in

default. By and large, those maintenance orders are against the male spouse. This is an appalling situation. Not only is the spouse, usually the wife, left to fend for herself, but the whole judicial system is undermined by its inability to respond. Bill C-10 again falls very short of addressing this problem. For women in particular, the legislation is a disaster.

So that these comments may not be seen by those on the government side as simply obstructionist, may I put on the record that the Lincoln County Law Association has submitted to me a number of recommendations for the consideration of the Standing Committee on Justice and Legal Affairs. This association shares the concern expressed by so many that the enforcement of custody and maintenance awards must be both efficient and uniform across the country.

The first recommendation is that there be a requirement that federal government agencies provide the last known address of the parties, and more particularly that favourable consideration be given to a central registry for this purpose. Second, it recommends the power to attach wages, RRSPs, RHOSPs, salary, commissions, pensions, life insurance benefits and income from all sources, coupled with the third recommendation, the elimination of all exemptions from attachment. Fourth, it recommends the power for the court to transfer property in satisfaction of a lump sum maintenance award; fifth, the power for the court to grant exclusive possession of real and personal property; sixth, the power to create trusts for the benefit of spouse or children of the marriage; seventh, the power of the court to bind an estate subject to maintenance payments; eighth, the power to charge property with an obligation to make payments under a maintenance order; ninth, the power to designate a beneficiary or beneficiaries of life assurance; and tenth, the power to designate responsibility for the payment of personal debts. I trust, Mr. Speaker, that these recommendations will be given full consideration by that standing committee.

If the failure of Bill C-10 to address enforcement is its worst failing, a second flaw is equally as fuzzy and difficult. That is the question of mediation and counselling services. Quite simply, the state should not place itself in a position of aiding and abetting the demise of a salvageable marriage. The institution of marriage is a good one. Most of those divorces which take place are fouled up by a second marriage, so why ruin the first one? If it is a salvageable marriage, then there should be some consideration given to saving it. Counselling and mediation are not a waste of time, but this Bill does not address that particular subject.

The Province of Ontario has already legislated a procedure for mediation of custody disputes. I would urge the Minister of Justice to give consideration to amending Bill C-10 so as to include provisions similar, if not identical, to those found in Section 30 and Section 31 of the Children's Law Reform Amendment Act, 1980, of the Province of Ontario. Consideration might be given as well, Mr. Speaker, to federal assistance for the expansion of mediation and counselling services now available and to assist in the cost of those services through legal aid.

Time does not permit me to add comments of a more technical nature. However, let me say that some sections of Bill C-10, notably the new sections, Sections 3 and 12 of the Divorce Act, need to be given careful consideration by the committee. These are concerns which will have to be properly addressed. I trust that opportunity will be given to the members of the committee and that the Minister of Justice might concern himself with a rereading of those particular clauses.

I said at the outset, Mr. Speaker, that this legislation falls short of expectations. The opportunity is present today for the Minister to right the wrongs in the Divorce Act. The Minister is turning his back on that opportunity. He can do better. Canadians expect him to do more.

I would like to indicate, Mr. Speaker, that the opportunity is here for Hon. Members of this House. We are all agreed that reform of the Divorce Act must take place. We are all agreed as well that no-fault divorce is acceptable to Hon. Members of this House so long as we keep the no-fault to the question of the dissolution of the marriage. It seems to me an abuse of the privileges of the court when we attempt now to tell it that there is no alternative for the court, no discretion for the court to dispose of these very material matters of maintenance orders with a consideration of right and wrong. It is too simple. Mr. Speaker, to make them divide the assets between them and not take into consideration whose fault it was that the marriage is to be dissolved.

I had a most unusual experience last Saturday in my constituency office. A person came to see me who was handicapped in several different ways. First of all, he was totally blind. He was an amputee and the subject of a kidney transplant which worked. Less than one year ago he married another person who was suffering from some disability of her own. They are now separated. The question arises as to whether or not she should have advantage of the home which was provided for this handicapped person. The legislation is so written that she will be refused welfare or mothers' allowance unless she goes after her husband for one-half of the value of that house. This is a house which was practically built for him because of his special handicaps.

Mr. Deputy Speaker: I, of course, must inform the Hon. Member that his speaking time has expired.

* * *

BUSINESS OF THE HOUSE

Mr. Pinard: I would just like to confirm to the House that since we have voted the report stage of Bill C-12 today, as I indicated last week, tomorrow we will be dealing with Bill C-12 again for third reading. There might have been some confusion since I had said that the backup legislation was Bill C-10, which was the backup legislation for today. Tomorrow we come back to Bill C-12 for third reading. I suppose for some of us it was very clear, but it was suggested to me that I clarify the situation.

Business of the House

● (1800)

Mr. Lawrence: Can the Government House Leader confirm that Bill C-10 will be the back-up legislation for C-12 tomorrow as well?

Mr. Pinard: That was the intent of the answer I gave last week, Mr. Speaker.

Mr. Roche: I would like to call it six o'clock in relation to the debate on Bill C-10, Mr. Speaker.

Mr. Deputy Speaker: It being 6 p.m., this House stands adjourned until tomorrow at eleven o'clock a.m., in accordance with the provisions of Standing Order 2(1).

At 6.02, the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, April 5, 1984

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND ESTABLISHED PROGRAMS FINANCING ACT, 1977

MEASURE TO AMEND

Hon. Roy MacLaren (Minister of State (Finance)) moved that Bill C-12, an Act to amend the Federal-Provincial Fiscal Arrangements and Established Programs Financing Act, 1977, be read the third time and do pass.

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

Some Hon. Members: Agreed.

Ms. Jewett: No.

Mr. Speaker: The Hon. Member for New Westminster-Coquitlam (Ms. Jewett).

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, it is extraordinary that a member of the Government would not want to speak first on third reading. I can only conclude, Mr. Speaker, that the Minister responsible for capping post-secondary education funding to the provinces—

Mr. Manly: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly) on a point of order.

Mr. Manly: I just noticed the Minister responsible for the Bill walking directly in front of the Speaker, on his own Bill, between you and the speaker for our Party on that Bill.

Mr. Deputy Speaker: The Hon. Member for Cowichan-Malahat-The Islands has a valid point of order. The Chair did notice the incident as well. The Chair takes the opportunity once again to plead with all Hon. Members to respect the rules of decorum. May I draw Hon. Members' attention to Standing Order 15 and the various paragraphs thereunder.

Ms. Jewett: Now the Minister responsible is sitting close and talking in a loud manner, Mr. Speaker. He obviously wants to interrupt my speech as well as cross the floor in front of me.

• (1110)

Mr. Cousineau: On a point of order, Mr. Speaker, I just want to tell the Hon. Member not to worry; I am listening.

Mr. Deputy Speaker: Order. The Chair feels it should intervene at this point. The Standing Orders are clear. When a Member has the floor, no Member should interrupt him or her or cause any commotion which would put the Member who has been recognized in an uncomfortable position. Custom does not preclude discussions in a very low voice, but surely to have a discussion going on next to the Hon. Member who has the floor is, I would think, a discourtesy.

Ms. Jewett: Thank you, Mr. Speaker. Bill C-12, as we all know, caps post-secondary educational transfers at six and five rather than allowing the normal increase to take place. One of the most serious things about the Bill, indicating how clearly the Government derogates from the authority of Parliament, is that it is retroactive for a full year. Some $118 million has already been taken out of post-secondary educational transfers in the fiscal year just ended; we are now passing the Bill to authorize that capping. We tried our best, of course, to pass an amendment which would have required the restoration of the $118 million. Unfortunately, we were not able to get that amendment through.

I would also like to point out the seriousness of this Bill in that in other areas, for example, medicare, the federal Government has not applied six and five to its transfers to the provinces, only in post-secondary education. The Government intends to continue an even more serious withdrawal of funds in 1984-85.

It is rather odd, too, that the federal Government says that the six and five capping is going to cease, I believe in June, just at the very moment it is no longer going to be part of the federal Government's policy to enforce six and five in the public sector. It is saying, however, that for last year and for the whole of the fiscal year we are now beginning, we will continue limiting our post-secondary educational transfers to the provinces. It seems to me that it is very difficult, therefore, for the Government to have any credibility at all when it says, as it does, and as the Minister of Employment and Immigration (Mr. Roberts) said only yesterday, that it is concerned about the future of post-secondary education in this country.

One of the difficulties with the way we presently fund post-secondary education is that there is no accountability. Whether the money is in tax points or equalized transfers, there is no way the Parliament of Canada, representing the

taxpayers, can know how that money is going to be spent. It is not earmarked. The provinces can spend that money any way they please. Some of them indeed have been doing so and have not been directing these moneys intended for post-secondary education to post-secondary education. Ever since block funding was started in 1977, we in this Party have argued that it was a mistake and was financially irresponsible.

• (1115)

Yesterday we argued, through an amendment to this Bill which was debated in the House, that there should be accountability, at least for the portion of the funding for post-secondary education that is derived from the increase in federal transfers, the six and five that this Bill authorizes. We should be able to direct the money to be spent for the purposes intended. By that amendment yesterday we were striving for fiscal accountability. Yet when we voted on that amendment, neither the Liberals nor the Conservatives supported it. I am especially puzzled that the Conservatives did not support it. They have argued time and again for fiscal accountability and responsibility with the taxpayers' money. It is the federal taxpayers' money which is going to the provinces for post-secondary educational funding. Surely if we have any sense of responsibility and accountability in the system we should have a requirement, as we could and as we did before 1977, that money allocated for post-secondary education should be spent on post-secondary education.

The amendment yesterday would have been a clear signal to everyone that those provinces which have not been spending money for the purposes intended should be doing so. Had the other two Parties voted for the amendment, it would have been a clear signal to the people of the country that we represent the taxpayers of Canada in a responsible fashion. It would have been a clear signal that the federal Government of Canada cares about the future of post-secondary education on behalf of all Canadians. Perhaps a speaker from the Conservative Party will explain to us all why they voted against fiscal accountability. I do not expect anyone from the Liberal Party to try to explain it because they did not even put up a speaker to introduce third reading of this Bill.

In debating Bill C-12, this Party particularly has been trying to bring to the attention of the House and the Government the real crisis in our post-secondary educational institutions. The institutions themselves, the students who attend them and the faculties which teach and do research in them are experiencing crises of major dimensions. In the United States they have been restraining and cutting back with regard to Government services. They have not been cutting back on education. Indeed, they have been dramatically increasing their expenditures on post-secondary education at the federal level. They know that if they are going to have and sustain an economic recovery in the United States, there must be an educated society to sustain it. They know, as we should know, that we have already moved into the post-industrial society and into the information-based society. The prime criterion of survival, let alone of flourishing in such a society, is knowledgeable and informed people. While manual skills are still important, mental skills are, more than in any other society, absolutely vital to the survival of a post-industrial way of life.

• (1120)

Indeed, Canada has taken the lead in the past, but rather than follow this example of taking the lead in recognizing what are the needs of the future, it is continuing to underfund seriously its post-secondary educational institutions. It is making it impossible for this society to respond adequately to a changing economic climate. The Government is putting a cap on post-secondary educational spending at the very moment when the United States, our closest neighbour, is substantially and, some would say, dramatically increasing its spending on post-secondary educational institutions.

There are innumerable horror stories being told now about what is happening in our post-secondary educational institutions. Just last week, the President of the University of British Columbia, George Pederson, declared that the university is in a state of financial exigency, in the legal sense of that word, which means that people will have to be laid off, both faculty and staff, and many programs dismantled.

Just a few days ago there was a story that headhunters are already raiding a faculty that has taken years to build up. The commerce and business faculty is one of the most vulnerable at UBC because it has such an excellent reputation, as has been noted by the *Wall Street Journal* and by many educational institutions across the country and in the United States. The Dean of Business and Commerce, Peter Lusztig, says that the place could be cleaned out in 10 or 12 months. This is not just idle talk, this is what is foreseen within 10 or 12 months.

I recently reviewed what is happening at Cariboo College in Kamloops. The college has cut its continuing educational program, which has effectively disenfranchised some 6,000 students. Three satellite campuses of Cariboo College, which were previously funded directly by the provincial Government, are now required to obtain their funding from their college operating grants which, in turn, are being capped or substantially reduced as a result of federal Government action. It is likely that these satellite campuses will be forced to close, making rural accessibility an even greater problem than it is now.

In an effort to generate funds, Cariboo College is launching a program to recruit groups of 20 students from Hong Kong to travel to Kamloops for eight months at a cost of $7,500 per student in order to take a type of correspondence course at the college. There is even talk among the college's board members about building a hotel next to the college to accommodate the students. Is this what post-secondary education in Canada is all about? Is it about making a profit from foreign students while denying education to Canadian students who cannot afford the unreasonable costs?

The costs are becoming unreasonable. In my province, the Government has decided that no more grants will be given to students. There will be no grants whatsoever. I agree that other provinces, with one exception, have not gone that far. But the Province of British Columbia has decided that only

loans will be available from now on. There will be no grants for those in financial need, only loans.

• (1125)

Last year a student at Douglas College in my riding had received a $1,000 loan and a $1,000 grant. This year his loan has to be $2,000 because his grant is only $90. He can look forward next year, if he is still able to attend the college, to receiving no grant at all. He says he will probably not be able to continue at University when he must operate solely on loans which increase every year.

I was talking to another person at Douglas College who has been declared ineligible even for a loan. The lady is in her thirties. She is a single mother, recently separated from her husband. In the separation agreement she was allowed the car. Because she was allowed the car, she has been denied the loan and she has ended up on welfare. I give these examples and there are thousands more one can give. The underfunding of research in our communities is another area we can talk about, and some of our members will be talking about it in the course of this third reading debate.

We are arriving at a situation at which our colleges and universities will become second-class institutions, at which they will no longer be able to do the kind of research they have done in the past. An example of that is the university from which I graduated, Queen's University, which used to be among the top ten in North America in terms of the quality of its library. A library is one of the most important things a university has, but the Queen's University library is now, I think, ranked 87th, right in there with the University of Connecticut.

I wonder whether Members of the House realize what a crisis we are in. I wonder whether Members of the Cabinet realize what a crisis we are in. The Secretary of State (Mr. Joyal), who is not here today but who is generally available when we discuss in committee matters concerning post-secondary education, apparently has no clout in Cabinet whatsoever. One of the reasons for that is that he has not yet got a handle on the problems facing our institutions. He does not know, for example, where the $118 million went that should have gone to post-secondary education funding in 1983-84. I asked him about this in committee, as some Hon. Members here will recall. He did not know. He threw out all kinds of ideas about where that $118 million might have gone, because it has been spent, it was not saved. It was spent in 1983-84. He threw out a variety of ideas about where it might have gone, and then said the bulk of it went into the Canada Student Loans Program. He did not even know that that is a loan program, and not a grant program. I wish it were a grant program. But he talked as if it were a grant program, and said that that is where a lot of the $118 million had gone. That is ridiculous. He did not know, although he announced the creation of a task force to look into post-secondary educational funding. He announced that Al Johnson, a very excellent choice in my view, would be heading the task force. He announced that in committee, but when I asked who were the members of the task force, he did not know. When I asked for the terms of reference of the task force, he could not provide them. When I telephoned just yesterday to get the terms of reference, they were still not available.

• (1130)

How can a Minister who does not know where the $118 million went—and it should have gone to the provinces for post-secondary educational funding—have very much influence? How can a Minister, who sets up a task force without being able to say what are its terms of reference, have very much influence with other Ministers in the Cabinet of Canada?

We have been inundated with telegrams and letters from the post-secondary educational sector. In the last few days I have received letters and telegrams from the Association of Universities and Colleges of Canada, the Canadian Federation of Students, the Canadian Association of University Teachers, and from many other groups. In its telegram, the Canadian Federation of Students expressed its continuing opposition to the passage of Bill C-12. It reads:

> This Bill will result in the loss of $378 million over a two-year period. GFS urges that the six and five limitation clause be eliminated, that funds for education . . . be earmarked, and that a national dialogue on the funding and direction of post-secondary education in Canada commence immediately.

The Canadian Association of University Teachers, in its telegram to the Minister of State for Finance (Mr. MacLaren), who undoubtedly has not read it, wrote:

> The Canadian Association of University Teachers deplores federal Government's action restricting funds for post-secondary education through Bill C-12. All Canadian governments should be increasing, not decreasing, accessibility to higher education so that young people of our country may receive education that will equip them for life in the remaining decades of this century and in the 21st century. CAUT calls upon the federal Government to reconsider its position, particularly since it has decided to restrict only the area of post-secondary education among the transfer programs to the provinces.

A letter from the Executive Director of the Association of Universities and Colleges of Canada pointed out that transfers for post-secondary education have been singled out for application of the six and five program at the very moment when enrolment demands have continued to increase. In his letter, Dr. Gillmore wrote:

> Universities desperately need additional support to maintain standards of excellence and to respond to increasing needs of a broad spectrum of Canadian society.
>
> The continued imposition of six and five on higher education as proposed in Bill C-12 will not serve the best interests of the country at this time.

As I said at the beginning of my remarks, unfortunately the Conservative Party supported the six and fiving as a general principle in the original legislation. Perhaps, if it had not supported that general principle, we would not be fighting this battle today for the removal of the six and five limitation on post-secondary educational transfers. In more recent days its Members have realized the crisis of the universities and colleges in our society. I repeat, it is a crisis of the institutions themselves, of the potential research which can and should be done in those institutions, of the teaching programs which should be made available to our young people and, perhaps

above all, a crisis for our society that we will not be able to bring young people and older people into the post-secondary educational stream.

It is a complete denial of what the Government did in the post-World War II period for veterans. It was one of the most outstanding programs a Canadian government has ever implemented. What the Government is doing now is a complete denial of that. That was a program of making post-secondary education accessible to every veteran who wanted it. They did not keep jacking up entrance standards. They said everyone who was qualified—50 per cent in those days—could attend university or college. They came in flocks and enriched society; indeed they made post-war society what it was. Now the Government turns its back on the principle then established.

The Governments of many of the provinces turned their backs as well on the principle of accessibility to higher education. Ontario and British Columbia are perhaps the two most serious cases in point. Both are Tory governments. One is called a Socred government, but it is a Tory government. In less than a year in my province we will see this crisis in our post-secondary educational institutions so deepened that it may be too late to get out of it. Surely the federal Government and Parliament, by withdrawing this Bill and by allowing the natural increase, which is still a very modest increase, in post-secondary educational funding to take place, could show that they understand the nature of the crisis in post-secondary education, that they are not prepared to wait until tomorrow to do something about the crisis and that they are prepared to act now.

Mr. Deputy Speaker: The Hon. Member for—

Mr. Epp: Mr. Speaker, he has been around here for a while.

Mr. Deputy Speaker: Just one moment, please. I am checking something with the Table. Questions or comments? The Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly).

Mr. Manly: Mr. Speaker, I would like to direct a question to the Hon. Member who just spoke. She referred to decreasing enrolments and possible cutbacks in enrolments. I have a clipping from the *Sunday Star* of February 12, 1984, in which the Minister of State for Youth (Mrs. Hervieux-Payette) was reported as speaking at a conference in Victoria. She said:

—a study of national educational standards is needed, in consultation with the provinces and industry.

The article continued:

She said that, if such a review found there were too many university applicants, then perhaps entrance standards should be raised.

"I don't think there is a birthright to complete a university degree if you're a mediocre student.

"I have the feeling that you should reserve university, especially the way our funding is structured—"

Also the Minister said that she favoured a European model that stresses academic competence. The article continued:

"In order to enter university there, you have to go through a competition and be the best."

Could the Hon. Member give her comments on this story, especially on what she feels this kind of restricted entrance and the raising of entrance requirements would do to students who came from small towns and rural areas, as well as young people from some of the cultural minorities?

• (1140)

Ms. Jewett: Mr. Speaker, the Minister of State for Youth (Mrs. Hervieux-Payette) does not know what the situation is in Europe. Indeed, there has been a greater degree of accessibility for students in lower income groups than we have seen in this country. The Minister of State for Youth apparently is not aware of the program for veterans that I was speaking of earlier. In those days you did not need to have some terrifically high marks in order to get into university. On the contrary, everyone was encouraged to go. If they could not make it, somewhere along the line they would stop and do something else with their lives, but everyone was given the opportunity. The Government has gone back on that principle.

There is no question in my mind that if you restrict university and college only to students who have a very high grade, you are restricting a very large number of students, many from communities that have not had opportunities in high school or in their home background to develop the kinds of skills that are required to get those very high grades. You are restricting entrance on a class basis the minute you pursue the course of action that the Minister of State for Youth is suggesting.

In my view that is not the course of action Canadians want to see followed. Nor has it been the actual course of action that most Canadian Governments have followed until the past two years. What we are trying to do and trying to persuade the Minister of State for Youth, if she is going to continue in that portfolio for any length of time, is to understand that Canadians do not want a return to the really old days, which is what she apparently wants, of an educational system for the elite only.

Mr. Heap: Mr. Speaker, the Hon. Member for New Westminster-Coquitlam (Ms. Jewett) referred to the cuts in universities. I would like her to be more specific. I understand, for example, that there is a projection that the budget of UBC may be cut a total of about 24 per cent over the next four years, beginning now. It is suggested that that will be made up largely by an increase in student fees. Does the Hon. Member have any information as to how that may reduce the student enrolment, whether it will be possible to make up that 24 per cent through student fees if the students simply do not come, and whether there is a danger that functions of the university that are very important to the culture and economy of British Columbia may simply have to be closed?

Ms. Jewett: Mr. Speaker, there is already at UBC a cutback in the number of students that they will take in the fall of this year. Many, many qualified students will be denied the right to come to the university, many more because fees are being raised by 33⅓ per cent. The Government has now taken away

all of the grant system and is only providing loans. Many will not be able to come because of that.

Likely the increase in fees and the smaller number of students will not be of all that much help in reducing the enormous deficit faced by the University of British Columbia. Probably it will not help that much. That is why the university is saying that it will have to cut back drastically on programs. That is why head-hunters are already on the campus trying to pick up the good faculty members and persuade them to go elsewhere in the country. In other words, the excellence of the university is very seriously threatened. The university will not be able to keep its best programs and faculty. It is going to be a vicious circle. There will be fewer students because the students cannot afford to go. There will be higher and higher tuition fees which students will not be able to pay. That will cut back on the number of students attending. In order to make up this incredible deficit, they will have to cut programs.

That is why the president of that university—its position is not dissimilar from that of other universities in the province by the way—has been speaking so forcibly against Bills such as we are now debating.

Mr. Simon de Jong (Regina East): Mr. Speaker, thank you for the opportunity that the House has provided for me to join my colleague, the Hon. Member for New Westminster-Coquitlam (Ms. Jewett), in denouncing the Bill before us. I had not expected to follow her, expecting some speakers from the Official Opposition and perhaps even the odd Government spokesman to stand up and attempt to justify the Government's position on Bill C-12. Apparently both major Parties in this House are lacking proper and appropriate words to enter into the debate. The rather low turnout in the House right now and the fact that most government Members are busy with their newspapers indicate the total insensitivity to what is happening in this country with our universities.

Mr. Cosgrove: Where are the 30 Members from the NDP?

Mr. de Jong: It is shameful and unbelievable how a Government that claims to be committed to higher education, to bringing this country into the 20th century, to attempting to achieve 1.5 per cent of Gross National Product through research and development, a Government that claims to be enlightened, brings in measures that knocks the support away from one of our major institutions, our universities.

By knocking away the support that has been diligently built up over the years in terms of the funding of our university system, with this and previous Bills that have been introduced, especially by the present Government, it is destroying our universities in Canada. This is being done at a time when our young people are in desperate straits. Statistics show that one of every five is unemployed; some 20 per cent of our young people are unemployed. The Minister of Finance (Mr. Lalonde) has said that this is a marvellous thing because it shows that four or five young people are able to find some form of employment. He is willing to write off 20 per cent of this generation. Even though some have been able to find some form of employment, many are not able to find meaningful employment.

At the same time that this is occurring, the doors to our universities are slowly creaking shut on them. Normally, when there has been high unemployment among young people, they tend to go to university to better their education in order to be in a better position to get a job, a career, and to live their lives. This opportunity is now being shut off.

It is amazing to those of us in this part of the House who see how the Government continues with Bill C-12. Surely the Government has heard from the university community, the students and administrators. When I was in committee, we heard of the drastic effects this will have on the universities and the opportunities for young Canadians to acquire a decent education to enable them to be competitive in the 20th century. It is having a drastic effect.

I am the critic for my Party in the area of science and technology. In terms of the natural sciences, we know that the equipment at the universities is in a deplorable state. Very often the computers in high schools are of better quality and are more up to date than those in the universities where the equipment is outdated. Students who graduate and go into the private market are not capable of dealing with the new and better equipment that they find, so they have to be retrained. Because the universities lack the finances to get the up to date equipment, the graduates are not capable of dealing with the equipment that is in the workplace. This is one example of the inadequacy and underfunding of our university system.

• (1150)

As well, we see that the natural sciences have been lucky in some ways that their funding has kept pace with the real increase in the cost to universities. The inflation rate for books and scientific equipment is much higher than the general inflationary increase. The increase in funding to organizations like NSERC has kept pace with the real increased costs of scientific equipment and books. The social sciences have suffered, however. The Government has totally ignored them and has cut back very significantly on the granting of funds to the Social Sciences and Humanities Research Council. They have a deplorable background.

We have cuts in payments to universities at both the provincial and federal level. We have increased unemployment among young people and, therefore, an increased demand for university places and further cuts for the Social Sciences and Humanities Research Council. That is one of the areas of major funding for university people in the social sciences and in the humanities.

There are three different attacks on young people in the university system. In continues to amaze us how the Government, in its ignorance, can continue with these attacks. Is it not concerned with the future? Is it not concerned that these young people have the education to get meaningful employment in the 20th century? It is something that I cannot understand.

Let me go back to the question of research and development, Mr. Speaker. A recent report on technologies in Ontario was dealt with in an article in the *Globe and Mail* on Tuesday, April 3, 1984, and states as follows:

"Canadian managers have tended to be older and less educated than their counterparts in the United States and this has been suggested as a reason for the poor rates of technology diffusion in Canada," says the budget paper.

It goes on to say:

The budget paper notes that in 1980 41.4 per cent of Ontario's 20- to 24-year olds were attending post-secondary institutions while 57.1 per cent of Americans in the same age group were attending colleges or universities.

That is a dismal record for Canada. It is no wonder we are lagging behind in research and development in this country. It is no wonder we are having great difficulty achieving the Governments' objective of allocating 1.5 per cent of the Gross National Product to research and development. One of the reasons for our difficulties is that we do not have the trained manpower to enable us to reach that goal. And we do not have the trained manpower because the universities are not in a position to produce trained manpower. Do the Government thinkers and planners not realize the simple fact that they cannot, like King Canute, demand that the tides flow back or demand that all at once we have trained personnel to enable us to reach our national goal in research and development? Do they not know that these things must be planned for and that there must be institutions that would allow people to be trained so that they can reach that goal? Am I missing something here, Mr. Speaker? Do the government planners not recognize this fact? It seems that they do not.

The Government is proudly touting the centres of excellence it is developing. In fact, it is hoping that some of our researchers in the social sciences and humanities and the natural sciences will be able to find employment in these centres of excellence. I have no objection to the funding and the efforts that have gone into creating centres of excellence, but surely not at the expense of the centres of excellence we already have—our universities.

What is the sense of destroying our universities in order to build something else? If we are to have centres of excellence in new areas, then I think all Canadians would welcome that, but surely not at the expense of the centres of excellence we already have. Canadian universities are internationally known. They have produced outstanding graduates in all fields, but our ability to do that in the future has been seriously hampered by the efforts of the Government.

Just to reiterate and strengthen the claim of the universities and the role they play, I should like to place on the record a comment by Dr. George Keyworth, the science adviser to the President of the United States who said:

—no other research institutions give as much return on investment as universities in the long term—not federal labs, nor non-profit organizations, not industry. No other institutions produce both knowledge and people.

I am afraid our mad hatters on the other side of the aisle have no recognition of that basic fact and no appreciation of the contributions the universities have made.

The federal Government claims that it is not responsible for the bad state the universities are in; it blames the provinces, and the provinces of course blame the federal Government. The two are blaming each other, and in the meantime our universities are going down the tube because neither of them is willing to take responsibility for this deplorable state. That is just not good enough. Obviously both levels of Government are to blame; obviously the funding arrangement does not ensure that federal moneys going to higher education are in fact spent on higher education. That is something that this Party deplored when block funding was introduced in the seventies, and we continue to deplore it.

What is needed is a national co-operative effort to ensure that our universities do not go down the drain. That means co-operation between the federal Government and the provinces. It must be recognized that the provinces have a historic responsibility to education and higher education and, on the other hand, it must also be recognized that there is a national interest in maintaining a university system across the country which will allow mobility of knowledge and of students and will ensure a high degree of technical, social and humanistic excellence. There are both federal and provincial interests, but we are finding that those interests are being used as an excuse to avoid responsibility for the deplorable situation.

I am afraid our universities are falling between the slats, so to speak. They are suffering, young Canadians are suffering, and Canada as a whole will suffer as we enter the 20th century.

• (1200)

I sat in committee and listened to the students present their brief. They rightly pointed out that the federal Government is not entirely innocent in the matter of the decrease of university funding by the provinces. If I may, Mr. Speaker, I will quote directly from their brief. It reads:

Unfortunately, this Bill does nothing to ensure that even the limited funds will be used for the purpose for which they are being allotted.

And they mean federal funds going toward higher education. The brief continues:

Moreover, it is somewhat hypocritical of the federal Government to scapegoat the provinces, when limiting provincial spending was part of the original strategy behind the 1976 EPF negotiations. Prime Minister Trudeau stated at the time, that the 1976 fiscal arrangements proposal—

And the Prime Minister (Mr. Trudeau) is quoted as saying:

—suits the current and future imperative, namely fiscal restraint, in that the provinces will have a greater incentive to implement what are admittedly difficult measures designed to restrain spending in these fields.

Mr. Deputy Speaker: Order. May I simply draw to the attention of the Hon. Member that when he quotes an article, or whatever, which refers to an Hon. Member of this House, he must refer to that Hon. Member by his riding or his office, the principle being that an Hon. Member quoting makes the quote his own words.

Mr. de Jong: Thank you, Mr. Speaker, for that reminder as to proper form in the House.

The brief continues:

Later in the same year, he added—

Meaning the Prime Minister:

—"If they, the provinces, save on costs, the savings will be wholly theirs".

As the students pointed out in their brief, here we have the original reason why the federal Government changed its attitude during the 1976 EPF negotiations. It was to allow the provinces to do the cuts and get some of the benefits. Afterwards, the federal Government, in turn, cut the funding to the provinces.

It reminds me a little, Mr. Speaker, of some of the things which are happening in Saskatchewan. It is called the "rats". What you do is to get an employee in a Department to squeal on all the other employees, get them fired, and the last person fired by the present Tory Government in Saskatchewan is the rat itself. That is what the federal Government has done with the provinces, Mr. Speaker. It made the provinces the rats in charge of cutting back on university funding, and then the federal Government went after the big rats themselves, the provinces, and in turn cut them. What a way to deal with post-secondary education in this country. It is just bloody shameful!

What is the future of research and development in this country? What is the future of technological change, given the deplorable situation in our universities and the inability of the federal Government to live up to its responsibility and become an activist partner in changing that situation? The universities, the teaching associations, the student association and we in this Party as well, have called upon the federal Government to initiate a conference with the provinces in order to work out the question of funding so that the universities can be assured of a steady and stable form of funding so they can make plans for the future.

I have sat on committees and have questioned representatives from the scientific community and from the Ministry of State for Science and Technology, and they all admit to the importance of stabilizing funding to the universities. Why does the federal Government not do this, Mr. Speaker, before it introduces a Bill like Bill C-12? Why does it not give some hope and sense of direction to the university communities so that they can continue to play an important role in the future of Canada? But we just hear silence from the government Members and from the Minister of State for Finance (Mr. MacLaren).

In closing, Mr. Speaker, I would like to quote from a letter which the Canadian Association of University Teachers sent to the Minister of State for Finance. They were kind enough to supply some of us with copies of the letter. I quote:

We will need many more highly educated individuals, not merely to keep Canada's economy productive, but to ensure that the needs and objectives of a technological society can be adequately met.

The Minister of State for Finance (Mr. MacLaren) is quoted, and it is a direct quote from *Hansard* of January 27, 1984, at page 816. He said:

Finally, let me point out that these changes will not result in any diminution of the federal commitment to Canadian youth through the many federal programs of assistance to students and young people.

I know, Mr. Speaker, it is unparliamentary to call the Minister a liar, therefore I will not call him a liar. I will call him irresponsible. I will call him dumb. I will call him stupid. I will call the whole Government, Mr. Speaker, by those adjectives—

Mr. Deputy Speaker: Order.

Mr. de Jong: —because it is not true what the Minister stated.

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

Mr. de Jong: I would ask for the unanimous consent of the House to continue with my remarks.

Mr. Deputy Speaker: Does the House give unanimous consent to allow the Hon. Member to continue his speech?

Some Hon. Members: No.

Mr. Deputy Speaker: There is not unanimous consent.

Ms. Jewett: The Tories said no.

Mr. Epp: That's right, you had better believe we did.

Mr. Deputy Speaker: Questions or comments?

Mr. Manly: Mr. Speaker, the Hon. Member who just spoke was dealing with some very important issues. I wonder if he could further enlighten the House as to his views on those issues?

[*Translation*]

Mr. Cousineau: Mr. Speaker, on a point of order.

Mr. Deputy Speaker: Order. The Hon. Member for Gatineau, on a point of order.

Mr. Cousineau: Mr. Speaker, I believe the new Standing Orders allow a Member to either comment on or ask specific questions regarding a speech that has just been pronounced. In this case, the speech is being repeated, and I think that is against the Standing Orders of the House.

[*English*]

Mr. Manly: On the same point of order, Mr. Speaker. In no way was I asking the Hon. Member to repeat his speech. I believe what he has already said is very germane to the topic, and I believe he has some further remarks and I, for my part, would like to hear them. I do not know about Hon. Members of the Conservative or Liberal Parties. They do not seem to have very much interest in the debate. In our Party we do have an interest in this debate and we would like to hear what the Hon. Member—

Mr. Deputy Speaker: Order. The Chair certainly is not in a position to prejudge what the response will be to the question. I have to listen to it.

The Hon. Member for Regina East (Mr. de Jong).

Mr. de Jong: I just wanted to follow up on the point, Mr. Speaker, of the conflict between the provinces and the federal Government in terms of jurisdiction and responsibility, and how the universities and institutions of higher education fall in between the slats.

In answer to the question raised by the Hon. Member with respect to the point I wanted to make, let me say that what we have here are the Tories protecting the interests of provincial Tory Governments and the federal Government protecting the interest of the federal Government, at the expense of universities. Yesterday we in this Party attempted to move an amendment which would create some responsibility and accountability by the provinces for the federal money designated for higher education. It was so obvious, Mr. Speaker, how the two Parties came together to vote down that amendment, because the Official Opposition was acting in the interests of the provincial Tory Governments which are not interested in accountability, and the federal Government was acting in its own self-interest because it has been using provincial cutbacks as an excuse to make their own cuts. It was in the vested interest of both Parties to deny fiscal responsibility and accountability by the provinces of federal moneys being spent on post-secondary education.

Mr. Heap: Mr. Speaker, the previous speaker referred in his remarks to the necessity of having a large number of educated people to continue, among other things, the technological development and expansion of Canada. He also referred to the centres of excellence in the Government's proposals. I would like the Hon. Member to comment on whether he thinks the new or untried centres of excellence will be able to do better because they are more flexible, or will they do worse because they have no background in developing the new kinds of technology which this country needs? Or have the universities shown themselves capable of offering the kinds of programs that we need in technology?

● (1210)

Mr. de Jong: It is an excellent question, Mr. Speaker. Many of us are trying to understand what the Government is attempting to do with its centres of excellence. On the surface they sound like good ideas. You bring together trained and specialized people and focus on the specific subject area. However, as I quoted, the scientific adviser to the President of the United States said that federal Government, private and non-profit labs, are no substitute for excellence as far as university labs are concerned. These centres of excellence should not replace the existing ones, our universities.

Another concern I have is whether the federal Government is attempting to mould higher education and learning in this country so that only those projects politically more interesting or rewarding get funding, whereas the mundane administration, the brick and mortar of universities, the buildings and so on, receive less and less funding. This was expressed by the Canadian association of University Teachers in December of last year in its brief to the Royal Commission on the Economic Union and Development Prospects for Canada. It states:

> Recently the response of some governments has been to try to select particular parts of the university for funding, e.g. medical research. The temptation is to pick politically glamorous parts of the university program. However such political considerations are likely to lead to distortions.

What I am concerned about, Mr. Speaker, is that the centres of excellence are really picking up certain parts of science and technology for development, and leaving all sorts of other areas aside. That would distort research and development in Canada which would be a great detriment to our society.

Mr. Deputy Speaker: There being no further questions or comments, the House will proceed to debate.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, the Hon. Member mentioned a certain amendment put forward by the NDP. We of course voted against that amendment because it made absolutely no sense. There was really no point in demanding an accounting of the federal cash contributions to the provincial Governments because those amounts are far less than what is actually spent in every province. What is the point in putting the bureaucracy to that wasted time and effort?

You will recall, Sir, that a very proper amendment was put forward by the Hon. Member for Kingston and The Islands (Miss MacDonald) and moved in this House by the Hon. Member for Provencher (Mr. Epp). It was accepted by all sides of the House. That amendment represents probably the only worth-while thing in the Bill at all. It required the following:

> (3) Beginning in the 1983-84 fiscal year the Minister shall report annually to Parliament on:
>
> (a) cash transfers to each province for post-secondary education under Established Programs Financing;
>
> (b) expenditures by each province on post-secondary education;
>
> (c) to the extent appropriate, other programs of federal support to or involvement in post-secondary education;
>
> (d) the effectiveness of these federal expenditures and programs in moving towards Canada's educational and economic goals; and
>
> (e) the results of any consultations with the Council of Ministers of Education of Canada—

That makes a lot of sense, Mr. Speaker.

I want to talk about the positive things in this Bill before I tell you why this Party cannot accept the Bill in its form and intent. This amendment for the first time gives Members of Parliament an accounting of the cash and tax transfers allotted to post-secondary education. When we have an accounting of the money the federal Government spends through its manpower programs, assistance to training and education and research and development at universities, we can properly determine whether the block funding arrangement we presently have in the established programs financing system is working.

Accusations go back and forth, Sir. The provinces accuse the federal Government of not carrying its weight. The federal Government says that the provinces get tax transfers and use the money to build roads, bridges and to look after welfare, but do not use it where it should be used, that is, for post-secondary education. Well, Sir, we will find out in the reports made to this House every year. The first report is for the fiscal year beginning April 1. Therefore, in 1986 we will get the report for the 1984-85 year on what has been spent.

That brings me to the basic principles of this Party in dealing with education and training. We have said that there are four basic pillars on which we would form the Government of this country and attempt to rebuild the economy. The first principle, of course, is one that we have been dealing with through the month of March, the methods that must be used to reduce interest rates and improve the credit worthiness of businesses. The other three pillars are technology, training and trade. Concerning technology and training, the transfers to post-secondary education are vital. We are living in an age when the hewers of wood and drawers of water are not going to have jobs. Just look at this morning's paper, Sir, and you will see that one in five persons in British Columbia lives on welfare or unemployment insurance. Why?

Mr. Kristiansen: Good Tory Government in B.C.

Mr. Blenkarn: Because the economy of that province is closely tied to natural resource exports and those resources are not hot on the world market today. The figures from British Columbia are disastrous. The newspaper article compares them with those for the Province of Ontario. That province has a population close to four times as large as that of B.C., and its unemployment and welfare problems are considerably smaller. The answer is this: we must have a society which exports not just coal, lumber and copper. We must have a society that exports high technology, the manufactured goods which make the world turn around better. We can only do this if we as a nation are prepared to invest in higher technology and more technology. It may be the robotics in the factories; it may be new methods of processing raw materials; it may be new methods of transporting goods. However, it must be in the high technology field so that we can be productive enough, and therefore competitive enough, to keep our people working and have the kind of life which we want and expect to have. We will not do that if we cut back on transfers to post-secondary education.

• (1220)

This Bill cuts back on cash transfers. It cuts back on the money imputed to come from other transfers as well. It cuts back $118 million in the past fiscal year. It cuts back a further $260 million in the fiscal year just starting, for a total cutback of $378 million. I would like to read into the record the types of things that are happening.

If this Bill is passed, the cash which my Province of Ontario will receive will be reduced by $41.7 million in 1983-84 and by a further $92 million in 1984-85, for a total reduction of $133.7 million. That is going to come out of the money available to train young people. That is going to come out of the money available to do something about the problems at Queen's University, the University of Toronto, the University of Western Ontario and the other universities in Ontario. That is going to make the enrolment crunch even worse. Young people coming out of Grade 13 in Ontario must have at least an 80 per cent average to get into some courses in some of the universities. Our young people do not just have to be competent; they have to be exceptionally brilliant, highly trained and highly successful in getting the required marks. That is going to be very, very hard on them. All sorts of aggressive young people will not have the opportunity of furthering their education.

Yesterday I spent some time at the University of Western Ontario. I did some work on tax simplification with the graduate students of the business school there. In the morning I was in my constituency office and had two young people visit me there. They wanted to take a course at Sheridon College in connection with computer programming. The Government was going to help finance that course, but because of bureaucratic red tape these young people will perhaps not be able to get into the course. They have been waiting for six months doing temporary part-time work while waiting to get into this course. Many courses are not available because $41 million is being taken out of the Province of Ontario this year and an additional $90 million next year.

The Minister of State for Finance (Mr. MacLaren) can say that these cutbacks come as a result of the six and five program and are part of reducing inflation. Reducing the transfers from one government's spending ability to another government's spending ability does not reduce inflation. If that $118 million had been left in the hands of the taxpayers of Canada, that may have helped them. It was taken anyway. The only result is that the money is not transferred to the provincial government, therefore the federal Government has money to spend on other more apparent, but not necessarily more important, programs. Sir, that money should not be spent in other fields. That money should have been transferred to the provinces. The Government should follow through on the amendment to this Bill and make sure that the money goes where it is supposed to go, to building and maintaining libraries and laboratories. It should go to making sure that classrooms have competent instructors and professors.

This Bill is a bad Bill. It hurts Canada. I call as my witness to that a candidate for the leadership of the Liberal Party, the present Minister of Employment and Immigration (Mr. Roberts). I quote from the Montreal Gazette as follows:

> During his speech and talking to reporters later, Roberts said there is a crisis in post-secondary education and there must be stronger federal participation.

Mr. Deputy Speaker: Order. I would like to draw to the attention of the Hon. Member that he may quote and cite his source. However, by reading a quotation he makes that quotation his own words. Therefore, he should respect the rule that we can only refer to Hon. Members in the House by their

riding or office and not by their proper names. I would invite the Hon. Member to do so.

Mr. Blenkarn: Thank you, Mr. Speaker. He is quoted as saying:

> But I am referring to post-secondary education and development.
>
> New Liberalism is not just a slogan, it is the building of a new economic and education strength and environmental sensitivity.

If that is new Liberalism, and if the Minister of Employment and Immigration believes that, then he should either resign from the Cabinet or recant when this Bill comes to a final vote. He can still do that. He can show us by his attitude in voting whether he really means there is a new Liberalism, or whether the new Liberalism he speaks of is so much hot air and desire for power. I suspect that is all it is. If the Minister has any backbone, any sense of credibility or any sense of being a man who stands on principle, we know what he should do. I suspect, Sir, that he will not do that.

I would like to call to your attention, Mr. Speaker, a letter which was written by the Canadian Association of University Teachers to the Minister supporting this Bill, the Minister of State for Finance. The University Teachers say:

> This underfunding is in part due to provincial actions, but this recent action by the federal government—

They are referring, of course, to this Bill:

> —will serve only to exacerbate the already serious financial situation of universities. Each level of government continues to reduce its financial commitments, while at the same time accusing the other of not meeting commitments. In this financial and jurisdictional competition it is post-secondary education that is the victim.

They go on to say:

● (1230)

> In your presentation—

Referring to the Minister:

> —of Bill C-12, on January 27, 1984, you failed to mention how higher education would be affected. You discussed the complexities of the EPF legislation; but did not discuss the problems of a society plagued by unemployment of this country's youth. We will need many more highly educated individuals, not merely to keep Canada's economy productive, but to ensure that the needs and objectives of a technological society can be adequately met.

They go on to say:

> This cut by the federal government will clearly constitute evidence of the diminution of the government's commitment to the youth of Canada. Universities have contributed in large measure to the social mobility of Canada's youth. The EPF transfers are at the heart of the federal role in higher education. To undercut this basic core funding is to undercut the general operation of the post-secondary education system. It will provide encouragement to those who wish to return our universities to the days of economic elitism.

The lack of funds for the universities and colleges of this country may not result just in economic elitism, it will indeed be elitism of the worst order because education then will only look after the needs of very few young people.

The system does not have enough classrooms, libraries or campus buildings. There are not enough professors. The system does not have enough facilities to do the job which Canada needs to accomplish now and throughout the eighties.

Unless we do something about training and technological development, we will be hewers of wood and drawers of water, except that the world does not want that kind of wood and water. Today these goods can be moved untouched by the human hand and with very few people. The remaining people in this country will end up perhaps working part time at a McDonald's or clerking at a dress shop. Most of them will be on welfare or unemployment insurance. Canada cannot grow that way.

Mr. Deputy Speaker: Questions or comments?

Ms. Jewett: Mr. Speaker, I wish to ask the Hon. Member for Mississauga South (Mr. Blenkarn) a question for clarification. Did I understand him to say that the Party on whose behalf he is speaking, the Conservative Party, is in favour of a system whereby we in this Parliament can be guaranteed that the moneys transferred to the provinces for post-secondary education will in fact be spent by the provinces on post-secondary education?

Mr. Blenkarn: Mr. Speaker, one of the big advantages of the amendment that was moved and passed yesterday is that it is an amendment of disclosure. While amendments of disclosure do not guarantee anything, they can become exceptionally embarrassing for those who do not spend what they receive. Therefore, they tend to force a national policy on education.

Obviously this Parliament has no direct ability to deal with the problems of education. While it may be argued that we can talk about manpower training or that the economic powers of the country involve training, which they certainly do, it is quite clear in terms of the institutional spending of money in educational facilities that, according to our Canada Act, we do not have that power.

When money is being paid from the federal Treasury to the provinces and the disclosure provisions in this statute make it clear that the provinces are not doing their share and are using the money for something other than post-secondary education, then it would behoove us as Members of Parliament to say that the transfers will have to be reduced and we will have to find another way of solving the problem.

I suggest to the Hon. Member that the great advantage of this amendment is that it gives us, for the first time, an idea of where the money is going, on what it is being spent, and whether it is being spent on its intended use.

Ms. Jewett: Mr. Speaker, of course, all Parties have agreed to this amendment to which the Hon. Member has just referred at the meeting of the task force on fiscal federalism in 1981. As the Hon. Member said, it is an amendment requiring disclosure.

I gather that what he is saying is that his Party will not take any action now to ensure that the provinces are spending federal moneys for which the moneys were designed. It seems to me that he is denying the authority of the federal Parliament to ensure that the federal taxpayers' money that is going to the provinces is spent for its intended purpose. He is going

to wait until after the first year when the disclosure amendment that was passed yesterday becomes effective. This brings me to my second question.

The Hon. Member knows that if we do enough digging, which I and I am sure he has done, we can get a picture now of what the different provinces are doing with the tax points and cash transfers that they receive. Indeed, we have done enough digging to know that his province and mine have not kept up their share of the spending on post-secondary education to anything like what it was in the pre 1977 period.

That being the case, why does he say that his Party will just wait until the amendment that was passed yesterday takes effect? That will be a long time from now. Would he not wish to put the position of his Party on the whole question of accountability on the record now?

Mr. Blenkarn: Mr. Speaker, the Hon. Member suggests that we know what the provinces are doing. Well, we do not know. We know what the Secretary of State (Mr. Joyal), through his officials, thinks they are doing. However, the question of what in fact they are doing depends, to a large extent, on the interpretation of what is properly post-secondary education.

Let me give an example. In the Province of Ontario the secondary school system is designed to go to Grade 13. That is one year longer than in other provinces. The question is whether the work, even in Grade 12 in Ontario, is not partially post-secondary.

In the Province of Quebec we see the CEGEP system, and in Newfoundland there are some instances when young people attend university after Grade 11. There are varying opinions as to what is post-secondary education, which makes it difficult to determine from province to province, without some real input and agreed method of determination, whether the provinces are in fact spending what they should spend.

Furthermore, there was a question about whether the transfer, which was a total transfer until the introduction of this Bill, was properly divided at roughly 33 per cent and 67 per cent. In its appropriations, the Government has always said that the transfer for post-secondary education is 32.1 per cent, I believe, of the total EPF transfer, and the balance is for medical care. However, that position has not generally been accepted by the provinces.

If one accepts that it is 32 per cent of the transfer, we may find that some of the provinces are only spending 35 per cent or 40 per cent of the education money, with the balance coming in tax transfers and cash from the federal government. The problem has been that until this Bill, it has not been determined that legislatively that is the correct percentage in the transfer system. Until the passage of this Bill, the provinces could easily say, "Well, it is a block fund. We are using the block fund for medicare concerns, for hospital concerns, for this and that concern, and, of course, for post-secondary education". One of the other advantages of this Bill is that at least it divides the fund and it divides it legislatively.

• (1240)

Mr. Ferguson: Mr. Speaker, I thought I heard the Hon. Member for Mississauga South (Mr. Blenkarn) state that the federal Government has been cutting back in the amount of funding for post-secondary school education. I think I should draw to his attention the fact that the federal contribution back in 1974-75 amounted to 49.19 per cent and the provincial contribution was 31.12 per cent. Yet by 1981-82 the federal contribution rose to 56.89 per cent and the provincial contribution declined to 21 per cent.

I would further like to point out to the Hon. Member that at the present time in Ontario the Government of Canada provides over 56 per cent and the province 21 per cent, and other contributions, such as for tuition, amount to 21.80 per cent. I suggest that his statement that the federal Government is cutting back is not factual. In fact, the federal Government has increased its share over the years. It has been the provincial government of Ontario that has been cutting back.

Mr. Blenkarn: Mr. Speaker, if the Parliamentary Secretary had been listening to me he would have known that when the Established Programs Financing Act was first passed, a block fund was created. It was the federal Government that decided, for its own convenience, to determine the proportions between education and health. This Bill finally creates those definite proportions. Any figures the Hon. Member gives us at this point, whether the figures are 58 per cent, 56 per cent, or 41 per cent, are really meaningless. They are concocted figures based on Ottawa's assumption of truth, or on something that is questionable.

The next issue is, where do you put tuition fees, bursaries and other matters of that nature, such as loans, grants and so on that come from estates? Are they not a part of the provincial contribution? I would think that certainly that would always be treated as part of the provincial contribution because, in a sense, a fee is a tax on the student for taking advantage of a provincial institution.

Mr. Deputy Speaker: Order, please. Debate. The Hon. Member for Spadina (Mr. Heap).

Mr. Dan Heap (Spadina): Mr. Speaker, I am very sorry that, after the debate over this past several weeks in and out of the House and in and out of committee, we still have to face the Government's determination to cut $378 million from the funding for post-secondary institutions in Canada over the next two years. It is becoming typical of this Government to be carrying it out in an arrogant way, a way that would be illegal for any other body, namely, to make the cuts retroactive. Of course, a government that can rule that Tuesday is Monday can rule that 1984 is 1983 when it wants to. I am mainly sorry because it is a very untimely block and constriction on Canada's development.

A previous speaker has referred to the arrangement at the end of World War II when many of us coming out of the forces benefited from the program of the Department of Veterans Affairs. We were very grateful for it. I want to make

the comparison. What that program did in part, and perhaps the most important part of it, was to enable a whole section of Canadians to attend university who otherwise would never have been able to do so, although some of us would have. Some of us came from families with the financial means to assist us and others of us had been sufficiently trained to enable us to compete for scholarships and things like that. But many did not have that advantage. Many who had the same native intelligence as we did, or perhaps more, and many who had just as much motivation and just as much self-discipline as we did would not have got to university. For example, during the 1930s people did not get there. I knew some who did not get there. But because the Government, even though it was a Liberal Government at that time, chose to give generous support and allowances to the students, we have a whole generation of people who have been a vital part of the development of Canada during the past 40 years.

It is very sad that this Government, although not alone but it has been leading, has decided to turn its back on that sort of ideal. Of course, the DVA funding is long past. There have been ups and downs in the rate at which governments would lend or grant allowances to students. At no time was there any suggestion that these grants or loans were just a form of babysitting, teen sitting, or welfare. They were based on performance. A student had to be able to achieve a certain agreed level if he was to continue receiving those grants and loans. But now those grants and loans are being seriously cut back right across the country. They are being cut back not only because of the federal Government's policy but, as I say, with the federal Government leading.

The Hon. Member across the way would like to use percentages to pretend there has not been a cut, but in fact, as everybody who looks at figures knows, there has been a cut. I agree with the Hon. Member from Mississauga that the reduction is in the range of over $41 million in the past year and $92 million in the coming year for the Province of Ontario. I also agree with the Hon. Member for Mississauga South (Mr. Blenkarn) that this will have a very bad effect on Canada. He claims it will make us hewers of water and drawers of wood. I am not quite sure what that means, but I am familiar with the danger of being hewers of wood and drawers of water. Perhaps he has not come out of the ice age and thinks we will have to hew ice. Nevertheless, Mr. Speaker, I agree with him that there is a bleak future for Ontario and for the rest of Canada when we cut back on education funding in the age which has been called the age of the information revolution. The number of students in Ontario will be reduced through the action of that province primarily.

They make excuses that it is this federal cut, but the Ontario Government has taken its own cuts as well. It will be reducing the grants, raising the fees, or forcing universities to raise fees and, as a result, the number of students will be reduced. Access to universities will be restricted, but not to the intellectual elite and not to those with high marks. Although that is being talked about, and there is some gesture in that direction, that would be too harsh an action to take. Primarily access to university will be given to students whose parents have money.

• (1250)

The Government of Ontario will also alter fundamentally the structures of Ontario universities through what it calls a program of specialization. Universities will be told to close departments. If a person wants to study a certain discipline, perhaps he will have to leave the city in which he resides with his parents. Instead of travelling by foot, by bicycle or by public transit to university, attending courses and returning home at night, he will have to move to another city to study certain disciplines. That will restrict access, but worse than that, it will change the nature of universities. It will change the nature of what was once and for a thousand years held as the ideal, that university is a place in which people develop a kind of wholeness, a kind of universality. In fact, once it was not called "a" university but "the" university. It was part of the universe of knowledge.

However, the Government is promoting, by redirecting money away from universities and established colleges into short-term and narrow training projects, the destruction of any sense of universality in education. It is directing people to narrow training which will lock them into certain occupations. Also the Government is encouraging a situation in which the faculties of universities such as the University of Toronto are aging. They are simply not able to hire younger faculty members who have acquired the more recent and up to date techniques of any discipline, whether it is in the natural sciences, the social sciences or the arts. This means that the faculty is doomed to become less and less relevant to the present needs of the country.

The Government is also causing certain teams to be eroded or even dismantled. Certain universities will be closed. Other universities will have to cut programs or even cut departments. A team of academics built up over some years will be dispersed. A few years ago we experienced the destruction of the Avro Arrow and the destruction of a whole team of skilled people who had learned to work together in the production of what was then one of the most advanced pieces of technology in the aviation industry. Once that was destroyed, once those specialists or members of the team were dispersed, it was impossible to put them back together again, at least in Canada. We are seeing the same thing happening to our universities.

I want to refer to a few examples from the University of Toronto. In effect, that university is being penalized because it has served the country for a long time and its buildings were erected a long time ago. The physical plant of the university is not young. It is not new, some of it is not modern. At present, over $24 million of deferred maintenance is needed at the University of Toronto. Some of that is for simple repairs and some is for updating and renovation. The maintenance staff has been reduced. Some of the work is being contracted out, which does not lend itself to quality work. The buildings are deteriorating. The library is deteriorating. Since 1979 about

160 staff positions in the library have been lost. That is about one-quarter of the original staff. Yet student enrolment continues to grow. The need for books, not only by the students but by other users in the city, continues to grow. Yet the staff has been cut and hours have been cut. One of the most expensive libraries on the continent, the Robarts Library, is forced to reduce the hours at which it makes itself available to students or the public. What a waste of past money to build such an expensive library and then shut it down for parts of the week! That is what is being done through these cuts.

In Toronto there has been a great increase in the number of Spanish-speaking and Portuguese-speaking people. There is a department of Spanish and Portuguese languages, but during the last five years seven members of the faculty retired, one died, and there have been no replacements. For some of us who are of British origin that may not seem very serious. Perhaps we did not want to study Spanish or Portuguese anyway. However, I am pointing out that we have a new kind of Canada. The Portuguese people in Toronto number probably 100,000; the Spanish, probably 50,000 people. That is a considerable part of the life of that city. Those people are having their culture cut back. Their opportunity to grow in the language and literature of their forebears is being cut back as this department is cut back.

These cuts do not favour any particular country. The Italian Department is being cut back in the same way. Enrolment has doubled over the last 11 years while the number of staff has remained exactly the same. No one denies that teaching quality drops when classes are forced to enlarge, but for people of Italian heritage, the quality of university education in their heritage has now been cut in the sense that they are forced to attend classes that are twice the size. Specialists in fields such as the Renaissance, which is perhaps of greater importance to Italy than to any other country, have left the department and have not been replaced.

Slavic studies in the same way have been cut back. The department of slavic studies serves Polish, Ukranian, Czechoslovakian, Russian and Hungarian students, that is students in those languages. Sometimes there is only one faculty person left in each of those languages. In other words, a bare minimum. If for any reason that person should leave, it is not clear that there will be a replacement.

It might be argued that Canada cannot afford the luxury of things like literature, poetry, history and so on. I would not agree with the argument, but some people may want to argue that we have to get on with the new physical sciences, the new natural sciences, the new kinds of mathematics and computer work. In fact, universities are cutting those back too. It is all the more remarkable that they should be cutting back on computer science, industrial engineering, general mathematics, engineering science and mechanical engineering, because the Government, like the governments of the provinces, has been making much of those needs—that we need to develop high-tech and that we need to develop engineering for megaprojects up North. They have been making much of the fact that we will have a great boom in Canada because of the development of new technologies.

Mr. Speaker, with your leave, may I call it one o'clock and resume at three o'clock?

[*Translation*]

Mr. Deputy Speaker: Order. It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

OLYMPIC GAMES

FINANCIAL PARTICIPATION OF FEDERAL GOVERNMENT

Mr. Raymond Savard (Verdun-Saint Paul): Mr. Speaker, last week, the Minister of State (Fitness and Amateur Sport) (Mr. Olivier) signed an agreement by which $200 million will be transferred by the federal Government to the Organizing Committee for the Calgary Games between now and 1988. The Chairman of the Committee, Mr. Frank King, saw this as a historic agreement. The federal Government's contribution represents about 40 per cent of the anticipated cost of the Games. It is the largest sum of money ever spent by the Canadian Government on a sports event. As the Minister indicated, the main source of financing will be revenue from the sports pools that are to be launched officially sometime this month.

Mr. Speaker, the Canadian Government has not only kept its promise to help ensure the Games will be a success, it has also demonstrated its commitment to promoting, encouraging and developing amateur sports in Canada, and we Canadians say: Thank you.

* * *

[*English*]

CANADIAN PACIFIC RAILWAY

LAY-OFFS AT SAINT JOHN, N. B.

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, Canadian Pacific Railway is trimming its operations and lopping five employees off its Saint John payroll. The job losses cannot be justified because of technological improvements or a decrease in traffic, because this is not the case.

S.O. 21

Last April I spoke before this House in defence of CP employees in Saint John. At that time I told the House that in the previous 15 months some 32 CP clerical jobs had been lost and that eight more were on the chopping block. Again, five more jobs are to be lost between now and April 15.

If I were to ask the Minister what he intends to do to protect the jobs of the Saint John railway employees, I have little doubt that he would boast about the 375,000 jobs that will be created as a result of Canada's rail expansion. This employment is indeed welcomed. However, there is little evidence to indicate that it will benefit the rail employees in Saint John, New Brunswick. The men and women in the Saint John facilities want to keep their jobs. They want to be able to do meaningful work and to support their families. They want to live with dignity. They are not impressed with the razzmatazz of rail expansion in the West. Service in the East is being cut to the bone as jobs are being terminated. I ask the Minister of Transport (Mr. Axworthy) to turn his eyes eastward and press Canadian Pacific to stop its lay-offs. Maritime employees deserve the same employment potential as their western counterparts.

* * *

[*Translation*]

ABORIGINAL RIGHTS

NEWFOUNDLAND GOVERNMENT'S POSITION

Mr. André Maltais (Manicouagan): Mr. Speaker, on several occasions I have mentioned the problems facing Indians in Labrador, Newfoundland, and the fact that they cannot go fishing and hunting in that area. Considering that once again, a Conservative provincial government is opposed to letting the Indians live according to their traditional ways, I would ask my hon. friend from Central Nova (Mr. Mulroney), the Leader of the Official Opposition, to get in touch with Mr. Brian Peckford and find a solution to this problem. Last week it was announced that Iron Ore wanted to shut down its railway route from Schefferville to Sept-Iles, and considering the fact that the Indians will no longer be able to go hunting and fishing in Labrador, Mr. Speaker, I think the Leader of the Official Opposition should intervene and speak to the provincial Conservative Party because at the present time, the whole problem of hunting and fishing rights in this region has been caused by the Provincial Conservative Party of Newfoundland. I would therefore urge the Leader of the Opposition to make a very positive gesture on behalf of the native people, because after all, Mr. Speaker, it is rather embarrassing that a provincial Conservative Party, like the one in Manitoba which is preventing Franco-Manitobans from exercising their rights, is now preventing Indians from living according to their traditional ways in Labrador, Newfoundland.

[*English*]

"MAKE-A-WISH" FOUNDATION

HELP FOR TERMINALLY ILL CHILDREN

Mr. Geoff Scott (Hamilton-Wentworth): Mr. Speaker, on this day of the National Prayer Breakfast let me share with you and all Hon. Members an idea which originated in Phoenix, Arizona, but which could spread like wildfire here in Canada, thanks to the Ancaster Optimist Club in my riding. The non-profit "Make-a-wish" Foundation deals with terminally ill children. It seeks to transfer a little person's fantasy into an actual experience. Let me give just two of many examples.

One little girl's last wish was to help light the Christmas tree on the White House front lawn. The Foundation flew her to Washington, she helped President Reagan light the tree, and she died a few days later.

A ten-year old Phoenix boy had dreamed of being a fireman. When the "Make-a-wish" Foundation was notified, the little guy was made honorary firefighter for the day. He was wheeled around on the hook and ladder rig, and he tried out the high-pressure hose on unsuspecting customers in a supermarket parking lot. The Phoenix Fire Department became attached to the little boy. He went into a relapse and off-duty firemen erected an aerial ladder to his eighth-floor hospital room to enter through the window to visit the boy until the day he died.

I want to see the "Make-a-wish" Foundation take root in Canada. I am proud that the Ancaster Optimists are taking the lead to be first in Canada in wanting to help terminally ill kids make their fondest wishes come true. Hon. Members can get in touch with me for further information on the "Make-a-wish" Foundation.

* * *

THE STANLEY KNOWLES STROKE REHABILITATION RESEARCH FUND

Hon. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I am extremely grateful to those who attended the dinner that was held in my honour last evening at the Chateau Laurier. I am conscious of the fact that so many people were there. There were Liberals, Conservatives and New Democrats, Senators, friends, teachers, trade unionists, doctors, nurses, and so on. It meant a great deal to me. Indeed, it helps me with life to have so many considerate friends.

I was grateful that I was given the opportunity to emphasize the important part of our cause, which was to give credit to something that has been recently been organized, namely, the Stanley Knowles Stroke Rehabilitation Research Fund. A considerable amount of money was raised last evening. The hope is that throughout the years that organizations will develop research into the whole question of strokes and brain damage.

Strokes happen to thousands of people every year. The hope is that the research will result in their prevention. It will mean a great deal if that can be done. I had the great privilege of being able to stress this last evening. To me it was the most important part of the evening.

It was not just a tribute to me, but to further the cause to increase the attack against brain problems. I hope that all of us here will work for this Foundation and give it all the support we can.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

PENSIONS

REQUEST FOR EARLY RETIREMENT FOR PENITENTIARY EMPLOYEES

Mr. André Bachand (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I wish to inform the House that some of my constituents are asking to have the Public Service Superannuation Act amended, adding a provision that will allow employees who work in federal penitentiaries to retire early, that is, after twenty years of service instead of twenty-five. In April 1977, a sub-committee of the Committee on Justice and Legal Affairs recommended the option of early retirement for such employees. The present Solicitor General (Mr. Kaplan) and his predecessors have given the matter careful thought, but to date, the employees concerned have been unsuccessful in their efforts to have an amendment to the Public Service Superannuation Act tabled in the House. As one of my constituents said, and I quote: "Since my colleagues and I work in an environment like the one described in connection with the recent incidents at Archambault, and do so to protect the public, is it unreasonable to ask, as a special favour, to be released from that environment a little sooner, in recognition of our many years of dedicated service? The mental and physical tension is far more debilitating in penitentiaries than in most other departments. We feel we should be able to leave the service with dignity and perhaps embark on a second career or at least enjoy our retirement during the years we have left. The average age of inmates during incarceration remains constant, but we get older, and sometimes we have the impression that our sentence is worse than theirs."

Mr. Speaker, there would certainly be a case for the Solicitor General, once studies and consultations have been completed, to table a Bill to amend the Public Service Superannuation Act and provide for early retirement for employees in federal penitentiaries.

S.O. 21

• (1410)

INDUSTRY

REQUEST FOR EXTENSION OF EXISTING FOOTWEAR IMPORT QUOTAS

Hon. Roch La Salle (Joliette): Mr. Speaker, I have a few important comments to add regarding our footwear industry. The House is aware, and other Members have already pointed this out, that the Minister has been keeping the footwear industry waiting for an answer for some time. The Association has been asking for an extension of present quotas. The Government has made grants available to the footwear industry to modernize its facilities but just the same, we feel that a reasonable extension would ensure the long-term survival of the industry. In the circumstances, since the Minister responsible still refuses to respond to the urgings of the footwear industry, I would like to say, on behalf of thousands of workers, that I am convinced many Members of the House will agree that the Government should safeguard this industry, considering the many jobs involved, and instead of promising us new jobs, the Government should first try to save our traditional jobs.

Mr. Speaker, we still have a chance to save this vital industry, and we hope that the Minister will soon give his answer and that it will be a positive response to the footwear industry.

* * *

INDUSTRY

CANADIAN INDUSTRIAL RENEWAL BOARD

Mr. Jean-Guy Dubois (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, regarding the situation in the footwear industry, I would like to say to my colleague from Joliette (Mr. La Salle) that there have already been many representations by Government Members. Nevertheless, I would like to mention that in connection with the footwear, textile and clothing industries, there has been an extension of the Canadian Industrial Renewal Board's program. An additional $90 million have been earmarked for this extension over the next two years, which will go to help footwear, textile and clothing manufacturers.

In the riding of Lotbinière, the Bois-Franc region has many textile and clothing factories. The extension of the CIRB program is very important to my region, and in this connection I wish to thank and congratulate Cabinet, and especially the Minister of Regional Industrial Expansion (Mr. Lumley), who agreed to the extension, which will also make it possible for footwear manufacturers in other regions to benefit from the services and financial assistance provided under this program. In this way, the Canadian Government is able to do something for the textile, clothing and footwear industry, and with the

S.O. 21

Member for Joliette (Mr. La Salle) and other Members on this side of the House, I hope that footwear quotas will be set within the next few weeks, and that we will be able to continue, thanks to the CIRB headed by Mr. Desmarais, to provide assistance to an industry that is very important to our workers and also to all Canadians. I am sure the Right Hon. Prime Minister (Mr. Trudeau) agrees with my views in this respect.

* * *

[*English*]

PALESTINE LIBERATION ORGANIZATION

APPEARANCE OF REPRESENTATIVE BEFORE SENATE COMMITTEE

Mr. David Kilgour (Edmonton-Strathcona): Mr. Speaker, Zehdi Terzi of the PLO appeared this morning at a committee in the other place. I understand that he confirmed that the PLO remains committed to the non-recognition of Israel, and also to terrorism.

Why is today's meeting necessary? A sub-committee of the Senate met with several officials of the PLO last November in the Middle East, including the Chairman of the Palestine National Council. In May of last year a number of Arab ambassadors, including a representative of the PLO, met with the full committee in an off the record meeting in Ottawa. Why is the third meeting necessary today?

It is inaccurate to say that inviting Mr. Terzi to Ottawa to a public meeting of the committee is the same treatment as that afforded to the Government of Israel. The Israeli ambassador was invited only after the meeting of last May, to meet with the committee on an informal, in camera, and off the record basis. He declined.

In short, Mr. Speaker, this visit has contributed nothing to the vital cause of peace in the Middle East and has provided new status to a group two factions of which have claimed the dubious credit of attacking 48 innocent people in Jerusalem earlier this week.

* * *

SOCIAL AFFAIRS

CUTS IN FUNDING FOR WOMEN'S CRISIS CENTRES IN MANITOBA

Mr. Rod Murphy (Churchill): Mr. Speaker, during this time of high unemployment many Canadian families are feeling economic hardship and the resultant emotional and social upheaval as well. Alcoholism, family breakup, and physical abuse are all results of the frustration and depression felt by many Canadians.

Now, more than ever, Canadians need social agencies such as crisis and rehabilitation centres. Throughout Manitoba a number of women's crisis centres, including the Flin Flon Committee for Women and Children in Crisis, and the Aurora House in The Pas, have this year had their funding eliminated or severely cut back under the Canada Works Program. Muriel Smith, the Manitoba minister responsible for community services, has offered her assistance. It is also the responsibility of the federal Government to continue funding for the social agencies that it helped to create in the first place. In our present economic conditions, the number of people needing these services is increasing.

If the Government is willing to see unemployment levels remain at the present high levels, it should also be willing to take responsibility for the consequences, for the endangered mental and physical health of victims of the recession. The federal Government must also be willing to provide the necessary funding to help both the victims and those agencies that are willing to offer a helping hand.

ORAL QUESTION PERIOD

[*English*]

NATIONAL REVENUE

MINISTER'S LETTER TO DEPUTY MINISTER

Mr. Speaker: Oral questions. The Hon. Member for Wellington-Dufferin-Simcoe.

Some Hon. Members: Hear, hear!

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Mr. Speaker, I am prepared to go away and come back again if Hon. Members can guarantee the same sort of reception.

My question is for the Minister of National Revenue. Those of us who believe in the reformation of sinners will be delighted to receive a copy of the letter that he sent to his Deputy Minister last night. As recently as January 19 the Minister responded to allegations in the house of unfairness on the part of his Department by saying "—it is my profound conviction that this accusation has no basis in reality—".

To what do we owe this profound conversion by the Minister so that he now writes a six-page letter to his Deputy Minister, having discovered courtesy, good judgment, fairness, and better communications as being goals toward which his Department should strive?

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I have always said in answering questions in the House that those were the principles which applied in the Department when looking at the problems brought forward by Members of Parliament and by particular taxpayers. We were looking at the criticism of the Department of National Revenue.

I just want to tell the Hon. Member that I took the opportunity, with a New Deputy Minister coming into office, to outline to him the principles on which the Department bases its actions.

REQUEST FOR AMENDMENT OF INCOME TAX ACT

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Mr. Speaker, for six months the Minister systematically denied that there were problems. For six months he said that this was all a figment of our imaginations. Now we find that with the new Deputy Minister he has discovered the need for reform.

In his letter the Minister makes reference to the fact that Canadians are concerned about the powers given to the Department under the Income Tax Act, yet his sole remedy is to suggest that those powers should be used with discretion.

Instead of simply offering blandishments to Canadians, is the Minister prepared to recommend amendments to the Act that would contain the powers of the Department in the fields of collection, and search and seizure? This would ensure that, while the Department has all the powers it needs to enforce the law, none of those powers would conflict with the basic civil liberties of Canadians and we would restore once again the principle that Canadians have the right to be presumed innocent until proven guilty, including by his Department.

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, the Hon. Member's question covers several aspects. The first point I would like to deal with, which concerns the preamble to the Hon. Member's question, is where he says that I always denied there were any problems. I think the Hon. Member is mistaken, and wilfully so, because it always was my position that we should be open to criticism and look into complaints, but that we were dealing with these problems on a regular basis. The Hon. Member is also referring to powers contained in the Act which are extremely important. I think the Hon. Member, who is our self-styled expert on the Canadian tax system, should remember the basis of our system which is self-assessment, and that if in all fairness to the majority of the taxpayers, we want to maintain the integrity of that system, we must have certain powers. In a letter I wrote to the Deputy Minister, I did, in fact, refer to the use of these powers in the specific circumstances provided in our legislation as passed by Parliament, and I pointed out that those powers should never be abused. As I have already had occasion to say in the House, a single case of abuse would be too many for the Department of National Revenue!

• (1420)

[*English*]

Mr. Beatty: Mr. Speaker, the Minister claims I am suggesting I am an expert in income tax law. I am not claiming that. All I am claiming is that I know more about how his Department should be run than he does.

Some Hon. Members: Hear, hear!

Mr. Beatty: You certainly do not have to be an expert for that, Mr. Speaker.

Oral Questions

COMPENSATION SOUGHT FOR TAXPAYERS ACTING ON ADVICE GIVEN BY OFFICIALS

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Mr. Speaker, I want to draw to the Minister's attention another aspect of his letter. He talks about the need for improved communications and improved training. Is the Minister prepared to propose a change in the Department's procedures, and in the future, if taxpayers act on the advice given by officials in the Department which later proves to be wrong and find themselves suffering financially as a result of this bad advice, will the Minister be prepared to offer compensation to those taxpayers to ensure that they do not suffer as a result of bad advice given by the Department?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I reached the conclusion long ago, Mr. Speaker, after watching the Hon. Member and listening to his questions, that I was far better equipped than he to run the Department of National Revenue. However, my innate modesty has always prevented me from saying so.

I would like to remind the Hon. Member that the basis of our system is self-assessment. According to this fundamental principle, the taxpayer is responsible for determining and declaring the full amount of tax owing and for paying those taxes. Of course, the Government, in this case the Department of National Revenue, should help taxpayers as much as possible in filing their returns, and it should provide the necessary information to help them understand fully the various provisions of the Income Tax Act.

However, the Hon. Member will understand that, because of the nature of the system, in the final instance not the Department, but the taxpayer is responsible for filing his income tax return. In the final instance, taxpayers are responsible and have a duty to file their returns and to sign them as being correct.

* * *

[*English*]

PALESTINE LIBERATION ORGANIZATION

APPEARANCE OF REPRESENTATIVE BEFORE SENATE COMMITTEE

Hon. Sinclair Stevens (York-Peel): Mr. Speaker, my question is directed to the Acting Secretary of State for External Affairs. Today in committee in the other place, Mr. Zehdi Terzi, who describes himself as a member of the executive branch of the Palestine Liberation Organization, literally shocked members of that committee by confirming his support for terrorism under certain circumstances.

Would the Minister indicate why the Government in this case, knowing the PLO's support for terrorist activities, so casually issued a visa to Mr. Terzi, bearing in mind Mr. Terzi felt this visit so important, gave such honour and recognition to his cause, that he first went to Chairman Arafat to seek

clearance before he would come to Parliament Hill? Why did the Minister treat the visit so lightly when Mr. Terzi treated it with such importance?

Hon. Jean-Luc Pepin (Minister for External Relations): Mr. Speaker, I would think that the Hon. Member would be able to assess the quality of the testimony given by Mr. Terzi, and I believe that he would be able to recognize what is not acceptable to Canada, what is contrary to Canadian policy in his statement.

With respect to the issuing of a visa, the answer has been given repeatedly, for example, in a letter, addressed yesterday, I understand, by the Secretary of State for External Affairs to the Hon. Member for York Peel. The Senate Standing Committee on External Affairs and National Defence had made a decision that the representative of the PLO would be invited. It made a decision on that. I was intrigued by the statement made by the Hon. Member for Edmonton-Strathcona a moment ago that the committee had already listened to similar people abroad. What is the difference between listening to them here and listening to them abroad? Be that as it may, the Department of External Affairs issued the visa simply because the gentleman had been invited by a parliamentary institution to come and give testimony. It did so in the usual practice of extending to the greatest possible extent free discussion in this country.

GOVERNMENT POLICY INQUIRY

Hon. Sinclair Stevens (York-Peel): Mr. Speaker, my question is again directed to the same Minister, who surely must realize that Canadians are shocked at the insensitivity of his Government.

Some Hon. Members: Come on!

Mr. Trudeau: Your own leader is not shocked.

Mr. Stevens: Would the Minister, further to the letter I did receive this morning, explain to the House how you can say in the final line of that letter:

> The Government does not, however, permit the entry to Canada of individuals who have been involved in perpetrating or assisting acts of violence.

How can you say that is government policy—

Some Hon. Members: Order.

Mr. Lalonde: Order.

Mr. Stevens: —when you gave a visa—

Mr. Speaker: Order. The Hon. Member should address his remarks to the Chair.

Hon. Jean-Luc Pepin (Minister for External Relations): Mr. Speaker, the reason for the Secretary of State saying that was to establish a difference between his attitude with respect to the representative of the PLO to the UN and a similar or comparative instance recently with respect to Bishop Capucci, who was refused a visa because he had been involved in acts of violence or leading to same. He wanted, presumably, to establish the difference between the two, and, presumably thinking that the Hon. Member might not be able to do so, he decided to put it in the letter which he addressed to the Hon. Member.

With respect to what is public opinion with regard to the testimony given this morning by the PLO representative, I would not presume, the way the Hon. Member does, that the country is going to be shocked, hurt, annoyed, embarrassed, angered, and so on. I would think some people might be annoyed, but I would think the majority of them will think it is nice to be able, in a country like ours, to hear both sides of all issues and to make judgments on our own as to what is acceptable and what is not.

* * *

SOCIAL SECURITY

PLIGHT OF UNEMPLOYED IN BRITISH COLUMBIA

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of Finance. There is a report out today that in the Province of British Columbia one person out of five is either collecting unemployment insurance or welfare. In fact the situation has gotten so bad that hundreds are being turned away from food banks in the City of Vancouver. When the Government has been asked about this in the past, the answer has always been either a reference to some kind of safety net program, or the issue has been dismissed as one involving another jurisdiction. Given the reality that we now have an emergency in British Columbia with people not even being able to find food to eat, what does the Government of Canada plan to do about it?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the Hon. Member has in good part given the answer to his own question. We have, indeed, a number of social programs which the federal Government is providing. One of them is unemployment insurance. The others are old age security payments, and support for families through child tax credits and family allowances. There is, in addition, the social assistance program for which the federal Government pays 50 per cent and which is administered by the provinces.

The Government of British Columbia is the Government administering the social assistance program. The Government of British Columbia is determining who is eligible for those programs. And the Government of British Columbia is deciding how much should be paid to these particular individuals. We are paying 50 per cent of the bill, but the criteria to which I referred are determined by the Government of British Columbia.

My friend may be unhappy with the Constitution we live under in this country. He may feel that we should change the constitutional arrangements with regard to social security and social programs. However, as long as we have a federation in this country, there are a number of programs which are under

provincial responsibility and which the federal Government participates in financing.

The cases the Hon. Member refers to particularly, whether it is in terms of food support or social assistance, are totally under provincial government responsibility. The Hon. Member knows of a number of events which have occurred arising out of decisions by that provincial Government in the last few months which have not helped the economic situation in British Columbia.

Mr. Broadbent: Mr. Speaker, I have heard that recorded announcement before. I want to say to the Minister that just because the Government of British Columbia is uncaring about what happens to some of its less fortunate citizens, that is no reason that the Government of Canada has to show the same lack of concern.

* * *

● (1430)

EMPLOYMENT

REQUEST FOR ACCELERATED REFORESTATION PROGRAM IN BRITISH COLUMBIA

Hon. Edward Broadbent (Oshawa): Mr. Speaker, every expert in the country has acknowledged that the survival of our forests is endangered. The former federal Minister of the Environment has said the federal Government should be spending millions of dollars more in reforestation. Many of the people collecting welfare and unemployment insurance in British Columbia would like to be working. Considering all those facts, why does the federal Government not introduce a crash reforestation program, put up the millions of dollars, and put people back to work in British Columbia?

Hon. Marc Lalonde (Minister of Finance): Again, Mr. Speaker, my friend has given the answer to his own question. He knows, or certainly should know, that of all the provinces British Columbia is probably the one which has all the forest resources under its own control, direction, and ownership. Those forests are the property of the provincial Crown. It is the responsibility of the provincial Government to decide whether it wants a large, small, or no reforestation program. The Minister has indicated that we were ready and willing to talk with them to see whether there was the possibility of an agreement on expanded reforestation programs, but the federal Government cannot just barge in and tell the provinces to abandon their responsibilities. The federal Government cannot just move in and do what the provinces are not only entitled to do but are responsible for doing.

My friend is raising a red herring in that regard. He has the answer in his own question.

REQUEST THAT MINISTER MAKE OFFER OF ASSISTANCE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I say in all seriousness that I am not raising a red herring. If the federal Government wants to take some initiative and show some concern, it could do so. However, put aside the fact that the provincial Government has not reached an agreement on reforestation at this point. What is to stop the Minister responsible from announcing that he is going to Victoria, requesting a meeting with the appropriate Minister, and that he is taking with him a certain number of millions of dollars he would like to put to work immediately on reforestation to create jobs in British Columbia? If he did that, I suggest that suddenly the Government of British Columbia would have to say yes.

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I am surprised that my friend is suggesting that we treat provinces like they were really junior, irresponsible Governments. Our attitude has been to try to work by convincing provincial Governments on common policy. I do not think the gun-to-the-head approach that my friend suggests would be very productive.

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NATIONAL REVENUE

DEPARTMENT'S TREATMENT OF ARTISTS, WRITERS, AND SCHOLARS

Mr. John Bosley (Don Valley West): Mr. Speaker, my question is directed to the Minister of National Revenue regarding his letter yesterday which said: "We must apply judgment and common sense in administering the tax system. We must remember that we are dealing with people and their interests must be respected and their needs considered." Will the Minister finally admit that judgment and common sense have not been shown regarding Canada's artists, writers, and scholars during his period as Minister, and that the decision to apply aggressively the "expectation of profit" test as narrowly and unrealistically as possible, with the result that dozens of serious professional award winning artists have been deemed by the Minister to be hobbyists, showed a scandalous lack of judgment?

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I do not accept the conclusion of the Hon. Member. We have already taken decisions in the Department with respect to the particular situation of artists. The Member knows very well that we have accepted the first recommendation of three presented by the Canada Council, which was the major one, dealing with the tax department. I want to remind him that there is a committee of this House studying that whole question, and if there are policy decisions with respect to taxation which have to be taken, they will be taken by the Minister of Finance.

INTERPRETATION OF LEGISLATION—REQUEST FOR MORATORIUM ON REASSESSMENTS

Mr. John Bosley (Don Valley West): Mr. Speaker, the Minister can go on forever trying to pretend that it is entirely

a finance issue; the artists know better. Surely he can admit that the whole "business" of art is so different, so uncertain, that it is virtually impossible for an artist, let alone an assessor, to predict reasonably whether a profit will or will not be made.

Will the Minister now demonstrate judgment and common sense, not just talk about it, and either revert to the realistic interpretation of the law applied to artists by his predecessors, or at least direct that a moratorium be placed immediately on further reassessments of artists' incomes in Canada until the subcommittee has made its report?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I wish the Hon. Member would be more realistic and spare us his empty rhetoric. Ever since this whole argument was launched about the taxation of artists, four specific cases have been submitted to me. In those four cases, two artists took the time to write and tell me: "We followed your advice, we met with the district office officials, and we are fully satisfied with the way our cases have been reviewed". Out of four cases brought to our attention, two people have already said that they had been treated in all fairness and equity and that they were satisfied with the settlement.

Mr. Speaker, I am convinced that the other two people involved will have exactly the same opinion about the approach of the Department.

[*English*]

Mr. Speaker: The Hon. Member for Cariboo-Chilcotin.

Mr. Greenaway: Mr. Speaker, that is absolute nonsense. You are destroying the artists and cultural community in this country, you and your Government.

Mr. Speaker: The Hon. Member should address his remarks to the Chair.

FARLINGER INQUIRY REPORT

Mr. Lorne Greenaway (Cariboo-Chilcotin): Mr. Speaker, on March 16 an article in the Montreal *Gazette* quoted the Minister as saying that any significant change to the Income Tax Act and the operation of the Department would have to wait for the report of Toronto consultant William Farlinger. In view of the many major changes set out in the Minister's letter of April 2 to his new Deputy Minister, can we assume the Minister has received a report from Mr. Farlinger? If so, will it be made public, or will it be hidden away as was the Rowe report on the Newfoundland fishermen?

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I refer the Hon. Member to the first paragraph of my letter in which I made a specific reference to the report that Mr. Farlinger will make to me later this year. I just want to assure him that those are interim measures flowing from the assessment we made of the situation, and the assessments we make on a daily basis. So I think it is not a major revolution. It is only the continuation of the human attitude we have in the Department toward criticism and cases which are brought to our attention.

COST OF FARLINGER INQUIRY

Mr. Lorne Greenaway (Cariboo-Chilcotin): Mr. Speaker, perhaps the Minister has just woken up to the fact that there are all kinds of things wrong in his Department. Mr. Farlinger has indicated that he is able to hire up to 50 high priced people to work as long as one year in preparing this so called one-man report. Can the Minister tell this House and the taxpayers of this country how much it is going to cost to have it confirmed that there are all kinds of things wrong with Revenue Canada?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): First of all, Mr. Speaker, I must point out to the Hon. Member that he, several of his colleagues and many Canadian taxpayers admit that the Income Tax Act is very complicated and that it is not easy to implement and administer that kind of legislation. Why did we ask an independent group of qualified tax and management experts to examine our whole tax structure? Precisely because of the complexity of the problem. Surely the Hon. Member cannot take us to task for asking highly qualified experts to assess the situation, since the recommendations we will receive will reflect the competence of those people.

• (1440)

[*English*]

LABOUR CONDITIONS

YOUTH UNEMPLOYMENT—REQUEST FOR INITIATIVE BY PRIME MINISTER

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, my question is for the Prime Minister. Across Canada one out of five young people is unemployed. In British Columbia the number if one out of four. Of course the real rate of unemployment is much higher since many young people have not been registered in the labour force. In the next few months hundreds of thousands of young people are going to be coming out of our schools and colleges, and there is very little chance that many of them will get jobs.

Would the Prime Minister be prepared to treat youth unemployment in the same serious way that he did disarmament when he carried out his peace initiative? As one of his final acts in office would he be prepared to launch a youth initiative, travel to our provincial capitals and meet with our Premiers, business and labour leaders, and with young people themselves, to mount a crash program of job creation for young people?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, the hon. gentleman has not referred in any way to the very considerable efforts that have already been taken. He seems to have forgotten that the Government has

established a youth opportunity fund of approximately $1.3 billion to focus on the problem of youth employment. The basis of that approach is to build particularly upon the successful Career Access Program which gives first time entrants into the labour force an opportunity for work by providing a subsidy to employers for from six to 12 months. There is already an extraordinary effort being made by the Government of Canada. We all realize that the situation is a difficult one to deal with. Short term measures are needed, and over the longer term we need more effective training and retraining programs.

I am sure all Members on this side of the House would welcome a continued, vigorous intervention on the part of the Prime Minister in these matters. The Hon. Member should at least recognize that extraordinary and largely successful steps are already being taken by the Government.

REQUEST THAT PRIME MINISTER MEET BRITISH COLUMBIA PREMIER

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I do hope the Prime Minister will answer this question. While we recognize some of the initiatives that the federal Government has taken, only a co-ordinated approach by the federal Government, provincial Governments, and business can really deal with the problem of youth unemployment. The amount of $1.3 billion is a beginning, but it is only a beginning.

The Prime Minister has travelled to world capitals to meet with the leaders of Russia, China, the United States, and Great Britain. Why does he not travel to Victoria to meet with Premier Bennett? Does he not acknowledge that only a massive approach will meet the needs of our young people? Will he be prepared to give that kind of political energy to the number one issue facing the Canadian people today?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we did recognize that when in the Speech from the Throne in December, we announced the appointment of a Minister of State to deal with that problem precisely. That Minister has been acting. In the immediate future that Minister will be announcing programs to deal with the problem of youth unemployment.

Any further travels on my part, Mr. Speaker, are always envisaged with happiness. However, I would have to be assured that I would have the co-operation of the provinces and that, in fact, we could do something rather than just make motions. As I said, in the Speech from the Throne, in the announcement of $1.5 million recently and $1.3 billion before that, the federal Government has taken very positive steps, and we are acting in so far as the federal Government is concerned.

NATIONAL REVENUE

REQUEST THAT MINISTER HOLD PUBLIC MEETINGS

Hon. J. Robert Howie (York-Sunbury): Mr. Speaker, my question is for the Minister of National Revenue, if I could have his attention for a moment please. Now that the Minister has joined the real world and discovered the need for common sense, fairness, impartiality, and six pages of other important matters, has he also discovered the importance of listening to Canadians? Will he provide an ongoing opportunity for Canadians to speak to him and his senior officials in public meetings across Canada as my Party has done? Does the Minister not finally agree that he should establish clearly that the Minister is the public's representative to the Department and not simply the Department's spokesperson to the public?

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I would like to reiterate to the Hon. Member what I already said to his colleague. I took the opportunity of having my new Deputy Minister outline principles which we already use to administer the tax Department. They are not new. There are specific measures, but the principles were the principles we used to administer the Department.

I would also like to tell him that I meet on a frequent basis with taxpayers, tax practitioners, and Members of Parliament. I receive a lot of comments from those groups with respect to the concerns of taxpayers in this country.

Mr. Howie: Mr. Speaker, I am sure the Minister does meet with a lot of people. I am positive he gets a heck of a lot of literature. However, he does not do it in public as we did. I suggest to him that it would be a real good experience for him.

Some Hon. Members: Hear, hear!

INVESTIGATION OF COMPLAINTS

Hon. J. Robert Howie (York-Sunbury): Mr. Speaker, my supplementary question relates to one of the few specifics in this rather long letter to his Deputy which he chose to make public. I am referring to his direction to his Deputy that "complaints should be fully investigated and satisfactorily resolved by"—, now get this—"an independent group within Revenue Canada".

The Minister is very good on answers today. What is the independent group? What measures does the Minister propose to guarantee its independence?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I must remind the Hon. Member that my meetings are always public rather than private, except at the request of individuals. I can keep him better informed about my trips and the various meetings I have, and I am sure he will be satisfied with the kind of public meetings I have. In another paragraph, I referred to the Department's appeals division which makes an impartial review of cases for which taxpayers file notices of

objection. In an effort to stress impartiality, I established a direct link between that division of the district office and the director general of appeals in Ottawa and separated the regional management from the appeals division so there would be a direct link with the director of appeals. The appeals division will thus be more independent to make impartial reviews of objections filed by the taxpayers.

* * *

[*English*]

FINANCE

REQUEST FOR NEW MECHANISM TO ESTABLISH BANK RATE

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, my question is for the Minister of Finance. Today we had our usual weekly increase in interest rates, to 10.81 per cent, for the new bank rate. Canadians cannot take the jolt of an increase in interest rates every week. Will the Minister use his good offices to change the plan for establishing the bank rate, rather than tying it to an auction which is supposed to take place at the Bank of Canada offices every week? Will he make an interest rate that is appropriate for the growth of the country?

He can interfere with the exchange rate by using all sorts of reserves to prop up or prop down the dollar as the case may be. Why can he not use the Bank of Canada and establish a bank rate for the chartered banks to borrow from the Bank of Canada, to establish some consistency and stability in interest rates in our country?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, my friend seems to be worrying very much about an increase of three one-hundredths of one per cent today. In the United States on the same day most banks have been increasing their prime rates by .5 per cent. I would be much more concerned about the evolution of the interest rate in the United States. The change that took place in the Bank of Canada tender today was very minimal.

My friend is suggesting an alternative policy of artificially setting an interest rate in this country. The Bank of Canada rate has been set on the basis of tenders for a very long time, indeed many, many years. I suggest that if he really wants to help the situation he should come every Thursday and bid and lower the rate. Let him bid below the market and it will help bring the bid down. Otherwise, the bid is determined by the market and very much by what is happening in the United States.

● (1450)

I would like it to be different, but the fact is that this is the real world in which we are living, and the Hon. Member knows it.

Mr. Blenkarn: The Minister will know that when this Party was the Government, the proposal to float the bank rate every week was made and the Bank of Canada refused to do it. It was his predecessor who changed the system and started us on the Chinese water torture treatment of interest rates.

INTEREST RATES CHARGED BY CHARTERED BANKS

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, we know that the American prime rate has gone up to 12 per cent in the Bank of America and Mellon Bank, and so on. What arrangements has the Minister made, and what conversations has he had with leading bankers in Canada to advise them that government policy in Canada is low interest rates, that they are not to follow the American prime rate up, and not to use this further water torture this week as an excuse to raise their prime?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, my friend probably forgot to mention that in the short time they were in office they did not change the current practice that has been in operation for many, many years. They endorsed and pursued the policy that had been followed in the previous years under Liberal governments and that served this country well.

As far as the government policy of having the lowest possible interest rates in this country is concerned, the banks are very much aware of the Government's position and my position as Minister of Finance, and that this is very much what we are trying to ensure by every possible means.

* * *

CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

TELEPHONE RATES—PARTICIPATION IN CONFERENCE STUDY

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I wish to direct my question to the Minister of Communications. The CRTC is the agency that has been given the authority and responsibility for ruling on the requests for increases in telephone rates by Bell Telephone and B.C. Telephone. One method by which the telephone companies are trying to get increases in rates is switching from the standard monthly rental rate for consumers to what they call local measured service, which means that people would pay on the basis of the number of calls they make.

Bell Telephone and other telephone companies have, to a large extent, funded a Centre for Study of regulated Industries. That Centre and the CRTC are sponsoring a conference to study the question of local measured service. Does the Minister think it is proper for the CRTC, which should be in a position of judging on the merits of all applications,, to be involved in something funded by Bell Telephone?

Hon. Francis Fox (Minister of Communications): Mr. Speaker, I should indicate that the application for a rate increase which has been made by Bell Canada is presently in front of the CRTC. I should also indicate that the Government has an over-all policy, as enunciated by the Minister of

Finance, with respect to the percentage amount of increase that could be granted during the course of the next year. The Minister of Finance has already indicated quite clearly that these increases cannot exceed the rate of 4 per cent.

Finally, the CRTC sponsoring or being involved in examinations of alternative systems is an area of exploration that is indeed quite proper for the CRTC to be involved in. It does not imply in any way that the CRTC is in a position of wanting to give approval in principle to the concept of local measured service. As a matter of fact there is no application before the CRTC for the concept of local measured service, but it is indeed appropriate that Canadians as a whole should be willing to re-examine, from to time, the ways that the CRTC should impose tariffs on the telephone system in Canada.

COMMISSION'S ROLE

Mr. David Orlikow (Winnipeg North): Mr. Speaker, we have no objection to the CRTC looking at all the possibilities. But I suggest to the Minister that when the CRTC co-sponsors a conference in which 11 of the 17 speakers come from the telephone industry, and when there are virtually no consumers represented, or no representatives from labour, it is virtually tying its hands in advance. I suggest to the Minister that the CRTC not only has to be fair, it must appear to be fair. When it sponsors this kind of conference it is not doing that.

Hon. Francis Fox (Minister of Communications): Mr. Speaker, I will tell the hon. gentleman that I agree that the CRTC must not only be fair, it must also in fact appear to be fair. I will be pleased to transmit the Hon. Member's suggestions to the CRTC that representatives from various groups ought to be included.

I have not had the opportunity to looking at the list of guests who have been invited, but I would indeed be surprised if there were no representatives from the fields the Hon. Member has indicated.

* * *

CANADA DEPOSIT INSURANCE CORPORATION ACT

PROTECTION OF LONG-TERM DEPOSITS

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, my question is directed to the Minister of Finance. As the Minister knows, according to the Canada Deposit Insurance Act, financial institutions, banks, and trust companies are protected against such institutions going out of business or bankrupt for up to $60,000 on deposit. However, upon reviewing for up to $60,000 on deposit. However, upon reviewing the Act, it is my understanding that there is no such protection if funds are locked in for longer than five years. For example, there are funds that are presently locked in for as long as ten years. Will the Minister be prepared to make the necessary changes to correct this inequity, which I believe must be just an oversight?

Hon. Roy MacLaren (Minister of State (Finance)): Mr. Speaker, there is a distinction to be made between short term deposits and investments and the period of time that the Member has in mind is, in fact, such a distinction. The question was reviewed at the time the changes were made in the insurable amount when we moved to the $60,000 level. It is not the Government's intention to reopen that question.

REQUEST THAT GOVERNMENT ADVERTISE PROVISIONS OF ACT

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, under those circumstances there are people who have funds on deposit for ten years and they are not aware of this provision in the Act. Would it be possible for the Government to advertise this fact so that they will not be under any delusion if something did go wrong and they lost their money?

Hon. Roy MacLaren (Minister of State (Finance)): Mr. Speaker, I do not know whether the Member opposite is advocating that the Government should engage in more advertising, but the fact remains that the terms of the changes that were made some time ago were given to the public fully. I do not see that there can be any confusion in lending institutions about the CDIC legislation and the terms upon which that insurance is provided.

Those who are placing their money, either in short term deposits or longer term investments, need only to seek the information from the institution involved. It is readily available.

* * *

RESEARCH AND DEVELOPMENT

AMOUNT OF GOVERNMENT FUNDING

Hon. George Hees (Northumberland): Mr. Speaker, my question is directed to the Prime Minister. As Statistics Canada reports, this country spends only 1.4 per cent of its GNP on research and development while among our chief competitors, the United States spends 2.6 per cent; West Germany, 2.3 per cent; and the United Kingdom and Japan each spend 2.2 per cent. Would the Prime Minister explain to the House why his Government is not even willing to match the efforts of our chief competitors in this regard and in that way bring to Canada many thousands of additional orders and many thousands of additional jobs for Canadians?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I thought the Hon. Member would preface his question by referring again to productivity because it is a subject for which he has always shown justifiable concern. He might have read yesterday that Canadian productivity is at the highest point it has reached since 1971 and that it is outperforming all of our competitors. I would have thought that he would have lent credit to this Government since, during the past many years, he has been asking the Government to ensure that productivity be given attention. That is the preface that I know the Hon.

Member would have made to his question had he the time to do his research.

With respect to the GNP, I suggest that he do a little more research because, when he gives the global figures as a percentage of GNP, he forgets that that is composed of federal moneys in research, provincial moneys in research, and private moneys in research. Therefore, the figures he gave us are completely irrelevant. The federal Government is much more generous and farseeing in its participation in funding of research than, unfortunately, the provinces and the private sector. If the Hon. Member compares to Germany, to Japan, and so on, he would end up congratulating this Government for its actions and asking the question of the private sector and of the provinces.

• (1500)

Some Hon. Members: Hear, hear!

Mr. Hees: Mr. Speaker, there is a very good reason why I have not found it necessary to ask the Prime Minister recently about productivity. For years I rubbed his and his Government's nose in the fact that this country in productivity was sixteenth of 16 industrial countries around the world. It was so bad that we should have been completely ashamed of ourselves and, as a result, the Government did start to take some action in this regard. I take quite a bit of the credit for the action that has been taken.

Some Hon. Members: Hear, hear!

IMPORTANT DOMESTIC ISSUE

Hon. George Hees (Northumberland): Mr. Speaker, with regard to the fatuous answer which the Prime Minister scraped together to my very sensible and far-reaching question—

Some Hon. Members: Oh, oh!

Mr. Speaker: Would the Hon. Member please ask his question?

Mr. Hees: It looks like I am cut off there, Mr. Speaker, and I had a very good one.

Some Hon. Members: Oh, oh!

Mr. Hees: I would say to the Prime Minister that as he obviously could not care less about important matters of this kind, does he not think it would be a good thing, as he prepares to step ashore from the ship of state, to pay some attention to important domestic matters, such as the one I have brought to his attention, and the figures I have quoted are on exactly the same basis on which—

Mr. Speaker: There is a limit in terms of how far supplementary questions can go and debates take over.

Some Hon. Members: More.

Some Hon. Members: Hear, hear!

Mr. Hees: If I were addressing my question to a normal Minister, it would have been over by now, but the Prime Minister is rather obtuse. It takes a little longer; he is a slow learner.

Some Hon. Members: Oh, oh!

Mr. Hees: Does he not think it about time that he paid some attention studying important domestic matters, so that his fellow Canadians will remember him in a kindly way, instead of quite the reverse, as it appears it will be?

[*Translation*]

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I always wondered who the author was of this phrase: "The ship of State is sailing over a volcano".

Now I know.

* * *

[*English*]

HOUSE OF COMMONS

EXPRESSION OF GOOD WISHES FOR HOSPITALIZED PAGE

Mr. Speaker: I am sure Hon. Members of the House will be pleased to learn that Mr. Robert Groberman, one of our pages who underwent emergency surgery, is now in good condition. I am sure I join with all our Members in wishing the very best to him and his family.

Some Hon. Members: Hear, hear!

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Nielsen: Mr. Speaker, on the usual Thursday point of order, Sir, I would like to direct a question to the Government House Leader. We had a House Leaders' meeting this morning at which he requested certain actions with respect to legislation on the Order Paper. I apologize for not getting back to him before this. This is the first opportunity I have had to tell him that his request concerning passage of Bill C-7 and C-8 with one speaker per Party at second reading and one day in committee is acceptable, subject to a proviso that I will be coming to in a moment.

On Bill C-11, the Government House Leader has requested that it be passed in all stages in the House with one speaker per Party. That, too, is acceptable, subject to the proviso that I will come to.

Bill C-14 would pass through all stages in the House with one or two speakers per Party. The Government would likely be putting up only one speaker. That is acceptable also, subject to the proviso that I will come to.

On Bill C-16, the Government House Leader has requested that it pass through all stages in the House with one speaker

per Party. That is acceptable, subject to the proviso that I will be coming to.

That deals with five pieces of legislation. Let me throw in another two, Bill C-5 and Bill C-6, which we will pass through all stages, making a total of seven pieces of legislation we are prepared to deal with, *seriatim*, as quickly as we can through the various stages in the House, to completion. All that I am asking in return from the Government House Leader is an undertaking by the Government that it will bring in immediately the amendments to the Western Grain Stabilization Act in order to provide much needed cash flow to Western farmers at this time of the year at seeding time.

[*Translation*]

Mr. Pinard: Mr. Speaker, tomorrow will be an Opposition day, and Monday the House will consider Bill C-3. Tuesday will be an Opposition day, and Wednesday and Thursday we shall be considering Bill C-24.

[*English*]

Mr. Nielsen: Mr. Speaker, surely the Government House Leader is going to respond to an offer which I do not think he can refuse, namely, seven Bills for one. We are ready to pass these through *seriatim*.

Mr. McDermid: The Prime Minister asked for that.

Mr. Nielsen: We have thrown in another two. It is exactly what the Prime Minister was asking for yesterday. We are prepared to do this in return for one piece of legislation to help Western farmers. Will the Government House Leader do that?

[*Translation*]

Mr. Pinard: Mr. Speaker, I do not negotiate on the floor of the House. I thought it was understood that the offer was being made without a proviso. I am surprised one is being added now. In any case, I announced the business of the House a moment ago. If the Hon. Member has further provisos to add, we will then add a few more bills to the ones on his list.

In the circumstances, the list of business has been announced. If I may report to the House as well, Mr. Speaker, I can confirm that the New Democratic Party gave its consent to having one speaker per party and one day in Committee for Bill C-7 and Bill C-8, and one speaker per party at all stages of Bill C-11 and C-16, and that it did so without setting provisos.

As long as this House is led by the present Government and by a Liberal Government, and that will be the case for many years to come, the Government will be responsible for establishing the order of business in the House. And negotiations will be held in my office, as long as I am House Leader, or in the office of my successor, and not on the floor of the House.

[*English*]

Mr. McDermid: Mr. Speaker, I guess that shows the Prime Minister was all huff and puff yesterday. I have a question for—

Message from the Senate

Mr. Speaker: On what point does the Hon. Member rise?

Mr. McDermid: I rise on House business, Mr. Speaker, I wish to ask the Government House Leader when we might expect the amendments to the Indian Act regarding discrimination against Indian women. It is long overdue. This legislation has been promised so many times by the Prime Minister at the First Ministers' Conference. When might we expect those amendments? We are ready to pass those as well.

[*Translation*]

Mr. Pinard: Mr. Speaker, I have taken note of the Hon. Member's suggestion for co-operation.

[*English*]

Mr. Speaker: The Hon. Member for Vancouver-Kingsway. I believe the practice of the House is for a limited number of questions. I will recognize one more.

Mr. Waddell: Mr. Speaker, since there was a discussion of many Bills, is the Government House Leader going to bring in legislation to deal with the Asia-Pacific Foundation? I have a report of the Government's own founding committee. I wonder whether the Government is prepared to bring in legislation. I know that on this side of the House we would probably be prepared to give the Bill speedy passage before the end of this session.

Mr. Pinard: Mr. Speaker, I welcome the offer made by the Hon. Member. If we ever introduce such legislation, I will remind him of his offer.

Mr. Speaker: A short intervention. The Hon. Member for Cowichan-Malahat-The Islands.

Mr. Manly: Mr. Speaker, on February 9 the Hon. Member for Nanaimo-Alberni asked the Minister about travel to B.C. The Minister said it was not his intention to dictate the agenda of the Fisheries and Forestry Committee. Now I understand the Fisheries and Forestry Committee is not able to get permission to travel to B.C. Could the Government House Leader indicate why the committee is not able to go and hear first-hand the problems of fishermen? I would like to know whether the Government is prepared to change its mind on this issue.

Mr. Pinard: Mr. Speaker, I will reflect on the observations made by the Hon. Member.

* * *

• (1510)

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed the following Bills, to which the concurrence of this House is desired:

Bill S-2, an Act to provide an exception from the public general law relating to marriage in the case of Gerald Harvey Fudge and Audrey Marie Saunders;

Bill S-3, an Act to provide an exception from the public general law relating to marriage in the case of Louis Philippe Nadeau and Marie Thérèse Rita Brulé;

Bill S-4, an Act to provide an exception from the public general law relating to marriage in the case of Ernest Hodel and Norma Dora Laurie;

Bill S-5, an Act to provide an exception from the public general law relating to marriage in the case of Benjamin Joseph Andrade and Heather Winnifred Andrade;

[*Translation*]

Bill S-6, an Act to provide an exception from the public general law relating to marriage in the case of Juan Andrade and Emilia Rodriguez;

Bill S-7, an Act to provide an exception from the public general law relating to marriage in the case of Henri Patry and Aldéa Béa Pitt;

Bill S-8, an Act to provide an exception from the public general law relating to marriage in the case of Joseph Roland Réjean Daoust and Marie Lise Sylvie Girard; and

Bill S-9, an Act to provide an exception from the public general law relating to marriage in the case of Pearl Kim Lee and Thomas Siegfried Wieland.

* * *

[*English*]

PETITION

MR. EPP—OPPOSITION TO BILL C-10

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Provencher (Mr. Epp) on Wednesday, April 4, 1984, meets the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

WAYS AND MEANS

TABLING OF NOTICE

Hon. Roy MacLaren (Minister of State (Finance)): Mr. Speaker, in accordance with Standing Order 64(1), I wish to table in both official languages a notice of a Ways and Means motion with respect to the interpretation of Canada's international conventions relating to income tax and the Acts implementing such conventions.

In accordance with Standing Order 64(2), I also ask you to designate the order of the day necessary for the consideration of this Ways and Means motion.

* * *

PETITIONS

AMNESTY FOR PRISONERS OF CONSCIENCE

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, I have the honour to present a petition on behalf of approximately 1,800 Saskatchewan residents under the auspices of Amnesty International who call for a universal amnesty for all prisoners of conscience. They feel that such an amnesty, backed by the United Nations and declared by all governments, is indeed possible. If enacted, indeed it would be an unparalleled act in the building of international confidence and the promotion of fundamental freedoms.

Mr. Bob Ogle (Saskatoon East): Mr. Speaker, I also have the honour to present a petition from Amnesty International of almost 1,800 names of people who live in the City of Saskatoon, in the Province of Saskatchewan and in other provinces of Canada. The petition humbly sheweth that thousands of men and women are imprisoned throughout the world solely because of their political and religious beliefs, that others are held because of their colour or ethnic origin, that these are prisoners of conscience and none have used or advocated violence, that none of these people should be imprisoned, that the fact they have been arrested and punished because of their beliefs or origins is an affront to humanity, and that they should be freed unconditionally.

Wherefore the undersigned, your petitioners, humbly pray and call upon the Parliament of Canada to support and call for universal amnesty for all prisoners of conscience. And as in duty bound your petitioners will ever pray.

* * *

PARITY PRICES FOR FARM PRODUCTS ACT

MEASURE TO ESTABLISH

Mr. Lorne Nystrom (Yorkton-Melville) moved for leave to introduce Bill C-232, an Act respecting Parity Prices for Farm Products.

He said: Mr. Speaker, I want to introduce a Bill entitled: "An Act Respecting Parity Prices for Farm Products" which contains a very short explanatory note as follows:

The purpose of this Bill is to provide parity prices to farmers based on a cost-of-production formula for wheat, oats and barley for human consumption within Canada and to establish voluntary marketing Commissions for pork and beef. This is to lay the groundwork for parity prices for producers.

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

VOLUNTARY ORGANIZATIONS

ESTABLISHMENT OF SPECIAL JOINT COMMITTEE OF THE HOUSE

On the Order: Government Notices of Motions:

April 2, 1984—The Secretary of State of Canada:

That a Special Joint Committee of the Senate and the House of Commons be appointed to examine and report upon the legal framework for voluntary actions with particular reference to the following:

1. the adequacy of the definition of charity under the Income Tax Act to reflect current social realities;

2. the limits to be set for advocacy activities by charities registered under the Income Tax Act; and

3. the appropriate nature of public support for groups which have as a primary object the advocacy of public interest;

That 7 members of the House of Commons, to be designated at a later date, be members of the joint committee on the part of the House;

That the Committee have power to sit during sittings and adjournments of the House;

That the Committee have power to report from time to time and to send for persons, papers and records, and to print such papers and records, and to print such papers and evidence from day to day as may be ordered by the Committee;

That the Committee have power to adjourn from place to place inside Canada provided that the locations to be visited and the estimated expenses for such travel are defined in advance;

That the Committee have the power to retain the services of expert, professional, technical and clerical staff as may be deemed necessary;

That the Committee be instructed to make its report no later than twelve months after its establishment;

That changes in membership on the part of the House of Commons be made only pursuant to Standing Order 69(4)(*b*);

And that a Message be sent to the Senate requesting that House to unite with this House for the above purpose, and to select, if the Senate deems it advisable, some of its Members to act on the proposed Special Joint Committee.

Mr. Speaker: Pursuant to Section (2) of Standing Order 25, this government notice of motion stands transferred to and ordered for consideration under Government Orders later this day or at the next sitting of the House.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 261, 342 and 661.

[*Text*]

NORTHERN TRANSPORTATION CO. LTD.

Question No. 261—**Mr. Schellenberger:**

1. Does the Northern Transportation Company Limited prohibit the directors and officers of the company from ownership, in whole or in part, of any company that does business with NTCL?

2. Does NTCL company policy forbid immediate relatives of directors and officers of the company from such ownership of any assets or companies that are directly involved in NTCL operations?

Hon. Lloyd Axworthy (Minister of Transport): The Northern Transportation Company Limited advises as follows:

Order Paper Questions

1. Northern Transportation's directors and officers are bound by the "Guidelines to be Observed by Public Servants Concerning Conflict of Interest Situations" (P.C. 1973-4065, December 18, 1973) and, upon election or appointment receive a copy of the Public Service Personnel Management Manual Subchapter 2 which contains these guidelines as well as the "Standard of Conduct for Public Services Employees" (Circular No. 1973-183, Secretary of the Treasury Board, December 31, 1973). The guidelines and standards of conduct have been formally adopted as company policy and copies have been distributed to all directors and officers.

2. See above.

FEDERAL BUSINESS DEVELOPMENT BANK BOARD OF DIRECTORS

Question No. 342—**Mr. Orlikow:**

1. What is the composition of the board of directors of the Federal Business Development Bank and what is the address and occupation of each individual?

2. What is the compensation and what are all the benefits paid to the chairperson, directors, president and vice-presidents of the bank?

Hon. David Smith (Minister of State (Small Businesses and Tourism)): The reply for the Federal Business Development Bank is as follows:

1.	Name	City	Occupation
	Mr. Robert G. Annable	West Vancouver, B.C.	Chairman and Chief Executive Officer, Ancore International (Canada) Ltd.
	Mr. Marcel Baril	Noranda, P.Q.	President, Marcel Baril Limited
	Mr. Gerald K. Bouey	Ottawa, Ont.	Governor, Bank of Canada
	Mr. Sylvain Cloutier	Ottawa, Ont.	Chairman of the Board and President, Export Development Corporation
	Mr. James S. Cowan	Halifax, N.S.	Lawyer
	Mr. Richard H. Kroft	Winnipeg, Man.	President, Tryton Investment Company Limited
	Mr. Guy A. Lavigueur (executive committee)	Montreal, P.Q.	President, Federal Business Development Bank
	Mr. Yvon LeBlanc	Buctouche, N.B.	Lawyer
	Mr. Allan Lutfy, Q.C.	Montreal, P.Q.	Lawyer
	Mr. Harold H. MacKay (chairman, executive committee)	Regina, Sask.	Lawyer
	Mr. Robert G. Rankin (executive committee)	London, Ont.	Vice-President, RKR International Trading Corporation
	Mr. Gordon Ritchie (executive committee)	Ottawa, Ont.	Associate Deputy Minister, Regional Industrial Expansion
	Mr. Bernard D. Stanton	Edmonton, Alta.	Senior Vice-President, International, Reed Stenhouse Limited
	Mr. Gerard Veilleux (executive committee)	Ottawa, Ont.	Secretary to the Cabinet, for Federal-Provincial Relations (Economic Policy & Programs)
	One vacancy		

2. Compensation

Chairperson: An annual remuneration of $5,000 in addition to any fees paid to him as a director and as a member of the Executive Committee. Directors appointed from outside the Public Service of Canada: $2,500 annually and an honorarium of $300 per day while on Board business. Directors appointed from the Public Service of Canada: Nil.

Members of the Executive Committee, other than members selected from the Public Service of Canada: An additional $1,500 annually and an honorarium of $300 per day while on Committee business. All members are reimbursed for actual and reasonable travel expenses.

President: Order in Council appointee in a salary range equivalent to DM-2, effective July 1, 1983, $86,250 to $101,-500. Senior Vice-Presidents: Approved salary range effective January 16, 1984, $60,620 to $106,870. Vice-Presidents: Approved salary range effective January 16, 1984, $57,070 to $95,710.

Benefits Paid: Nil.

NATIVE ECONOMIC DEVELOPMENT PROGRAM

Question No. 661—**Mr. Schellenberger:**

1. Did the Treasury Board approve the release of $345 million for the Native Economic Development Program and (a) if so, since October 1, 1983, what amount was expended for administrative costs (b) if not, how is the program financed?

2. Were criteria established for granting financial assistance under the program and, if so (a) on what date (b) what are they?

3. Were any assistance applications received under the program and, if so (a) how many (b) did any applicants receive any assistance and, if so, what is a list of their names?

4. Was any amount specifically aimed at a particular target-group and, if not, will each application be judged on its own merits?

5. Does the Government plan to disperse a specific amount under the program by March 31, 1984 and, if so, what amount?

6. To the knowledge of the Government, what percentage of the program's administrators are of native origin?

Hon. David Smith (Minister of State (Small Businesses and Tourism)): 1. No. (a) Not applicable. (b) Start up costs are being funded on an interim basis by the Department of Regional Industrial Expansion.

2. No. Investments strategies are under review by the advisory board, which oversees the program.

3. Yes. (a) 94. (b) No.

4. No. Each investment opportunity to be considered for funding by the program will be dealt with on its own merits as they relate to program objectives.

5. No fixed amount has been determined for expenditures by March 31, 1984.

6. Fifty-five per cent. Including the advisory board and support personnel, 20 of a total of 36 persons are of native origin.

[*English*]

Mr. Clark (Yellowhead): Mr. Speaker, I wonder whether the Parliamentary Secretary could turn his attention to Question No. 679 on the Order Paper in my name. It concerns the standards, if any, which were exercised by the Prime Minister in the appointment of Ministers, the answer to which would indicate whether the Prime Minister cast an eye to see whether any of his Ministers were in trouble with the tax department or with the law before he named them to Cabinet. I would like to ask the Parliamentary Secretary not just when we might expect an answer to that question, but whether it will be answered before the present Prime Minister retires from his present responsibilities.

Mr. Evans: Mr. Speaker, that question is so loaded with barbs that not even a blind fish would come up after it. I will certainly tell the Hon. Member that it is our intention to answer every question on the Order Paper. I will do my very best to see that he gets an answer to his question which is in the same spirit as the question he just asked me.

[*Translation*]

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

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND ESTABLISHED PROGRAMS FINANCING ACT, 1977

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. MacLaren, that Bill C-12, an Act to amend the Federal-Provincial Fiscal Arrangements and Established Programs Financing Act, 1977, be read the third time and do pass.

Mr. Dan Heap (Spadina): Mr. Speaker, I want to conclude what I was saying before lunch by pointing out that the Government's lack of drive for the education of the whole person matches its lack of drive for the development of Canada as a whole. The Government's policy is to sell off Canada piece by piece—some coal to Japan, some gas to the United States, some timber to anyone who will take it, and so on. It is a piecemeal policy, a very short-ranged and short-sighted policy. It does not have in it any concept of serving the people of Canada or any concept of providing essentially for the needs of the people of Canada, including the needs of Canadians to

grow, to develop, to have jobs and to participate in the Government of the country.

This is the way the Government is treating universities through the cut this year and the one last year. The result is that there will be a decrease in the development of the independent mind and spirit, which has been the hallmark of the university. There will be more narrow training which locks people into limited occupations. There will be more limited service to the multinational corporations which are buying up our country and shipping it out. There will be damage to Canadian culture. There will be damage to Canadian industry through the loss of what the universities contribute to research and development. There will be damage to a whole generation of young people in Canada, the young people who are now told there are no jobs for them and nowhere for them to study. They will be told in a few years that they are not fit for jobs because they are not trained. They did not train because we will not have given them the means of training, let alone the means of education.

● (1520)

There will be damage to women who at this time for several reasons are capable of moving into the work force, are wanted in the workforce and want to be in the workforce. They will be hindered severely from getting the education they need. Worst of all, there will be damage to the morale of the country because when the Government says there is no future for our universities, that is a way of saying there is no future for Canada. Therefore, it is a sad day that this Bill has now come to third reading. It will be a sad day if the Government forces this Bill through Parliament.

The Acting Speaker (Mr. Herbert): There follows a ten-minute period for questions and comments.

Mr. Nystrom: Mr. Speaker, I would like, if I may, to ask a question or two of the Hon. Member who just spoke, or maybe lead with a comment. I agree with him that the Bill before the House will be very restrictive in terms of what it is doing to young people, our colleges and universities. I can certainly see that problem in my Province of Saskatchewan in terms of Regina and Saskatoon. I want to ask the Hon. Member for Spadina (Mr. Heap) whether he could personalize the subject a little more. Does he have in his riding, for example, some personal examples of people who will be really hurt by this kind of greed or Scrooge-like action on the part of the Government when it comes to funding of post-secondary institutions? Has he run into people in his riding who have problems?

[*Translation*]

. . . Young people in the riding of Spadina. Students will have a problem, because the federal Government is too restrictive in its approach to economic problems. Do you have any examples?

[*English*]

Mr. Heap: Mr. Speaker, I would like to give three types of examples of the damage being done by these cuts, the different kind of cuts, to the people of Spadina and, as far as I know, to all people in Ontario. First, I have, as perhaps other Members have, a number of people who come to me because they borrowed money in good faith and completed their education. They cannot find work in the line for which they studied and prepared themselves at university. They are being hounded by collection agencies to pay the Government money they do not have.

The Government claims that sometimes it is moving money from one part of the budget to another to have money for grants, but that it does not have any more money for grants, instead, it has a loan policy. That loan policy is causing great hardship, discouragement and a loss of self-respect for a number of people who in good faith in recent years undertook to borrow money in the expectation that they would be able to use their education.

That is no way to run a country or a university. It is not the way we did it 40 years ago. In DVA we were not told we had to borrow money and become debtors in order to get an education. We were told that if we worked as students, we would get a living allowance for it. Hundreds of thousands of Canadians did that and have since been using the education they received to build this country. There is no reason to destroy these people by telling them they are debtors when, because of other Government policies, there are no jobs.

Second, I spoke to a young student who had been studying physics and must use a physics lab at the University of Toronto. She took a year out to work in industry. When she went looking for a job in industry, she was told, "You studied physics at U of T.? That lab is 20 years out of date. We would like somebody who was trained in an up to date lab". When I inquired about this, other people gave me the same opinion, that the lab is out of date for modern training in physical engineering, but that the department head is ashamed to admit it. That may mean that students will not register to study there. This Government as well as the Ontario Government, by cutting back the money that is needed to keep these labs up to date, is turning department heads into con men who deceive students to come to study there by not telling them that the lab is out of date, that it does not meet the condition of the 1980s.

The third example I have given to some extent on some points. It is simply what is happening to one of the major and basic departments of university. The mathematics department of the largest university in the British Commonwealth, certainly one of the outstanding universities of the world, has 4,200 undergraduates—

The Acting Speaker (Mr. Herbert): Order, please. The response to a question should be relatively short in order to allow other Members to put questions, if they have any. The Hon. Member would then get a chance to speak.

Mr. Manly: Mr. Speaker, I wonder if the Hon. Member for Spadina (Mr. Heap) could enlighten us on the situation regarding mathematics at the University of Toronto?

Mr. Heap: Mr. Speaker, it just happens that I do have some information about the mathematics department. There are 4,200 undergraduates and 40 graduate students, 63 full-time professors and 73 courses. Most professors teach two full courses. It is a very large department. A few years ago they began cutting back on tutorial time. Professors are having lectures added on and students are having their tutorials cut down. Tutorials have been cut to one hour in two weeks. You cannot do proper mathematics if it is all done in large mass classes without tutorials. The number of student attending tutorial increased 50 per cent. In other words, the professor is just not able to give his time to the students.

This is the kind of thing that is happening in a basic course. The same is happening in other courses such as psychology. There are over 1,000 students in the first year class in Convocation Hall. That is a ridiculous way to teach.

The Acting Speaker (Mr. Herbert): If there are no further questions or comments, I recognize the Hon. Member for Kingston and The Islands on debate.

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, I am very pleased to take part in the third reading debate on Bill C-12, an Act to amend the Federal-Provincial Fiscal Arrangements and Established Programs Financing Act of 1977. This Bill, as we know, deals particularly with the funding of post-secondary education across this country.

I noticed, in going back over the earlier stages of debate on this Bill, that we had discussed it at second reading on January 27 of this year. I mention that date because only a few days previously, Bill C-3, the Canada Health Act, had also been in the House for second reading. In many ways there are similarities between these two Bills. Shortly after the date I mentioned, about the end of January, both these Bills were sent to committee for detailed study. The Canada Health Act was sent to the Standing Committee on Health, Welfare and Social Affairs for the hearing of witnesses and clause by clause study.

• (1530)

Similarly, Bill C-12 dealing with post-secondary funding went to the Standing Committee on Finance, Trade and Economic Affairs where witnesses were called and it received detailed study. It was a matter of great regret to me, not that the Bills came into the House at the same time but that they went to committee at the same time. While I could participate in both debates in the House because the Bills were called one after the other, because I was deeply involved in the detailed study of the Canada Health Act in Committee for two months, I was not able to go to the Finance Committee which was meeting at the same time. I regret that I was not able to participate in both committees and did not have the opportunity to attend the hearings on this particular Bill. From time to time, however, I tried to follow the printed journals to keep abreast of what took place.

I mentioned that this Bill in a sense has many similarities to Bill C-3, the Canada Health Act. Those similarities are by no means beneficial when one compares the two Bills. The huge funding programs show the inadequacy of the Bills in dealing with the provinces and the lack of consultation between the federal Government and provincial Governments in the fields of post-secondary education and health care. What we have seen with both Bills is conflict, not co-operation, and not consultation.

The two Bills are similar in this way as well, Mr. Speaker. They both show the lack of foresight on behalf of the federal Government in that it missed the opportunity to do something substantial about health care and post-secondary education. We are addressing only very narrow aspects of both major subjects. That is shown in another similarity in that both Bills tinker with hundreds of millions of dollars when billions of dollars are at stake. More than billions of dollars, the whole thrust of what post-secondary education and health care can and should do in this country, is at stake.

When I think of the progress of the Bill since it was introduced for second reading, having gone through committee stage, report stage and now at final reading, I have to say that unfortunately many of the criticisms I levelled against the Bill on second reading are still apparent and have not been dealt with.

First and foremost, Bill C-12 is still a tax grab by the Government. In the 1983-84 fiscal year the Government is able to reduce its projected transfers to the provinces for post-secondary education by almost $120 million, and next year that reduction will amount to $260 million. That is the kind of tax grab the Government is getting into with this Bill.

The criticism I made at second reading is even more applicable today. I suggest that the Government had its priorities all wrong when it comes to those things it considers important for funding or important for rescuing or important for bailing out. For instance, the Government considers it is important to write-off or fund the losses of Canadair, which amounted to $330 million in 1984 and $1.4 billion for 1982. Altogether, some $3 billion will have been invested by the Government in that company before it is able to sell it off. It grabs $380 million out of post-secondary education, some of which it is willing to put into Canadair or if not Canadair, de Havilland to which it directed $226 million last year. The same is forecast for this year. VIA Rail lost $440 million in 1982-83 and Canada Post lost $300 million in 1982-83. The Government thought it was necessary to change those situations, to rescue those enterprises, but it does not feel the same way about post-secondary education.

The criticism I levelled on second reading that post-secondary education is in a period of crisis is all too real, Mr. Speaker. We have seen that funding has declined by 20 per cent in the past 10 years; that is over-all funding to post-secondary institutions, to colleges and universities for young people in the educational system. But, during the same period enrolment has increased by 4 per cent. This 4 per cent increase over the past 10 years is the most dramatic increase since this country went into recession in 1981. Furthermore, it is estimated that enrolment will increase by something like 6.6

per cent over the next four years. We have declining funding and substantially increasing enrolment.

We have to ask then, why enrolment is going up in the universities at this time? Is it because of population? The main reason for increased enrolment in universities and colleges is the fact that there are no jobs for young people, Mr. Speaker. They are either staying in university longer or returning to university and college for additional training, hoping that when they graduate there may be some place where they can find the security of a job.

There is another reason enrolment has increased, and that is the changing technology with which we must come to grips. Not only young people are affected. Twenty-five percent of enrolments in universities is for people over 35 years of age. People are returning to university or going for the first time because they hope they will be able to improve their lifestyle.

The situation is one of declining funding and increasing enrolment. One of the fall-outs is that we see increased tuition fees all across the country. It is projected that they will go up by 30 per cent in British Columbia, 25 per cent in Saskatchewan and the same to a lesser degree is going to happen in every province. In order to make up that short-fall, in part the universities and colleges are turning to the individual students and asking them to bear the higher cost. Many young people are unable to get summer jobs or part-time work and so simply will not have the funds to meet the increased tuition if the present situation continues and if a bill such as this is allowed to pass.

I have known from personal experience how universities are trying to cope with the reduction in funding. They have been forced to cut back services at all levels, and that in turn reduces the quality of education which is being given to people across the country. That is a very serious issue, Mr. Speaker. Once our standards begin to go down so will our standing in every other area that we try to reach in the world. Whether it is sales promotion, trade, diplomatic arrangements, whatever it may be, they will all be affected domestically and internationally once we allow our educational standards to slip.

• (1540)

I have noticed that this is already having an impact on Queen's University. The inadequacy of funding is very much having an impact on the day to day life of the university and, obviously, on its students and staff. For instance, the volume of library acquisitions is half of what it was ten years ago. There are still just as many books, just as many important pieces being written, but there is not the funding to acquire them. Ten years ago 19,000 journals and 50,000 books were purchased by Queen's University in Kingston. This year it purchased 7,000 journals and 24,000 new books. Yet, the output has increased. I hear comments all the time that laboratory equipment is now out of date and is becoming more so compared, for instance, with what private industry is able to acquire.

One of the most serious of situations, because it affects everyone and everything, is that routine upkeep of the buildings is not being done to the same extent; less than half of what was done ten years ago. Perhaps most important of all, the student-teacher ratio keeps increasing. In 1973 the ratio was 14 students to one professor or teacher. Today that ratio is 20 students to one professor or teacher, and it is growing. It makes it more difficult for the student to receive the individual attention which he or she requires in order to be able to handle the courses and absorb the knowledge which is necessary to graduate.

There is a very real crisis, Sir, in our post-secondary system, and at the very time when there is so much evidence of what is happening, what does the federal Government do? It brings forward a bill such as Bill C-12 which is going to reduce the funding that would otherwise be available to our post-secondary institutions. There have been many organizations and associations, groups of students and of staff and people involved with universities and community colleges across the country who have protested what is going on. When the Canadian Association of University Teachers appeared before the Macdonald Royal Commission, it very eloquently outlined its concerns. It said then, as it has said many times since, that there is a funding crisis in the universities. Why will the Government not listen?

Just the other day I received a letter from the Canadian Association of University Teachers which commented on this very bill. The CAUT said this, and I quote:

> The CAUT has opposed and continues to oppose this misguided legislative action. We do not feel Bill C-12 is in any way the answer to the current and sizeable problems of the university system of Canada.
>
> The CAUT has urged all levels of government to begin real discussions on the serious problems of higher education, but until now, we continue to be caught in the federal-provincial battles.

Enclosed with the letter for my reading was an editorial which it had received recently. It was taken from the *Chronicle of Higher Education* of February 22, 1984. It outlined the way in which funding is being increased in United States colleges and universities at the present time. It said that Governors budget more money for colleges to spur the economy and make up for past reductions. There is this difference in the situation of our great neighbour to the south, our great competitor. Here we are turning our back on the very step which it is taking. The CAUT raises the concerns of the teaching staff across the country.

As I mentioned, these bills, the Canada Health Act and this one dealing with post-secondary education, are going through the House at the same time. I have had people speak to me about the concerns they have about the funding of medical schools in particular. Both bills affect the funding of medical schools, whether it is through post-secondary education or lack of research moneys coming to teaching hospitals and medical schools through the Canada Health Act. They are being hit doubly.

Yesterday I was glad to see the Government did accept pretty well the same amendment which I had initially put forward on accountability. We will now enhance the accountability of the funding which is transferred from the federal

Government to the provincial levels and then on, one would hasten to add, to the colleges and universities.

We introduced an amendment to this bill which will make certain things more possible than they were in the past. For instance, the amendment which was accepted in the field of accountability will provide a more precise record of expenditures. We will be able to see where the money is going and if it is being used efficiently by the provinces, at least more so than we were in the past.

Second, federal politicians will be able to see if the federal Government is making any real effort to encourage innovation in the area of education through high technology retraining, for instance, or in the field of health through preventive care.

Third, that amendment will provide public visability of expenditures which will perhaps lead to a better understanding of the role of Ottawa in the field of health care and education, thereby, I would hope, legitimizing in the public's eye the need for a strong federal presence in these fields.

Those are things, Sir, which I felt the amendment addressed. It will certainly make this bill better than it was. However, Sir, I say, even knowing that the amendment will help, there is not enough in this bill to merit my support because in the long run it really does cut back on what is the very most basic and important part of this bill. It cuts back on funding by the federal Government to post-secondary education. It ignores much of the need which we are seeing not only now, but will see in the next five years and ten years. It adds to the crisis which is here now in post-secondary education and which this Government simply will not face up to. Regardless of what we have done to improve the bill, which the Government will drive through this House because of its majority, and only because of its majority, the bill is a very backward step in trying to fund the most critical need in the country today, the education and training of our young people.

The Acting Speaker (Mr. Herbert): There follows a ten minute period for questions or comments.

[*Translation*]

Mr. Garant: Mr. Speaker, the Hon. Member for Kingston and the Islands (Miss MacDonald) is talking about cuts in federal financing for post-secondary education programs. Bearing in mind that in her province, the Province of Ontario, total transfers per student were $4,394 in 1980, $4,600 in 1981, $4,950 in 1982 and $5,063 in 1983, and that for 1984, transfers per student in Ontario are estimated at $5,345, I would like to ask the Hon. Member for Kingston and the Islands whether this progression is any indication of cuts in federal financing for post-secondary education programs.

● (1550)

[*English*]

Miss MacDonald: Mr. Speaker, one of the reasons the Liberal Party keeps falling in the Gallup Poll is that it keeps trying to mislead the Canadian public with statistics. Quite frankly, the Canadian public is fed up with it.

Some Hon. Members: Hear, hear!

Miss MacDonald: The figures the Hon. Member cited may be real, but he knows as well as I do that had this Bill not been introduced, transfer payments to the provinces would be $118 million higher this year, and $260 million higher next year. That is where the deception comes in. We know what the payments would have been this year and next year had this Bill not been introduced. That is where the reduction comes in.

Ms. Jewett: Mr. Speaker, I want to ask the Hon. Member a question concerning a federal responsibility and who should have it. I really want her opinion on this. I have often said, and I think she has too, that one of the difficulties with post-secondary education as opposed to hospital insurance and medical care, is that for the latter there is one Minister, the Minister of National Health and Welfare (Miss Bégin). She takes the responsibility in Cabinet. She has some clout, maybe because of her personality, but also because she has a lot of responsibility and there is one Department looking after the subject matter. Perhaps for that reason the Government did not apply six and five to transfers in that field. In the case of post-secondary education, there are about seven Ministers who have a baby finger in the pie. There is no one who has even a co-ordinating responsibility. The Minister of Finance (Mr. Lalonde) is concerned with purely the financial point of view. The Minister of State for Finance (Mr. MacLaren), who is supposed to be introducing this Bill but does not even speak, he has a very tiny finger in the pie. The Minister responsible for social development has some involvement in post-secondary education, as do the Minister of State for Economic and Regional Development (Mr. Johnston), and the Minister of Communications (Mr. Fox) because of the granting councils. Then of course there is the Secretary of State (Mr. Joyal). There is also the Minister of State for Youth (Mrs. Hervieux-Payette), I guess, because she was talking about how we should restrict educational opportunity to those who have money and means.

Does the Hon. Member agree that this is one of the reasons this program was subject to six and five, and has she thought about what might be a co-ordinating mechanism or a more satisfactory way of allocating responsibility for the federal role in higher education?

Miss MacDonald: Mr. Speaker, I wish we could have this kind of debate much more often in the House. Individual Members should be able to voice their concern to the Government about the structure and workings of government as much as about the legislation presented to us. I feel very strongly that there should be a lead minister with a very strong co-ordinating role in this field. It would bring all of these areas under his or her jurisdiction at the federal level. He or she would be able, with some degree of responsibility and assurance in the Cabinet, to go out and negotiate with the provincial Ministers a much more meaningful role. That may not sound the way I want it to, but there has to be a much more meaningful role than we see at the present time for the federal Government in the field of research and development and

technological change. It has to be co-ordinated with a new way of looking at education. I see that as a major federal responsibility, and it has to be the responsibility of one person. Once it is dispersed, then it is weakened and it is not dealt with in the way it should be.

I might also say to the Hon. Member that I get equally upset and disturbed when I see the dispersement of effort on behalf of the status of women through a plethora of departments which are not properly co-ordinated within the Government structure.

Ms. Jewett: And therefore nothing done.

Mr. McRae: Mr. Speaker, I sympathize with the Hon. Member's desire to transfer more money to provinces for certain purposes. However, I have real difficulty with, perhaps not her, but with her Party, in coming to a conclusion on how to reduce the deficit. This has not been my line but it is her Party leader's line. How are you going to significantly reduce the deficit when probably 75 per cent of the money spent by this Government is in transfers to people, provinces and corporations and to service the public debt? The operation of the Government is responsible for only about 25 per cent of the Budget. I am not one of those who think the deficit is the big problem in this country, but if the Hon. Member's Party wants to spend more money on defence and in other areas and at the same time cut back, where are they going to find the money? What are you prepared to cut? I gather the Hon. Member may be very different from her Party in that she does not want to cut some of the areas of social benefit.

Miss MacDonald: Mr. Speaker, it is very true that the statutory payments, whether to individuals or provinces, are pretty well set in stone. The Government is moving to change that by cutting back on post-secondary education, but I do not agree with that. However, the Hon. Member has asked where changes would be made. We know that we have to operate within a fiscal framework which demands responsibility. I am not sure whether the Hon. Member was here, but I began by listing a half dozen places where the Government had put priority on spending where we would not. I looked at the figures on enterprises like Canadair, de Havilland, VIA Rail and Canada Post, and all the bail-outs which took place, including Maislin and others, and added them up, and they come to some $4 billion. If you have $4 billion to play with you can do an awful lot in the way of social programs where inequities still exist. That is where I would begin to look.

The Acting Speaker (Mr. Herbert): That is the conclusion of the ten-minute period for questions and comments.

* * *

[*Translation*]

MESSAGE FROM THE SENATE

The Acting Speaker (Mr. Herbert): Before recognizing the next Member, I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill C-21, an Act to provide borrowing authority, without amendment.

* * *

[*English*]

THE ROYAL ASSENT

The Acting Speaker (Mr. Herbert): I have the honour to inform the House that I have received the following communication:

Government House
Ottawa

April 5, 1984

Sir:

I have the honour to inform you that the Honourable Brian Dickson, Puisne Judge of the Supreme Court of Canada in his capacity as Deputy Governor General, will proceed to the Senate chamber today, the 5th day of April, 1984, at 5.15 p.m. for the purpose of giving Royal Assent to certain Bills.

I have the honour to be,
Sir,
Your obedient servant,
Jacques Noiseux
Deputy Secretary
to the Governor General

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for York-Sunbury (Mr. Howie)—Finance (a) Financial deficits of Atlantic Provinces. (b) Request that Minister initiate new grants program; the Hon. Member for Fraser Valley West (Mr. Wenman)—National Revenue (a) Reported confiscation of children's bank accounts. (b) Taxpayers' meeting at Aldergrove, B.C.; the Hon. Member for Ottawa-Vanier (Mr. Gauthier)—Public Works—Use of municipal wastes to generate steam.

• (1600)

GOVERNMENT ORDERS

[*English*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND ESTABLISHED PROGRAMS FINANCING ACT, 1977

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. MacLaren that Bill C-12, an Act to amend the Federal-Provincial Fiscal Arrangements and Established Programs Financing Act, 1977, be read the third time and do pass.

Mr. Tom McMillan (Hillsborough): Mr. Speaker, this is the second occasion on which I have had the opportunity to speak in debate on Bill C-12, an Act to amend the Federal-Provincial Fiscal Arrangements and Established Programs Financing Act, 1977. The first occasion was at second reading on February 7 when I discussed the problems with the Bill in principle. Today at third reading stage I wish to deal with the Bill in greater depth, this time focusing on the problems of underfunding of post-secondary education from the point of view specifically of the Maritime Provinces.

Among other things, Bill C-12 provides that in the fiscal years 1983-84 and 1984-85 the increase in the federal Government's per capita contribution to the cost of post-secondary education will not exceed 6 per cent in the first year and 5 per cent in the second year. Thus, the Government, as the Hon. Member for Kingston and the Islands (Miss MacDonald) said so eloquently, is imposing a strict limit on expenditures for universities and colleges of Canada.

It is true, Mr. Speaker, that the inflation rate in Canada has been easing down a bit. It was at 12 per cent and 11.5 per cent and has slowly eased down to about 5 per cent or 5.5 per cent this past year. Some may ask, as Members on the Government side do, what the problem is. There are several problems. First, current trends suggest that the inflation rate will likely far exceed 5 per cent in the coming months. Last month the figure was 5.5 per cent, a rather sharp increase from the month before. Almost all reliable forecasts indicate that the problem could get worse.

Second, the rate of increase in university and college expenditures is much higher than in the economy as a whole as a result of conditions that are peculiar to educational institutions. One need only cite the burgeoning costs of laboratory equipment and library books to make that point. Such rate increases, which have been almost exponential in recent years, are well beyond those reflected in the so-called consumer price index. Although the national CPI figure for Canada last month was 5.5 per cent, universities have been faced with cost hikes of 35 per cent and higher for much of their specialized equipment, especially in the natural sciences. Because capital budgets have been all but frozen at many campuses for the past five, six or seven years, their physical plants are becoming antiquated. Consequently, even routine maintenance and operating costs are skyrocketing well in excess of any CPI figures that could be cited.

Finally, Mr. Speaker, for other reasons universities and community colleges are forced to do more with less. They are being compelled to provide more education with less money. Nowhere is that point clearer or more true than in the area of student enrolment. In the Maritime region, for example, the student population has been expanding at a dramatic rate over the last four years. The total increase in full-time enrolment since 1979-80 is over 25 per cent. That increase is equivalent to the total student population of the two campuses of the University of New Brunswick. Yet Government funding for universities throughout the region, and I would argue throughout Canada, has ignored such changes. Certainly there has been nothing like a 25 per cent increase in funding in real dollar terms. In 1983-84 we will see the seventh year in a row in which government operating grants for full-time students have declined in constant dollars. The Maritime universities are being compelled to manage this year with government grants, the actual value of which on a per student basis, given inflation, is 30 per cent less than it was in 1976-77.

In the face of the funding crisis—and I use the word "crisis" advisedly because it is a crisis—the institutions have been slashing expenditures to the bone through every possible cost efficiency. Unfortunately, there remains little fat to be cut, and now even the bone itself is being sliced into. The consequences of this development are dire indeed, Mr. Speaker.

Professor Reginald Stuart is the chairman of history at the University of Prince Edward Island. He expressed the point graphically in recent correspondence to me. As he put it, it takes many years to construct a quality university. In five years of funding neglect one can erode what will require another 15 years of effort to rebuild to comparable levels. He argues that it takes one to three years to develop a new program, a year to put it in place, and an additional one to two years before it produces graduates. I quote Professor Stuart as follows:

> A focus on dollars and percentages will obscure the complexity of the issue. Universities, however, cannot adjust rapidly to shifting conditions without damaging their stability, a part of their social value.

• (1610)

There can be no question at all that underfunding has affected the quality of education not only in the Maritimes and in the Atlantic region generally, but in other regions right across the country.

Dr. Elizabeth Hall, Director of Research and Development at the University of Prince Edward Island, illustrated how this can happen at the practical level. With your indulgence, Mr. Speaker, and with that of others in the House, let me quote Dr. Hall's excellent point in this respect. She said:

> The reduction in funding has affected the level of laboratory assistants the university has been able to employ to set up laboratories for undergraduate students. The result is that professors very often spend a considerable amount of time setting up routine labs for themselves. This cuts down on the amount of time they are available for discussion with students regarding their particular problems and it also cuts down on the professor's time for research.

Dr. Hall went on to say:

> In a sense then, we are getting less dollar value for professors' work than would otherwise be the case.

Yes, we are getting less dollar value for professors' work than would otherwise be possible. Yet the Government, in the name of restraint and austerity, is arguing that it is economic to impose such a heavy handed restraint on the universities. Not only teaching, but research also is suffering for lack of funding.

Dr. Regis Duffy, a chemistry professor at my old Alma Mater, who is now in the private sector and a noted chemist by international standards, once said, "Love may make the world go around but research makes it go forward". One wonders how far our world is advancing as a result of Canada's effort in respect to research and development. Doubtless we have sacrificed much of our contribution on the high altar of so called restraint; false restraint, false austerity and false economy.

As a country we invest much less as a percentage of our Gross National Product in research than do most other industrialized countries in the world. It is less than one per cent of GNP, compared to well over 2 per cent in the case of Japan, for example.

The Natural Sciences and Engineering Research Council is one of the major sources of Canada's research funds, but it has been compelled to cut back its funding of worthwhile projects because of government restraint on its own budget. Small universities, such as those in the Maritimes, have been particularly hard hit. I sympathize with the points made so eloquently by the Hon. Member for Kingston and the Islands, especially with respect to Queen's University, which is my own Alma Mater. I agree with everything she has said in that context. In turn, I think she would agree that such heavy handed restraint affects worst of all the smaller universities, including ones in the Maritime provinces, because the relevant provincial governemnts do not have the fiscal capacity or resource base to make up the difference created by restraint.

The tragedy is that the younger generation will pay the price, for it is they whose employment prospects are being sacrificed in the process.

Dr. Cirill Schmidt, Chairman of the Department of Chemistry at the University of PEI, put the point beautifully in a recent letter to me. Incidentally, I have been conducting rather active correspondence with the professors at the University of Prince Edward Island. I want to share something of what they are telling me and, through me, what they are telling the students and the population at large in Canada. Professor Schmidt said:

> Canada as a nation can alleviate the unemployment of masses of young people only if we develop a degree of technical competence in all fields.

How true! But it is not good enough for the country's research to be conducted only at the elephantine universities of the country, in metropolitan centres like Toronto, Montreal and Vancouver. The smaller universities also have a crucial role to play. Some of the most innovative research in the country is, in fact, being conducted at small universities like the University of PEI in my own riding. Too often, their research budgets are the first to be compromised as a result of restraint at the national level, while the mega universities seem to be able to cope more effectively.

Of course, the quality of education is affected in additional ways by budget cut-backs. The University of Prince Edward Island Dean of Science, J. Ivan Dowling, made the point to me that morale is particularly influenced by funding. During the process of restraint, he argued:

> Morale is undermined as faculty and staff get frustrated from budget-driven limitations on personnel, equipment, supplies, etc. In the meantime, the fixed costs of vital services such as heating, lighting, security, and maintenance remain.

When all is said and done, the problem is the future of a whole generation of Canadians. By imposing narrow-minded, narrowly viewed restraint in this area of public policy, the federal Government is compromising the quality of education and training available to our young people. For example, in my own Province of Prince Edward Island, where I am most familiar with the problem, government funding at the University of PEI in 1980-81 amounted to $5,638 per full time student. That is reduced to only $4,386 in 1983-84. That drop is very substantial.

At a time when per full time student grants are being slashed by approximately $1,100 in real terms, student enrolment is actually increasing throughout the Maritimes by about 25 per cent. Therefore, universities are being required to extend their resources well beyond capacity. The result of this underfunding is that the quality of education is fast deteriorating.

The University of PEI is no longer hiring new staff, although there is a serious need for staff in several areas. In fact, the overall staff at the University of Prince Edward Island in recent years has been reduced. Given such staff shortages, classes must be made bigger and students have been given less access to the personal counselling so important to a quality education.

The same considerations that apply to teaching staff also apply to resource and support staff. A case in point is the library staff at the University of PEI which has been slashed from 32 to 23 full time personnel since 1974-75, at a time when demands on library resources have increased. As a result of cut-backs in funding, there is less money available to make the system work. The library is also being forced to reduce substantially its purchase of volumes.

The universities in the Maritimes have calculated that from 1976-1977 to 1981-1982, they needed an increase in government funding in the range of 71 per cent merely to maintain services at the level at which they were operating. Instead, during that same period they received only approximately 50 per cent more. This year they will require about a 12 per cent increase just to stay where they are, let alone improve the quality of education in light of the knowledge explosion and manpower requirements. The legislation under debate now,

however, will restrict increases in federal contributions to 6 per cent.

To their credit, the Maritime provincial governments are coughing up an increase of approximately 7.3 per cent in the current fiscal year to help pick up the slack. But those governments, as I said before, are badly strapped. They are not in the position to make up the total difference following restraint imposed on higher education spending under this Bill.

In any event, an entirely new approach to university funding is required. First, we need to realize that money spent wisely but generously on education is not a waste of taxpayers' money but rather an essential investment in the education and training of a new generation of Canadians. Seen in that light, undue restraint is not frugality; it is waste. In this case it is a waste of opportunity, including opportunity for job creation, increased productivity, and enhanced research, in fact, enhanced wealth for the country as a whole.

● (1620)

Second, there remains an urgent need for a long-term agreement between federal and provincial governments on the funding of post-secondary education. The current on-again-off-again restraint approach to funding makes it nearly impossible, certainly very difficult, for the institutions to plan ahead with any degree of certainty or effectiveness. Needed especially are: a clarification of all relevant issues, a clear national education policy to override if need be the hodge podge of provincial policies, and imaginative planning by the institutions themselves. As much as anything, Mr. Speaker, the Government must stop using universities as scapegoats for their own waste of taxpayers' money and for their own unplanned and uncoordinated and profligate ways. For their part universities should stop crying foul every time an institution does not get all it needs or thinks it needs from government, though doubtless most universities, including the one in my own riding, have genuine cause to cry foul.

Finally, the public is going to have to get used to the idea that educational institutions require adequate expenditures of money in order to produce the kinds of dividends, social and economic of which they are capable and without which our country will continue to fall further and further behind our competitors. Only then will our universities be a total credit to themselves, to their government benefactors and, indeed, to the country as a whole.

The Acting Speaker (Mr. Herbert): There follows a ten-minute period for questions or comments. The Hon. Member for Prince Albert (Mr. Hovdebo).

Mr. Hovdebo: Mr. Speaker, would the Hon. Member for Hillsborough (Mr. McMillan) give us some insight into what he considers the long-term effects of the cuts that are being made now in his province? What kind of effects can we look forward to five or ten years down the road.

Mr. McMillan: Mr. Speaker, that is a first-class question and I hope I can do justice to it. Very recently the Association of Universities and Colleges of Canada published a sterling document called *Some Question of Balance*. It was the third volume of the report of the Commission on Canadian Studies sponsored by the AUCC. The Commissioners for the third volume just released were Dr. T. H. B. Symons, the founding president of Trent University, and James Page, who was a teacher at Seneca College until recently and now is in the employ of the Government of Canada in the Department of the Secretary of State.

To address the question in particular, I refer to that superb study, *Some Question of Balance*. The Commissioners argued that it may well have been true in the 1950s and 1960s that we needed to go outside Canada to recruit highly qualified manpower to teach our students, to conduct research and to help build up our own incipient graduate schools which at the time were not strong enough to produce the faculty required. Nevertheless, though we have strong graduate schools now, well capable of producing the highly qualified manpower we need for teaching and research, we are still going outside Canada to recruit in large numbers faculty, often in the very fields where we ourselves have a surplus of qualified manpower. There are all kinds of Canadian PhD holders who are being passed over in favour of faculty from outside the country who are being actively recruited with the acquiescence of the federal Government.

To get to the long-term implications to which the Hon. Member refers, Dr. Symons and Mr. Page have documented in great detail that because of restraint and budgetary cutbacks and the retrenchment being forced upon universities there is a danger that we may in Canada have a shortage of qualified manpower before long. As a result we may have to go outside Canada again, just as we did in the 1950s and 1960s, to recruit faculty. But this time it will be with justification because we will have starved our own universities and our graduate schools in particular. The Commissioners predict, and they have documented in some detail, that we could have another manpower crisis by 1990. We could have a shortage of qualified manpower in various fields that will require us to go outside the country to recruit personnel.

To address the question more specifically, and to bring it to a point, I want to say that in the Maritime Provinces, for example, we have seen growing evidence—

An Hon. Member: The Symons-Page study is an excellent report.

Mr. McMillan: Yes, it is an excellent report. In the Maritime Provinces we have all kinds of areas—environmental studies, regional studies, and ethnic studies, for example—that go begging for qualified manpower. We should be pumping a great deal of money into those fields rather than being stingy and preoccupied with a false sense of restraint so that our post-secondary educational institutions can meet the manpower and the employment needs and opportunities of the 1980s and the 1990s.

Those are some of the long-term implications. Restraint is being heavy-handed. It is ill-conceived. It is not real frugality,

it is false economy because the investments that we need for the future are simply not being made. We will be paying the cost for a long, long time. As Professor Symons and Jim Page said, "the crisis may come sooner than later."

The Acting Speaker (Mr. Herbert): Are there any further questions or comments?

Mr. Hovdebo: Mr. Speaker, I have one more question on a little different tack. We are paying something like a billion dollars a month in UIC right now. In the Hon. Member's mind, what portion of that could be transferred or should be transferred, maybe this is an unfair question, to this grant to develop the schools needed to be developed for the future?

Mr. McMillan: Mr. Speaker, I do not think one red cent should be transferred from unemployment insurance, from welfare or from the so-called safety net to education at this point. That is not the way you make up the difference, by stealing from Paul to pay Peter—or is it the other way around? We can, however, save the economy, governments, and taxpayers an awful lot of money if we could invest money wisely in the post-secondary education system. We are creating a whole generation of unemployed because we are not making that kind of investment. We need to invest in the skills, in the talent, and in the latent creativity of our young people. If we do, more and more of them will qualify for jobs in the workplace and fewer and fewer of them will be unemployed in future. Therefore, there will be less of a burden on the unemployment insurance funds. That is how we can save money with respect to UIC. We do not save money by robbing that fund now and putting the money into post-secondary institutions instead. We should find money in other areas and invest it in post-secondary education so as to make sure that in the future fewer of our young people are unemployed, and that fewer will be dependent on unemployment insurance, thereby draining the system. It is an entirely different approach. Even though it might be a longer-term one, I think, nevertheless, it would make more sense.

• (1630)

The Acting Speaker (Mr. Herbert): Any further questions or comments? On debate, the Hon. Member for Kootenay West (Mr. Kristiansen).

Mr. Lyle S. Kristiansen (Kootenay West): Mr. Speaker, I am pleased to participate in the debate on Bill C-12, an Act to amend the Federal-Provincial Fiscal Arrangements and Established Programs Financing Act, 1977. In commencing my remarks on third reading of the Bill, I would like to begin by saying that this is the worst possible time for any government, particularly a federal government whose members have gone on in the last few weeks about the importance of post-secondary education and how the provinces are doing such a rotten job, to bring forward a Bill for passage which will cut whatever increases are currently provided for the post-secondary educational system across the country. It is the worst of times.

In the Province of British Columbia, in the constituency of Kootenay West and in the City of Nelson, aid to post-secondary education is not an academic subject. On numerous occasions during the consideration of this Bill, and at other times over the last one or two months, I have outlined some of the history of what is happening to post-secondary education in my own area and in my own province, particularly as it relates to the closure of the David Thompson University Centre in Nelson, B.C. In demonstrating that this is not an academic subject to us, I want to illustrate to Hon. Members of the House, particularly to the Government which pretends to care, just what kind of impact these cuts are having on students, teachers, instructors, professors, on jobs, on communities and on people. The cuts are continued to be allowed and, it could be argued, are being further encouraged by the consideration and passage of this legislation.

I would like to begin illustrating these impacts by reading a letter signed by Dennis Bannert, Co-ordinator, Unemployment Action Centre, Nelson, B.C., dated March 27, 1984. This letter was addressed to the Secretary of State (Mr. Joyal), with whom I, the mayor of my city and representatives of the David Thompson University Centre Action Committee in Vancouver just last Thursday. It reads:

Dear Sir:

Re: Impending Closure of David Thompson University Centre

In our capacity as a volunteer organization with a mandate to assist unemployed people in a variety of ways, we are very distressed about the impact the above closure will have on our area. During the past year of operation this centre has had numerous contacts with young people and unemployed people experiencing severe difficulties related to access to higher education. These difficulties are manifest on two levels:

1. The major degree granting universities are located on the coast hence the extra financial burden for interior students is much higher. In many cases the burden is prohibitive, particularly for students of unemployed parents.

2. Financial assistance for students has become excessively restricted. The B.C. Ministry of Human Resources now provides no measurable assistance to students. We also have experienced a number of UIC appeals involving denial of U.I. benefits on grounds of lack of availability for work due to attendance at courses of instruction. With our unemployment rate regionally of 25 per cent plus, it appears to us ludicrous to cite a question of availability since job offers are virtually non-existent.

On March 20, 1984 a young French Canadian was found hanged in his small apartment. He ended his life due primarily to severe depression related to unemployment and lack of opportunities. We know that this young man was desperately trying to get access to English language upgrading through the local manpower office to no avail.

The above case, of course, is an extreme example however it does indicate the degree of desperation in our region. To close a post-secondary, degree-granting facility such as D.T.U.C. at a time when so many young people in the interior of this province are in such need is in our opinion nothing short of a denial of human rights.

Mr. Minister anything you are able to do to assist this community and region in maintaining the historic delivery of post-secondary education at D.T.U.C. would be a very humane and progressive step. We implore you to give very serious consideration to ways and means of assisting this region in its plight.

Yours in Hope,

Dennis Bannert
Co-ordinator
Unemployment Action Centre

This is just one illustration of the impact of the actions taken by our provincial government as a result of the absence of any teeth in the federal fiscal arrangements which allow for millions upon millions of dollars of unconditional funds collected by the federal Government to be sent to the provincial government, only to see them diverted by that government to build dome stadiums or to subsidize the export of non-renewable resources, as with Northeast coal. Those actions are inexcusable.

It is not for want of knowing in what direction they ought to move. The Secretary of State said as much in Vancouver the other day. The Hon. Member for Ottawa Centre (Mr. Evans), speaking outside the committee meeting dealing with this Bill a few weeks ago said the same sort of thing, that there had to be controls to ensure that funds directed to the provinces for post-secondary education were spent on that. The new Minister of State for Youth (Mrs. Hervieux-Payette) just a few days ago made a speech in which she said exactly the same thing. That is also what my Party attempted to put to the House in an amendment just yesterday. I am referring to Motion No. 4 which read:

> That Bill C-12 be amended in Clause 8 by adding immediately after line 25 at page 7 the following:
>
> "(3) Any such cash contribution for hospital insurance and medical care programs and post-secondary education program shall be expended by the province for the purposes of those programs only."

That amendment was moved in the House of Commons yesterday. It was debated and we voted on it. What happened? The result of the vote was 182 to 19, against. All Liberal and Conservative members voted against that amendment which would have at least begun the path toward making provinces accountable for the funds of federal taxpayers which they receive.

We get a lot of lip service to accountability. This is a classic example of the old phrase that people and politicians can be divided into three categories, those who make things happen, those who watch things happen and those who say "what happened". As I said, yesterday the NDP proposed an amendment to make something happen. Liberal and Conservative members, including the 16 of the 17 British Columbia Conservatives who were in the House, all voted against the amendment. They ought to know what is happening in their own province. Do they not care?

The Conservatives also proposed an amendment; an amendment to watch things happen. That amendment had the support of the Liberals, of the Conservatives and of members of the New Democratic Party. We all agreed to watch things happen, but when it came to an NDP amendment which would have put some teeth into the legislation, all Liberal and Conservative members in the House, including those 16 of 17 B.C. Conservatives, voted against it. Of course the people of Canada, including students, university teachers and instructors are left to wonder what happened.

I think that their action was absolutely inexcusable, particularly on the part of Members from British Columbia who ought to know what is happening in our province.

I would like now to refer to the bulletin of the Canadian Association of University Teachers dated February 1984, entitled "B.C. to slash universities' budgets". It reads:

● (1640)

> The Government of British Columbia is out to cut university budgets by 24.5 per cent in real dollar terms over three years. Already the government has announced that there will be no increase for this year and a 6 per cent decrease for next year. Informed sources say that this will be followed by another 6 per cent decrease. These decreases are on top of the $12 million cut from the universities in 1982-83. Assuming inflation rates of 4.5 per cent for this year and 4 per cent for the next two years, this will likely produce a decline in real terms of about 24.5 per cent.
>
> The President of UBC, George Pederson, says that one of the most significant consequences of the cuts will be a substantial increase in tuition fees . . . Dr. Pederson released figures showing that prior to the Government's budget, per student support shrivelled by 24 per cent since 1972 in real terms. According to Dr. Pederson, B.C., despite its relative wealth, ranked ninth among the ten provinces in university operating grants, sixth in the share of 18 to 24-year olds attending universities, colleges and institutes, and ninth in terms of university enrolments alone. The result will be that fewer and fewer qualified students from British Columbia will be able to attend universities.

More than in any part of Canada, the students, teachers and others in British Columbia are being victimized by a regime which allows Conservative provincial governments, and they are the ones doing it primarily, to divert funds, funds that ought to be used for the training of our young people—to their prestige megaprojects, whether it be a fair in downtown Vancouver, a domed football stadium or a project to subsdize the export of non-renewable resources as with Northeast coal. We have important priorities that we ought to be addressing. Surely students needs are one of them.

Referring again to the situation in my community, we have set standards in terms of the kind of people we are training there that are or ought to be beacons for other parts of Canada. Of the students attending the David Thompson University Centre in Nelson this year, 66 per cent are women students and 40 per cent are mature students. These are goals for which other institutions strive. Ours was the only institution offering university courses outside the Lower Mainland and metropolitan areas of British Columbia. This is the institution that has been decapitated.

It is these kinds of values that the provincial government of B.C. is destroying. The Liberal Government lets them get away with it by introducing and passing legislation such as we have before us. It encourages that kind of attitude. It is wrong. It is disgusting. It does little good for the Secretary of State to meet with us in Vancouver, even though he offered some assistance for which we are thankful. It is assistance the provincial government should have offered as it is that government which decided to close our institution in Nelson.

The Secretary of State offered some immediate assistance in seeking alternatives in terms of funding, programming and in financing consultants to look for other institutions which could offer courses at our local facility. But, he also made a speech to the Faculty Association of the University of British

Columbia on Thursday last, March 29 in which he said then, and I quote:

It has been suggested, naively—

I wonder who is naive.

—that the Government of Canada itself is restricting accessibility by applying the six and five restraint measures to its transfers in support of post-secondary education.

He thinks we are naive. It is his Members, Liberals, and the Conservatives to our right who voted against the amendment which would have moved toward a solution of this problem when proposed by my Party yesterday.

Mr. Malone: Tell us about the polls.

Mr. Kristiansen: Do you want to talk about the Czechs, too? It is typical that the Conservatives want to play Trivial Pursuit when we are talking about the life and death of people and their livelihood from one end of this country to the other. No wonder they want to go off on their fancy diversions. People are losing their jobs, their livelihood. People are losing their lives because of the kind of policies that this Liberal Government is now pursuing and which the Conservative Opposition keeps urging upon them—cut back, cut back, cut back, and restrain them around the neck until dead. All the nice words in the world will not help them and the people we represent. They had the opportunity to vote for something of substance that would have moved us part-way toward a solution. They simply threw it aside, for whatever reasons. What the Conservatives did when voting against the amendment which my Party proposed was to put their Party loyalty to their colleagues in the British Columbia government ahead of the interests of the people they represent. That is a despicable action. I have no other word for it.

Mr. Malone: You have no other words.

Mr. Kristiansen: There we get a great contribution from the Conservative Member again.

Yesterday we debated the report stage of this Bill, a Bill which will impact severely and encourage more regressive policies such as we have seen in British Columbia and many other Conservative-dominated provinces. At the report stage of that Bill yesterday there were four NDP Members and only one Conservative who took part in the debate, while they outnumber us in this House of Commons by three to one.

Mr. Malone: Any one of us would.

Mr. Kristiansen: When they have an opportunity to say or do something, they are either silent or vote with their friends, the Liberals, to continue the status quo and see university students, teachers and communities continue to wither and die on the vine. Why is it? I am not in a position to answer. Perhaps some of them will.

We have opportunities to move forward in an attempt to provide better conditions for learning in this country. We will not further those ends and the welfare of the young people whom we represent and their communities by passing a Bill such as C-12 which is now before us. It moves in completely the wrong direction. It is no use for the Liberals to say that because the Government of British Columbia is punishing the people of B.C.—including the students of that province—that they will get even and punish the people of B.C. as well. That is not of much comfort to the people there. It is perhaps too late to appeal to the Government to change its mind in order to do in a reasonable and structured way what it ought to have done long ago, namely, attempt to insist that those we represent get a return that they can see and feel for the dollars that we expend on their behalf through this Parliament.

Provincial governments are being encouraged to get away with the murder of institutions and communities. It is time that a regime which allows and encourages that should end. We ask all Members of this House to search their conscience and decide whether six and five, that magnificent PR term that some flack dreamed up, is a proper direction for this Parliament to move. For the future of our country, I ask them to look at the facts. If they will but see what government after government is doing to the future of our young people and the existence of our communities, I am confident that they will join with us in voting against this inequitable and unfair piece of legislation. More than just an impact upon students and teachers is at stake; the impact on my home community has been devastating in broad economic terms. More than a dozen conferences scheduled for my community of 10,000 people this summer have been cancelled because the provincial Government has closed the institution where they would have taken place. We cannot afford that, Mr. Speaker. It is but one of the other effects on our communities of the measures taken by provincial Governments as a result of the negative encouragement they are receiving from the federal Government.

● (1650)

I ask all Hon. Members to vote against this unwise Bill.

The Acting Speaker (Mr. Herbert): There follows a ten-minute period for questions and comments. If there are no questions, I recognize the Hon. Member for Beaches (Mr. Young) for debate.

Mr. Neil Young (Beaches): Mr. Speaker, I appreciate the opportunity to speak on Bill C-12 which deals with federal-provincial fiscal arrangements, federal post-secondary education and the federal health contributions.

In the course of this debate we have argued, and continue to argue, that at a time when it is apparent to everyone except the federal and provincial Governments that there is a need in the country to expand what we are doing in post-secondary education, the federal and provincial government are actually cutting back on funding for those institutions.

The Government has also ignored our pleas for improved educational opportunities for women. Two-thirds of all new entrants to the labour force this decade will be women. Two-thirds of working women are concentrated in support type occupations, in the clerical and service sectors, occupations which are the most vulnerable to technological change.

Federal and provincial government cutbacks to the post-secondary education system disproportionately affect women who accounted for over 95 per cent of the increase in full-time enrolment over the last decade and whose enrolment in post-secondary education continues to increase at a higher rate than that of men.

My colleagues and I in the NDP caucus have been fighting the Bill now before Parliament that would limit federal funding increases to provinces for post-secondary education to the six and five formula. Just as women are attempting, through education, to pull themselves out of the low-wage job ghettos that entrap them, institutions are being forced by government cutbacks to further restrict women's accessibility to education.

The Canadian Council for Learning Opportunities for Women recently pointed out to a House of Commons committee studying the Bill that the education system in this country is badly out of sync with women's educational needs. In 1981-82, enrolments in high tech courses at Canadian community colleges were 95 per cent male and less then 5 per cent female. In 1982 fewer than 3 per cent of women university graduates had degrees in engineering, computer sciences or any of the sciences. Many of the math and science programs are inhospitable to women because of the way they are taught and the culture associated with them.

Another accessibility problem exists for part-time learners, the growth student group of the 1980s. It is estimated that over half the students at colleges and universities will be part-time students by the year 2000. The enrolment of women in part-time study increased by a startling 250 per cent over the last decade. In 1981-82, 66 per cent of all part-time students were women. It has been found that women are making career decisions at about the age of 30; that is when they are going back to school. But the part-time student is still perceived by both governments and institutions as not being serious. The result is that many courses and programs are not open to them, child care is almost non-existent and where it exists, faculty and support staff are given preference. The costs incurred by part-time students are the same, per course, as full-time students, but part-time students are not eligible for the $50 a month educational allowance deduction for books and transportation, and the tuition fee deduction is not transferable from the non-working spouse to the working spouse.

The federal Government recently extended loan assistance to part-time students, but in a manner that further entrenches the misconception that part-time students are not serious and are not in financial need. The federal Government merely puts up collateral for a loan to the part-time student whose only difficulty is a temporary cash-flow problem. Repayments on the loan must begin one month after it is received, with interest accruing immediately and eligibility based on a more stringent means test than that of full-time students. The use of family income criteria for loans deters the participation of married women and works to maintain their dependency on the family.

A few weeks ago, during International Women's Week the Hon. Member for New Westminster-Coquitlam (Ms. Jewett) asked the Minister responsible for the Status of Women if she was aware of the difficulties faced by part-time learners, the majority of whom are women, and what she was doing to eliminate discrimination from the federal Loan Assistance Program. The Minister's response clearly indicated to me that she was totally unaware of this problem and had never seriously considered one of the most crucial issues facing women today—accessibility to education. She said:

> —I am painfully aware of that fact, as my sister suffers under those consequences. I reiterate that my concern is her concern, and it is something that I believe we should do something about. But again, I state very clearly that the law is not there to discriminate specifically against women. It does discriminate against part-time students and unfortunately women are the ones who suffer most. But 'twas ever thus in our society.

So much for the federal Government's concern about women in the post-secondary educational system. That concern, I suggest, is clearly seen in what the Government is attempting to do in this Bill.

Mr. Speaker, may I have permission to call it five o'clock.

The Acting Speaker (Mr. Guilbault): By all means. It being five o'clock the House will now proceed to consideration of private Members' business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—PRIVATE BILLS

UNITED GRAIN GROWERS LIMITED

The House resumed consideration from Monday, April 2, of the motion of Mr. Bockstael that Bill S-10, to amend the Act of incorporation of United Grain Growers Limited, be read the second time and be referred to the Standing Committee on Miscellaneous Private Bills and Standing Orders.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Guilbault): The question as follows: Mr. Bockstael seconded by Mr. Dionne (Northumberland-Miramichi) moved that Bill S-10, an Act to amend the Act of incorporation of United Grain Growers Limited be now read the second time and referred to the Standing Committee on Miscellaneous Private Bills and Standing Orders.

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

Some Hon. Members: Agreed.

Motion agreed to.

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I think if you would seek unanimous consent you will find that there agreement to move Bill S-10 on to Committee of the Whole and through third reading stage at this time, rather than sending it to the

standing committee. There have been discussions with all Parties. The House Leader for the Official Opposition has apparently agreed to this and the House Leader for the New Democratic Party has also agreed. If you would care to proceed, Mr. Speaker, to Committee of the Whole and third reading stages at this time, I believe you will find there is consent to do that.

• (1700)

The Acting Speaker (Mr. Guilbault): At this time it makes it a little more difficult, because we just passed a motion to refer it to the Standing Committee on Miscellaneous Private Bills and Standing Orders. However, if that is the disposition, we can reverse the decision. Is this agreed?

Some Hon. Members: Agreed.

Mr. Mazankowski: Mr. Speaker, indeed there have been discussions which have taken place between the three House Leaders. There is a disposition, at least from our standpoint, that this Bill move through Committee of the Whole and be passed in all stages today.

Motion agreed to, Bill read the second time, considered in Committee, reported, read the third time and passed.

PUBLIC BILLS

[*English*]

The Acting Speaker (Mr. Guilbault): Shall all orders and items preceding Motion No. 62 be allowed to stand by unanimous consent?

Some Hon. Members: Agreed.

* * *

CRIMINAL CODE

MEASURE TO AMEND

Mr. Arnold Malone (Crowfoot) moved that Bill C-229, an Act to amend the Criminal Code (drunk driving) be read a second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, of all our nation's serious problems, the issue of drinking while driving must be considered as one most needing attention. The fact that drunk driving is a serious problem is well known. The extent, however, of that seriousness is not as well appreciated. During the night-time hours a full 25 per cent of all drivers have been reported to have had alcohol in their bodies. On weekends between the hours of midnight and 3.00 a.m., 40 per cent of all drivers have been reported to have alcohol in their bodies. In terms of medical costs, property damage and loss of work or education, the total national cost every year is estimated to be some $2.5 billion. Some of these people, so drunk that they cannot speak coherently and cannot walk in a co-ordinated fashion, all to frequently climb into 5000 pounds of metal and hurl that object at some 60 miles per hour down a public throughway presenting great danger to all persons who are nearby.

What is at stake for the innocent men, women and children who become the victims of drinking drivers? Every day in Canada, Sir, some 400 persons are convicted of driving while having an intoxicating level of alcohol in their bodies. In this country 14 million persons are driving automobiles every year for a total of some 9 million miles. It is noted that in that number of 14 million drivers, 850,000 of them are involved in accidents every year.

More importantly, Sir, of those accidents in which there are fatalities, a full 50 per cent are reported to have been caused by people under the influence of alcohol. It is for those reasons we have to bring this situation to a national focus and attention. Drunk drivers, Mr. Speaker, are killing 2,500 Canadians annually. That number ought to shock us all into recognizing that the problem is of great concern.

It is not just a Canadian problem, but a North American problem. The statistics of Canada, with one-tenth of the population of the United States, interestingly enough, parallel American statistics. In effect, what these figures underline is the fact that we are culturally bound to its patterns of alcohol consumption and involvement in accidents. In the United States there has been a social cost of between $21 billion and $24 billion because of drunk drivers over the past decade. In the same period 250,000 persons lost their lives to reckless carnage or drunk driving.

In order to bring to light the seriousness of this problem I will give this example. Between 1973 and 1978 as many Canadians died from drinking and driving as Canadian soldiers were killed in the total of the Second World War. In the United States in any two-year period of this decade, there are as many people who are killed as were killed in all of the Vietnam war. That is the extent to which drinking and driving has become a social problem in North America.

• (1710)

In the United States somewhere between one of 500 to one of 2,000 of impaired drivers are arrested and convicted of impaired driving. More than one half of all drunk drivers involved in fatal accidents in the U.S. had blood alcohol levels of more than twice the legal limit. In a study in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick and Prince Edward Island, it was pointed out that between 1973 and 1978 some 11,500 persons were killed in automobile accidents, and in 42.5 per cent of those cases one driver had been drinking. Stop and think, Sir, about what I have just said. In 42.5 per cent of the accidents which killed 500 persons, one driver had been drinking. Those statistics underline that the situation needs real action, and my Bill proposes to take that action.

We know it is incumbent upon our society to start a war against persons who drink and drive. We need to heighten the

level of awareness of those who think there is something socially cute about crawling into an automobile light in spirit—no pun intended—but in a totally irresponsible way, attempting to handle a machine they cannot handle. Drunk driving must become socially unacceptable, Mr. Speaker.

Interestingly enough, Sir, research in California and Washington indicates that when we take the licence away from a person it does act as an effective deterrent. More importantly, Sir, the research also demonstrates that when there is a large amount of publicity to the taking away of a licence, the deterrent value is greatly increased. That, also, is what my Bill would do. It would mean suspending licences automatically, in a harsh way. But, Sir, that harshness must be balanced against the dangers and damage to society as a result of drinking and driving.

I note, Mr. Speaker, that the Gentleman of the Black Rod will be arriving. I would only ask that my time be extended as necessary. I will continue until the knock draws your attention.

Drunk drivers must be held responsible for their actions. Drinking and driving should not be socially acceptable. The drunk driver must be viewed more as a turkey than as a man. The John Wayne syndrome of heavy drinking in North America is too dangerous and too expensive.

Some will argue, Mr. Speaker, that my Bill is harsh. They will argue that people need to drive their cars for reasons of work or care of their family, or to attend church. However, the fact that 2,600 Canadians died in 1980 because of drunk drivers is reason enough to bring an abrupt halt to this "socially acceptable" murder. Criminal law treats those who cause death and injury as having committed a felony. It should be no less serious an offence to kill or maim while under the influence of alcohol. If we are to be our brother's keeper, then it is best that we act with all the preventive measures we can. The prevention of drinking and driving is a matter of the deterrent.

I want to set before you, Mr. Speaker, an example of what has happened in some of the Norse countries where it is a very serious offence to be found driving a car while under the influence of alcohol. In some cases it can mean a suspension of a driver's licence for life. In those countries it is very common to find one person at a party who drinks coffee or soda pop and takes the responsibility for making sure that the others are delivered home safely. We need similar penalties to accomplish the same thing in this country. We cannot afford, neither in human life nor property damage, to allow persons to irresponsibly get behind the wheel of an automobile and aim it like a ballistic missile at innocent men, women and children. We need to bring this issue to the attention of all Canadians, and that can best be done when the penalties are severe enough and the deterrent is strong enough that it is imprinted on their minds.

For those reasons, Mr. Speaker, I have a bill before the House which calls for a penalty, for the first offence of drinking and driving, of suspension of a driver's licence for one year. A second offence would mean licence suspension for three years. Subsequent offences would mean five years' suspension. In those cases where there has been death or maiming as a result of a person driving while drinking, then the suspension in the first offence would be for ten years and in a subsequent offence for life. While that may at first blush seem harsh, we have to remember the fact that between 1973 and 1979 more Canadians died from drunk driving accidents than were killed in action during World War II. In the past two years there were more people killed by drunk drivers in the U.S. than the total number of Americans killed during the entire Vietnam War.

We have had in North America a sort of culture of slapping leather and drinking hard on a Saturday night at the square dance, drinking until one finds he can no longer stand. Then along came a European culture of drinking while we eat, of having wine with meals, and drinking socially in the evening. It did not come into North America and replace the first culture. It came and added to the first culture. Now we have a continent which does both, rather than having selected one or the other. The result is that on one side of the ledger we have situations of maiming, disfiguration, ruined careers, ruined relationships, the loss of self-confidence and the loss of life itself. We have the loss of $2.4 billion in Canada annually from automobile accidents. On the other side of the ledger we have the question of the right to drive.

• (1720)

It is upon that concept that I wish to focus for a moment. Largely because of the great diverseness of our land, which is the second largest nation in the world, we have come to believe that transportation is a right, that being able to drive a car is a right. I submit it must be viewed as a privilege. It ought always to be viewed as a privilege because every province requires that we become licensed before we can drive. Every province requires that you pass a driver's test before you can drive. Since it is the rule of the provinces that you must pass a test to drive, surely we ought not allow persons to drive on the basis that they are too drunk to walk. Yet in so many instances, after having passed the test initially, in later years persons climb into automobiles while inebriated and without ability to drive. Somehow in a cultural context they still presume it to be a right rather than a privilege.

My next submission is not in my Bill, but I would recommend that it become a part of our thinking towards driving. In recognition of the fact that to drive is a privilege rather than a right, before any person is given a driver's license they should sign a form giving consent for persons arriving on the scene of an accident to take a blood sample for the measurement of alcohol. Consider all the media attention which was given to the Vietnam War in the 1960s and 1970s. Then recognize that in any two year period in the United States there are as many people killed by drunk drivers as there were in the whole Vietnam War. That ought to underscore the seriousness of the problem.

I do not think we are being too harsh at all when we submit that we need stiffer penalties. Although it is not in my Bill, I would advocate that upon receipt of a driver's license we sign

consent for blood samples to be taken. It can work both ways. If we are sober it will prove that alcohol was not a factor. If we are not sober, society ought to have the right to know that.

I would like to read one headline which I could have spent my entire allotted time reading from different papers across Canada. "Drunk driver gets 30 days for crash in which man died". Is not law something that should parallel the extent and seriousness of the crime? We climb irresponsibly into automobiles while inebriated. All across North America people are being killed at rates equal to or greater than that of war. We need another war, Sir. We need a war against drunken drivers. We need a war which will place a real deterrent against drunken driving. We need a war which will change our cultural mindset so that children attending high school dances will learn that they can have a good time without bragging later about how much they drank. We must learn that people can go to social events without alcohol being an essential ingredient. More importantly, we must recognize that we all have limits. We must realize that the laws are such that if we are inebriated we had best seek alternative transportation.

I brought this Bill to the House of Commons in hopes of raising the level of consciousness of this serious problem. I hope that Government Members and Members of the NDP will give it their full support. I can assure Members of all Parties that this issue is rising very much in the Canadian consciousness. In communities all across Canada there are growing concerns that something be done to curtail the extent of the use of alcohol while driving an automobile.

Mr. Maurice Foster (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I rise this afternoon to speak on Bill C-229. I would like to commend the Hon. Member for Crowfoot (Mr. Malone) for putting this Bill forward. In his speech he outlined the tremendous carnage, hardship, death and destruction which takes place on our highways every night due to alcohol and impaired driving. On February 7 the Minister of Justice (Mr. MacGuigan) tabled Bill C-19 which deals with the same topic. There can be no doubt that those families that have lost children and loved ones dues to impaired driving on our highways are more conscious of this serious social problem.

I will stand down for Royal Assent, Mr. Speaker.

THE ROYAL ASSENT

[*English*]

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

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

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

And being returned:

[*Translation*]

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

Bill C-21, an Act to provide borrowing authority;

Bill S-10, an Act to amend the Act of incorporation of United Grain Growers Limited.

PUBLIC BILLS

[*English*]

CRIMINAL CODE

AMENDMENTS RESPECTING PENALTIES FOR DRUNK DRIVERS

The House resumed consideration of the Motion of Mr. Malone, that Bill C-229, an Act to amend the Criminal Code (drunk driving), be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Mr. Malone: Mr. Speaker, I rise on a point of order. A few moments ago you were kind enough to give us a good tour down the hallway to the Senate. I wonder if you might also seek unanimous consent that the amount of time that was lost in so doing might be extended to Private Members' hour. I know that government Members certainly would not want to talk my Bill out, and I am sure the Member for Algoma (Mr. Foster) and the Members of the NDP would agree it is a good Bill and one that is needed.

Mr. Speaker: Is there unanimous consent to extend Private Members' hour to 11 minutes past six?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Speaker: There does not appear to be unanimous consent.

Mr. Foster: Mr. Speaker, when the Hon. Member spoke to his Bill C-229, he said that there really needs to be an increased awareness of the problem of drinking and driving in this country. I believe that is very true. I believe that debating this Bill before the House this afternoon will strengthen that awareness and hopefully will result in legislation being implemented by the House.

He pointed out in his speech that the cost in human terms of alcohol related deaths was some 2,500 a year and $2.5 billion in property loss.

I believe that the Department of National Health and Welfare pointed out a few years ago that 60 per cent to 65 per cent of the deaths in this country were related to lifestyles, such as smoking, being overweight, eating and drinking habits. Perhaps we are most conscious of the young life that is snuffed out by a drunken driver.

• (1740)

I am pleased the Hon. Member brought this Bill before the House. I think it is an issue that needs to be ventilated and discussed. It is not just a legal problem, as the Hon. Member pointed out, it is a huge social problem. This Bill proposes that everyone convicted of an impaired driving or related offence be automatically prohibited from driving a motor vehicle for a specific period of time. In the case of a first offence, the prohibition is a minimum of one year; for a second offence a minimum of three years; and, for a third or subsequent offence a minimum of five years. An offence of driving while disqualified, with a minimum term of imprisonment for five years is also proposed. Bill C-229 is indicative of the search for single-factor solutions to a complex, multi-faceted problem. It represents the view that a single legal counter measure will have a significant impact on the impaired driving problem.

Research in the area of impaired driving indicates that impaired drivers are not a totally homogeneous group. Some are deterred by the usual sanctions such as fines, others will not be deterred no matter how severe the sanction.

The fact that the impaired drivers range from drivers whose impaired driving was an isolated incident to those drivers who possess deviant drinking and driving attitudes, to those drivers who suffer from alcohol dependency, dictates that impaired drivers be treated differently according to the purpose of the sanction—whether it be deterrence, rehabilitation or medical treatment—for that particular offender, rather than applying a single penalty to all offenders, as has been done in the past.

The "high-risk" alcoholic impaired driver may respond to treatment and the court should be empowered to order it, rather than imposing an excessively harsh penalty which may not be effective. By the same token it may, in some instances, be beneficial to prohibit an offender from driving for a lengthy period of time, or to immobilize his vehicle, impound it. These alternatives should be available to the court. A single mandatory penalty to be applied to all offenders without alternatives where appropriate will not reduce the incidence of impaired driving. The availability of a range of sentencing alternatives such as fines, jail terms, immobilization orders, prohibition orders, treatment programs and driver education or improvement progams will allow a judge to tailor a sentence to the specific needs of the offender. Given the nature of the problem and the results of research in this area, such a policy is essential if we are to combat and overcome this terrible social and legal problem.

As I am sure the Hon. Member is aware, these sentencing alternative measures, and other measures concerning the improved enforcement of the impaired driving laws through the acquisition of blood samples, and a clearer definition and presentation of all driving-related offences, are presented as a clear, concise, cohesive package in Bill C-19, presented to the House on February 7, 1984.

In addition to the above-mentioned measures, research indicates that increased law enforcement which accordingly increases the public's perceived risk of apprehension and punishment may be a more effective deterrent than simply increasing penalties as are suggested in the Bill.

In addition, research indicates that changing the prevalent social acceptability of drinking and driving may offer a greater preventive effect than any changes in the law or the degree to which it is enforced. For instance, when we host parties at homes in the evenings should we allow someone to leave the home after consuming alcohol and drive a car? Surely there is some public responsibility on the host. The responsibility should not all be left to the driver, although ultimately he will pay the penalty for his actions. This is a social problem, and we should all work toward ultimate solution. Thus, a non-legal approach appears to offer a great potential for effectiveness, and should be stressed and combined with the legal approach, as is indicated in Bill C-19.

Bill C-229 is presented on the prevalent belief that a single legal amendment will have a long-term impact on what is essentially a social problem. Research from around the world has indicated that this in fact is not likely to happen. The solution lies in a commitment to a long-term integrated approach designed to effect attitudinal and behavioural changes.

Clearly no one drunk-driving counter measure on its own will be effective to solve this problem. The solution, if there is one, is to be found in the combination and integration of all measures—ranging from legislation, education and media campaigns to rehabilitation of the detected drunk-driver and the inducement of discussion and general concern in the community as a whole.

The authors emphasize the need for community involvement to effect social attitude change through education and other intervention techniques. They note that:

"—if we are to have a meaningful impact on drunk-driving, we must convince not merely convicted drunk-drivers and a significant proportion of potential drunk-drivers to refrain from this practice, but also the community at large to minimize those social factors contributing to the problem. This requires a wide repertoire of intervention techniques, including educating the public about drinking and driving, about the relevant laws and sanctions, and about the costs associated with being charged and convicted of a drunk-driving offence; increasing subjective and objective probabilities of apprehension; highly visible and consistent enforcement of the relevant laws; rehabilitation of convicted drivers; and, finally, the adoption of new techniques as they are developed."

What we found on the Ontario highways last December when there was a massive enforcement of the laws, spot-checks, and so on, was that the actual number of convicted and apprehended drinking drivers dropped dramatically because people were made more conscious of the danger of drinking and driving. People talked about it at parties and they were conscious and very careful of the problem.

In the past, governments in all countries have relied primarily on the legal approach—steadily increasing and stiffening the penalties—based on deterring persons from driving after drinking by the threat of arrest and punishment. It has become apparent, however, that the impaired driver will not be

deterred simply by increasing penalties. More thought must be given to the problem of impaired driving; the simplistic view that excessive penalties is the only solution to this problem is probably not the only one.

I propose that this has been a very worthwhile Bill put before the House. I hope the Government's Bill, Bill C-19, which is designed to deal with this problem as well, will receive passage in the House, because it deals with this serious problem. It is one for all sectors of our society and one to which we must, working together, find the solution.

• (1750)

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, Bill C-229, an Act to amend the Criminal Code with respect to drunk driving, is a very commendable attempt to deal with a very serious problem. The problem of drunk driving is one which is responsible for the death of thousands of people on our highways every year. This Bill was brought about as a result of a loophole which has been found in our current laws, and a decision of the Supreme Court of Canada in Boggs. The proposed amendment to the Criminal Code would make it possible for suspension of driving licenses on conviction of impaired driving and would increase the time of suspension very considerably.

The Hon. Member who introduced the Bill pointed out the very serious toll on the highways resulting from drunk driving. For 1981, 5,379 people in Canada were killed in traffic collisions. Estimates are that roughly half of these were caused by drunk driving.

If we look at the question as to how best to meet this issue and to what extent we can use our criminal law to deter drunk driving, we have to look at the question of certainty of conviction and punishment, and the severity which has been proposed. Unfortunately we have no evidence that increasing severity, within the bounds that would be permissible, has actually helped in reducing drunk driving. Scandinavian studies of incarceration show no reduction in convictions after the introduction of the mandatory jail sentences, nor were persons sentenced to prison any less likely to repeat the offence than those who were only fined. The certainty of being convicted and the certainty of being arrested and charged for drunk driving in Canada, as elsewhere, is unfortunately very low. Estimates are that there are only 1 in 2,000 incidents of impaired driving resulting in arrest.

In Canada after the introduction of the breathalyser test there was a lot of publicity. People were more aware of the possibility of conviction and there was for awhile a reduction in drunk driving. However, people then began to realize that their chances of being caught were frankly not very great, and the rates went up again. The Canadian Addictions Foundation recommends very strongly that we increase the possibility or probability of being convicted rather than deal with severity of sentence. The probability of apprehension has to go up. People have to know that. People have to be aware that they have a good chance of being caught.

The best way of doing this of course is through spot checks. I might point out that a study done by Transport Canada showed that 77 per cent of regular drivers want more spot checks, that they want to increase the probability of being caught. A survey of 237 experts on drunk driving recommended increased detection. They rated increased severity of sentencing as minimal in having an effect. They also recommended lowering the amount of blood alcohol allowed before a conviction of drunk driving would be registered to .04 or .05, rather than the .08 which we have now.

The problem of merely suspending drivers is that people unfortunately continue to drive after they have been suspended and drive impaired. Passing a law does not necessarily change behaviour. In fact, it seldom changes behaviour. The solutions will not be easy ones. Alcoholism treatment is very difficult. We have enormous research literature on alcoholism treatment. We do not have any reliable methods. There is no way that we can say that, if only society invested in a certain kind of treatment centre or a certain treatment method, we could deal with problem drinkers and once their alcoholism problem has been dealt with they would not go out and drive while drunk again. We do not have any such obvious methods to turn to. Therefore, since we cannot effectively treat the problem after it happens, we have to deal more with preventing it in the first place, that is preventing excessive drunkenness and excessive drinking.

We have to address the whole issue of levels of consumption. Drunkenness is related to levels of consumption. If we increase consumption in our society, we will increase the number of people who consume excessively, and of that number a certain proportion will go out and drive after having consumed too much alcohol. It is naive to believe that we can increase consumption, and that all this increase will simply be by the people who will drink very moderately and then stay home.

Let me quote the Canadian Addictions Foundation expert:

> A person can drive home safely hundreds of times after drinking. This conflicts with messages about thousands of people being killed and injured and about the tremendous risks involved, including arrest and punishment. We tend to rely on our own experience and conclude that we are not part of the drunk driving problem.

If we are to deal with this consumption problem, we must deal with the factors that stimulate consumption. One of them is the price of alcohol. Much as we hate to think that higher taxes are any good, higher taxes mean higher prices and actually succeed in reducing consumption. I say this for the benefit of people who participated in the debate on the tourist industry last week. Many Hon. Members recommended reduced prices of alcohol. They cannot have it both ways. If they want reduced prices of alcohol we will have increased consumption, some of which will result in increased deaths on the highways.

Advertising is another issue. It is legal to advertise alcohol in Canada. Enormous amounts of money are spent on advertising. Advertising of alcohol links alcohol with sexual attractiveness, sexual success, sports, fitness, the outdoor life, good wholesome fun, things which are desirable. Of course we

should not be surprised if people then go out and increase their consumption accordingly.

I am not a prohibitionist. It is not feasible to prohibit alcohol. That experiment has been tried, and we know its result was an increase in organized crime. However, I am a prohibitionist in regard to advertising. We certainly should not allow the encouragement of consumption. Legal consumption, yes, but let us not encourage it. Of course free booze encourages consumption. We have all kinds of institutions which provide free booze. That is a policy that ought to be considered.

Our society sends out mixed messages—social drinking is all right. We serve booze on Parliament Hill and we let people drive after the fact. On the one hand it is a criminal offence to drive after drinking a certain amount and, on the other hand, we make it socially acceptable to do it. We pay lip service by saying what a terrible problem this is, but sometimes we turn around and become part of the problem ourselves. If we were serious about it, one thing we could do even on Parliament Hill would be to provide a breathalyser test and allow people to find out what level they had consumed and to see whether it was too much for them to be driving.

If we want to improve the problem of enforcement, we have to change enforcement methods. We have to get after people before they are out on the highways and before they are killing people. Policing parking lots around drinking establishments is one method. There are various kinds of practical methods. Since I do not have time to deal with them all, I suggest that instead of merely trying to address the problem of punishment through Bill C-19, the federal Government should have a conference involving federal and provincial Solicitors General, Attorneys General, Ministers of National Health and Welfare and bring these people together to deal with this question.

Since my time is running out, I wonder if I could have unanimous consent to spend another five minutes on this subject. Failing that, I think this is an important Bill. I am sorry the Liberals have not extended the full amount of time so that it could be discussed. I certainly plan to sit down before six o'clock if I do not obtain unanimous consent to continue for a few more minutes. I think we should have the Bill passed. It should go to committee. It is too important a problem to have the Liberals say that the Government is dealing with it adequately in another Bill, because that other Bill does nothing more than deal with the question of penalties as well. Do I have unanimous consent to continue, Mr. Speaker?

The Acting Speaker (Mr. Guilbault): The practice is that Private Members' Hour terminates at six o'clock according to the rules. The Hon. Member is correct in asking for unanimous consent, because this is what would be required. Is there unanimous consent for the Hon. Member to continue?

An Hon. Member: No.

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Guilbault): Unfortunately there is not unanimous consent.

Mr. Mazankowski: A Liberal member said, "no".

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

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

FINANCE—FINANCIAL DEFICITS OF ATLANTIC PROVINCES. (B) REQUEST THAT MINISTER INITIATE NEW GRANTS PROGRAM

Hon. J. Robert Howie (York-Sunbury): Mr. Speaker, the Atlantic Provinces are going in the red to the tune of $640 million this year, despite a severe austerity program which features a freeze on staff and strict restraint on wages and expenditures. To the credit of employees of the provincial governments, everyone has co-operated to the limit. Indeed, an agreement between a very responsible group, the New Brunswick Teachers' Association, and the Provincial Government of New Brunswick provides no wage increase for the first year of a new contract. In addition, provincial governments have increased taxes to the limit of their potential. Any further increase would be counter-productive. Taxes have reached the point of diminishing returns.

Forty-eight per cent of the revenues of the Atlantic Provinces comes from Ottawa. This dependency has been built up over many years, and it is a worthy goal of regional development to put in place a strong secondary manufacturing base that would increase the private sector component of the Atlantic economies and increase the tax field by providing more corporate and personal taxpayers so that ultimately the Atlantic Provinces can stand on their own feet, throw off the bond of dependency and eliminate the dependence on transfer and equalization payments.

An investment of this nature in the Atlantic provinces is the long-term solution to the problem and it is an investment that will pay the federal Government great dividends by eventually eliminating the need for financial assistance. In the Atlantic Provinces today, wage earners receive two-thirds of the wages paid in other parts of Canada and the unemployment rate is the highest in the nation.

In facing the short-term need for money, the Atlantic Provinces are very limited in the areas they can look to. Clearly taxes have reached their limit and borrowing is not an attractive possibility because any further borrowing may see a decline in the credit rating for provincial bonds from A to B, and it is common knowledge that the largest purchases of bonds from the Atlantic Provinces are pension funds which are not allowed to purchase B bonds.

With the passage of Bill C-12, New Brunswick will receive $3.3 million less for post-secondary entitlement than the current fiscal year; Nova Scotia will receive $4.1 million less; Newfoundland will receive $2.7 million less; and Prince Edward Island will receive $.6 million less. Clearly, it is in the area of federal transfers that we have to look for assistance in the short term.

When I asked him about this in the House, the Minister of Finance (Mr. Lalonde) indicated that he was just not sure where he could look to find the funds because he, too, was facing a tight budget restriction. In this regard I have some suggestions, and I refer to the Auditor General's report. The Auditor General suggests that the inadequacy of existing control is illustrated by Canadair's reported loss of $1.4 billion for 1982. This is at page 18 of the Auditor General's 1983 report.

The Auditor General points out that to create an appearance of reduced operating losses, Crown corporations have been taking more money than needed from Government, investing it and spending the interest against an operating loss or to purchase assets. He points to Devco, $57 million; Canada Ports Corporation; $20.4 million; and VIA Rail has more than $129 million in surplus funds invested. Loto Canada, which ceased its lottery operations in 1979, but remained in operation until 1983, owes the Government $14.4 million.

Canadians will have paid about $4.6 billion to oil companies through the Petroleum Incentives Program by 1985 with no adequate review of such matters as security of oil supply, the effect on the level of exploration, the success rate in finding more oil and success in attracting Canadian investment.

At page 535, the Auditor General notes that the Department of Transport made payments of $282 million to railways without enabling legislation, and the Department of Transport paid $46.8 million in a double payment to CN which was not recovered. This is at page 536.

● (1805)

These are some areas to which the Minister of Finance might direct his attention if he is serious about a program to help the Atlantic Provinces in the short term. In the long term, as I have indicated, we have to develop common goals and objectives with the provinces and work together to create a climate attractive to industry and provide incentives—real incentives—for industrial development and expansion.

Other areas where we might look for assistance are in the bail-outs of some of our Canadian corporations. Surely if we have billions of dollars to spend bailing out our Canadian corporations, we should have some funds available to assist provinces that are trying desperately to help themselves.

Maislin has cost the Government about $33.4 million and Massey-Ferguson received a loan guarantee of $125 million for non-voting preferred shares. In July 1982, Ottawa ended up with 62 per cent of the share issue.

The Government's financial commitment to Canadair even last month was $1,836 million. This figure includes the $46 million purchase price, loan guarantees of $1.35 billion and equity infusions of $440 million. It is more now.

The Government's financial commitment to de Havilland to date totals $751 million, composed of a $41 million purchase price, loan guarantees of $456 million and equity infusions of $260 million. It is no secret that the Minister can find money when he wants to and I want to identify these areas as some possibilities to assist the Minister in his search.

The Acting Speaker (Mr. Guilbault): The Hon. Member's time is up.

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I have listened with interest and sympathy to the remarks of the Hon. Member for York-Sunbury (Mr. Howie) concerning the financial problems confronting the Atlantic Provinces in general and the Province of New Brunswick in particular. As the Minister of Finance (Mr. Lalonde) indicated to Members on January 25, he has recently met with the New Brunswick Minister of Finance on this subject and the Minister's request for special assistance, over and above that already given, is being examined.

In the course of this examination, the position of New Brunswick is being compared with that of other provinces to ascertain how levels of debt compare, how levels of taxation compare and how the capacities of the various provinces to raise revenues compare. Officials of the two Governments will be meeting in the course of this review, following which the Minister will look at it again.

During this examination, the Minister will have to consider his own fiscal position and deficit, neither of which leaves much room for meeting the numerous requests for assistance that he is receiving.

I would like to call attention to the very large assistance that the federal Government already gives to the Atlantic Provinces. This is provided in three principal ways: through transfers to provincial and local governments; through transfers to persons; and through direct employment and other direct expenditures. In all three cases the share of federal assistance and expenditures going to the Atlantic Provinces is well above the average for all provinces.

Transfers to the Governments of the Atlantic Provinces will be nearly $3.5 billion in the present fiscal year. Almost $1.9 billion of this amount will be in the form of unconditional equalization payments. Contributions through cash and tax transfers for the support of hospital insurance, medical care insurance and post-secondary education will be well in excess of $1.1 billion. These are statutory programs and Members will be aware that the Atlantic Provinces recently received a windfall increase of about $60 million as a result of a mid-year change in the estimate of the nation's gross national product by Statistics Canada.

Federal support for the Atlantic Provinces is also very large through transfers to persons, oil import subsidies, salaries and wages and other direct expenditures. As a consequence, total federal expenditures in New Brunswick in 1981 amounted to

almost 50 per cent of the Province's gross domestic product. The percentages for the other Atlantic Provinces are also very high. This leaves little doubt about the commitment of the Government to support and assist New Brunswick and the other Atlantic Provinces.

NATIONAL REVENUE—REPORTED CONFISCATION OF CHILDREN'S BANK ACCOUNTS. (B) TAXPAYERS' MEETING AT ALDERGROVE, B.C.

Mr. Robert Wenman (Fraser Valley West): Mr. Speaker, it is inevitable that this Parliament seems to carry on; and there are a couple of other inevitabilities. One day we shall all die, and throughout our existence on this earth we shall all pay taxes. The problem is facing taxes. We cannot change death, and there are a number of things we cannot change. We probably cannot change the fact that we have to pay taxes, but we certainly can change the fact that when we pay them it should be with equity and justice. Throughout history there have been references to tax collectors. There have been biblical references, and references in the doomsday book; everything you have is recorded and the Government takes its share. It does not matter what the "ism" is, whether it is totalitarianism on the right side or the left, there is always the extraction of taxes from the individual for what is presumed to be the common good.

• (1810)

Theoretically, we live in a better system. We live in a system of democracy and that system provides justice and equity. The Government has a special role to play in the balance between the taxpayer on one side and the tax collector on the other. Government should be more than just the tax collector. It should, in fact, be the fulcrum in the balance which assures equity and justice.

Obviously, the tax collector must have power to collect the taxes and the taxpayer must have the ability to produce taxes. I do not object to the power of the tax collector. However, I expect the Government to stand in the middle and provide the balance which assures equity. This is not happening in the case of this particular Minister. He has moved away from this role. He has passed over this role and the scales of justice have tipped. The Minister does not stand with control in the centre, being fair to both sides. He has tilted that fairness to the side of the tax collector who has been allowed more freedom and right under the revenue collection act than in fact he should have. The power vacuum has been filled by the tax collector in a very unjust and unconscionable manner.

The person who is responsible for this is the Minister of National Revenue (Mr. Bussières). He can make a scapegoat of his Deputy Minister. He can fire him and let him take the blame. However, although the advice may have come from the Deputy Minister, the Minister in fact was the one who took the advice and implemented it. His ministerial responsibility is what is at stake here, and that has not been resolved adequately. The wrong Minister has resigned. It should have been the Minister, not the Deputy Minister. The Minister should give his resignation to this House of Commons.

He tells us he has figured it all out, he has had an education, but his education has been at the expense of not just the strong in our society, but of the the weak and poor who are not able to protect their own rights. And then we have the collection of money from children; the collection of money from the parents through the children as in the case I raised. It does not matter that in the end the money was paid back into the child's bank account. That has nothing to do with it.

The fact is that Revenue Canada did place the order, the order went to the bank and the bank did take $34 out of this young child's account in the name of Revenue Canada, which is under the orders of the Minister. The Minister stole that money from the bank account of that child. Even if it was done in error and was corrected, the fact that it could occur indicates something is very wrong. The Minister can say it is the bank's fault but the bank is regulated by the Government of Canada. It is not the bank's fault if the Government of Canada allows that power to be abused in that manner. The Minister of Revenue caused the action to begin and it went too far.

Did he make a recommendation that the Bank Act be changed to make sure that a person needs a warrant if he is going to dip into the bank account of any child or third party of any kind? It is not just a child's account that is in jeopardy, but the parents' or anyone they can tie in in any way with the person they are trying to claim the taxes from.

• (1815)

I am very concerned at the hurt I have seen in my community. It is not the big guy, the guy who can buy the lawyers and accountants to protect him, it is the little guy who is being forced into bankruptcy. It is the little guy who has suffered unfortunate incident upon unfortunate incident, and the most unfortunate of all, they all tell you, is the way they have been treated and victimized by this Department.

I also raised the question of a meeting which had been held where people said that someone from Revenue Canada was out in the parking lot taking down licence plate numbers. Everyone believed that. Whether or not they took down licence plate numbers, whether it was Revenue Canada or whoever does not matter. What is wrong is that the people who attended that meeting were in such a state of fear of Revenue Canada that they would believe this to be so. That kind of power, that kind of terrorism, by a Minister, by the Government, must stop now.

Mr. W. Kenneth Robinson (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, it is with regret that I find myself in a position of answering accusations which barely merit a reply, since they are based on a mistake. It continue to astound me how quickly the news media reports proliferate and how long they take to die, regardless of their accuracy. The Hon. Member's question on whether it is true that Revenue Canada has confiscated bank accounts of chil-

dren to pay the tax assessments of the parents should not even be raised in this House, because it is so unthinkable, a reply only gives it dignity. As the Minister has already made clear in his reply, the mistake was made by banking officials. However, reporting of that mistake did not equal in coverage the reporting of the orginal story.

It is most unfortunate, Mr. Speaker, that some of the practices of Revenue Canada have been so maligned in recent months, and not for the benefit of the taxpayers, but for very narrow interests which are basically political in nature and to some extent self-serving. In this case it is unfortunate that the mistake was made, not by the Revenue officials but by the banking officials. Yet the Department is being blamed.

I have been invited in recent weeks to discuss some of the grievances raised in public meetings. I have no hesitation in admitting that in the collection of tax, which is never going to be regarded as a popular occupation, mistakes or errors of judgment do occur. However, the wholesale condemnation of the system is a very great disservice to the Canadian taxpaying public. In a country which has until now been able to boast one of the most efficient and honest tax systems in the world, such wholesale condemnation harms not the Government so much as those of us whose taxes run this country.

The Hon. Member referred to another question he raised, and I just want to touch on that very briefly. I feel he has fallen into the trap of distinguishing a bit of gossip, and unsubstantiated and completely false rumour by bringing it to the attention of the House of Commons. The suggestion was made that tax officials, after agreeing to attend the meeting of farmers, went to the parking lot with flashlights to take down licence plate numbers of those attending the meeting. That suggestion obtained the reply it deserved from the Minister on February 6, that the conclusions the Hon. Member was trying to draw were, and I quote, "too ridiculous to even be considered".

According to the information I received, the meeting in question was attended by three officials from the Vancouver district office. They were there at the request of organizers of a group of farmers protesting audit action in the area. The tax officials were there to answer questions, trying to interpret the tax law, and to explain the routes available to taxpayers who disagreed with the position of the Department. They were there to be open and available to the taxpayers. To turn around and accuse them of such low tactics is not only ludicrous, it is unfair and unworthy of any Member of this House. To talk about unsubstantiated rumours in a place which is known as the rumour mill of Canada, is grossly unfair.

• (1820)

PUBLIC WORKS—USE OF MUNICIPAL WASTES TO GENERATE STEAM

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, in 1980 the Ontario Ministry of Energy, Public Works Canada, the regional municipality of Ottawa-Carleton and Ontario Hydro agreed to study the feasibility of using municipal wastes in the national capital area to generate, within the steam plant, heat and cooling materials for federal buildings. Such a project was of course of interest to the federal and provincial governments as it would replace a non-renewable fossil fuel, natural gas, which is used now, with a renewable fuel, municipal waste. Consequently it would have an important impact in that it would replace a scarce resource with a renewable one.

Consultants' reports on the feasibility of this energy-from-waste project indicated it was technically and economically viable at either the Le Breton Flats in the riding of Ottawa-Centre, or the Overbrook Coventry Road site in my riding. Strong opposition to this project was voiced by quite a few people at public meetings which I attended. Many people came out to indicate to all levels of Government how they felt about this project.

I was present at one meeting where there were about 800 people in the Overbrook area. I must recognize the work of the citizens' groups to bring this matter to public attention. I think it was quite important. I remember addressing the meeting and saying, in certain terms, that as far as I was concerned, amongst other things, it was very bad urban planning to thrust an energy waste plant into a residential downtown area. We were told at that meeting that 100 garbage trucks an hour would be going through the community at peak periods. You can well imagine the pollution, the noise, and the odour caused by all these trucks going through a neighbourhood. Without getting into the technical and environmental impact of the plant itself, you can imagine how this would affect the quality of life in one's neighbourhood.

Early this week I received a letter from a Mrs. Fern Casey, Chairperson representing the citizens against the incinerator plant in Overbrook, advising me that the regional municipality of Ottawa-Carleton would seek an early meeting with the appropriate federal and provincial Ministers to review the recommendations of these reports which had been ordered with a view to arriving at a decision regarding the project.

On April 4 I asked the Minister of Public Works (Mr. LeBlanc) if his Department had taken a position relating to the financing and possible participation of his Department in this project. I specifically asked the Minister:

> Given the environmental difficulties and the high costs of this project, will the Minister's Department take a position of instigating, promoting, or supporting this steam plant in the near future?

I purposely utilized the word "instigate, promote and support" because in my view that covered any possible involvement of Public Works Canada in this project.

The Minister answered that on the one hand he had sent a letter that morning to the Province of Ontario and to the regional municipality of Ottawa-Carleton informing them that: "—the Department of Public Works and the National Capital Commission will not be proponents of this project".

The purpose of this debate tonight, Mr. Speaker, is to find out what the Minister meant by this Shakespearian term "proponent". Oxford dictionary defines it as "to put forward a motion, theory or proposal". I admit, with all those trying to

understand the Minister's choice of words, that it would be appreciated if he could be more specific and clear as to his Department's intention in the incinerator project. This debate allows the Minister to explain the Government's position.

● (1825)

I take it that the Parliamentary Secretary can confirm that indeed this $110 million steam garbage incinerator has been dumped. I also expect the Parliamentary Secretary to explain why the federal government is now withdrawing its support from the project so that the other partners, the Ontario Government and the Regional Municipality of Ottawa-Carleton, will better understand the decision. As a matter of fact, if we do not have a client for the steam, why build the plant?

In closing, I would like to remind my colleagues that nothing prevents the Regional Municipality of Ottawa-Carleton, the Province of Ontario or Ontario Hydro, for that matter, to go ahead with this project if they can finance it and find a site in the periphery of Ottawa. I can well understand that they would like to deal with garbage disposal in the Ottawa area. I can also understand that they would like to put it to use in creating steam which could be turned into electricity that can be fed into Ontario Hydro's power grid and eventually bring in enough money to warrant the cost efficiency of building this plant.

I said before that I thought it was wrong to put this plant either in LeBreton Flats or in the Overbrook community. I think it is bad urban planning and I wish the Parliamentary Secretary would confirm to me that indeed the federal government is getting out of this project.

[*Translation*]

Mr. Jean-Claude Malépart (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, I would like to start by congratulating the Hon. Member on his constant dedication to the interests of his constituents.

He is right in saying that in 1980, the Ontario Ministry of Energy invited Public Works Canada, together with the Ottawa-Carleton Regional Municipality, to participate in a major feasibility study for an energy-from-waste steam plant in the Ottawa-Carleton region. The decision was made on the basis of an initial study made in the seventies, according to which there might be a shortage of energy to provide for heating and cooling in the central zone and the central heating system on Cliff Street might not be adequate.

After the study was carried out in co-operation with the Ontario Ministry of Energy, the Department of Public Works had meanwhile launched an intensive energy conservation program. The program was so successful that total energy demand dropped considerably, including demand for energy produced by the plant on Cliff Street. As the study started by the Minister of Energy was completed, Public Works Canada found that the demand for steam over and above existing capacity no longer existed.

That is why the Department will no longer be promoting the installation of an energy-from-waste plant in the Ottawa-Carleton Regional Municipality.

[*English*]

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

At 6.28 p.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, April 6, 1984

The House met at 11 a.m.

• (1105)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

CORPORATE AFFAIRS

OIL COMPANIES' PRICING POLICIES

Mr. Bill Domm (Peterborough): Mr. Speaker, the Thursday, April 5, edition of *The Globe and Mail* has revealed the court decision which found Imperial Oil Limited guilty of unfair dealings with independent retailers of gasoline in its efforts to keep the price of gasoline artificially high. It reported: "Judge James Trotter had reserved his decision following Imperial's recent one-week trial on a charge under the Combines Investigations Act of discriminating against the company because of its low pricing policies."

This is no different from the case in Peterborough, Ontario, where the Crown corporation, Petro-Canada, has literally forced an independent retailer to sell off eight service stations because of Petro-Canada's refusal to sell him petroleum products at the same discounted figure it sells to its company-operated service stations in the same market area.

Petro-Canada was selling gas during the week of March 26 at 37.9 cents a litre, yet it was charging Mr. Grant Seabrooke, President of Seabrooke Motors Limited, 40 cents a litre wholesale. The result was to cut off supply by allowing its own company operations to sell for less than it was willing to sell to Mr. Seabrooke. Grant Seabrooke's retail outlets are now being sold because they can no longer compete against Canada's own state-owned oil company, Petro-Canada.

* * *

[*Translation*]

NATIONAL REVENUE

ATTITUDE OF OPPOSITION PARTIES

Mr. Pierre Deniger (La Prairie): Mr. Speaker, for some time now the Opposition has been expressing its indignation about certain practices of Revenue Canada. It seems my hon. friends opposite have nothing better to do than dig up a thousand and one things our tax employees have done wrong. This little exercise in denunciation, which is running out of steam and has failed to come up with any new ideas, has always been partial, in every sense of the word. The Progressive Conservative Party, blinkered by its extreme partisanship, has a very twisted view of the facts.

Mr. Speaker, the real situation is quite different. A constituent of mine in Greenfield Park wrote to me recently that officers at the St. Hubert and Shawinigan office had been extremely polite and very helpful, and that they had no trouble finding a solution that turned out to be very satisfactory.

Mr. Speaker, this proves one must always look at the other side of the facts, a side the Members opposite may not always be anxious to see.

* * *

[*English*]

THE ADMINISTRATION

CONDEMNATION OF POLICIES AFFECTING WESTERN CANADA

Mr. Arnold Malone (Crowfoot): Mr. Speaker, the Liberal Government does not represent Canada. In 1968, when the present Prime Minister (Mr. Trudeau) first came to power, there were 27 Liberal MPs from the four western provinces; today there are two. In one year the Prime Minister spent 38 days in the eastern hemisphere. During the same time he spent five days in western Canada, three of which were to go skiing.

There are four major issues which highlight western concerns: energy, agriculture, transportation, and tourism. The Liberal attack on western transportation has yielded a system farmers cannot afford. Their attack on energy was to lay central claim to a provincial resource. Their removal of VIA Rail service from Winnipeg, Saskatoon, Edmonton, Jasper, and Vancouver has negatively impacted on our tourist industry.

• (1110)

What was left to be abused? Only agriculture. So the Prime Minister denies western farmers the opportunity to get back $1 billion of their own money from the western grain stabilization plan. To get the farmers' money back, the Opposition Parties would have to agree to close their eyes to democracy and pass, without question, a doubtful list of legislation.

There are 21 Members of Parliament from the Province of Alberta. Today there are 20 Liberal members of Parliament from eight Provinces and two Territories. All the rest come from Quebec and Ontario. This is not a national Government. It is a regional Government. The Prime Minister insults, aggravates, and pirouettes with his silly Order Paper.

S.O. 21

LABOUR CONDITIONS

UNEMPLOYMENT IN MANITOBA—TRIBUTE TO NEW DEMOCRATIC PARTY'S ECONOMIC POLICY

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, when the NDP Government in Manitoba was elected in 1981 the rate of unemployment in Manitoba was higher than that of Saskatchewan and Alberta, thanks to the Tory economic policies of the provincial Government that was defeated in that election. Thanks to continuing Tory economic policy in Alberta, and thanks to the policies of the new Conservative Government in Saskatchewan, we note today that the province with the lowest rate of unemployment in the country is the Province of Manitoba, thanks to NDP economic policy in that province.

Mr. McDermid: Tell us how many left the province.

Mr. Blaikie: Many are coming back, now that we have an NDP Government. The Minister of Finance (Mr. Lalonde) is fond of saying that we in the NDP are in fairyland when we admonish him to make unemployment the first priority of his Government. Perhaps it is the Minister of Finance who is really in fairyland. Perhaps he should take a lesson from the Government of Manitoba which has made job creation and fighting unemployment a number one priority, and is being successful at it.

* * *

LABOUR CONDITIONS

INCREASE IN UNEMPLOYMENT—PLIGHT OF WOMEN

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, statistics released this morning confirm the worst fears of Canadians. There are an additional 64,000 persons out of work, most of whom reside in Ontario and the Prairies. Instead of improving, the jobless rate is falling into a dark abyss paved by the Liberal Government. Something has gone seriously awry when a country this size has 1.3 million registered unemployed and another .5 million who are not counted.

Long term unemployment has become a way of life, to the point where many people have given up looking for work. More heads of households are without jobs than ever before, and the suffering is no doubt felt by each member of a family. There is now more unemployment per capita here than in the United States. As a result, housing starts are down, and manufacturing is reeling from the blow.

What about the huge influx of students hitting the work force within weeks? The meagre attempts at job creation and employer perks offered by the Government are mere band-aid treatment for a malady which requires major surgery. Job availability for women is also finding its way into the abyss. In a time when we strive for equality, women cannot find non traditional work. Instead, many talented woman are forced into traditional female postings, that is if they can find work at all.

The Government is forgetting the people it represents. Ministers are so caught up in preparing for an election they are going to lose—

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

* * *

PUBLIC SERVICE

CONFLICT OF INTEREST GUIDELINES—APPLICATION TO FORMER OFFICIALS

Mr. Howard Crosby (Halifax West): Mr. Speaker, this week Canadians witnessed the crass spectacle of a highly placed public servant, Michael Kirby, caught in the act of violating the Prime Minister's (Mr. Trudeau) conflict of interest guidelines governing post-employment activity. Canadians should ask whether parliamentarians and public officials observe any standards of conduct beyond the criminal laws imposed on all citizens. The sad part of the Kirby fiasco is that he claimed not to know the substance of the guiding rules nor the terms of their application. That is a poor commentary on his former superior, the Prime Minister. We had better look at other senior and well placed public officials who now fish in other waters for monetary rewards.

Does Jim Coutts know about the conflict rules and their application? Is Michael Pitfield now imparting privileged information and knowledge as he practises the fine art of consulting? It is reported that Senator Perrault is mixing sports pools and baseball franchises. We all remember—

Mr. Speaker: It is not usual to permit references to individual members of the other place by name in that manner.

* * *

• (1115)

INDIAN AFFAIRS

PLEA ON BEHALF OF LUBICON BAND IN ALBERTA

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, last fall the World Council of Churches, under its Program to Combat Racism, wrote to the Prime Minister (Mr. Trudeau) and warned him of the "genocidal consequences" of oil exploration practices in the Lubicon Lake area of northern Alberta. The 300 Crees of the Lubicon Band have never had a reserve set aside for them, although this has been promised for years.

Now, instead of recognizing their aboriginal rights to their traditional land base, the Alberta Government treats them like squatters. In an attempt to subvert their land claim, the Conservative Government there has tried to persuade Indians to sign up for two-acre plots of land.

Exploration and drilling rights have been given to oil companies and these activities have totally disrupted the traditional hunting and trapping economy.

Last week a group of prominent Canadian church leaders, led by Archbishop Ted Scott of the Anglican Church, visited the Lubicon Lake area and confirmed findings of human rights violations. Meanwhile, the Liberal Government in Ottawa does nothing, although it has constitutional responsibility for Indian people. When Indian people are under threat from provincial Governments or large companies, the federal Government cannot stand by. We call on the federal Government to live up to its responsibilities and defend the rights of the Lubicon people.

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

ORAL QUESTION PERIOD

[*English*]

LABOUR CONDITIONS

INCREASE IN UNEMPLOYMENT

Hon. James A. McGrath (St. John's East): Mr. Speaker, my question is directed to the Minister of Finance. Last month, when the unemployment figures stood at 11.3 per cent, the Minister said, as reported at page 2368 of *Hansard:*

> I suggest that he should wait for the Statistics Canada figures for next month. He might be surprised. What will he say if unemployment comes down next month?

Today we have had the news, and it is all bad. Housing starts are down by 18 per cent, the dollar is down, interest rates are up, and unemployment has risen another full point. What does the Minister say to that?

An Hon. Member: Wait until next month.

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I am obviously disappointed by the figures on unemployment this morning. However, I want to point out to the Hon. Member that all the signs in the economy show that the economy is keeping a strong rate of growth.

He refers to housing, for instance. I invite him to look at the figures for the first quarter, the first three months, because he will find that they are 10 per cent over what they were in the last quarter of 1983.

As I said, the results on the unemployment side are a disappointment to me and, I am sure, to a lot of Canadians. But again, if we look at the figures in detail we see that full time employment has not gone down, which means that the basic trend of the economy is indeed toward growth and consolidation of the recovery that we have known, and that all the losses in employment have taken place in part time work.

I expect that the situation in the economy will continue to improve in terms of growth.

We have had good figures in terms of productivity improvement in Canada in the last several months, and I expect that these productivity improvements will show themselves in terms of unemployment reduction in the months to come.

Mr. McGrath: It is incredible how the Minister can ignore the facts. He continues to ignore the facts, because they are that there has been no growth in employment in this country since September, unless he calls two-tenths of a percentage point growth. In terms of full time jobs, we are 349,000 behind the pre recession level. How can he call that growth?

MINISTER'S POSITION

Hon. James A. McGrath (St. John's East): What does the Minister of Finance have to say to the 1.4 million unemployed people out there who have no jobs and who get no hope from the Minister? What does he say to the half million young people who are now going to be joined by thousands of students coming out of universities who will be looking for jobs to finance their education? Will the Minister please be credible for once, if he wants to have any credibility in terms of finding himself a job at the OECD?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the Hon. Member knows that since the depth of the recession we have created 444,000 jobs. Our record in terms of job creation compares very favourably with most other countries. In terms of productivity, I remind my friend also that we have known a very high increase in productivity. For the month of January, the latest statistics on growth in the economy showed a 1.3 per cent increase in Canada, which would indicate a very strong basic growth in the economy in 1984.

● (1120)

As far as students and young people are concerned, the Hon. Member knows that the Government has set aside over $1.3 billion this year to help young people, to try to alleviate the problem of unemployment among young people. Part of that money will obviously be allocated specifically and specially to help students during the course of this summer as the academic year terminates. The Minister of Employment and Immigration and the Minister of State for Youth will be able to make appropriate announcements in that regard.

COMPARISON WITH SITUATION IN UNITED STATES

Hon. James A. McGrath (St. John's East): Mr. Speaker, I have a supplementary question for the Minister. Today U.S. labour force figures were released coincidentally with ours. They show an alarming comparison. For example, the U.S. labour force is up by 0.6 per cent and the Canadian labour force is up by 0.4 per cent. Yet, during the same period, the U.S. unemployment rate dropped 1.4 per cent while ours increased. The U.S. unemployment rate went from 9.2 per cent to 7.8 per cent, while the Canadian unemployment rate continues to increase. Obviously there is something drastically wrong with the economic course which the Minister has set for the country. I will ask him, now before his Budget is in total

shatters, will he at least make an economic statement to this House?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, as I said before, the unemployment figures released today were a disappointment, but they must be seen in perspective and we must not forget that in recent months, we have created a large number of jobs in Canada and also that, basically, Canada's economic growth is strong. The figures released for January, for instance, which are the latest figures, indicate a substantial growth rate for Canada. A growth rate of 1.3 per cent over a period of one month means one of the highest rates we have ever had.

I may remind him as well that, as far as comparison with the United States is concerned, Canada in recent months has experienced a higher growth in productivity per hour worked than the United States. However, this gain in productivity also means we were unable to increase the number of jobs created. As I said before, I hope that in addition to our increased productivity, we shall also see expanding employment and a reduction in unemployment over the next few months. There is reason to believe that this year, there will be a reduction in unemployment, not an increase.

[*English*]

UNEMPLOYMENT AFFECTING HEADS OF FAMILIES

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, I have a question for the Minister of Finance. On two occasions recently I have raised the plight of unemployed heads of families with the Minister, and he has just shrugged off their difficulties. This morning we learn there are another 23,000 heads of families who are without work, bringing the total of unemployed heads of families to over half a million. When you take into consideration the number of dependants, the number of children in these families, that brings the total to over two million people who are living solely on unemployment insurance benefits or welfare.

In view of the significant increase this month in unemployment among heads of families, some 23,000 of them, is the Minister content once again to shrug off their concerns, knowing of course that he and his family will be well looked after if the Prime Minister can land him a job with the OECD?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the Hon. Member is making statements which the record will show are completely unfounded. This Government has indeed shown a great deal of concern toward those who faced with unemployment during recent years. This has been quite clearly stated in a number of statistics that have come out showing that this country, for instance, has maintained its social safety net much better than just about any other industrialized nation during the last recession and the last several years. For instance, while in the United States something like 35 per cent of the unemployed were covered by unemployment insurance during the recent recession, we have something like 85 per cent of Canadians who were protected during that particular period. I could mention a number of other figures. The actual figures, for instance, are that during 1982 more than 80 per cent of the unemployed were covered by unemployment insurance benefits. As I said, in the United States the figure was 35 per cent.

• (1125)

We have shown our concern, and continue to show our concern for these people who are facing those difficulties. I must say that I do not think we have any lesson to take from the Tory Party in terms of compassion for those who are in difficulty. One only has to refer to the statements made by a number of them in the last several months to know where their heart is.

Miss MacDonald: If that is the concern and compassion which the Minister of Finance can show for those who are in real difficulty, and if that is his understanding of what it is all about, then sending him off to Paris is a small price to pay for what might come to help out these people.

Some Hon. Members: Hear, hear!

PLIGHT OF UNEMPLOYED FEMALE HEADS OF FAMILIES

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, perhaps the Minister could come to grips with the issue more clearly if I focus it for him. I refer him to the fact that there are 100,000 women who are heads of single-parent families and are out of work today. That is the highest level ever in that category. I say to the Minister that a woman in a situation like that, with two children dependent upon her, probably has a total income of $7,000 per year.

How can the Minister be satisfied, as he said over and over again, with the economic recovery when there are 100,000 women and their children living on that amount of salary, or that amount of income, which is so far below the poverty line?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, here again, I need only refer to certain statements, made by supporters of the Progressive Conservative Party regarding the attitude of that Party towards women, to conclude without hesitation that the Liberal Party and the Liberal Government do not have to be told by the Progressive Conservative Party how to protect women's rights in this country. The Hon. Member knows perfectly well that some very influential people within her Party have recognized this fact and admitted that the Progressive Conservative Party is lagging behind the other Parties in the House in this respect.

I may also remind the Hon. Member that regarding unemployment, and especially unemployment among women, the latest figures for last month show that compared to all other categories, women had experienced the highest growth in

employment. Unemployment has not increased among women. Last month, the number of employed women increased, while in other groups, employment dropped.

Furthermore, the Hon. Member will also recall that since the recession bottomed out, women were the group that experienced the fastest growth in employment and rose beyond the level where they were during the recession. The latest figures I read indicated that women have recovered about 120 per cent of the jobs they had lost in the recession. Thus, the Government's economic policy has been more effective for women than for any other groups in our society, since employment among women rose more substantially than in any other group in recent months.

[*English*]

ALLOCATION OF FOOD PROVIDED BY VANCOUVER FOOD BANK

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I would like to pose some questions to the Minister of Finance regarding these devastating and continuing unemployment figures. I would like to try to bring it down to some level of reality and humanity. I have passed to the Minister a list I received from one of my constituents in Vancouver, who went to the food bank. He is an unemployed construction worker, head of a family, and it is a list of food to support a family of five for one week. I want to ask the Minister what I should tell this particular person.

• (1130)

Could the Minister live on the following short list: two loaves of bread, eight muffins, six carrots, two onions, one box of Kraft dinner, one can of tuna, one of chicken noodle soup, one can of pork and beans, one small jar of peanut butter, two packages of Japanese noodle soup, one can of pears, one can of creamed corn, and one package of instant potatoes? Will the Minister tell me what I am supposed to say to my constituent about his job prospects? Also, could the Minister live on this diet for one week?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, my hon. friend should tell his constituent that this is the result of the policy of the Social Credit Government of that province, which is very close of the policy of the Conservatives in this House. As the Hon. Member knows, the provision of support for people under the Canada Assistance Plan, and for people on welfare, is determined by the provincial Governments in this country, under our Constitution. We pay 50 per cent of whatever level of support is provided by the provincial Governments in that regard. This is their responsibility. Under the Constitution, we do not have a direct responsibility in this regard. We are paying 50 per cent of that support.

If my friend can convince the provincial Government of British Columbia to improve significantly both its welfare payments and the type of program that is mentioned here, the federal Government will pay 50 per cent of whatever is provided. Unfortunately, the federal Government does not have authority in that regard, as the Hon. Member knows.

BENEFITS OF ECONOMIC RECOVERY

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I want to tell the Minister that that is a pathetic answer. People are looking for jobs, not welfare. They do not care which Government has jurisdiction.

This is the Minister of Finance for Canada. He has told this House on past occasions that things are getting better. In answer to a question from the Conservatives today he said there was a consolidation of the recovery. Who is getting the benefit of this recovery? Where is the recovery going? When he told the House two months ago that things were improving, was he just stupid, or was he lying?

Some Hon. Members: Oh, oh!

Mr. Crosbie: I vote for stupidity.

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, my friend is certainly getting carried away with his own rhetoric. I will not fly at his low level. I repeat to him that my first concern is to create as many jobs as we can for the people of Canada. As I indicated, we have to ensure that we are competitive, that we have a strong base whereby we can be efficient, productive, and competitive in a very tough world market. That has been the objective of this Government's policy in my last two Budgets, to build the base upon which this country will be able to provide Canadians with full-time, well-paying jobs, and the stability of employment that we wish for them. My friend has to realize that this takes time and that we cannot expect to cut employment very rapidly in this country if we want to be serious about it.

We have been improving significantly in terms of inflation and increasing productivity. The Canadian economy is growing as strongly as practically any other industrial country at the present time. As I said, I expect this will show up in reduced unemployment during the course of this year.

PRODUCTIVITY INCREASE—EFFECT ON EMPLOYMENT

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I must say to the Minister that my constituent cannot go to Paris. He has to live on the food bank in Vancouver.

The Minister said that productivity is increasing. Twice he has said in the House today that productivity is increasing, and that he is expecting a reduction in unemployment. I ask the Minister, on behalf of the unemployed construction worker in my constituency, when is that going to happen, when will this man be able to get a job? If productivity is increasing so much, why is it not being translated in terms of jobs, instead of peanut butter and half a dozen carrots for people at food banks?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I will explain to my friend the meaning of productivity. Increased productivity means that, for a lower cost in this country, we will be able to produce the same goods. Even better, we will produce more goods cheaper than before. We

will have more efficient manufacturing plants, both in terms of production and equipment, and also in terms of labour production. This is taking place at the present time. It means that we are better able to compete in the world to sell our goods, both in Canada and abroad. If we were not more productive, we would even have more unemployment than at present. That is the first result of greater productivity. It shows in the record exports that we have at the present time. In Canada it shows that we are competing well in terms of other countries.

If you are going to be more productive and efficient, it will take some time before the plants expand and additional jobs are created. They are generated by increasing efficiency, effectiveness, and competitiveness. This is what we are doing. I regret that it takes time. I would like to be able to guarantee to my friend's constituents that they can have a job tomorrow morning, but I cannot guarantee that.

We have in place a set of policies which ensure that this country is becoming more efficient and productive. We are on the right track, and we will see a gradual reduction in unemployment. We are going to be able to compete in the world.

Mr. Mulroney: Mr. Speaker, while the Minister of Finance is hobnobbing with the can-can girls in Place Pigalle, I want him to know he goes with our blessing if he promises never to come back and touch the Canadian economy.

Some Hon. Members: Hear, hear!

Mr. Mulroney: After the damage that he has inflicted on hundreds and hundreds of thousands of Canadian families, I hope he has the decency to stay there in his golden retirement.

* * *

DISASTERS

GLACE BAY MINING TRAGEDY

Mr. Brian Mulroney (Leader of the Opposition): My question is for the smiling Acting Prime Minister whose smile mystifies me given the results of the poll today. Can the Minister bring us up to date on the current situation with regard to the Glace Bay mining disaster where a man is trapped and the slopes, I understand, are presently being sealed to contain the fire? Can the Acting Prime Minister bring us up to date and give a full report in that regard?

Hon. Jean-Luc Pepin (Minister for External Relations): Mr. Speaker, the reason I was smiling was simply that, having heard so often about civility from my hon. friend, I realized how rapidly he is becoming uncivil.

The Acting Minister of Mines will have a report on Glace Bay. I am sorry I do not have it now. If he does not have it, I will obtain it very rapidly. The Minister of Labour may have it.

REQUEST FOR PUBLIC INQUIRY

Mr. Brian Mulroney (Leader of the Opposition): Mr. Speaker, I am happy to say that I have never changed my mind with regard to the Acting Prime Minister. He was, and is, a civil gentleman, but he must be as shocked and dismayed as I am at the lack of principle when the Minister of Finance, and that Government, have put 1.5 million people out of work, and he has the indecency to scurry off to Paris at the expense of the Canadian taxpayer. There is the indecency that causes me, Mr. Acting Prime Minister, to lose some of my civility, and I think you will understand that.

With regard to the matter I have raised, is it the intention of—

[*Translation*]

Oh, I hit a sore spot! You might as well get a job in Paris too, because you will not have any jobs left in Quebec. The Quebecers have had it up to here with you lot! You are finished in Quebec!

Mr. Speaker: Order. I would invite the Hon. Leader of the Official Opposition to speak to the Chair.

Mr. Mulroney: Quebecers and Canadians have had it up to here with the hypocrisy of people who inflict unemployment on Canadians and then go off to a cushy job in Paris. Quebecers have had enough.

• (1140)

[*English*]

Regarding the question I was asking the Acting Prime Minister, is it the intention of the Government, given the serious nature of this matter, to proceed with a public inquiry into the disaster involving loss of life? The question of mine safety regulations has been long studied but not acted upon.

Will the public inquiry also be given a mandate to consider the serious unemployment situation in the Glace Bay area, which now exceeds 20 per cent? In that area people are urgently crying out for help and employment possibilities, notwithstanding their abandonment by the Minister of Finance who is scurrying off to Europe to hide from the sad realities of the Canadian economy.

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. Jean-Luc Pepin (Acting Prime Minister): Mr. Speaker, I understand that one of my colleagues will answer the question about Glace Bay.

Before sitting down, I would like to inform the Leader of the Official Opposition that the position of Secretary General of the OECD, which is being mentioned as a possibility for the Minister of Finance of Canada, is a position that carries a great deal of distinction and is very sought after. It is an honour for him and an honour for Canada that he has been approached for this position.

Some Hon. Members: Hear, hear!

Mr. Mulroney: That is ridiculous, when we realize we have a million people out of work!

Mr. Pepin: Yes indeed, Canada has one million people out of work and there are millions of people who are unemployed throughout the western world at this time.

Mr. Mulroney: And he is going to help them!

Mr. Pepin: Yes, yes, yes!

Mr. Mulroney: Come on! Is he really going to help them?

Mr. Pepin: Yes, yes.

Mr. Mulroney: Come on! This is outrageous!

Mr. Pepin: Most people in Canada realize that the unemployment problem we have in the world today is not exclusive to Canada. It is a problem that exists in all western countries.

The fact that the Minister of Finance of Canada was approached for this position, without having applied for it, reflects honourably on Canada, and I think it is an excellent opportunity for him to demonstrate his competence again, but in a much broader field.

Mr. Mulroney: It is like manna from heaven!

* * *

[*English*]

LABOUR CONDITIONS

REQUEST THAT MINISTER ADJUST POLICY

Hon. John C. Crosbie (St. John's West): Mr. Speaker, my question is directed to the Minister of Finance in the absence of the Minister of Employment and Immigration who, for three months in a row, has not been present in the House when the unemployment figures have come down. He has been running off to hide somewhere else.

Some Hon. Members: Hear, hear!

Mr. Crosbie: Mr. Speaker, in his Budget of April 17 a year ago, the Minister of Finance said that his dominant concern was to help the more than 1.5 million Canadians who want to work but cannot find jobs. Today there are 1,541,000 people out of work. The Minister himself hopes that he will find a job with the OECD. Apparently his concern has now narrowed to one person, himself.

Given that the Minister said a week ago that there are adjustments he could make but he was satisfied with his basic policy, is he now dissatisfed with his basic policy? Will he make the adjustments he said he could make? Will he consult with the Minister of Justice, who says that he knows how to bring about full employment?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I might first mention that it is strange to hear the Leader of the Official Opposition speak as he does because, if there is a man who knows about unemployment in this country, he should be the one, having turned Schefferville into a ghost town and closed about half of the North Shore in Quebec.

Some Hon. Members: Hear, hear!

Mr. McDermid: What about Uranium City?

Mr. Lalonde: There is probably no other business person who has created more unemployment and misery in the country than the Leader of the Conservative Party.

Mr. Ouellet: Just to protect a rich American firm.

Mr. Lalonde: I have indicated to previous questioners that the Canadian economy is growing and that we expect the unemployment rate to fall during the course of this year. I still expect this to happen, and I am not considering at the present time making any changes to the Budget that I introduced on February 15.

Mr. Crosbie: Mr. Speaker, the theme song of the Government is: "Thrown out the lifeline; someone is coming to take me away". The Minister wants to be taken away to the OECD in Paris.

REQUEST FOR MINISTERIAL ACTION

Hon. John C. Crosbie (St. John's West): I would like to ask the Minister if he realizes that there are eight economic regions in the country in which the unemployment rate remains above 20 per cent? Does he realize that we now have 170,000 fewer jobs than we had at the pre-recession peak? When will he do what he says he will do? He said he could make the necessary adjustments if need be. What is the need? Do 1,541,000 unemployed people not create a need? Will the Minister not take steps to do something now, in view of the fact that the figures have risen this month and not fallen, as he said they would a month ago? It is time for this lame-duck Government to stop giving us lame-duck excuses.

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the measures that the Government has taken are contained in the last two Budgets. These measures have led to significant recovery and growth in the Canadian economy. Canada has known a rate of growth which is comparable to that of the United States, and higher than practically every other industrialized country. In effect, this has meant that we have been able to compete around the world. It has meant that we have been able to have a record export surplus and a record trade balance, and it has meant that we have been able to create over 400,000 jobs since the depth of the recession.

Obviously I would have liked to have seen more jobs created faster, and I still hope that that will be the case. We are doing everything we can in that regard. Again, I am encouraged by the fact that we have become more productive, more efficient,

and we have been building a broader and stronger base of growth in our country and this will lead to a further decline in unemployment in the rest of this year.

* * *

THE ECONOMY

INTEREST RATE LEVELS—COMPARISON WITH UNITED STATES

Mr. Lyle S. Kristiansen (Kootenay West): Mr. Speaker, my question is also directed to the Minister of Finance. The Minister said yesterday that Canadians should be worried about the increase in interest rates in the United States. He is correct, of course, because the Liberal Government follows American interest rates as slavishly as it follows Conservative interest rate policies here. However, there are substantial differences between the situation in the United States and that in Canada. The American unemployment rate is at 7.8 per cent, while today the Canadian unemployment rate is up to 11.4 per cent. There are over one and a half million individual unemployed Canadians.

Will the Finance Minister give some hope to Canadians? Will he now give unemployed Canadians as well as home owners, small business people, and farmers, some hope that he will show some degree of independence, and prevent the Bank of Canada from following the latest one-half per cent rise in American interest rates?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I have answered that question many times. It is extremely difficult to have a completely different and autonomous monetary policy from that of the United States. When an economy as strong and as powerful as that of the United States lives next door to ours, we cannot live in our own world as if that economy did not exist.

I have indicated that we have taken steps to reduce, and over the last couple of years, practically eliminate the difference between the United States interest rates and the Canadian interest rates which were higher previously. At the present time, if my friend were to look for instance at short-term interest rates for 30-day and 90-day paper, he would find that the Canadian rates are below the American rates. He would also realize that today one can still borrow from a bank at a lower prime rate than that of the United States. Consumer loans in Canada are still at a lower rate of interest than in the United States.

We have been exploiting to the maximum the room that we have, in order to have the lowest possible interest rates. That will continue to be our policy and objective, and if there is any way that we can achieve even lower rates as compared to those in the United States, I would like to assure my friend that we would not hesitate to take the necessary steps in that regard. One must be realistic in terms of the situation we are facing.

UNEMPLOYMENT IN CONSTRUCTION AND FORESTRY INDUSTRIES

Mr. Lyle S. Kristiansen (Kootenay West): Mr. Speaker, the Minister likes to talk about fairy tales. If we wanted a grim fairy tale all we would need to do is look at "Puff, the Magic Dragon" over there, who manages to burn thousands of carpenters and loggers with a single blow.

• (1150)

Despite his predictions in reply to my colleague, the Hon. Member for Cowichan-Malahat-The Islands, on March 26, that housing starts would improve, housing starts are in fact down in Canada again. The drop in housing starts is very much connected to the fact that we have 36 per cent unemployment in construction in Canada, 70 per cent in my own riding. We have 35 per cent national unemployment in forestry. In New Brunswick, unemployment in these two industries is over 50 per cent.

Will the Minister of Finance make some effort to take some control over our own economy, or should we tell the Canadian people, if they want to know where their economy is going, they would be better off to watch the American primaries than the Canadian Liberal leadership race?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the Hon. Member is referring to the number of housing starts last month. Again I would urge him not to confine himself to last month's statistics, but to look at the statistics for the last quarter. He will find out that housing starts in Canada during the first quarter of this year were 10 per cent more than the output for the last quarter of 1983. In other words, the rising trend in home building in 1984 is confirmed by the overall progression in the first quarter. Fluctuations can be expected from one month to the next, of course, but the significant factor to bear in mind is the basic trend over several months. We will be keeping a close watch on the changing situation in the coming months and, on the basis of prospects over a few months, we will be in a better position to predict what the future has in store for us.

* * *

[*English*]

LABOUR CONDITIONS

REQUEST FOR NEW INITIATIVES TO ASSIST UNEMPLOYED IN MINING INDUSTRY

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, my question is directed to the Minister of Finance. The last time the Minister raised the matter of the shutdown of Schefferville, he had to stand up shortly thereafter and apologize for his actions, as well as the actions of his Department, for misleading the House.

I want to ask the Minister, who, when he was Minister of Energy, Mines and Resources, not only shut down a mine but

shut down the whole town of Uranium City by his actions, in terms of the unemployment which has been caused by the policies of this Government, not only in Glace Bay but in the Yukon, and in Saskatchewan, what initiatives will the Minister take—

Mr. Speaker: Order.

Mr. Hnatyshyn: —to help these people who are suffering unemployment because of policies of the Government?

Mr. Speaker: Order.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please. The Chair can only apply the rules of the House. It is a well established rule of the House that a question must relate to a Minister in his present portfolio. It cannot relate to the function of a Minister in a previous portfolio.

Today we apparently are going to set a record with the fewest number of questioners on deck. I invite Hon. Members to reflect on how long a preamble should be, and whether there are any rules at all left for Question Period. I invite the Hon. Member for Saskatoon West to direct the question, if he wishes, to the Minister of Finance, within the rules, bearing in mind his present capacity in the Government.

Mr. Hnatyshyn: Thank you, Mr. Speaker. I appreciate your references. I simply ask the Minister this question. His Government is responsible for putting literally thousands of Canadians out of work in the mining industry. What is the Minister going to do in terms of a new economic statement, or new initiatives which are going to assist these people who have been deceived and let down by this Government? I ask the Minister that simple question.

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, if I may repeat some of my earlier statements, it is strange indeed to hear the Leader of the Opposition complaining about unemployment, particularly since there is probably nobody in Canada who has thrown so many people out of work as he did when he was president of a well-known company. As a matter of fact, the community of Schefferville has been turned into a ghost town and half the North Shore is deserted thanks to the efforts of my colleague who is now the Leader of the Progressive Conservative Party. He knows that!

Now that I see his new House leader bite his nail because of the situation in the mining industry, I would suggest that he turn to his leader and ask him what he did or did not do when he was in charge of the Iron Ore Company. I remind him that, when it comes to the Canadian mining industry, ours is practically the most generous tax structure in terms of assistance to that industry.

[*English*]

Mr. Speaker: Order. I again invite Hon. Members to remember that this was originally intended as a Question Period in which questions could be asked and answers given. It is becoming more and more difficult for the Chair. The questions are long from both sides, and sometimes I can barely distinguish a question. In fairness, if the Hon. Member for Saskatoon West wants to put a supplementary question, I invite him to do so.

An Hon. Member: I have a nice short one.

Mr. Speaker: No? The Hon. Member for Joliette.

* * *

[*Translation*]

UNEMPLOYMENT

GOVERNMENT POSITION

Hon. Roch La Salle (Joliette): Mr. Speaker, my question is also directed to the Minister of Finance, given the deplorable situation in which Canadians find themselves now. The Minister of Finance may be "disappointed", but Canadians are discouraged.

Under the circumstances, once again the Minister of Finance stands up in the House and promises Canadians that unemployment will go down. In his Budget speech, however, he did commit himself to keep at least 10 per cent of Canadians unemployed in the next five years.

In what context and when will the Minister of Finance be honest enough to tell Canadians that the Government they have today has pledged to keep unemployment at 10 per cent, a level which we think is indecently high in Canada today?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, perhaps the best solution to the problems raised by the Hon. Member would be to begin by reading the Budget papers, for he will realize that his allegation is completely unfounded, just like the statements made by several Conservative Members who claim that the Government grabs 90 per cent of the savings of Canadians through borrowing. The Government takes about 25 per cent, not 90 per cent.

With respect to the projections, the Hon. Member ought to look them up in the Fiscal Plan which was tabled on Budget day, if only to confirm that we expect Canada's unemployment rate to decline sharply in the next five years, to less than 10 per cent. Indeed, we expect unemployment to dip down to about 8 per cent by the end of that time, not 10 per cent. If my colleague should at least go to the trouble of reading those documents, perhaps he might be better informed.

Secondly, I may very well be "disappointed", but unlike the Hon. Member I am not discouraged by the economic trend, quite the contrary. While he is reading the Fiscal Plan, he

should also read what the Chairman of the Economic Council of Canada had to say in a recent speech in which he stated that Canadians, and particularly Members opposite, I must add, were unduly pessimistic about the Canadian economic outlook.

REQUEST THAT MINISTER CONFIRM NEWS OF POLITICAL FUTURE

Mr. Roch La Salle (Joliette): Since the Minister of Finance is saying that my comments are without foundation, Mr. Speaker, I shall have to repeat that, a month ago, he derided the Hon. Member for Simcoe North (Mr. Lewis) for saying that the unemployment rate would now be 13.3 per cent. The Minister of Finance made fun of the Hon. Member for Simcoe North and said that his figures were absolutely wrong.

This morning, it was announced that we have an unemployment figure of 13.4 per cent. In Quebec, unemployment exceeds 22 per cent in some regions. There is the case of Schefferville, where jobs have long been lost because of a Liberal policy—

Some Hon. Members: Hear, hear!

Mr. La Salle: And the Minister fails to realize or is incapable of understanding—

Mr. Mulroney: How true!

Mr. La Salle: —not only that the Liberal policies have resulted in the Schefferville shut-down, but also that thousands of other businesses have had to close because of the lack of appropriate policies.

In view of the circumstances, Mr. Speaker, I will ask the Minister of Finance whether it is true, and this could be the best bit of news that Canadians will be hearing today, that he is considering taking on new responsibilities. Obviously, we would be most happy if this country were to get rid of the present Minister of Finance, who has made the Canadian people suffer for too long already.

Hon. Marc Lalonde (Minister of Finance): I hope this weekend the Hon. Member will take the trouble to read not just the financial program I tabled with the budget, but also the figures published today by Statistics Canada. He said that the unemployment figure published this morning was 13.4 per cent. He made his big emotional statement saying that the unemployment rate was now 13.4 per cent.

Mr. La Salle: 11.4!

Mr. Lalonde: The unemployment rate is now 11.4 per cent and not 13.4 per cent, but even this is too high.

Mr. La Salle: 11.4!

Mr. Lalonde: The Hon. Member should at least stick to the truth and not state in the House that the unemployment rate has reached 13.4 per cent.

Concerning the Government's unemployment projections for this year and the following years, we expect that the unemployment figures will go down gradually, and this forecast was made when the budget was brought down. Contrary to the statements made by the Hon. Member and others among his colleagues who seem to know as little as he does on this matter, it is expected that unemployment in Canada will fall below 10 per cent within the next five years.

* * *

• (1200)

EXTERNAL AFFAIRS

SITUATION OF CANADIANS IN CAMEROON

Mr. Pierre Deniger (La Prairie): Mr. Speaker, my question is directed to the Minister for International Trade. The Minister is surely aware that Cameroon was the scene of a coup d'État yesterday and that hundreds of Canadians, including many residents of the riding of La Prairie, are now in that country. Would the Minister tell the House whether he is aware of the situation, whether he has been in touch with our embassy and what is the situation of Canadians who are now in Cameroon?

Hon. Gerald Regan (Minister for International Trade): Mr. Speaker, the current situation in the Republic of Cameroon is not clear, but we do not think that the Canadians who are there are facing an immediate danger. There are 280 Canadians in that republic—

[*English*]

We hope to have more information on the development of the coup, in the next few hours. Our present information is that there is no reason for concern regarding the Canadians who are there.

Mr. Speaker: Order, please. The Hon. Member for Halifax West (Mr. Crosby) has served notice to the Chair of a point of order.

Mr. Paproski: Privilege.

Mr. Speaker: The Hon. Member for Halifax West has served notice to the Chair.

* * *

PRIVILEGE

MR. CROSBY—STATEMENT UNDER S.O. 21

Mr. Howard Crosby (Halifax West): Mr. Speaker, it is a question of privilege that I want to raise and I can state it very

briefly. If necessary, I can put it in the form of a motion. I am a Member of Parliament, Mr. Speaker, but I am also a Canadian. In April of 1982 the Parliament of Canada, with the endorsement of Her Majesty the Queen, passed the Charter of Rights and Freedoms. One of those freedoms is the freedom of speech, and it is clearly set out in the Charter of Rights and Freedoms. I cannot believe that any rule of this House, past or present, with respect to references to Members of the other Chamber can affect my right of free speech as guaranteed to me under the Charter.

I ask you, Mr. Speaker, to look at the Charter of Rights and Freedoms and determine whether it does not overrule any precedent built up over a period of years with respect to matters like that, which would allow you to interrupt proceedings in this House, specifically statements made on important matters, simply to say that we should not refer to a certain person in a certain way. That surely is not excluded under the Charter.

Mr. Speaker: The Hon. Member, under Standing Order 21, made specific reference by name to two Members of the other place. The Chair is guided by the rules adopted by the House. When Standing Order 21 was adopted, and the Hon. Member for Yukon (Mr. Nielsen) has on a number of occasions brought this to the attention of the Chair, it precluded personal attacks either on Members of this House or of the other place, which is part of Parliament. I cite again from the guidelines issued by my predecessor, Madam Speaker Sauvé. She said: "The opportunity is not intended to be used for making personal attacks, conveying congratulatory messages, or reciting poetry for anything other than serious purposes".

Again, there are a number of instances where the Chair has interrupted personal attacks. Until such a time as I receive guidelines from this House indicating otherwise, the Chair will do its best to observe the Standing Orders as the Chair interprets them to be. The Hon. Member has made reference to a motion; he certainly has that privilege. He knows exactly what he can do if he feels the Chair is not serving the House within the rules given to the Chair. However, as long as the present incumbent has the responsibility, personal attacks, either on other Members of this House or by name on members of the other place, will not be permitted.

The Hon. Member for Edmonton North (Mr. Paproski) on a matter of privilege.

MR. PAPROSKI—STATEMENT BY MR. JOHNSTON

Hon. Steven E. Paproski (Edmonton North): Mr. Speaker, it has just been brought to my attention by Canadian Press that the Economic Development Minister, Donald Johnston, differed sharply today with federal policy—

Some Hon. Members: Order.

Mr. Paproski: —by criticizing government involvement in sports pools and lotteries.

Some Hon. Members: Order.

Mr. Paproski: Just a minute.

Mr. Speaker: Will the Hon. Member please indicate how his personal privilege as a Member is affected?

Mr. Paproski: The Minister differs with government policy. He said that the proposed sports pool and the lotteries are little more than a tax which preys upon the poor and disheartened.

Mr. Speaker: Order, please.

Mr. Paproski: He differs with government policy, and he should resign.

Mr. Speaker: Order, please. A statement outside of the House can hardly be a matter of privilege in the circumstances. The Right Hon. Member for Yellowhead (Mr. Clark).

* * *

POINT OF ORDER

MR. CLARK (YELLOWHEAD)—DURATION OF QUESTION PERIOD

Right Hon. Joe Clark (Yellowhead): Mr. Speaker, I am rising on a point of order having to do with Question Period, and I will not recite any poetry. I noted that Question Period today began at 17 minutes after 11, not at a quarter after 11, yet it stopped precisely at noon. I do not challenge the right of the Chair to terminate Question Period at noon, as the Standing Orders indicate, but I was simply wondering whether the Chair had noted the hour at the end of Question Period, and if we were to allow that extra two minutes, that deserved two minutes, to be added to Question Period, there are a number of us here with questions to ask.

Mr. Speaker: The Chair has very high regard for the Right Hon. Member, whose observance of parliamentary rules has been exemplary. However, the Chair would point out that, by the clock I was watching, it was two minutes past 12.

My second comment is simply that the Chair at that point was in difficulty in terms of rotation. In the normal rotation the Chair would have to go to the third Party. That again opens up a question and a supplementary. Hon. Members seem quite unwilling to accept the Chair's cutting off a supplementary, even when it goes past 12 o'clock.

May I suggest that an examination of the record will show that the Chair has allowed an Hon. Member who has been recognized just before or even just after 12, to have the full supplementary, if it was required. The Chair has gone as much as five minutes past the hour at least twice in the last week. It is difficult to administer perfect equity and justice, and it was a difficult call for the Chair because today was not the easiest of Question Periods.

Ministers' Statements

ROUTINE PROCEEDINGS

[*English*]

DISASTERS

GLACE BAY MINING TRAGEDY

Hon. Ed Lumley (Minister of Regional Industrial Expansion): Mr. Speaker, during Question Period a question was raised with respect to the fire in Glace Bay. As the Minister responsible for Devco, I was wondering if I could just respond to that question. I have the very sad duty to inform the House of Commons that a fire started at about seven o'clock yesterday morning at the 2000 foot level of No. 26 colliery. Over 350 dedicated miners from Devco escaped, but unfortunately one of those miners is still missing and is presumed dead.

The mine was sealed off last night, the fire is still blazing and we are hoping to put it out as soon as possible. I have not as yet had discussions with the management of Devco with respect to the 1,100 plus miners who work in No. 26 colliery. That obviously will be our first priority as soon as the fire is out, but I thought Hon. Members would like to have this information.

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, thank you for recognizing me. I want to comment regarding this tragedy in Glace Bay. The Minister has a major inquiry under way regarding the affairs of Devco. I simply recommend to the Minister that the safety regulations which the federal Government is responsible for administering be a part of this inquiry. The Minister will also take into account the plans the company has to open up two new mines and to decommission permanently No. 26 colliery, which has caused such incredible hardship, injury and deprivation to so many people since it was commissioned in 1943.

I would like to think that the Minister will make a statement in the House as soon as he is apprised of all the circumstances which led to this new disaster. I sincerely hope he will also be able to announce that, in connection with this particular accident, there will be a public inquiry, something which we have been deprived of in the past in connection with that particular mine.

Mr. Sid Parker (Kootenay East-Revelstoke): Mr. Speaker, I would also like to express my concern to the Minister. A task force of ours has visited this mine. We have also been in touch with the Minister of Labour (Mr. Ouellet) urging changes to the Canada Labour Code for stronger and stricter health and safety producers. When is the Minister of Labour going to bring in that legislation so that we can deal with this very, very urgent legislation which he knows needs upgrading?

• (1210)

POINT OF ORDER

MR. BLAIKIE—OPPORTUNITY FOR MORE QUESTIONS DURING QUESTION PERIOD

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I rise on a point of order which arises out of Question Period. A week ago today, Mr. Speaker, you chose to share your thoughts with the House on the question of bell ringing. I would simply ask you, Mr. Speaker, to consider formulating your thoughts on Question Period. I have the same concern which I think you have, Mr. Speaker, about what is happening to Question Period, particularly in the last week.

Question Period has always been a series of mini debates, but they are becoming maxi debates. It seemed to begin the other day when the Prime Minister almost filibustered Question Period. We are seeing more and more of that now. Fewer and fewer back-benchers in this Parliament are having an opportunity to ask questions, which is what Question Period is all about.

I do not know, Mr. Speaker, whether you are simply letting us slide until we muster the will to discipline ourselves. That may be a legitimate strategy. However, I, for one, Mr. Speaker, would urge you to use your role as Speaker to discipline the Question Period. If you do not feel people should be allowed supplementary questions, do not allow them. If you think the answers are too long, just get up and call for order. I was here briefly when Speaker Jerome was in the Chair. I remember that is what he used to do. People get used to it and discipline themselves. That is what we need if we are going to continue to have a Question Period worthy of the name.

Mr. Crosby: Mr. Speaker, I rise on a point of order. The record will speak for itself, but I think there is some misunderstanding, almost a Kafka-like situation. When you interrupted me during my presentation under Standing Order 21, I understood that your complaint was that I had mentioned a Senator by name and that it was a violation of the rules of the House to mention a Senator by name. My point is that—

Mr. Speaker: Let us get it perfectly straight. It was an attack on an individual Senator by name. And two Hon. Members of the other place were mentioned. That is what is irregular, in the opinion of the Chair.

Mr. Crosby: On a point of order—

Mr. Speaker: The Hon. Member cannot reflect on a decision of the Chair. I would be pleased to meet with him privately and have a discussion.

With regard to the matter raised by the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie), it seems to me this is now a matter for the Procedure and Organization Committee to consider. The Chair again would be at the disposal of Hon. Members and the committee to attempt to improve the situation. The Chair is in the hands of Hon. Members and a servant of Hon. Members. It is anxious to do its best in that capacity,

but there have been difficulties with regard to Question Period which I think most Members observe.

Mr. Blaikie: On a point of order—

Mr. Speaker: The Hon. Member for Winnipeg-Birds Hill.

Mr. Blaikie: With respect, Mr. Speaker, you have plenty of precedents at your disposal to do something about what has happened in the last week or so. I do not think you need to be instructed by Members in order at least to return Question Period to what it was even a couple of weeks ago—

Mr. Nielsen: Or by you.

Mr. Blaikie: —as opposed to what it has been this last week. I think you have that authority, Mr. Speaker, and I would urge you to use it.

* * *

PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Thursday, April 5, 1984, meet the requirements of the Standing Orders as to form.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Leonard Hopkins (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, the following questions will be answered today: Nos. 14, 645 and 689. I believe question No. 268 is also being answered.

[*Text*]

DAYCARE CENTRES

Question No. 14—**Mr. Herbert:**

1. Is it the intention of the Government to have legal corporations assume the complete administrative and financial responsibility for the operation of daycare centres in the Public Service?

2. Will such corporations be subsidized by the Government and (a) if so, on what basis will such subsidies be assessed (b) if not, did the Government consider direct assistance for those parents unable to afford the scale of fees established by the corporations?

Mr. Maurice Foster (Parliamentary Secretary to President of the Treasury Board): 1. The management of the pilot project daycare centres is the responsibility of parent-users, who form a legal corporation and assume complete administrative and financial responsibility for their operation.

2. (a) The Government provides space, fit-up and maintenance, but does not assume legal, financial or other responsibility connected with the operation of any centres.

(b) For purposes of the pilot projects, the Government has not considered direct assistance for parents regarding the payment of fees. Parents who need financial help can obtain it under provincial and municipal programs which are cost-shared under the Canada Assistance Plan.

EMPLOYER PARTICIPATION IN NATIONAL INDUSTRIAL TRAINING PROGRAM

Question No. 645—**Mr. Young:**

1. Does the Government spend any amount for high-technology training programs and, if so (a) in 1983, what amount was spent (b) is there any regular liaison with business and industry to determine the skills employers will require in one or two years (c) in 1983, how many people (i) took advantage of these programs (ii) graduated from these programs (iii) found employment in the field for which they were trained?

2. Does the Government encourage employers to hire graduates from the programs and, if so, in what manner?

3. To the knowledge of the government during what average period must graduates wait to find employment in their field?

4. In 1983, did any companies take advantage of Government on-the-job training grants and, if so, how many?

Mr. Jean-Guy Dubois (Parliamentary Secretary to Minister of Employment and Immigration): 1. (a) Yes, the Government spent the following amounts for training in high technology occupations during 1983:

Institutional training programs	$46.4 million
Industrial training programs	12.4 million

(b) Yes, there is regular liaison with business and industry to determine their skill requirements.

(c)(i) The following number of people took advantage of the training in high technology occupations during 1983:

Institutional training programs	6,363
Industrial training programs	3,237

(c)(ii) The following number graduated during 1983:

Institutional training programs	3,127
Industrial training programs	2,756

(c)(iii) In respect of the graduates from the institutional training programs in high technology, short-term follow-up survey taken during the 1982-1983 fiscal year indicates that, even within about 13 weeks of graduation, 47.6 per cent of the course completers found employment and, of that, 51.4 per cent were employed in jobs related to their training. A 24-month survey indicated that the training improved the employability of participating trainees by 40 per cent; this supports the expectation that more of the graduates will find employment in the months following the 13-week survey. Graduates from industrial training programs are assumed to be employed by the training firm.

2. Yes, the Government encourages employers to hire graduates from the programs through its employer services function at official points of service, advertising materials, and the referral of clients to identified job openings.

3. The results of the trainee follow-up survey indicated that, in 1982-1983, persons who had found a job within 13 weeks of graduation averaged 10 weeks of waiting time before starting to work. A general average is not available.

Order Paper Questions

4. In 1982-1983, there were 20,411 training contracts with employers under the National Industrial Training Program. Some companies may, however, have had more than one contract, therefore the exact number of companies participating in the Program is not available. In 1983-1984, there are an estimated 25,850 contracts under this Program. It is estimated that 2,300 of those will be concerned with training in high technology occupations.

SPECIAL EMPLOYMENT INITIATIVE PROGRAM

Question No. 689—**Mr. Gilchrist:**

Were any funds provided under the Special Employment Initiatives Program in the constituencies of (a) Scarborough West (b) Scarborough Centre (c) Scarborough East (d) York—Scarborough and, if so, in each case (i) what total amount was allocated to the constituency (ii) what total amount was applied for (iii) what date(s) was the funding for the projects announced (iv) what total amount was approved to date?

Mr. Jean-Guy Dubois (Parliamentary Secretary to Minister of Employment and Immigration): Please refer to the list of Job Creation projects tabled in the House of Commons on Tuesday, February 21, 1984.

Funding for the Special Employment Initiative was not allocated on a constituency basis. As of February 16, 1984, $207,000,000 was approved in all provinces and territories by some 16 federal government departments and agencies.

[*English*]

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

Mr. McKinnon: Mr. Speaker, I should like to ask the acting Parliamentary Secretary or his replacement about question No. 368 which is on the Order Paper. It shows the date of January 16. That is because we started a new session. The question has actually been on the Order Paper for three years. It is a simple question addressed to the Department of National Defence about the amount that it has increased the defence budget over the years. The question could not be simpler. I do not think it would take more than 10 minutes of staff work to answer it. I think the problem is that the answer the Department is willing to provide will be a truthful, honest answer and will not be in agreement with some of the flatulent statements that have been made by the last two Ministers of National Defence on the amount by which they increased the defence budget.

I ask once again that the Parliamentary Secretary get after that Department to try to get an answer to a three year old question.

Mr. Hopkins: Mr. Speaker, I will undertake to bring this question to the attention of the Minister of National Defence and also to that of the Parliamentary Secretary to the President of the Privy Council.

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 62—TRANSPORTATION SYSTEM

Hon. Don Mazankowski (Vegreville) moved:

That whereas a sound national transportation system is essential for economic growth in Canada, this House condemns the Minister of Transport for issuing contradictory statements which have created uncertainty and confusion in the transportation industry and amongst users of the transportation system, and for his failure to fulfill his promises and commitments relating to the creation of jobs and investment and the improvement of rail service under the Western Grain Transportation Act; the modernization and upgrading of passenger rail service; the reduction of domestic air fares in 1984; the improvement of transportation safety in all modes; and the revitalization of Canada's marine industries.

He said: Mr. Speaker, this is indeed a very important motion because it calls upon the Minister to account for his actions since his appointment to the Ministry of Transport some seven months ago. This motion zeros in on the ad hoc and short-term political approach he has followed. It calls upon him to account for his incoherence in the pronouncement of Government policies with statements which have been contradictory, misleading, ill-conceived, sometimes destructive, sometimes foolish but, above all, inconsistent. It calls upon the Minister to account for his credibility as a spokesman for transportation matters in the country and for his competence.

It has become clear and obvious during the course of the last seven months that this Minister has been consistent in one aspect, that is, he has always put the political interests of his Party and himself ahead of the interests of the people who rely upon transportation and the transportation industry itself. That is unfortunate, Mr. Speaker. He will say or do anything as long as it looks good politically. In summary, that is really the short legacy of this Minister's stewardship since he assumed this very important portfolio.

That is the Minister's number one guideline. The second is that he does not worry about fulfilling the promises or raised expectations as a result of his political musings. He just tells people what they want to hear and does not worry about past statements or actions. He just uses the same old Liberal ballyhoo, deceit and manipulation that his colleague, the former Minister of State for Multiculturalism, alluded to when he left that Cabinet portfolio.

• (1220)

In the course of an adjournment debate the other day I said that the Minister has to be the most shifty, elusive and perhaps

the most devious Minister of Transport that I have seen in the House in the last 15 years. The tragedy is that he is using the transportation system as a political vehicle to help save his own political hide and the hide of the Liberal Government.

Mr. Axworthy: That is the nicest thing you have ever said about me.

Mr. Foster: Ask him if he is running for the leadership of the P.C. Party in Alberta.

Mr. Mazankowski: I know that the Minister is somewhat perturbed and annoyed over the fact that he would rather be campaigning for his friend, John Turner, than defending his stewardship here today in the House of Commons. But he has responsibilities in the House and he must account for his actions and inactions, and we regret that very much.

In any event, he has not put the best interests of the Canadian people and the best interests of the transportation industry ahead of his own political motivations and the political motivations of his Party.

In this motion we are trying to expose and document that evidence. Throughout the course of this debate I hope that we will be able to demonstrate the examples of his hypocrisy, contradiction, inconsistencies and, yes, even his incompetence and lack of credibility, because he has been carrying on in a rather reckless manner.

Let me begin by referring to a statement that he made last Saturday when he spoke to the Transport 2000 meeting in Toronto. This is what he said—

Mr. Axworthy: They gave me a standing ovation.

Mr. Mazankowski: Yes, very interesting. More deceit, manipulation and ballyhoo.

Mr. Axworthy: When is the last time you had one?

Mr. Mazankowski: Every weekend when I go home I get a standing ovation.

I am quoting from the *Ottawa Citizen* as follows:

> Any overhaul of passenger rail service in Canada should address the needs of the traveller first and the railways second, Transport Minister Lloyd Axworthy said Saturday.

The article goes on to say:

> He also said decisions to close community rail lines or make other changes in service cannot be 'dictated from on high.' Those affected should have a say.

What ballyhoo! What hypocrisy! I say to the Minister, "Glory Alleluia". But who can believe him? It was the same Minister who stoutly defended the unilateral cut-back of 20 per cent of the rail passenger service in 1981. I might say that this was done without public hearings, without public input and without even a reference to a parliamentary debate. And in that, some 3,000 to 4,000 Canadians lost their jobs directly and indirectly and service was dismantled for 1.2 million Canadians. There were horrific losses in tourist revenue. They have been estimated to be at $40 million annually, $10 million annually for the community of Jasper. That Minister was the key person and crucial in the decision-making process. It appears that the former Minister is going to defend him.

Mr. Pepin: I am defending myself. I made these decisions.

Mr. Mazankowski: My intelligence tells me that the current Minister wanted to see a cut-back of 50 per cent of the rail passenger service. He was serving on three crucial Cabinet committees which rendered this decision. He was a member of the Committee on Economic and Regional Development. He was the Chairman of the Western Affairs Cabinet Committee. Incidentally, the west lost 50 per cent of the rail passenger service under that cut-back. He was a member of the powerful Priorities and Planning Committee.

He is now promenading around the country as a white knight in shining armour promising that he will restore rail passenger service. He is pledging now to listen to the public. What balderdash! What phony, political backtracking. That is all that it can be called. If one ever wanted to see a classic manipulation of words and actions, the Minister is the champion at it.

Let us look at some specifics. In his musings, he said that there would be new equipment by 1986. Mr. Pierre Franche came before the committee and said that we will be lucky to have a prototype by 1989. So much for that!

Mr. Axworthy: Who do you believe?

Mr. Mazankowski: On the record of the Minister, we certainly do not believe him.

Mr. Axworthy: I run my Department.

Mr. Mazankowski: He even recognizes that he is in trouble. The Vancouver service—

Mr. Axworthy: Where were you for nine months? What were you doing?

Mr. Mazankowski: I will defend my record against yours any day, any day at all.

Mr. Axworthy: Nine months of a big zero.

Mr. Mazankowski: What about the Vancouver service? He said he will put in the service to Vancouver. But Pierre Franche said that it is getting only cursory attention. The Minister goes to Edmonton to hold hands with Mayor Decore and have a few photo opportunities. He says that he will put that service back.

What about the service from Moncton to Edmundston? There were no conditions in the announcement. He said that in the fall of 1984 service would be restored to Moncton and Edmundston. He is now saying it will be restored for a two-year trial period.

The VIA Rail promises are indeed a sham. If the Minister is going to put people first, before the trains, then let him move now to restore the rail passenger service to Jasper and Vancouver. Let him move now to restore the Atlantic service and to

restore the Toronto to Peterborough service. Let him do that if he really wants to put people first. Then we will believe him.

However, he has demonstrated previously that he cannot be believed and that he does not really mean what he says. Let us look at another example, again bearing in mind his commitment that he will put people before trains. In Hull last December, he made a speech to the Council of Transport Ministers in which he made a firm commitment to propose tighter and more firm regulations with respect to the movement of dangerous goods in highly populated areas. He resolved to limit speeds in those densely populated areas. He resolved to treat the empty tank cars which are used for hauling dangerous goods as if they were full. He proposed special identification for cars carrying dangerous goods. But what happened? When he made this announcement, the railways announced that his plan was foolish and would not work. His tough stance wilted. He cut and run. So much for the tough stance and so much for putting people before the trains.

I can go on to give other examples. Let us look at the investment arising out of the passage of the Western Grain Transportation Act. The Minister said that his Government will hold the railways accountable. The amount of $16.5 billion was to be invested in the rail transportation system in western Canada over the next ten years, creating 375,000 jobs. Of course, he has engaged in what has now become a $4.5 million advertising and promotional campaign, $3.2 million for last year and $1.2 million for this year.

Mr. Axworthy: Is that all?

Mr. Mazankowski: That's all. What's a million? They cannot find money to create jobs for the unemployed.

It was confirmed in committee yesterday that the railways will reduce their investment by $4 billion, to make it $12.5 billion. The Minister's surface administrator alluded to that yesterday.

The Minister plays footloose and fancy free with figures. The other day he remarked in the House that $1.1 billion of new investment will take place in western Canada this year. Upon verifying that figure, we discovered that it is $646 million. That is the way he misleads us. I do not know whether he does it deliberately, I just do not think he knows any better.

Even a *Toronto Star* editorial states that the Minister is spending a boxcar's worth of taxpayer's money on a pointless newspaper ad campaign. It goes on to say:

> In other words, these particular ads are nothing but fluff. They look very much like a use of public tax dollars for partisan electioneering.

That is what it is all about. Let us look at some other examples. What about the $204 million agricultural adjustment fund? He said that it is still in the Budget. Let me quote what he said at the Transport Committee hearing when he first assumed the Ministry. He said:

● (1230)

> I can assure you that for my part no Canadian will be a victim of the progress this Bill brings, not the Western grain farmer, nor the livestock producer in either the West or the East in Canada.

Gary Jones, President of the Canadian Cattlemen's Association, said that on the passage of this Bill with a payment of the benefit to the railroads it will cost livestock production by 50 per cent on the ferries.

Well, the $204 million agricultural adjustment fund is still in the Minister's envelope, but it is frozen until 1986. Even with respect to the method of payment inquiry, he did not obey the law, Mr. Speaker. The law clearly says that the committee shall be in place on April 1, 1984. It is not in place. It will not be in place for a couple of weeks. That is absolute contempt for the law.

With reference to the minimum compensatory rate issue, back in February the Minister said we would have a decision in two weeks. That matter is still under consideration. What about the branch line rehabilitation program? He said to my friend, the Hon. Member for Regina West (Mr. Benjamin): "I want to inform Mr. Benjamin that I am presently negotiating with the railroads and others to develop a revised branchline program, one that will allow us to virtually complete the network. I would hope to be able to bring this forward in three to four weeks." It is still not there. As a matter of fact the Estimates show that the branchline rehabilitation program in Western Canda is being slashed by some $26.6 million.

Finally, on this issue, what about the Western Development Fund?

Mr. McDermid: Where is it?

Mr. Mazankowski: Remember October 28, 1980 Mr. Speaker? Just to refresh the memories of Hon. Members, I will quote from the Budget at page 11: It reads:

> We have, therefore, allocated $4 billion to a Western Development Fund, of which we expect to spend $2 billion over the next three years.

Do you know how much has been spent, Mr. Speaker? The fund has vanished and evaporated. The Government took $82 million out of it to pay for the embargo; $60 million to pay for the Vancouver LRT; and $6 million to grant more tax concessions to the railroads. There was to have been $345 million for economic development. That money has vanished as well. So much for the Western Development Fund. That was a trade-off. That was a *quid pro quo* for the generosity of Western Canadian provinces that diverted huge sums of money earned from their resources which were to be transferred back for economic development opportunities. What a sham!

Let me now turn to deregulation of air services, Mr. Speaker. I realize that I am fast approaching my time limit, but I want to speak about deregulation. There is nothing that has been more confused, more convoluted and more amateurish than this Minister's approach to deregulating the airline industry. The Minister goes to the United States. He meets with a couple of people. He takes a public opinion poll. Then he says, "Ah, deregulation of the airline industry. That's what we have to do". The Minister of Transport (Mr. Axworthy) basically believes he can deregulate Canada's airline industry by importing the total system from the United States. For him it is a new phenomenon. But in the course of his approach, he has raised expectations on which he cannot deliver. For exam-

ple, on March 2 the Minister said that Canadians could save the $300 million a year on air travel costs and a less regulated system. When asked him in committee to substantiate those figures, but the Minister could not do so. He said it was just an estimate. He then went through the exercise of setting up three different processes. He has the CTC examining the issue; he has a task force composed of bureaucrats and members of the industry; and then he has his own little group within his own office. They are the ones who are going to make the decision. Why is the Minister doing this? It is part of his political mentality and it is part of his penchant for deception. His mind will be made up within his own office, and the rest of it is really just window dressing.

The *Financial Post* really put this thing into perspective in an editorial on March 10, 1984, which reads:

> Trailed by a gaggle of high-priced legal talent hired to represent their air carriers, government departments and other interest groups, the Air Transport Committee of the Canadian Transport Committee is on a month-long coast-to-coast tour to solicit public opinion on reducing the regulation of air fares within Canada. At the same time, federal Transport Minister Lloyd Axworthy has a group of bureaucrats working at breakneck pace to prepare new domestic air carrier policy proposals for cabinet consideration within a month.
>
> Axworthy's pre-emptive push makes the travelling committee's work look like a particularly futile exercise. What can be achieved by having both groups operating concurrently? For instance, there's little point in the ATC allowing individual route fares to float at carrier prerogative between ceiling and a floor price, as the airlines proposed last month at the opening round of hearings in Ottawa, if only one or two airlines are allowed to fly any particular route.

It goes on to say:

> The move to airline deregulation in Canada is an issue whose time has come. However, the mad rush now under way seems to owe its momentum more to the political attractiveness of cheaper air fares when an election is in the offing than any rational attempt to forge a long-term, workable policy.

That is precisely what is happening. There can be no question in my mind. My Party agrees that deregulation is inevitable. The debate is over the extent to which we are going to deregulate and the speed with which we are going to deregulate.

I remind the Minister that he has a responsibility and an obligation to enunciate that policy. He cannot expect the CTC to outline the policy. It is up to him to outline the policy and ensure that whatever regulations are left in place are fair and equitable and administered in this way. I do not believe, and my Party does not believe for one minute, that you can simply transplant or import the U.S. deregulation system. Yes, we can certainly learn from the American experience. But we must in this country tailor a deregulation policy to suit our own needs. We must recognize that we have quite a different structure in Canada. We have a different climate. We have a different economy. I am glad my friend across the way has flashed the booklet entitled "Domestic Air Policy". That is evidence of the very excellent work done by the parliamentary committee.

Some Hon. Members: Hear, hear!

Mr. Mazankowski: I would say in passing that this work would be the basis of a good starting point toward a planned, orderly and thoughtful deregulation process. There is no question about that.

Some Hon. Members: Hear, hear!

Mr. Mazankowski: We must recognize that this has to be done in a thoughtful and orderly fashion.

I see my time is up, Mr. Speaker. This morning I delivered a letter to the Minister in which I pointed out a number of areas I consider to be of major importance. Having regard to it, I plead with and urge the Minister not to opt for a simplistic political solution. I urge him to proceed in a planned and orderly fashion and not simply on the basis of what is best politically for him. The quick fix, in my view, would clearly discredit the necessity for a more efficient and less regulated system.

There is no doubt that this issue is very complicated. It certainly involves much more than simply deregulating the entry and exit of carriers or controls over fares. It really boils down to a matter of costs. What really is at issue here is that high fares are definitely the unwanted symptom, but the disease is high airline costs. Quite frankly, it boils down to a matter of costs in: the airport system including the taxes, the user fees, the landing costs, and the very structure of the Canadian industry that has emerged in a tightly regulated environment.

Let me remind the Minister that over the last 25 years we have developed an environment that was, under successive Liberal administrations, a tightly controlled and regulated environment. For him to come in as a knight in shining armour and dismantle everything without considering the matter in a thoughtful and workable way would not be doing a service to Canada. In one minute I will conclude. I plead with the Minister—

The Acting Speaker (Mr. Herbert): Order, please. I regret to advise the Hon. Member but his time has already expired. There follows a ten-minute period for questions and comments. The Hon. Member will have a chance to speak again. The Hon. Member for Assiniboia (Mr. Gustafson).

Mr. Gustafson: Mr. Speaker, I have a question for the Hon. Member for Vegreville (Mr. Mazankowski). It is really a question which producers and farmers are asking. Producers and farmers are facing increased freight rates. There now seems to be a clear indication that investment is being drawn back considerably toward improving freight lines. This has to be done. It is most important that producers get their grain to the international marketplace, given the fact that they are 1,500 miles from open water at many points. Does the Hon. Member think that what the Government has done has fairly considered the position of the producers with regard to freight rates and to what is happening?

● (1240)

Mr. Mazankowski: Mr. Speaker, that is a very good question. I see it drove the Minister of Transport out of the House with laughter. That just goes to show how much consideration or concern he has for western producers.

The fact of the matter is that farmers were told during the course of the debate that they would get more if they paid more. We now see a dramatic reduction in the railway investment plans of 25 per cent. If that is fair, then it should be fair that the freight rate increases of farmers should be reduced proportionately. I think that is a very clear and simple answer.

Farmers in western Canada are not price setters; they are price takers. Any increase in input costs, whether it be gasoline, diesel fuel, fertilizer, chemicals or freight rates, will undermine their ability to compete in the international marketplace. Increased freight rates will further impair their ability to compete in the international marketplace and have a realistic return.

What is really happening here is that increased freight rates will have a very major effect upon the competitive ability of producers of western Canada. It comes at a time when other major exporting countries are increasing their support for their producers, and we in Canada are reducing our support for our grain producers.

Mr. Nowlan: Mr. Speaker, I would like to ask my colleague a question on deregulation. He started to touch upon it and his time ran out. While the philosophy and principle of deregulation is there and is invoking much interest, in the latter parts of the comments of the Hon. Member for Vegreville (Mr. Mazankowski) he talked about input costs. In terms of input costs, the taxes on gasoline, landing fees and labour costs, after all those costs the structure would really have to be assessed, reviewed and possibly reduced. If we are able to have controlled deregulation, in the experience of the Hon. Member and from the studies he has made or from the American experience, what is the situation in terms of jobs in the aircraft industry? Would those also come down?

Mr. Mazankowski: Mr. Speaker, there is a whole series of questions wrapped up in that. However, first I want to make the point that we have a very extravagant and elaborate airport system in the country which must be paid for by the travelling public, by the person who buys the ticket. As a matter of fact, our calculations show that in fuel taxes, user fees and in ticket head tax, there are something like $450 million in direct and indirect taxes. We have many Taj Mahals, as the Minister himself alluded to, in the aborted Pickering project and the white elephant at Mirabel which is losing some $50 million per year. These are all costs which have to be absorbed by the Canadian travelling public. We have more excessive landing fees, more excessive taxes and user fees in Canada than there are in the United States. When the Minister considers his whole approach to deregulation, we implore him not simply to load the whole mess on to the backs of the air carriers. He should look at his own shop. He has to do some cost reduction and reducing of bureaucracy and control within his own shop. There is certainly a lot of red tape and many bureaucratic nightmares going on in terms of making a decision. Those are very important points.

The other matter is the role of Air Canada in this whole exercise. That is what is so different about the structure in Canada *vis-à-vis* the structure in the United States. Air Canada controls 60 per cent of the market. It is a Crown corporation. The Minister has a two-pronged duty. He is custodian for the shareholders in terms of Air Canada, so he has to represent their best interests, but he also has to represent the best interests of the travelling public. How will he square that issue? These are the complex issues.

The other matter is that when the Minister goes around comparing lower air fares in the United States, he is really talking about the lower air fares of the new entrants whose labour component is 50 per cent of that of the established carriers and whose equipment component also is roughly 50 per cent of that of the established carriers because they bought planes on the used market at a time of recession. Their unit costs are much, much cheaper. When the Minister talks about People's Express and the new entrants in the system, he certainly should not suggest to Canadian travellers that they will have the same advantages as they have down there. Then we have the population and the hub and spoke system which works so effectively there. It will only work on a limited course here.

Mr. McDermid: Mr. Speaker, I have a comment and a question. Mirabel is costing us almost $50 million a year. I noticed a week ago that it probably had the biggest crowd since the Liberals threw the opening cocktail party of that white elephant when a rock star by the name of Boy George arrived. Maybe the Minister—

The Acting Speaker (Mr. Herbert): Order, please. In the questions and comments period, Members are allowed to put questions or to make comments upon the speech that has been made. I cannot find the relevance at the moment to the remarks of the Hon. Member. He should direct his remarks, either comments or question, to the speech of the Hon. Member for Vegreville (Mr. Mazankowski).

Mr. McDermid: I was talking about Mirabel Airport which he mentioned in his speech.It was a comment on that and it is going to be a question on that as well, if I may finish my train of thought. I suggest to the Minister that he might throw the odd rock concert out there and maybe the airport will start paying for itself.

The Minister has made the statement that deregulation would improve the deficit position at Mirabel Airport. He has not explained how that would happen. I cannot imagine how deregulation would improve Mirabel Airport, because nobody wants to fly in there. Could the Hon. Member shed any light on that statement?

Mr. Mazankowski: I cannot imagine how that could happen either. Perhaps the Hon. Member might more properly address that question to the Minister. If it were a totally free and unregulated market, all air carriers would refuse to go there and the airport would have to be closed down.

Mr. McDermid: Exactly.

Mr. Mazankowski: That might be the best thing that could happen.

Mr. Parker: Mr. Speaker, I have several questions for the Minister—for the Hon. Member for Vegreville (Mr. Mazankowski).

Mr. McDermid: You were right the first time.

Mr. Parker: My first question to the former Minister of Transport, concerns a matter we were discussing in the debate on Bill C-155. We put forward a proposal, which possibly would have avoided this Opposition Day discussion, in which we called for the separation of that Bill. We wanted the Bill to be separated so that we would have a separate one dealing with rail transportation and the railways could live up to their commitments. We could have tried to deal with that in a separate vote. We also wanted the matter of the releasing of the coal lands dealt with in a separate vote and we wanted the grain freight rates dealt with separately. We could have dealt with that in a very serious way. The Conservatives did not allow that or would not support it.

With regard to VIA Rail, the Hon. Member mentioned its upgrading from Edmonton to Jasper to Kamloops. Would he see that as seriously affecting the Transcontinental train which runs from Calgary to Vancouver? It would have very serious effects if it were not maintained as a railway transportation system across Canada.

Mr. Mazankowski: Mr. Speaker, to answer the first part of the question, there were so many rather frivolous and phoney amendments introduced to Bill C-155 by the NDP that most of them could not be taken seriously. I am not sure whether the Hon. Member would categorize that particular amendment as one of the package of serious amendments or one which was frivolous. What disappointed Members of this Party very much was that we were unable to debate the Bill fully. We had a whole host of other amendments with which we wanted to proceed.

Mr. Dion: There were two years of obstruction in committee.

Mr. Mazankowski: The Hon. Member referred to two years of obstruction.

Mr. Dion: One year.

Mr. Mazankowski: That is absolute nonsense. He knows not of what he speaks. The Bill was introduced in May and it passed the House in November. That was the only period of time in which the issue was really dealt with by the House of Commons. The fact of the matter is that there were many frivolous amendments. I can tell you that our purpose from day one—

Mr. Dion: Was to do nothing.

Mr. Mazankowski: —was to improve and protect the interests of the farmers.

Mr. Dion: You were doing nothing. I was there.

Mr. Mazankowski: If we were doing nothing, how come Hon. Members across the way accepted 55 amendments proposed by the Conservative Party?

Some Hon. Members: Hear, hear!

Mr. Mazankowski: Even the back-benchers are engaged in this political manipulation and ballyhoo. They do not speak from facts; they speak from political instinct.

The Acting Speaker (Mr. Herbert): I regret to advise the Hon. Member that the time for questions and comments has expired. For debate—

Mr. Malone: A point of order, Mr. Speaker.

The Acting Speaker (Mr. Herbert): On a point of order, the Hon. Member for Crowfoot (Mr. Malone).

Mr. Malone: Mr. Speaker, would you seek unanimous consent to extend the time for questioning so that more of us will have a chance to get good wisdom from the Hon. Member for Vegreville (Mr. Mazankowski)?

Mr. Dion: No.

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Herbert): I clearly heard a "no", but I could put it again.

An Hon. Member: No.

The Acting Speaker (Mr. Herbert): The answer is no. For debate, the Hon. Minister of Transport (Mr. Axworthy).

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Herbert): Order, please. If the Minister of Transport will excuse me, the Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. Hopkins) is rising on a point of order.

• (1250)

ROUTINE PROCEEDINGS

[*English*]

QUESTIONS ON THE ORDER PAPER

Mr. Leonard Hopkins (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, when I listed the questions that would be answered today, I believe I included Question No. 268. I want to correct that statement because Question No. 268 has not been answered today. I would repeat that those that were answered today were Nos. 14, 645 and 689.

Supply

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 62—TRANSPORTATION SYSTEM

The House resumed consideration of the motion of Mr. Mazankowski:

That whereas a sound national transportation system is essential for economic growth in Canada, this House condemns the Minister of Transport for issuing contradictory statements which have created uncertainty and confusion in the transportation industry and amongst users of the transportation system, and for his failure to fulfill his promises and commitments relating to the creation of jobs and investment and the improvement of rail service under the Western Grain Transportation Act; the modernization and upgrading of passenger rail service; the reduction of domestic air fares in 1984; the improvement of transportation safety in all modes; and the revitalization of Canada's marine industries.

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, I rise to comment and discuss some of the interesting proposals that have been put forward. First I want to thank the Hon. Member for Vegreville (Mr. Mazankowski) for having listed so eloquently the number of accomplishments we have been able to bring forward in the last six or seven months. We do, of course, have some quarrel with the interpretation that he puts upon those various initiatives. He seems to interpret them purely as matters of political response as opposed to what they clearly are, that is, responding to the clear public requirement for change.

I do not expect Tories to understand reform and change. We know full well that it is not in their mentality to understand how to go about changing something and bring about an improvement. As we know, they are defenders of the status quo, the established interest of the people who are simply digging their heels into the trenches and unable to make any judgement as to where we should go to bring about improvement in this country. It is understandable that they would be just a trifle vexed when a Minister or a government comes along with some ideas, energy and enthusiasm to make changes in the very important transportation system.

I can understand the frustration of the Hon. Member for Vegreville. If we add up the list of what has happened in the last six months and compare it to the absolute zero of what happened in his nine months, the comparison is slightly odious. I understand his personal pique, his sense of frustration that he does not find himself in a position of being able to make those kinds of complimentary comparisons. I appreciate the fact that he has been awake long enough to know what we are doing. He is now trying to ride the coattails and attach himself to those initiatives.

Now the Hon. Member is saying, "Me too". He is beginning to sound like his Leader. All of a sudden he is finding that there are policies out there. Just like the Leader of the Opposition (Mr. Mulroney), he is going around saying, "We have policies", not that we have seen them. The Member for Vegreville is now properly saying that they believe in better prices for air travel. Why did he not do something about it? He says they believe in doing something about passenger rail service. Why did he not do something about it when he had the opportunity? All that we hear from the other side is a confession, the fact that they wish they had tried to adopt what we are doing. They are trying to piggyback and coattail on the very important developments in which we are engaged.

It is important in describing those developments to clear up some of the confusion. If I can make one small criticism of the Hon. Member for Vegreville, it is that he is ignorant. He does not really relate the facts as they are. If you do not mind, Mr. Speaker, I wish to use a moment or two to clear up those problems. I am sure the Hon. Member would like to know a little more about our transportation system. This is the opportunity to tell him about it.

First, let us talk about the impact of the grain transportation Bill. The major initiative to provide for a competitive, productive transportation system is the single most important development in western Canada and in the economic life in this country in this decade. Who was opposed to it? Who did not have the guts to recognize that change was required? The Member for Vegreville and his colleagues. They say we should have an improved transportation system, but they opposed what everyone acknowledged had to take place, namely, a change in the system to allow us to compete for markets abroad.

I read recently in the Saskatoon *Star-Phoenix* a comment made by a high official in the U.S. Department of Agriculture. He said that in the 1970s they were able to take markets away from the Canadian producer because of the poor quality of our delivery system, but in the 1980s we are going to take markets away from them because we are now making the changes that we recognize have to be made. That shows that we have the guts, the will and the motivation to make the necessary change, not to hide behind some reactionary cloak of "It's not time", not to find excuses for not making change. Those changes are now going ahead.

The railways have committed $1.1 billion in new investment. We are buying hopper cars in Trenton, Nova Scotia in the constituency of the Member's Leader. We are buying locomotives in London. The Beaver Tunnel tenders are now out for call. It will be the single largest construction project going on in North America. That system is being brought up to capacity right now because this Government had the motivation and purpose to make a decision, which the Conservative Party did not have, and never will have because they do not know how to make decisions. They do not know how to make change or reform.

We are now prepared to look at the new forecasts for that railway system. This morning in Winnipeg, and unfortunately I was prevented from attending, the Senior Grain Transportation Committee is looking at the railways' investment plans, reviewing them to see how adequate they are. We believe that that judgement should be made by all the participants in the system. The railways, producers and grain companies are all there this morning to review those investment plans and to give advice to the Government as to whether they are adequate. We

do not rely on the fantasies of the Hon. Member for Vegreville. We go to the people who are affected by the program. Unfortunately, because of his introduction today, I was not able to share in that discussion, but I hope to join them later.

Let us talk for a moment about rail passenger services. What have we tried to do in the last six months? First, we put a five-year capital program together so that VIA Rail has a clear certainty as to investments and modernization. They are now making those investments; $300 million for new maintenance bases and the beginning of a new prototype car and wagon for the Atlantic and western regions. In the meantime, they are modernizing present equipment to bring it up to standard during that period of time. There is the introduction of a new discount program for senior citizens and young people to get more people travelling on our passenger rail.

We are providing the kind of incentive and encouragement to our rail passenger system that people will respond to. The Hon. Member was kind enough to quote from a speech I gave on Saturday. He was not prepared to quote from that article the part about how Transportation 2000, a group deeply interested in the consumer interests of this country, applauded that performance. They realize we are now making the changes that the Tories never even thought about and will never be able to introduce because they do not have the guts to make changes. They do not know how to reform the structure.

Let us talk for a moment about the air system. I was glad to see that the Hon. Member rapidly hopped on his bicycle, trying to catch up to the new policy that we are bringing in. He is now trying to capture lost ground. We are not importing any kind of policy from another country. We are devising our own policy here. The CTC is listening to Canadians across Canada to get their points of view so that we will have a policy that reflects the unique characteristics of Canada.

We are also looking at some of the other basic questions relating to the financing and the role of Air Canada, and labour relations which are not part of that study. We will bring those two channels of communication and policy development together and go to Cabinet this spring. We will have a new policy that is and has been based on a large-scale public debate. We believe in the public fora. We believe the debate among Canadians should be taking place and it is taking place now.

In his resolution, the Hon. Member for Vegreville asks what is the result of it. I point out to the Hon. Member, who has been in a long 20-year sleep, that in the last three months the airlines have brought in major discount fares, cutting prices on seat sales by 50 per cent or 60 per cent. They have brought in a discount program for senior citizens and young people. They have brought in programs where the CTC is now making decisions, opening new routes into the United States and other areas, something which they did not do in years past.

The debate has already created a climate of reform, a climate of change, a climate in which the consuming public in this country is going to get the deal that we promised them they would get.

[*Translation*]

The Acting Speaker (Mr. Herbert): Order, please. It being one o'clock, I do now leave the chair until two o'clock.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

[*English*]

The Acting Speaker (Mr. Herbert): Order, please. When the House adjourned at one o'clock, the Minister of Transport (Mr. Axworthy) had the floor. Following the Minister of Transport's speech, there was to be a period of 10 minutes allowed for questions and comments. I would suggest that in the circumstances, because the Minister of Transport cannot reply, any questions posed should be rhetorical. Nevertheless, Hon. Members may make comments if they wish.

Mr. Mazankowski: Mr. Speaker, during the course of the Minister's remarks, he made reference to the fact that this Party was getting on the deregulatory bandwagon. Quite frankly, as I indicated in my remarks earlier, deregulation is a phenomenon that the Minsiter had just discovered. He went to the United States for a weekend, met with a few people and learned that air fares were a little cheaper there. He had a briefing session, and so he came back and took a public opinion poll and realized that it would be politically right to get on the deregulatory bandwagon.

Just to set the record straight, Mr. Speaker, I would like to talk about the nine months that we were in office. I am very pleased that the Hon. Member for Laprairie (Mr. Deniger) is here. He has acknowledged the steps the Conservative Government took at that time in terms of scaling down the regulatory burden and opening up the opportunity for increased competition and innovation through cheaper air fares.

For example, we took steps to relax the restrictions on the licensing of routes with respect to entry and exit. We took action to provide greater flexibility to allow for more competition. We took steps to increase the utilization and efficiency of the total system. We took a very important step, Mr. Speaker, when we relaxed very dramatically the domestic air charters, because the regulations had been very strict. The country's major air charter company, Wardair, was really impotent in terms of penetrating the domestic air charter service. We took steps to relax those regulations very dramatically.

The fact of the matter is that prior to our being in office, only 15 per cent of air travellers in Canada flew at discount rates. Some of the initiatives we took were in terms of the relaxation of the restrictions on routes and on the seat sales. We encouraged people to travel in Canada. We also reduced the pre-booking deadline and the minimum stop requirements. We even encouraged the utilization of the belly-hold for cargo on domestic ABCs. Again, the objective was to increase the

efficiency not only of the airplanes but indeed of the airport system.

As I said, prior to our relaxing those regulations, only 15 per cent of Canadian air travellers travelled at discount rates. This really went into effect in February, 1980, and as a result, today 50 per cent of the Canadian air travellers travel at domestic rates. So we really laid the groundwork.

• (1410)

I should say as well that in terms of expanding competition from a regional perspective, we laid the groundwork—

The Acting Speaker (Mr. Herbert): Order.

Mr. Mazankowski: —for Pacific Western Airlines to service Brandon and to service Toronto. Those are a few examples —

The Acting Speaker (Mr. Herbert): Hold it, please. I am prepared to allow the Hon. Member to continue provided no other Hon. Members want to use part of this time. However, I must try as best I can to give everyone an opportunity to participate.

Mr. Cosgrove: Mr. Speaker, York-Scarborough is the largest riding in Canada. I represent over 200,000 residents with approximately 130,000 voters.

Mr. Mazankowski: Is this your maiden speech?

Mr. Cosgrove: It is not my maiden speech. I was merely setting the groundwork, Mr. Speaker, to explain that geographically, in the centre of the riding, is Canada's largest railway yard operation by CP Rail.

I wanted to comment that the presentation made by the Minister this morning is indicative of the vigour and sensitivity which was reflected in his response to a problem which I, as a Member of Parliament, encountered in the operation of that yard. I wanted to indicate, Mr. Speaker, once again that the Minister's leadership in a number of areas, for example, last touched upon by the previous speaker, was reflected in the success I had in resolving the problem with the noise created by what is referred to as the "hump" operation, the making up and breaking up of large train sections coming into that area which, as I say, is in a built up section of Metropolitan Toronto.

It was with the assistance of the Minister and the officials of the City of Metropolitan Toronto, and even of the provincial Minister of the Environment, that we were able to work out co-operatively a plan to solve an irritant which caused great trouble in the community. I, for one, am appreciative of the vigour which the Minister brought not only to that problem but to the issues he talked about in his presentation.

The Acting Speaker (Mr. Herbert): Are there any other comments?

Mr. Hargrave: Mr. Speaker, I presume I will have an opportunity now to make a brief comment at least, if not ask a question, on the Minister's remarks just before we broke for lunch. My comment is with respect to a very specific item which occurred during the committee stage of Bill C-155, dealing with alfalfa and alfalfa products, whether or not they should be allowed to be covered by, shall we say, the new process under the terms of Bill C-155.

The Minister will remember this instance very well. I wanted to address the question to him personally. I have addressed the question to him in the House. I have written to him about it, and so on. We produce a lot of alfalfa products in my constituency and they consist of cubes, meal and pellets. These three items are now in reasonably strong demand in the export market, especially to Japan. Under the terms of the new Crow legislation they should be able to be shipped by rail to the seaboard and then, of course, by boat all the way to Japan, and this should help the total operation. Unfortunately, the railways appear to be able to make their own interpretation of the new ruling and have been finding ways to charge if not higher freight rates, at least higher surcharges or some extra kinds of charges, which has made it exceedingly difficult for one of my businesses, namely, Tirol Dehydrators, operating in the towns of Tilley and Rolling Hills, Alberta. This company has been in operation for eight years.

The interpretation by both railways of how this new freight structure is to work seems to be entirely their own, even though they have been instructed by the Minister of Transport (Mr. Axworthy), through the Canadian Transport Commission, to operate according to the new process.

I want to draw this situation to the attention of the House. It is a hardship. It seems there is no way that these products can be shipped to Japan by using hopper cars to ship them to the port of departure on the West Coast, Vancouver or Seattle, because it is just too costly. However, shipping by containers which are sealed and moved by special transport to a railway point of departure, either at Calgary, Lethbridge or Medicine Hat, then being hauled to Vancouver or Seattle by rail, then transshipped to the decks of ocean freighters, is a viable operation. If they must ship by hopper cars, which it seems the railways feel they must do, then it is almost impossible. I hope the Minister will give some attention to this matter.

The Acting Speaker (Mr. Herbert): That is the end of the ten-minute period for comments. Debate.

Mr. Sid Parker (Kootenay East-Revelstoke): Mr. Speaker, I am pleased to rise to speak on the Opposition motion presented by the Hon. Member for Vegreville (Mr. Mazankowski). The motion reads in part:

> That whereas a sound national transportation system is essential for economic growth in Canada, this House condemns the Minister of Transport for issuing contradictory statements which have created uncertainty and confusion in the transportation industry.

This is exactly what the New Democratic Party said during the debate on Bill C-155. Everyone in this House knew that we needed changes to our transportation system. We on this side knew that it must be upgraded, but we wanted a transportation Bill which would deal with transportation issues separately, to be voted on separately, with some guarantees by the railways

as to how the system was going to be advanced, and so on. We wanted another separate Bill with respect to the release of the coal lands which had been tied up for over 80 years. We wanted to know how they were going to be released and how the Government was going to develop them. However, that matter had to be voted on in the same Bill.

We also wanted to be able to deal with grain freight rates separately so we could identify what the costs were going to be. We said that on May 19. We requested that the Conservative Party support us on the issue of having the Bill divided, but we could not get that support. And here we are today debating the problems relating to this omnibus Bill.

The Government has guaranteed $560 million a year for the next three years in railway upgrading. There is no guarantee that the railways are going to carry out these kinds of programs. Much of the work mentioned by the Minister will be taking place in my riding of Kootenay East-Revelstoke, such as the Beaver Tunnel, the new shops in Golden, and the doubletracking, all very worthwhile and needed projects. But there is no guarantee, Mr. Speaker, that the work is going to be available to the people in my riding. At this time, 96 per cent of the people in the building trades are unemployed, yet when they try to get work on these projects, they cannot. The Department of Transport will spend $4.5 million this year in advertising and programs dealing with these kinds of projects, and the people are told about all the employment which is going to be created. I want to see some of that employment. The workers in my riding want to see some of that employment. There is a great deal of concern regarding these mega-projects. Some $560 million a year and a new diesel shop in Golden—I welcome that kind of project which is needed to repair and maintain this equipment in good order. But while that is being done, what is going to happen to the repair shop in Revelstoke which has been there for over 100 years? What is going to happen to the repair shops in Cranbrook and Field? Anyone with any knowledge of railways knows that those workers are going to have to move from Revelstoke, Cranbrook and Field to Golden when the project is completed. There will be some very serious ramifications for these communities. While we agree that these projects must take place, the companies have a responsibility to those communities.

• (1420)

Mr. Pepin: Change must take place but without change.

Mr. Parker: Let us have change, but orderly change. Perhaps a part of the company's pension department or billing department could be moved there to offset those changes. When the trains can cross that system in three or four hours instead of ten or eleven hours, will the company come forward and say it would like to move the terminal from Revelstoke to Golden, completely destroying the viability of that community? The only thing they have left is their position as a divisional point of CP Rail. They must have some assurance that if this company is going to make technological changes of that nature, it will use some other part of this large company to offset the changes. If that is not done, there will be serious ramifications and the whole community will wither away. I for one will not allow that to happen without making some effort to get commitments from the railway company and from this Government to ensure that it does not happen.

We spoke for a few moments about passenger rail service, Mr. Speaker. Passenger rail service is something other than rail service in the corridor from Windsor to Toronto to Montreal. VIA Rail goes across this country, and we have seen a deterioration of that system in western Canada, especially from Winnipeg west. There is supposed to be new equipment coming on stream by the year 1986. But they have done nothing but allow the equipment to deteriorate.

We used to have what they called "the Canadian" when CP Rail operated it. It was a crack train across Canada. After VIA Rail took over, they took the better part of that equipment off, amalgamated it with old CNR equipment, upgraded it and said, "That is good enough for the West; we will build all the new equipment for the Atlantic Provinces and central Canada". Well, I say it is not good enough, Mr. Speaker. At this very time up in Jasper hearings are being held to look at the possibility of reinstating the train from Jasper to Kamloops. I question that also. Are we now going to lose the passenger train from Calgary to Vancouver? Are we going to lose the only other link we have with the Transcontinental train? I say to the Minister of Transport (Mr. Axworthy): Not on your life! Not without a fight from the people of my riding and those of western Canada. We need an updated transportation system which is going to serve the people and not turn them away.

Yesterday, Mr. Speaker, in the Standing Committee on Transport we questioned the $4.5 million being used to brag about the Government's changes to the transportation system. This $4.5 million advertising and display program is nothing more than a political platform for the Liberal Party in order to try to convince the people about this scam they have created. When the west joined Confederation the Crow rate was part of that agreement. We have been sold down the river by a Government which has forced this change through legislation which was opposed by virtually every Member of Parliament from Winnipeg west, except for the two Liberals from Manitoba. Yet the Government forced it through, and now we are beginning to see some of the ramifications.

When I first came into this House, Mr. Speaker, there was a Bill called the Western Development Fund. There was supposed to have been $4 billion in that fund for development of the west. What has happened to that fund? I know what the Government is going to say. Well, we have changed that. We have the Western Grain Transportation Bill in its place. Well, that is not good enough, Mr. Speaker. There is no guarantee regarding what is going to take place or where the money is going to be spent. We were told in committee yesterday that the railway's contribution to the fund will be $90 million this year. There is $560 million of federal money and $90 million of railway money. It is not good enough, Mr. Speaker. Where are the guarantees that the transportation system is going to

receive this money? Where is the guarantee that the grain producers are going to benefit from this?

The transportation of dangerous goods was also mentioned by the Hon. Member for Vegreville, Mr. Speaker. I, too, want to express concern about that. We have had a serious accident in Mississauga, a near accident in Medicine Hat, trains 120 cars long handling dangerous goods, and at this very moment CP Rail has put in an application for the testing of trains with a view to removing the caboose. How in heaven's name, Mr. Speaker, can we even be considering such a move? We have communities all along the rail line and trains of that length handling these dangerous commodities and the railways have the audacity to come forward and say that on such and such a date we are going to be testing trains with a view to taking the caboose off. It has to be madness, Mr. Speaker, and the Minister and his Department ought to be ashamed of themselves for even considering it at this time.

Regarding the $2.5 million agriculture adjustment fund, Mr. Speaker, the Minister of Transport was to have set up the committee by April 1, according to Bill C-155. To this date we have seen no part of that committee. We in the NDP find that deplorable. That was a commitment made when the Bill was passed, and yet the Minister has not even seen fit to set up the committee to deal with the adjustment fund regarding the prairie producers.

● (1430)

The abandonment of rail lines on the Prairies was also discussed. The Member for Vegreville questioned the administrator of the Transport Committee with regard to the abandonment of rail lines. We were told that those moneys are not at this time in the Budget but there will be changes made to ensure that they are there. That is not good enough. It shows the kind of attitude the Government has. The Government meets with the railway companies, makes decisions, and then comes here and rubberstamps them. Mr. Speaker, when is the Government going to start to govern in a way that is in the best interests of the people of Canada?

I would like to speak for a moment about the deregulation of airlines. I have a great deal of concern about that. While it may sound interesting and inviting, I am worried about the small airlines such as PWA that come into Cranbrook and the schedules that are set. Those issues are important to those communities. If we bring about deregulation and allow those companies to fly only in areas where the fares are inviting and encouraging, smaller communities could be very seriously affected. That is not good enough for a transportation policy of this country.

I commend the Hon. Member for bringing forward this motion on an Opposition day. I only wish we had had the opportunity to have this Bill separated. The Minister said this was a frivolous motion. I believe that was one of the most important motions put forward during the debate on the Crow. We could have discussed the very issues I have outlined and have had guarantees that the company would do certain things. We wanted certain conditions in that piece of legislation so that workers would feel they could contribute to those discussions.

There are some very serious matters that must be addressed here, Mr. Speaker. I hope the Government will ensure that some of these things are protected. CP Rail has set up a separate entity called CP Special Projects. They put their contracts out to tender to non union contract companies. These companies are coming into the Province of British Columbia mainly from the Province of Alberta. This denies the people in the Kootenay East-Revelstoke area the opportunity to work. It is believed that many of these companies are being assisted by the federal Government issuing work permits in violation of the Fair Wages Act. Mr. Speaker, this is not good enough. It is something we cannot accept.

The Acting Speaker (Mr. Herbert): There follows a 10 minute period for questions or comments.

Mr. Nickerson: Mr. Speaker, I have one question for the Hon. Member who just spoke. It deals with his closing comments. It seemed to me he was very much against people from Alberta and other provinces of Canada going into British Columbia and taking jobs in that province. In my opinion, Sir, we are all Canadians. We ought to be able to find work anywhere in this country without hindrance.

Why is the Hon. Member of the opinion that Canadians should not be free to travel between provinces to seek work wherever they can find it?

Mr. Parker: Mr. Speaker, in no way would I suggest that people from Alberta or any other part of Canada should not be able to travel freely from province to province. However, the Conservative Government of British Columbia has created such hardships in that province that our people are finding themselves in lineups for soup kitchens, as we heard this morning. They have been told in $4.5 million advertisements that they will have work on these projects. Naturally they feel a great deal of resentment when the contracts are awarded in other places while 96 per cent of their workforce is unemployed. I share that resentment, as much as I would like to be able to see people from other parts of Canada come to our beautiful province. We in the Kootenay East-Revelstoke area want some recognition and some part of that action. I do not think that is too much to ask, Mr. Speaker.

The Acting Speaker (Mr. Herbert): Are there any other persons rising to make comments or to put questions? If there are no further Members with questions or comments, I recognize the Hon. Member for La Prairie (Mr. Deniger) for debate.

[*Translation*]

Mr. Pierre Deniger (La Prairie): Mr. Speaker, I listened with interest to the comments of my hon. friend from Kootenay East-Revelstoke (Mr. Parker), and my conclusion must be that his speech was full of contradictions, because while he spoke out against everything the Government is trying to do in the West to upgrade the railway system, he was also insisting

that the jobs go only to the people in his riding. When the Transport Committee was out West, the Member for Portneuf (Mr. Dion) told me that the industrial commissioner in his home town was not very pleased with his Member's record. However, Mr. Speaker, today, I would like to concentrate on regulation and our domestic air policy. First, I would like to thank the Member for Vegreville (Mr. Mazankowski) for moving a motion that gives me a chance to talk about transport.

Mr. Speaker, obviously, I cannot agree with the wording of the motion of the Member for Vegreville, because it condemns the Government for taking initiatives which the Minister says are popular. Mr. Speaker, it seems to me that anyone who accuses us of wooing the voters is entirely wrong. I think it is clear that if a policy is god, it will also be politically acceptable. Mr. Speaker, I remember, and my interest in transport goes back a number of years, that my former boss, the former Minister of Transport, Otto Lang, was always reminding me, although he was a Member from the West, that we first had to make sure that what we were doing was right, and if it was, it would be politically right as well. The Member for Vegreville, who was Minister of Transport for nine months, seems to hold the view that we should do nothing, in case it might be politically right and acceptable to the Canadian people. Mr. Speaker, the changes in the Crow rate, the jobs that have been created and the abundance in wealth this will bring to farmers and workers out West and to western ports, will benefit not only the local population but the entire country. I can hear the Member for Ontario (Mr. Fennell), right in the centre of the Province, speaking like an expert on the Crow policy. Imagine! This Member whom I see often enough already on the Committee on Finance, Trade and Economic Affairs and who is a self-styled expert in certain areas, is certainly not an expert on this subject. I would even say it is doubtful he is an expert on anything, but I will get back to that later.

Mr. Speaker, it is clear, and despite these interruptions, and in fact, I am not surprised at these interruptions by my hon. friend, because he seems to be imitating the lack of civility of his Leader, who ignored the House of Commons for several months and has now come back to life, launching insults and behaving himself in a way that is unworthy of a politician. However, enough of the lack of civility of the Leader of the Opposition, and on to our domestic air policy. The Committee on Transport examined our domestic air policy for nearly four months, and as the former Minister of Transport mentioned earlier, has produced a report of which all members are very proud. And I want to point out with respect to that report that it was prepared rather quickly, Mr. Speaker. The hon. Member for Annapolis Valley-Hants (Mr. Nowlan) who was then the Progressive Conservative spokesman on that committee was exceptionally co-operative. Our order of reference came on December 15, 1981, and the hearings began in January and were concluded in February. Our report was submitted in March 1982. Three months after we received our order of reference, the members of the committee were ready to release a report.

• (1440)

This report is the result of the joint efforts of parliamentarians who realized that the conditions prevailing in our country were simply not good. What was our domestic air policy like when we held those hearings and what is the situation today? Let me give a brief summary, Mr. Speaker. There was in western Canada a company called Pacific Western Airlines Limited which, for important reasons I do not support, was sold to Alberta. There was also Transair which went bankrupt. Its assets were bought by Pacific Western. There was also Nordair, a company which had lost its sense of purpose and was sold to Air Canada, and Québecair, a company experiencing serious financial troubles that had to be bought by Quebec. Finally, there is EPA which admittedly has some problems. It had to move from Gander to Halifax and once again, there are some rumblings . . . It is in a difficult situation.

When we examined the domestic air policy, Mr. Speaker, we noted the failure of countries who have tried to strictly regulate their domestic air carriers. *La Presse* mentioned in an editorial on February 20, 1984, that we had to find a way out of this chaos. Well, the solution is clear, and it is not to leave things as they are, for the *statu quo* is a complete failure. The current policy is a failure. Why is it a failure? Because this is an entirely new generation of aircrafts. We are no longer dealing with propeller aircrafts, but with long range jet aircrafts which can transport a great many travellers over very long distances. To limit a Canadian carrier to a single province, therefore, would be to sign its death warrant.

If we take for granted that the *statu quo* is no longer unacceptable, we have to choose between two alternatives. Either allow the state, through Air Canada, to purchase and own all these companies, which means that there would be only one airline, an alternative which I oppose very strongly, or increase the territory of our carriers—this is the solution which is proposed in the report, which I support, and about which we have received so far no response from Transport Canada officials—to provide those which have similar equipment with comparable routes, thereby allowing Canadian carriers and businessmen willing to risk their own money to fly routes of their own choosing, and allowing also consumers to select their airline and to decide at what time and how often they want to fly, and at the price they are willing to pay. Mr. Speaker, I do not think it is proper for Transport Canada officials to decide when and how air travellers should fly. Air travellers can decide that on their own, and market forces should determine which companies will survive, the types of aircrafts used and the flight frequency.

As to prices, the former minister of transport suggests that they might not decrease if our carriers are deregulated.

Mr. Speaker, I think it is important to emphasize, as did the former Minister of Transport, that we have fixed costs in Canada, such as fuel costs, landing fees, airport user fees and transportation taxes. Since all companies have to face those costs, Mr. Speaker, we have to look elsewhere.

If those fixed costs do not change and if people want lower fares, we will have to look elsewhere. Now then, Mr. Speaker, any profitable airline company has to meet a payroll and operating expenses before making a profit, which should amount to about 30 per cent of its expenditures. A good example would be to compare People's Express in the United States with payroll expenses and fringe benefits of 20 per cent, and Air Canada whose payroll and fringe benefits take up 38 per cent of revenues.

Mr. Speaker, if people really expect lower fares in the future, the various groups—management and unions—will have to get their act together and cooperate to restore some form of equity in salaries paid by the airlines. Let us take the United States as an example, Mr. Speaker. Before deregulation, or before the consumer market was really thrown wide open, it was not unusual for instance to find that a secretary working for an airline company was earning 40 per cent more than a secretary with similar skills in another industry, that a programmer was getting 35 per cent more than if he had been working for another employer, and so on down the line. It stands to reason that the customer has to make up the difference if salaries are way out of line with those prevailing on the existing market.

Who are the customers, Mr. Speaker? People like you and I who have to travel or who go on vacation once a year. The situation being what it is, what with protected routes where competition is banned, why should the airlines even try to lower costs if they can eventually pass those inflated costs on to their paying passengers? That is exactly what I want, Mr. Speaker. I want strong competition between airline companies so that the passenger will stand to gain something from sound company management. Indeed, Mr. Speaker, we have another very serious problem in Canada, in the sense that the Canadian consumer is increasingly wary of the price of his airline ticket. Here is an example: Air Canada flights are often practically empty, so the company sells tickets at reduced prices and fills its aircraft because management has come to the conclusion that lower fares and full planes are more profitable than high fares and empty planes. The second thing they found out, Mr. Speaker—and the Hon. Member for Assiniboia (Mr. Gustafson) knows that as well as the Hon. Member for (Mr. Olivier) or I—is that more and more Canadians prefer going first to an airport south of the American border and take off from there for New York, Las Vegas or Los Angeles, because it is much cheaper. Even a blind man can see that, Mr. Speaker. These are the facts which compel us, as Canadians, to reconsider our domestic air transport policy.

• (1450)

The former minister of transport referred a while ago to Wardair. The Hon. Member for Brampton-Georgetown (Mr. McDermid) is a Wardair fan and so am I, because that company is managed by a man all Canadians should be proud of. What is happening to that company, Mr. Speaker? The former minister knows quite well, and I commend him for the action he took in 1979 and 1980 to ease the regulations, thereby making it possible for Wardair to make more money and to survive. Why, Mr. Speaker? Because the current regulations stop Wardair from competing with Air Canada and compel it to charge only charter rates, while over the same routes, Air Canada or any other carrier have two rates, namely, the regular fares and the charter fares. Mr. Speaker, we have to put back a bit of common sense into the system, and it seems to me that our starting point should be the unanimous report drafted by a committee after a serious examination of the problem. This is why I do not share the opinion of the former Minister of Transport in this regard, and why the present Minister of Transport (Mr. Axworthy) should be congratulated, because he is now looking at that problem and considering our report. As far as I am concerned, the Minister of Transport did not have to wait until the Canadian Transport Commission had completed its study before considering the issue himself. In my opinion, the Minister already had a document to work on, and we should congratulate him. I do not understand why the former Minister of Transport refuses to do so. I do not understand him!

It seems quite clear to me that he deserves our congratulations. Besides, what did the former Minister of Transport say? He said that air transport deregulation was inevitable. This is true! It is inevitable, Mr. Speaker, because the present situation is unrealistic. In my opinion, if we succeed in liberalizing air rates, we will see an increase in the number of passengers, of users. Costs will go down and rates should follow suit.

Let us now look at another aspect of our air carrier industry, namely international service. In Canada, international carriers are regulated by bilateral treaties. There is a bilateral agreement between Canada and the United States, another between Canada and London, another between Canada and India, another between Canada and Germany, and so on. I do not like the fact that the negotiations should take that long. Important bilateral agreements between Canada and the United States which could be extremely useful to Canadian travellers are being negotiated. However, for reasons I find difficult to understand, these negotiations are dragging on, and I would urge the Minister concerned to try and settle the matter as quickly as possible.

Let us now consider another aspect in our transport policy, namely VIA Rail. The former minister often criticized the government for having unilaterally eliminate some Canadian services. I think that it was a hard decision that to be taken for the very survival of VIA Rail. I should explain that. It is

obvious, with the obsession of the opposition about deficits, it is essential for Via Rail to rationalize its services. When I use such terms, it reminds me of Mr. Bussières, but VIA Rail would have experienced some troubles if it had not done it. And what does the rationalization of services more specifically means? It means that we had to purchase immediately from the Bombardier company in Canada the cars needed to modernize the equipment of VIA Rail.

Now, Mr. Speaker, I think that it was quite easy to criticize the very difficult decision taken by the Minister for External Relations (Mr. Pepin) to eliminate VIA Rail services. However I have the vague impression, Mr. Speaker, that if the roles had been reversed, that rationalization, although slightly different at first sight, would have been substantially the same. However, the present Minister of Transport is keeping his commitment. What has he done? He has stated that he will review the services which have been eliminated. The former Minister of Transport said of such statements that they are vote-catching manoeuvres. Once again, Mr. Speaker, it seems to me that doing the right thing cannot be considered electioneering. I think, Mr. Speaker, that it would be more advisable to alter a questionable decision than to leave it to another government.

Of course, I should like to thank in the first place the member for Vegreville for having given me the opportunity to deal with transport. I think the present Minister of Transport is a rather dynamic minister; his action should be encouraged so that he remains dynamic. He has his department well in hand. He puts forward rigorous user-oriented policies and, in my opinion, Mr. Speaker, that minister deserves our encouragement; I applaud him unequivocally.

The Acting Speaker (Mr. Herbert): A ten-minute period is allotted to questions and comments. The Hon. Member for Vegreville (Mr. Mazankowski).

[*English*]

Mr. Mazankowski: Mr. Speaker, I always appreciate the Hon. Member's contribution to a transportation debate, unlike the Minister of Transport (Mr. Axworthy). I could never make the charge that he was incompetent or lacked knowledge in the field of transportation because he demonstrates that every time he rises in the House to make a speech or whenever he participates in committee.

I can be very objective when I say complimentary things about the report of the Standing Committee on Transport with respect to domestic air policy in Canada because I was not a member of that committee. I want to echo the words that I have heard in this Chamber before and words that I have uttered earlier stating that the report was a piece of excellent work. Having regard to that, and given the fact that this was such an excellent report, which drew together the opinions and the recommendations not only of the industry but the users and a whole host of other interests, and that it does lay the groundwork for a practical and orderly form of deregulation, could the Hon. Member explain to the House why the present Minister and the former Minister of Transport showed such total disrespect for this report? They ignored it. They did not acknowledge it. They did not meet with the Transport Committee nor did they take any positive initiative toward accepting or adopting any of the recommendations. I say that applies both within the confines of the Transport Committee and publicly. The report was totally ignored. As a matter of fact, when the present Minister first started his campaign for deregulation, I do not know whether he realized that this report was in existence. It seems he has just discovered it in the last day or so. But I think it is totally disrespectful of this Minister and of the former Minister to have ignored so blatantly such an excellent piece of work.

Mr. Deniger: Mr. Speaker, I think it is quite clear that the former Minister of Transport, the Minister for External Relations (Mr. Pepin), discussed our report with several Members *in camera* and publicly. I think it is pretty safe for me to say that he did not agree with the principal recommendations. To say that he ignored the report is not accurate. What is important is that the present Minister made a commitment in the Transport Committee to come before us—

Mr. Mazankowski: When did he discover the report?

Mr. Deniger: He must have discovered it quite shortly after he was appointed, Mr. Speaker, because I brought it to his attention within a week or so. I know he discovered it quite quickly. Again, knowing the firm and sad opposition of the civil servants in the Department, it is not strange that the Minister had to appoint his own task force to look into this report and to report back to the committee in May. Again, we should applaud the Minister.

Mr. Fennell: Mr. Speaker, I appreciate the opportunity to reply and I want to make a few comments. I was interested in a part of the speech made by the Hon. Member for La Prairie (Mr. Deniger), the part that was non-political. But the only people listening to him were those on this side of the House. His own colleagues buried themselves in papers, looked around and talked to each other. At times during our Finance Committee meetings, a committee of which we are both members, the Hon. Member confused me, because I believe he really is a Conservative.

• (1500)

I would like to correct one thing the Hon. Member for La Prairie (Mr. Deniger) said. He referred to my lack of knowledge on the Crowsnest Pass. He may be right, but I would like to point out that I have far better facilities on this side, along with my colleagues, than he has on that side to find the good and the bad of the Crowsnest Pass. I did some research, and I was able to talk on the Bill. As I said to my wife, I know far more about the Crowsnest Pass than I ever intended to know.

Mr. Deniger: Mr. Speaker, I thank the Hon. Member for his kind words. However, I have to remind him that for the first four years of my life in Ottawa, two years with the Canadian Transport Commission and two years with Otto

Lang all I heard about was the Crow. For those four years the main and almost sole topic was the Crow.

Indeed, when the Hon. Member associates my way of thinking on this issue with that of the Conservatives, I would beg to put it another way. I brought this topic forward; they agreed with it.

I would like to refer to another dimension which I think is important. Before we started talking about liberalizing or deregulating air fares in the country, air fares were high. It is more than a coincidence now that we have discussed it that major carriers have come out with super seat sales for the elderly, youth and students. Were it not for the work of this House, and the Hon. Member for Annapolis Valley-Hants (Mr. Nowlan), and were it not for the Chairman of the Standing Committee on Transport, the Hon. Member for Northumberland-Miramichi (Mr. Dionne), I doubt that the super seat sales would now be available.

It started with Otto Lang. He was the Minister of Transport who originally opened the charter rules, followed by the Conservative Minister of Transport and then the present Minister. What is important is that if we had not talked about these issues, I firmly believe we would not have the discount fares we now have, and consumers would be the losers.

[*Translation*]

Mr. Nowlan: Mr. Speaker, just like my colleague, the Hon. Member for Vegreville (Mr. Mazankowski), I would like to congratulate the Hon. Member for La Prairie (Mr. Deniger) for his speech. In the course of his remarks—

[*English*]

The Hon. Member mentioned the present Minister, and of course I understand the realities of that reference. However, I do not want to be provocative here and I commend the Hon. Member for expressing a real interest in transport here in the House, in his own area and certainly in committee. I would like to ask him a very serious question, and it is the same as the question asked by the Hon. Member for Vegreville (Mr. Mazankowski) in a very non-partisan way, since he was not a member of the committee.

That committee report, to which we have all referred is, as far as I am concerned is the basis for any type of reconsideration or reassessment of this question of deregulation. I would like to refer to an area which is strictly within the competence and discretion of the Minister, and ask a question of the Hon. Member. We have talked about the committee report, and we agree that something has to be done. At least there should be a formal response of some kind to that committee report. It was a unanimous report, with one disclaimer on the part of the Hon. Member for Regina East (Mr. de Jong) who found a little disfavour with it because CPA was there. Basically the report was unanimous. There are other areas within the competence of the Minister such as gas tax, landing fees, and others.

Does the Hon. Member for La Prairie believe honestly, in his heart of hearts, that in order that the Canadian public can believe that the present Minister is serious about deregulation so that consumers will have lower fares there must not only be reference of the Commons report, but a real downward move in taxes on fuels, landing fees, and the bureaucracy which affects the price of the tickets? Unless we see some movement within the Ministry and within the Government on these areas, we have every right to wonder whether the Minister is being political or is being practical.

Mr. Deniger: The point raised by the Hon. Member is a very serious one and one which has to be looked into as part of the total package. As he knows, the building of major capital projects, whether they be ports, harbours or airports, is based upon a cost recovery aspect. That cost recovery can only be done through the user fee for that present airport. Whether or not one agrees with it, that is the reality.

Indeed, if we want to promote domestic travel in the country, if we want to ensure that our tourism dollar remains in the country, that is a way to do it. I would not remove the airport tax on international flights, nor would I necessarily remove the gasoline tax. The gasoline tax in the Province of Quebec, and I am not familiar with the others, is much higher. The provincial tax is much higher than the federal tax. Regardless of that, the question is a serious one. I would like to see measures taken to enhance domestic travel. If the removal of airport tax is one way to do that, then I would favour it.

The Acting Speaker (Mr. Herbert): That is the end of the ten-minute period allowed for questions and comments. For debate, the Hon. Member for Halifax West (Mr. Crosby).

Mr. Howard Crosby (Halifax West): Mr. Speaker, let me begin by underlining the importance of the substance of the motion presented to the House by the Hon. Member for Vegreville (Mr. Mazankowski). His motion indicates very clearly that a sound national transportation system is essential for economic growth in Canada. I think that statement has to be the basis of this debate. We have to recognize the importance of the transportation system not only to economic growth in Canada but, indeed, to national unity. The tie that binds us throughout the breadth of this land is not simply language and culture, but the method and means of transportation across this great country. I associate the matter of transportation and the industries involved in transportation as important elements in our national process and our national unity.

One of the great features we have in Canada is our ability and capacity to travel to all parts of the nation. That is not so in all parts of the world. Recently I was on a tour of the Middle East and found that one of the things lacking in that ancient culture is an effective transportation system, notwithstanding that the peoples who inhabit that area of the world have a history which goes back over many, many centuries, and have proved their engineering capability in everything from the structures in Egypt to the old cities which exist in Babylon, Jerash in Jordan and other parts of the Middle East. They have proven their engineering capacity, yet they do not have an effective transportation system. Even a journey of 40 miles or 50 miles is fraught with difficulty.

We are wise to consider our transportation system, not only in its economic sense but in what it does for all Canadians and for the strength of Canada as a nation. Having said that, I want to point out that that is not an original thought. The purpose behind the modern transportation system is evidenced in the National Transportation Act enacted in 1967. In fact, that National Transportation Act, unlike a great many statutes of Canada, contains a statement of policy. I think it is wise to read it in the context of this debate. The statement of policy is contained in Section 3 of the National Transportation Act and reads:

It is hereby declared that an economic, efficient and adequate transportation system making the best use of all available modes of transportation at the lowest total cost is essential to protect the interests of the users of transportation and to maintain the economic well-being and growth of Canada—

That was a laudable expression of purpose, one which I am sure all Members of Parliament of the day endorsed. That National Transportation Act set up at the same time the Canadian Transport Commission, which had the duty and responsibility to enforce and implement that statement of transportation purpose. The Canadian Transport Commission was endowed with sufficient powers to carry out that mandate under the Act, but there the laudatory part of the exercise stopped.

What happened is that the governments of the day, in 1967 and in subsequent years, allowed the transportation system as supported by the National Transportation Act to become politicized. In short, there was a resort to the old system of patronage in implementing the high purpose of the transportation system. It started on day one. The Hon. Member for Annapolis Valley-Hants (Mr. Nowlan) reviewed for me the activity that transpired at that time.

● (1510)

As I said, we have this laudatory statement of purpose with relation to the national transportation system. We have the setting up of an elaborate commission, the Canadian Transport Commission, to implement that purpose. What do we do? Right away the politicizing and patronage sets in. A former Minister of Transport, Jack Pickersgill, was made the first Chairman of the CTC.

As my colleague from Annapolis-Valley-Hants pointed out, he was the father of the Bill. One wonders whether he was just setting himself up to take care of his ongoing career once he retired from strict politics. That was not enough. When it came time for him to pass on, he was replaced by another former Liberal Cabinet Minister, Mr. Benson. Today at the head of the Canadian Transport Commission we have another former Liberal Minister of Transport, Mr. Marchand. We have a continuing resort to politicization and patronage in our transportation system.

Unfortunately it goes right down the line. It does not stop at the make-up of the CTC. That is why in the late 1970s the Law Reform Commission made an intensive study of the Canadian Transport Commission. I will read their conclusion into the record:

Like many other regulatory agencies, the Commission has tended to deal with its broad mandate in a piecemeal fashion. It has discharged its responsibilities almost exclusively on a case by case basis, and has, as a result, often allowed itself to lose sight of broader concerns. This along with the allied question of the appropriate relationship between Commission and Ministry appear to be the central weaknesses in the present system.

That statement is as valid in 1984 as it was in 1978. That is the problem with our system. We have a politicized transportation system, aided and abetted by the Canadian Transport Commission and the Minister of Transport (Mr. Axworthy). They have completely diluted and diverted the laudable statement of purpose in the National Transportation Act, and turned the system into one that benefits the needs of the Liberal Government. It is not directed at the interest and needs of the Canadian economic system, the people of Canada and the regions of this country. That is what we have to fight today. We are not just fighting a system that is outdated and obsolete. We are fighting the operators of that system. Unfortunately, until we get rid of the people who are managing and operating the system, we can have no real hope of change in the system.

The people on the Standing Committee on Transport and Communications, like the Hon. Member for Annapolis Valley-Hants, worked hard and long to make improvements in the system. They tried to change the legislation and give direction to the system. Their efforts are fruitless as long as the people in charge of the Canadian Transport Commission and the Ministry of Transport are not willing to recognize the great national purpose that has to be embedded in our transportation policy, but simply use it for the Government's own ends on a short-term basis. Quick fixes to solve problems, quick fixes to get support in various areas of the country is what is wrong with our system. It will not change until we are able to change the personnel involved in directing the transportation system.

There are a number of matters I would like to bring to the attention of the House with respect to the motion proposed by the Hon. Member for Vegreville. He makes particular reference to marine transportation and marine industries in his motion. I want to talk about that.

First let me say a word about the Maritime Freight Rates Subsidization Program. That program is as vital to the Atlantic area which I represent as the assistance that was given to western Canadian farmers in the agriculture and wheat-growing industry of Canada. Without freight rate subsidization in Atlantic Canada, manufacturers and others dependent upon the transportation system to market their products cannot exist. There was an erosion of that subsidization a couple of years ago. Allegedly there was a tradeoff for road strengthening payments in return for a reduction of the freight rates subsidization. Fortunately that stopped. It has to remain stopped. We have to be vigilant and on guard to ensure there is no more erosion of the freight rate subsidization for the Maritime area. It is of vital importance to manufacturers and shippers in the area to maintain any kind of competitiveness in the national and international markets. We have to be on guard to see that it stays in place. That is exactly the type of thing the Ministry of Transport is capable of doing through

Canadian National and other Crown agencies, forcing higher costs on a particular area of the country without regard to the economic difficulties that can cause.

There is no field of activity in transportation where you see the disastrous effect of Government policies and programs more than in the marine transportation industry. On the face of it, there have been very substantial efforts made by the Government over the past number of years to deal with problems in the marine transportation sector, particularly the switch to Ports Canada, from the National Harbours Board. We have seen other activities related to the National Harbours Board and Ports Canada. Again we have had that misdirection and failure to carry out the national purpose. The move, which we in this Party strongly supported, to have independent national ports across Canada has been weakened in its very inception. Let me explain what transpired leading up to the switch from the National Harbours Board to the Ports Canada setup.

We are not sure even today that this is not just a change in name with the same old personalities remaining in place. I have brought it to the attention of the House on other occasions that the Government started with a debt write-off program. It came forward with $475 million for the write-off of debts. Here is how it was handled. The Port of Montreal wrote off $231 million, almost half the total, in debts. The Port of Halifax, a very important player in the international marine transport deal, wrote off $30 million in debts. This was just prior to the big changeover from the National Harbours Board to the Ports Canada system; $231 million versus $30 million.

We now have Ports Canada. We have independent ports in Montreal, Halifax and in other parts of Canada. Some of those independent ports are a little more independent than others because they do not have the burden of a $230 million debt, yet they have all the facilities that were paid for by that expenditure. The Government told Montreal it had better pile in a lot of facilities, even facilities it did not need and build up debts because it would write them off. It said it would be an independent port in a year or two with no debts, but all kinds of facilities. Poor little second cousins like the Port of Halifax have to go out and build their container piers, charge them up to their own operations and pay for them. That is exactly what is happening today.

In its great generosity, Ports Canada approved the extension of the Fairview Container Pier, to the extent of $25 million—$30 million. Had we had that extension two years ago when we knew it was necessary, we would have received the debt write-off to go with it. We would not have to pay all that money.

There is another important part of marine transportation which is often neglected, and that is shipbuilding. I say you cannot separate the operative transportation side of the marine industry from the shipbuilding side. That is the big mistake we have made in Canada. It has been said that marine transportation is simply ships coming and going. That is wrong. We have very substantial shipbuilding facilities in Canada. It is a large industry in which we can create 15,000 to 28,000 jobs overnight by simply building our own ships for our own transportation needs. That has been totally neglected, not only by the Ministry of Transport and the Department of Industry, Trade and Commerce, which established policies through which ships are permitted to enter into national trade, but by all other aspects of Government. For example, the Department of Energy, Mines and Resources, with the co-operation of these other Departments I have mentioned, could easily exclude non-Canadian ships from activity in our offshore waters. This alone would create massive activity for Canadian shipyards and would create many thousands of jobs.

• (1520)

We are concerned with the lack of any cohesive policy in marine transportation to provide and ensure activity and jobs on the transport side, on the shipbuilding side and on the side of all of the activities related to shipbuilding and marine transport. What do we get, Mr. Speaker? We get the same old patronage and the same old desire to feed at the public trough. What does the new Minister of Transport do? He looks at the new Ports Canada and the other emanations of Ports Canada and local port corporations and sees another opportunity for patronage.

How do you like this, Mr. Speaker? Since 1936, the Auditor General has checked the books of the National Harbours Board. Canada Ports Corporation more than anything else needs a new auditor. Where can we find an auditor to check the books of a corporation that deals with marine matters? We find him in Winnipeg. That is the logical place to find a person who really knows the marine scene. Winnipeg, Manitoba, happens to be the home city of the Minister of Transport. I wonder if there is any connection. So Walter Dubowec—

Mr. Nowlan: He is the official agent of the Liberal Party in Manitoba.

Mr. Crosby: My colleagues have told me that Walter Dubowec, the man who has been appointed auditor for Ports Canada, is the official agent of the Liberal Party. However, as the official agent of the Liberal Party of Manitoba he has very little to do with this situation, so he should not have any problem taking over these duties. I have a problem with regard to getting rid of the Auditor General.

Mr. Ouellet: What is the name of the firm?

Mr. Crosby: Never mind the name of the firm. We got rid of the Auditor General because we are trying to set up Ports Canada, not to run the ports of Canada, not to provide a service, but to be an outlet for more Liberal patronage. That is how shameless the Minister of Transport is. He begins to bring patronage into the one area in which we must have total independence. He attacks that area and appoints a Liberal partisan as Auditor General. How can we complain about any other appointment after that? They just flow like water over Niagara Falls. We are not going to complain about the make up of the Board of Directors of Ports Canada. We are not going to complain when the Minister puts Otto Lang on the

Board of Directors of Ports Canada. Otto Lang said: "If you want me, you must have my former assistant as well." So the former assistant was hired as well. The porkbarreling has started.

I would like the porkbarreling to stop in Ottawa; but it comes all the way to Halifax. In Halifax, everyone is interested in this situation. The port is vital to the city. It has been the guardian of the North for 200 years. Halifax has performed that function for 200 years and we finally have an independent port corporation with local autonomy in the management of the port. After 117 years of being classed as a public harbour, since Confederation, we get our own port authority. So who do government Members put on the board of directors of the corporation? Do they put people from each sector of marine transportation on the board? Do they get somebody from the shipping side, somebody from the marine workers, somebody from the ship's chandlers? No, that is not what they do. They get a defeated federal Liberal candidate, a defeated provincial Liberal candidate and a former Member of Parliament who has been retired for many years. This conglomerate of people have only one thing in common. They are partisan supporters of the Liberal Party. They are the ones who are going to manage the Port of Halifax. No wonder we will be in trouble.

I wanted to speak of the real challenge to our transportation system of the future. That challenge is deregulation. As my colleague, the Hon. Member for Vegreville has pointed out, the question of deregulation has arisen in respect of the air transportation industry. I would like to say, Mr. Speaker, that that is one area in which we will not stand for any quick fixes by the Minister of Transport. We will not let him pretend to the airline consumers of Canada that they will get a lower ticket price if they follow his deregulation policy, because we know what that will cost. It will cost thousands of jobs. Air Canada has 20,000 employees and I know that some Air Canada flight attendants have already lost their jobs right across Canada. In the Riding of Halifax West alone, 80 such jobs have been lost. I would like to point out to the Minister of Transport that when he is talking about deregulation, he is talking about lost jobs.

The Acting Speaker (Mr. Guilbault): I regret to interrupt the Hon. Member but his time has expired. A 10-minute question or comment period will be allowed.

[*Translation*]

Mr. Deniger: I listened with interest to the speech delivered by my colleague. When dealing with air transport deregulation, he contended that jobs will be lost. I do not see how he can come to such a conclusion since in the United States where drastic deregulation is now taking place, the number of jobs in the air transportation industry has gone up from 292,000 to 307,000. Then how can he make such a statement?

[*English*]

Mr. Crosby: Mr. Speaker, I have no difficulty explaining that. We have an entirely different airline transportation system in Canada. In the first place, our immense major carrier is an agency of the Government of Canada. Air Canada is simply a Crown corporation. It does not have to worry about profits because its financial future is ensured. It may be that the President of Air Canada, Mr. Taylor, takes it upon himself to try to show a profit, but we do not know if he shows a profit in private industry terms. He can charge, or not charge, or do what he wants. He has no investors and is not involved in the stock exchange. He has no outside auditors so he does what he wants.

The point is that Air Canada accounts for a large percentage of the entire Canadian airline activity nationally and internationally. The reason for that, of course, is that it has a mandate and obligation to provide air services at various points and frequencies. That sets the stage for our entire airline industry. In Canada, we have an airline industry that is not only in business but is in business with a duty and a responsilitity. When we talk about deregulation, we cannot abandon the duty and responsibility that exists. We cannot simply say that it is not profitable to fly an aircraft between Halifax and Fredericton or between Saint John, New Brunswick, and Charlottetown, Prince Edward Island.

The Hon. Member has given himself away because Montreal, Toronto and areas like that are not affected by a potential deregulation process, as are remote areas like the Maritimes and some parts of western Canada. My point is that whereas deregulation in highly populated areas like New York and Chicago may result in greater airline activity between those points, with increasing employment following on that, we are dealing with an entirely different concept in Canada. We have a different quality of passenger and, indeed, other different airline services, and we must maintain those services.

If the Minister of Transport is suggesting a deregulation which would allow Air Canada or Eastern Provincial Airways to abandon routes between Halifax and Saint John, New Brunswick, then I am entirely opposed to it. Even if the deregulation is simply a process that will allow for one less flight attendant, one less pilot, one less safety inspector, one less ground maintenance person and one less agent at the counter, I am not in favour of it unless it can be demonstrated that there is a clear advantage in terms of passenger rates to justify that loss of jobs and activity. If I am able to pay less for an airline ticket but have to pay more in taxes to provide welfare and other payments, I do not see where I as a consumer, or where any other Canadian has gained one thing.

• (1530)

Mr. Deniger: Mr. Speaker, it is quite clear that the Hon. Member opposite does not know at all what deregulation is. First of all, I would like to make it quite clear that when we talk about deregulation, we never talk about safety. Safety will not be deregulated. What we are talking of is a lessening of the rules of entry, exist and setting fares. Sefety will never be deregulated because in itself safety has to be regulated.

Second, I am surprised when the Hon. Member says that Air Canada does not have to worry about profits. If he had been present at the Transport Committee which considered the

Air Canada Act, he would know that, I believe Clause 2, or Clause 3 says specifically that Air Canada has to worry about profit and must conduct itself as if it were a company involved in business.

Mr. Crosby: How come it lost $65 million?

Mr. Mazankowski: I moved the amendment.

Mr. Deniger: It was the amendment of the Tory Party, which was logical. The third point I want to raise with the Hon. Member, Mr. Speaker, is that if I was from Halifax and I am from Montreal—I would not want decisions involving the aircraft I use, the fares I pay, and the service I receive, to be imposed by a regulatory agency in Ottawa or in Hull. I would like the people in my province to have some say in the matter. That is precisely what we are offering and precisely what our domestic air policy is saying. We are saying that the consumer, the user, will have more say in the policy. I trust the consumers a lot more than I trust people who do not live in the area, in my region, making decisions for me. I am especially surprised at the Hon. Member for Halifax West (Mr. Crosby). We sat together on the regulatory reform committee where we unanimously presented a paper which dealt with reforms of regulations. He seems to have forgotten that report.

Mr. Crosby: No, Mr. Speaker, I have not forgotten the report. However, I believe there is a great deal of confusion present in the House in relation to the remarks made by my colleague. We are talking, I believe, about different kinds of deregulation. The Hon. Member, as I understand his last intervention, is talking about the domestic air carrier policy approved by the Standing Committee on Transport. I would like to ask the Hon. Member very simply, does the Minister of Transport endorse that report? Is he prepared to put it into operation? Because on the advice of my colleague, the Hon. Member for Vegreville, and on the advice of my colleague, the Hon. Member for Annapolis Valley-Hants, I would endorse that, plain and simply. That is the way to do it. But from the information I have, and I do not have the time or opportunity to go through it in detail, that is not the kind of deregulation the Minister of Transport is talking about.

We had a meeting which was graced by the presence of the Hon. Member for Vegreville the other day in which we discussed statements made by the Minister of Transport on deregulation. They bear no relationship to this report. He has never endorsed this report. He has never said he is prepared to implement, as part of deregulation or other policy, the recommendations of this report. He has just got a quick fix attitude, take the controls off air fares and the first airline approaching bankruptcy will knock down its air fares in order to buoy itself up, get some cash flow going, then the next outfit will start to go bankrupt. That is what happened in the States.

Braniff Airlines was one of the most effective airlines in the United States. The airlines got into a price war and now it is out of business. Braniff is gone today. That is what will happen. EPA will go, then Quebecair will go, under the proposals of the Minister of Transport. And most importantly, jobs will go. That is what I am saying.

Yes, I am in favour of deregulation. The Hon. Member knows that because, as he said, we sat together on the regulatory reform committee. It is important for the Canadian economy. However, it is more important to proceed in an orderly fashion in determining just what are the elements in the regulation policy which can be changed effectively, and changing those elements. We should not simply take the controls off the ticket prices and let the market prevail, because what we will end up is a lot of people flying back and forth for a few months and then a lot of bankrupt airlines. We already know what happened in the United States and we do not want that to happen in Canada.

Mr. Nickerson: Mr. Speaker, I have one question for the Hon. Member. It concerns shipbuilding in Canada. It is one of my favourite subjects and I understand it is also one of his. It just so happens, Sir, that I was having supper with a ship owner last night. He was having a ship building offshore. The price of this vessel will be some $8 million. Being a good patriotic Canadian he wanted to have this vessel built in Canada. But I believe the cheapest price he could get in Canada was nearly double, some $15 million.

From my conversation with him it appeared that one of the reasons he could get the ship built a lot cheaper offshore was that foreign governments extend credit at low rates and perhaps even subsidize their own shipyards. It seems to me that if the price is doubled in Canada, you are not going to sell very many ships out of Canadian shipyards to Canadians. I wonder if the Hon. Member has any solutions to this very difficult problem faced by our shipyards?

The Acting Speaker (Mr. Guilbault): Order, please. Unfortunately, this puts an end to the ten-minute question period and we are resuming debate at this point.

Mr. Crosby: I do not have an opportunity to respond?

Mr. Nickerson: On unanimous consent?

The Acting Speaker (Mr. Guilbault): Is there unanimous consent for the Hon. Member to complete his answer?

Some Hon. Members: Agreed.

An Hon. Member: No.

The Acting Speaker (Mr. Guilbault): I heard no. Debate.

• (1540)

[*Translation*]

Mr. Rémi Bujold (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, today I find it very difficult to understand why the Opposition moved this motion. After listening to my hon. friends on the opposite side of the House this morning and after reading several times over the motion that was moved, which mentions contradictory statements which have created

uncertainty and confusion in the transportation industry, I really wonder what possessed the Official Opposition to present such a motion. Earlier, I was even more surprised when I heard the Member for Halifax West (Mr. Crosby) say that the present Government was appointing Liberals to a number of positions within the Canadian Transport Commission and the Government itself. Mr. Speaker, I realize they are upset, but what is the alternative if all the competent people who are best suited for these duties happen to be in the Liberal Party? We are certainly not going to avoid appointing them because they are Liberals. The Government has always insisted on selecting the best candidates and the best people available when filling vacancies in the Federal Public Service. I realize this may upset our friends opposite, but they cannot expect us to penalize people who are suitable for these positions just because they are Liberals. Furthermore, Mr. Speaker, I think it is too bad that the Official Opposition feels that our present Minister of Transport has created confusion in the transportation industry in Canada. In the few moments I have left, I shall try to tell the House that in one sector in particular, and I am referring to the railway transport sector contrary to what our hon. friends opposite would have us believe, the Minister, since his appointment, has taken some very brave decisions aimed at avoiding any confusion that might exist and at proving the Canadian Government's commitment to a transport mode that is both indispensable and very convenient for many of our fellow citizens across this country.

Mr. Speaker, we must realize that with respect to the railway transport system, the Government has made commitments and has promised to meet them. It will make this kind of transportation safer and more efficient across this country. Moreover, Mr. Speaker, while meeting this commitment, the Minister of Transport has also informed Canadians that we would have more and better quality service. I think we have every reason to be pleased that the new Minister of Transport has made this commitment.

I can assure you that people in regions of the country where there are no means of transport other than the railway will be the first to admit that the decisions made in the past and those which will be made in the coming months serve the best interests of all Canadians.

If we really want to talk about the rail transportation system, Mr. Speaker, I think we should turn back the pages of history to have an overview of what happened in that field. I think that we have been witnessing tremendous changes within our transportation system since 1977. Still, one must admit that the Canadian railway network was not built overnight. I am convinced that in the next few years, people will come to realize that, in a large country such as ours and with all the regions we want to have rail service, it is extremely difficult to improve everything in one day or even in one year.

We have to take into consideration the regional disparities and the land irregularities of our country, and remember that the railway represent a link in the history of Canada. That is indeed what prompted Nova Scotia, New Brunswick and British Columbia to join the Canadian Confederation. All those facts prove that people across Canada are very fond of that transportation system and that many Canadians are looking forward to improvements.

Today, Mr. Speaker, a delegation from my own riding of Bonaventure-Îles-de-la-Madeleine arrived here in Ottawa to attend an important conference and, of course, they came by train. Mr. Speaker, those are some of the people who know very well that the Government has to upgrade the system. I have had an opportunity to discuss that issue with them and to work with them on the various changes we want to make in the system.

Of course, the railroads have had enormous problems since 1885, but we certainly chose the right solution in 1976 when we created VIA Rail and made it responsible for all passenger rail service. We must also remember, Mr. Speaker, that, in 1958, automobiles accounted for 87 per cent of all passenger transportation in Canada. We must therefore take some action to convince the public that automobiles may not be the safest and the most economical means of travel.

After creating VIA Rail in 1976, the Government had to deal with many problems. The Government decided to rationalize railway passenger service and minimize the costs in that area. This is why, in 1983, the total operating subsidies allotted to VIA Rail amounted to just $451 million, a mere 4.5 per cent increase over the previous year, which was far less than the rate of inflation.

In my opinion, those figures clearly show that the decision made by the Canadian Government in 1976 was the right one and that we are really on the way to improving this transportation service.

As I was saying earlier, Mr. Speaker, we also had to provide a dependable service all across Canada. This is why, as my colleague for La Prairie (Mr. Deniger) was saying a while ago, the Minister of Transport has decided to rehabilitate certain lines and, most importantly, to develop the Quebec-Windsor corridor. Of course, VIA Rail is making a major effort to provide a good serivce in this corridor, without however neglecting other lines and other areas in Canada. As I was saying, the railroad helped to unite this country, and we must now make sure that the service will continue to exist in 1984 and in future years. In addition, Mr. Speaker, the railways must serve the public, not just the business sector. This is the direction this Government wants to take and this is what the Minister of Transport has done to improve our transportation services and make train travel more attractive to the Canadian public in all our regions.

Finally, I believe that we have to realize that the social and political factor plays a very important role in the way people choose their means of travel. I also believe, Mr. Speaker, that it is extremely difficult to assess the efficiency or the perform-

ance of a transportation service if we look only at the figures. As I was saying earlier, we have to convince the people that this is an effective and safe means of travel. This is of course what the Government and the Minister of Transport want to do.

As I have already said, the Minister has also indicated in recent months that service on some lines will have to be restored because people have found out how much they miss it since it has been discontinued. As you know, it is often very difficult to realize the usefulness of something we have. This is why the Winnipeg-Edmonton line will be restored as well as the Edmundston-Moncton line. In my own region, the Gaspé peninsula, there have been many changes in recent years and certain lines had been abandoned or replaced by others, but wherever we have maintained our railway service we want to continue such operations since our region is vast and sparsely populated.

Mr. Speaker, as we can see, some progress has been made, but much remains to be done. I believe that the key factor is the modernization of VIA Rail facilities and equipment. If we want to have some credibility, we must first of all have rolling stock which will meet our needs, and adequate tracks over which this rolling stock may be used as it should.

I would like to recall a few of this Government's major achievements. As far as capital investment is concerned, we have to remember that, since 1977, the Government has invested $785 million across Canada. Another $307 million were invested recently in maintenance facilities in Halifax, Montreal, Toronto and Winnipeg. These facilities will help us save $50 million by 1988. In addition, the Federal Government has approved and developed a new type of train at a cost of $32 million. This new material will be tested within the next two years. This demonstrates again that we should look to the future as far as this mode of transport is concerned and that we should adjust to the new technologies.

The federal and Ontario governments have announced that they are co-operating on the design, development and construction of a two-storey train which should be ready for Expo 1986. Moreover, a plan for the development of a bus-on-rail prototype is at the final stage of certification. This new vehicle will be tested in northern Manitoba in 1984-85. A second contract for the purchase of ten locomotives and 50 LRC wagons was signed recently. These vehicles will be put into service sometime next year.

VIA Rail is planning to invest over $800 million in various new projects before the end of this decade. Of that amount, about half will be used to update the rolling stock, the rest being spent to improve the infrastructure. This demonstrates once more that this government is unreservedly committed to making rail passenger transport a service which is viable, reliable and which will meet the needs of tomorrow.

Also, Mr. Speaker, VIA Rail has agreed to improve its services. It is doing more than just trying to improve the infrastructure and update the material. It is taking the necessary steps to shorten the travelling time on a number of lines, so as to prevent the repetition of unfortunate incidents which occurred this winter in our region as a result of heavy snow storms and very bad weather. It is also trying to streamline its railway stations, because it is when travellers enter a railway station that they have their first contact with this mode of transport. For instance, in 1983, the federal government committed itself to renovating the Quebec City's "Gare du Palais". It will allow a direct service between downtown Quebec City and downtown Montreal. This project has met with the approval of numerous organisations and the general public. Also, work will be done on the Union Station, in Toronto, as well as on many other stations throughout the country. I would like to mention as well the stations located in my own area of Gaspésie. There are now 26 stations on the Québec-Gaspé route, hence 26 stops. For the last four years, elected representatives together with various regional organisations have been working to rationalize the transportation network. A fair amount of work has already been done in this regard, mostly in Gaspésie but not in the Lower St. Lawrence area. The number of stations will be reduced from 22 to 13, thus eliminating stops and improving the average speed of the trains.

Many improvements have also been brought forward in the quality of services on the train. This work will be pursued and I am confident that within the next decade, we will all be able to enjoy the new interior design of railway cars, the improved service to travellers both in the trains and in the stations, the improved telephone service; in fact, every aspect of the service will be enhanced.

These improvements, Mr. Speaker, will enable VIA Rail to experience a 36 per cent increase in the number of passengers and a 72 per cent increase in its revenue between 1984 and 1989. So it is obvious that VIA Rail is determined to take necessary measures in order to give the travelling public a meaningful choice, to enable Canadians who must travel to choose a means of transportation which is affordable and meets all their needs.

In concluding, Mr. Speaker, I would like to mention another important fact, that is the extremely interesting initiative taken by the Minister of Transport in February. I am thinking about the lower rail rates for young people and senior citizens. This new program will enable young people to buy rail passes valid for various periods of time.

The rate for senior citizens is valid for all VIA routes without any exception or time restriction. Again, these new programs fulfill the commitments taken by this Government in the Speech from the Throne.

Mr. Speaker, it is obvious that since VIA Rail has been established in 1976, we have gone a long way. Of course, we still have a long way to go; however, the initiatives that have been taken both by VIA and by this Government demonstrate that we are going in the right direction.

The Acting Speaker (Mr. Guilbault): Are there any questions or comments on the Hon. Member's speech?

● (1550)

[*English*]

Mr. Nickerson: Mr. Speaker, I noticed that the Hon. Member was reading his speech. I did not want to interrupt him to bring this to your attention. On February 5 you insisted on bringing to order the Hon. Member for Timiskaming (Mr. MacDougall). It would seem to me that what is right for this side of the House should also be right for the other side of the House. I hope you would enforce the rules of the House with a reasonable degree of consistency. However, my question—

The Acting Speaker (Mr. Guilbault): Order, please. The Chair is grateful to the Hon. Member for trying to bring to the attention of any presiding officer what is happening in the House. However, it is probably more worthwhile to do this while it is happening. To do it after the fact is not of great use.

Mr. Nickerson: Mr. Speaker, sometimes it is not a great deal of use to bring it to the attention of the presiding officer even in the course of the occurence.

My question to the Hon. Member is in regard to the Quebec City-Windsor corridor, and perhaps more particularly to the Toronto-Montreal section of that corridor. I listened with a great deal of interest to what the Hon. Member had to say about the amount of money that is being spent by VIA Rail on upgraded facilities. Most of it appeas to be for fairly minor modifications to existing facilities.

Does the Hon. Member think that putting a high speed electrified train between Toronto and Montreal, may be passing through Ottawa, with a dedicated track along the lines of what they have in Japan and France, is a good idea in this area of dense population with a great number of travelling members of the public? Has the Government ever looked at the economic feasibility and the cost of that idea?

[*Translation*]

Mr. Bujold: Mr. Speaker, I would like, first of all, to tell the Hon. Member who said that I was reading from notes that when it comes to statistics, we can hardly be expected to know all the figures off hand, and I would like to tell the Hon. Member that when he has travelled by train in his riding as often as I did in mine, then maybe we will be able to compare our statistics in this regard.

As to his proposal of an electrically powered train, obviously, any possibility can be considered. However, I suggest it is not realistic to compare passenger trains in Canada and in Japan or in Europe. If one looks at the size of our territory and the size and location of our population and draws comparisons with what can be found in Japan or even in European countries, it is like comparing apples and oranges. There is no possible comparison in this regard since our respective population and territory are so different. A minute ago, I was making a brief history of railways in Canada; well, one would have to examine also the history of railways in Europe and consider the notion people have in these countries in the area of transport. That is the main difference and the conclusion we would reach as to the possibility of having an electrically powered railway connecting Toronto and Montreal and possibly Ottawa as well. This shows, once again, that we are ready to upgrade the rail transportation services, and I read press clippings on that just this week. Surely the government is ready to consider all the possibilities but, as I said, I would like that extreme caution be taken when comparing rail services in Canada with those in other countries because we are definitely not talking about the same thing.

● (1600)

[*English*]

Mr. McDermid: Mr. Speaker, I would ask the Hon. Member if the Government which he represents has discussed deregulation as it pertains to the use of airports? I heard the Minister saying how deregulation will help airports that are having financial problems such as Mirabel, for which projections in the Budget indicate it will lose $50 million.

Have discussions taken place within Government and has consideration been given to deregulating an airport? For example, could there be a toll-free type of airport which might encourage carriers to use that airport as opposed to any other airport in order to attract airlines, such as People's Express, that are reaping the benefits of Canadian travellers who leave from Burlington, Vermount, to other areas in the United States at very reduced airfares? Have any discussions taken place? When I hear the Minister talking about deregulation helping Mirabel, I am suspicious that this may be what he is referring to. Would the Hon. Member comment on that?

[*Translation*]

Mr. Bujold: Mr. Speaker, obviously, as far as regulation is concerned, the Hon. Minister of Transport (Mr. Axworthy) is discussing all the possibilities with his colleagues to the South. As for deregulating the airports, it could obviously be a solution in a sense. What he just said is true, some of our fellow Canadians go to Burlington to catch a plane. Today at noon, some people from my own riding told me that they had done just that. If that is a solution that could be considered because it could solve a number of problems in some of our airports, we will surely be pleased to discuss it. As for this matter of deregulation, we should keep in mind that what we want is to allow the greatest number of Canadians to have access to air travel, at more reasonable rates than those charged in my area; indeed to fly from Magdalen Islands to Montreal you have to pay an outrageous $600 for a return fare.

[*English*]

Mr. Len Gustafson (Assiniboia): The subject of transportation in the Opposition motion which we are debating this afternoon is very important for consideration by Canadians in terms of air transportation, rail grain transportation, VIA Rail

and Marine transportation. I suggest it is significant to note the past actions of the Government and how the Minister in charge has been dealing with transportation in Canada.

It seems that the pattern of the Liberal Goverment in the past 15 years has been that just before an election it makes great promises of rebuilding, restructuring and job creation. However, once the election is over the next thing that happens is that the Government begins to impose cuts. The records will show that this has been the case. In 1981 the Minister promised action but then imposed a cut of $1 billion and then another of $2 billion. This situation has been repeated several times. The fact is that the present Government makes promises and then breaks them. I am sorry that there are so few Liberals in the House.

Mr. Mazankowski: The Minister is not here.

Mr. Gustafson: And the Minister is not here. I believe that the public is fed up with this kind of cheap politics. I can give examples of this, one of which occurred just two days ago. Our Leader stood in the House to ask the Prime Minister (Mr. Trudeau) whether he would put into place a formula in the Western Grain Stabilization, for which we have been asking for two years and which the Government has been promising for two years. Mark my words, the Liberal Government will play politics with the Western Grain Stabilization Program just as it has been playing politics with the transportation system.

I can give another example. Fuel is very important to transportation in agriculture. In as many elections as I can remember the Liberals have promised tax cuts on fuel before an election, but we know what happens after an election. To the contrary, the provincial government in Saskatchewan promised tax cuts on fuel for farmers and for the province as a whole. The day after Mr. Grant Devine was elected in the Province of Saskatchewan the provincial fuel tax was removed completely. That is just as he promised. That is the type of government responsibility that the taxpayers, the producers and other Canadians are looking for.

My main area of concern is Western Grain Transportation as it relates to the promises that were made just recently in Bill C-155. The Minister took it upon himself to remove one of the traditions of this country and bring in a new program. It is becoming quite evident that the Government's promise to deliver the goods for this program are not being met.

Let me quote from the Hon. Member for Vegreville (Mr. Mazankowski). Before doing so, I might say that the House of Canadians will remember, as western farmers do, that in a short period he put into place certain measures in grain transportation and rail development across western Canada that were absolutely remarkable, especially in the limited time he had to accomplish that. Let there be no suggestion that the job cannot be done.

Let me point out something else. The Conservative Party, which understands very well the plight of the western farmer and the importance of transportation, is dedicated to upgrading the system. Make no mistake about that. While the Minister rose earlier today and said that the Conservatives are always dragging their feet in these areas, the absolute opposite is true. We want the upgrading and we want the direction, but we do not want false promises that are not kept. Politicking with this very important matter of grain transportation is unacceptable.

A news release of March 27, stated:

'The $16.5 billion of investment and 375,000 jobs promised by the Liberal Government as a result of the Western Rail Expansion Program will not fully materialize' said Don Mazankowski, P.C. Spokesman on Transportation.

● (1610)

—the Minister of Transport and the railroads have admitted that the level of investment will be reduced.

Yesterday, April 5, the Hon. Member for Vegreville issued a press release indicating exactly what happened in committee that day. Let me read it into the record:

The federal government is betraying western farmers by permitting a $4 billion drop in western rail investment—

Transport Canada officials appearing before the transport committee today confirmed that the railway investment will drop to $12.5 billion over the next ten years, a 25 per cent reduction—

It would appear to me that the Government has made a move to increase freight rates to farmers and now makes a move to renege on its responsibilities concerning upgrading. Again and again in the House we heard about all the jobs this was going to create. I want to clarify once more that we on this side of the House are in favour of creating jobs.

With unemployment at the rate it is today we are absolutely against mismanagement and irresponsible spending on the part of the Government, such as the Government spending $4 million advertising programs that are not taking place. Jobs certainly should be put in place. Production should go up. Something should happen as a result of those jobs and rail lines should be rehabilitated. But does this happen? No. I call this irresponsibility to a great degree. The producers, the farmers, are certainly concerned about the transportation of their grain. But freight rates are being increased. The Government has cut back and reneged on its promises, and it would only be fair to say, "let's cut freight rates". But we know such is not the case. What we have in transportation are more promises, more promises, and more promises, and neglect of obligations that many times seem written in stone. I suppose I am a novice Member having been here such a few years.

Mr. Deniger: Too long.

Mr. Gustafson: Someone says "too long". Maybe that is possible.

Before being elected to the House of Commons I sat on a rural council. When something was written into the minutes of that rural council you could pretty well count on it. There were no open envelopes for expenditure. A budget was brought down and when it came down the amount of money contained in it was the amount of money you spent. The amount was not doubled, nor was it tripled. What kind of responsibility would it be on the part of any rural or urban councillor to increase

spending to the taxpayers of a community? You could depend on them.

I thought the level of responsibility in this senior place of government would be much more efficient. But I found out, much to my dismay, that because of the direction of 16 years of Liberal Government there is very little responsibility with regard to commitments, either made to the people or even written in stone, as it were.

Rehabilitation of rail lines should go ahead. Nothing is more important. In terms of grain and grain transportation some $6 billion were added to the balance of payments. That is important to the welfare of farmers, but it is more important to the welfare of the whole country to do something positive. The Government should do something positive instead of picking up broken pieces of bad business obligations with which it gets encumbered from time to time.

I would like to speak for a moment about the area of rail line abandonment, particularly as it relates to my riding. It is only fair to say that farms in other areas experience the same type of problem. We had hearings at Rockglen, concerning the Big Beaver-Coronach line, some over a year ago. At that time we raised with the CTC the issue of the lines involving Big Beaver to Coronach, the Avonlea-Parry line and other lines. I raised in writing with the Minister the importance of maintaining the Big Beaver-Coronach line. On two occasions I raised the matter with him in committee. When Mr. Marchand, the President of the Canadian Transportation Commission, appeared I raised once more the concern of this rail line. I must say good attention was paid. I even think the letters were read, but I must say we have not been getting any answers.

Consider yourself, Mr. Speaker, living in Big Beaver, Saskatchewan. From Big Beaver to Coronach is 20 miles and it is up-hill all the way. Let me suggest you had a three-ton truck, a 1957 Chevy and its motor was not too good.

Mr. Mazankowski: And you have a blow-out.

Mr. Gustafson: You are heading for town, up hill at 30 miles an hour in second gear, and you have a blow-out.

Some Hon. Members: Oh, oh!

Mr. Gustafson: It is no laughing matter, Mr. Speaker. It is so serious it is laughable. I want to suggest, Mr. Speaker, that the farmers along that line are very concerned.

We have been getting the same kind of answers from a very neglectful Government and Minister. The transport portfolio is probably one of the most important in the Parliament of Canada. Transportation is very important to a Canada that stretches thousands of miles from the Atlantic to the Pacific and from the 49th parallel to the Arctic. It is most important to the survival of a people who have to compete in international markets, especially when you have the type of irresponsible approach that we have seen in past days. I am absolutely astounded that this is beginning to happen so quickly and that the Government should renege on its responsibilities with regard to rail line rehabilitation and rebuilding. Certainly it is a most important matter which should be dealt with.

• (1620)

What situations are created by abandoning a rail line such as the Big Beaver-Coronach line? I think we have to take several matters into consideration. First, it devalues the land. Certainly that is important to farmers who have to compete in an economic sense with other farmers. In addition there are fuel costs. We cannot look at transportation unless we look at fuel costs.

Mr. Mazankowski: They have doubled.

Mr. Gustafson: This is significant because if we go back to December 13, 1979 we were defeated on an 18-cent gasoline tax. Our government made the mistake of being honest; that is the only way I can put it. At that time we said that the gasoline tax would be increased by 18 cents. After being defeated I returned home and I must say I was somewhat disappointed. We were in for eight or nine months and then we were out. I drove into a filling station in the little Town of Macoun and I asked what was the price of gas. I filled up my tank at a cost of 92 cents per gallon. Just the other day I telephoned that same filling station in that little town and was told that the cost of fuel was $1.80 per gallon. Do Hon. Members remember the promise of the Liberals? They said they would not increase it more than the 18 cents the Conservatives had suggested. Gasoline prices and fuel costs to farmers have doubled in four years. It is just another example.

How does this relate to transportation? Its relationship is very simply, because it costs twice as much today to fill up a truck with gas to haul grain to the elevator so that it can be put on world markets. Certainly fuel costs are of concern. The cost of the gas moving from the City of Regina down to Plentywood, Montana—and there are semi-truckloads of gas going down there every day—is 78 cents per gallon. That tells us how much federal tax we have on fuel in this country.

I see Mr. Speaker signalling that my time is up. No subject is more important to Canada, especially to our farmers, than western grain transportation. If anyone honestly looks at the facts as they exist, he will realize that the Government has been very neglectful in its responsibilities and in keeping its promises to the people of Canada.

The Acting Speaker (Mr. Guilbault): Are there questions or comments related to the remarks of the hon. gentleman? The Hon. Member for Western Arctic (Mr. Nickerson).

Mr. Nickerson: Mr. Speaker, I just want to get this entirely straight in my mind. Did I gather from the speech of the Hon. Member for Assiniboia (Mr. Gustafson) that he still has one or two small doubts about the Liberal western grain transportation policy?

Mr. Gustafson: Mr. Speaker, in answering that question let me say I really wish that I had only one or two small doubts. I have some grave concerns about the Liberal program for

western Canadian transportation. It has become very clear that the Liberal Government has no intention of keeping its election promises, promises of jobs which will not come about, promises of moneys to be spent that will not be spent, and promises in terms of rehabilitating the lines which we will never see come to fruition.

I would like to add with your permission, Mr. Speaker, that in my riding during the 1980 election campaign the Prime Minister announced in Fillmore, Saskatchewan, assisted by Ralph Goodale who was then running for office, that he would doubletrack the line all the way from Winnipeg to Vancouver. As any farm boy or as anyone who lives in the Prairies can tell us, years ago there used to be a train every 20 minutes on that track. Certainly there are areas where we need doubletrack through the mountains and through congested areas. We have received these promises but we have not seen them fulfilled. I have some grave doubts.

The Acting Speaker (Mr. Guilbault): Any further questions or comments? We are resuming debate.

● (1630)

[*Translation*]

Mrs. Éva Côté (Parliamentary Secretary to Minister of Transport): Mr. Speaker, it is a pleasure for me as Parliamentary Secretary, to be speaking for the very first time to a motion by the Official Opposition, which would have the Canadian people believe that the present Minister of Transport (Mr. Axworthy), has failed to fulfil his commitments to Canadians. The Minister, however, is a worthy successor to previous Liberal Ministers, and I am referring to the Hon. Jean-Luc Pepin and the Hon. Otto Lang. I also wish to congratulate the Hon. Member for Vegreville (Mr. Manzankowski), who was Minister of Transport for a short nine months and who decided that he would have to maintain, extend and even safeguard certain measures that had been initiated by his predecessor, the Hon. Otto Lang, and I am referring especially to the deregulation of air transport.

Mr. Speaker, since the beginning of the day, we have heard about various types of transportation in Canada, and as was said by the previous speaker on the opposite side, air transport in Canada is a very broad issue that affects all of us at some time in our lives, and not only air transport but also railway and marine transport, and also the entire network of safeguards provided by the Canadian Government for each of these modes of transport.

I may remind the House that at the beginning of the day, in replying to the Hon. Member for Vegreville, the Minister of Transport stressed his responsibilities and how he dealt with them, whether they were in the field of job creation or developing a transportation policy.

We also heard, on the Government side, the Hon. Member for La Prairie (Mr. Deniger), who spoke more specifically about air transport, which he did very ably, I must say, and I wish to thank him. I feel his contribution to the debate was very constructive and very informative for those of us and those of the general public who had the privilege of listening to him.

More particularly, I would like to point out that the Member for La Prairie tried to clarify the need for the deregulation policy which the Government would like to see implemented and which is now being studied by the Canadian Transport Commission, following a report produced by the Standing Committee on Transport which did a very thorough job.

During committee sittings I had the privilege of attending several meetings with witnesses from all over North America, that is, both in Canada and the United States, who told us about their experience in this area.

I think that the Hon. Member for La Prairie has been quite clear on this matter, when he said that the deregulation being considered by the Canadian Transport Commission, that is the Air Transport Committee, during its present hearings means some form of deregulation with regard to the routes served by airlines and to air transportation rates.

Deregulation has nothing to do with air safety. As the Hon. Member for La Prairie so rightly said, safety must obviously be very strictly regulated for the protection of air passengers. The importance of this matter has been clearly demonstrated. The Hon. Member for Bonaventure-Îles-de-la-Madeleine (Mr. Bujold) has dealt with rail transportation. In this regard, there are two separate areas, namely passenger service, to which the Hon. Member for Bonaventure referred at length, as well as the improvements that have been made and that will be made in future. There is as well freight transportation and as you know, Mr. Speaker, the main problem relates to the upgrading of rail service now under way in Western Canada for the transportation of grain and freight in general.

After all the discussions on this matter and the many assurances that have been given, and in view of the fact that some major projects have already undertaken in that part of Canada, I do not understand that my hon. friends of the Official Opposition have not realized yet that this is a serious matter and certainly not some election promise. Work has already started and should be completed on schedule within about ten years, that is around 1992. At that time, there will be a second tunnel through the Rocky Mountains and most railways will be double-tracked. Therefore, as I already said and I want to repeat it, this is not some election promise, because these developments were promised when the Crow's Nest rates were under consideration. Work has begun, and the two railway companies involved, CN and CP, are fulfilling the commitments they made, and each year, under the legislation, those commitments will be reviewed by the Canadian Transport Commission which will see to it that the promised subsidies are paid, provided that the commitments made are

honoured and that the planned development of rail transportation in the western part of the country is carried out.

A Tory colleague, the Hon. Member for Halifax West (Mr. Crosby), has dealt with another point. It had to do with marine transportation, the maritime services that are available to Canadians, more particularly shipbuilding activities in Canadian shipyards. With respect to the works in the larger ports, my colleague from Halifax West has referred more specifically to his own area, something I can understand and for which I am grateful to him, because that made me realize that the improvements that are being done in the port of Halifax, more particularly on grain elevators, at a cost of $5.1 million, will be completed in 1984, apart from the extension of the port of Halifax, at a cost of a little more than $25 million. But I do not think he mentioned the important project involving the construction of a potash terminal in Kootenay Bay, in Saint John, New Brunswick. This work will require outlays of about $28.4 millions.

He did speak about the shipbuilding industry in Canada, but he claimed that nothing much was being done. It is wrong, Mr. Speaker, to leave the Canadian people under the impression that shipyards are getting no help whatsoever from the Federal Government which could not care less about the shipbuilding industry. In fact, the Canadian Government will pay close to $700 million, over four years, for the building of 11 new ships, the upgrading of three others, and the acquisition of some smaller crafts built in Canada of course.

This program will both enhance the fleet and create quite a number of jobs, close to 20,000 person-years in Canada during that period and above all, it will allow the upgrading of the Coast Guard, fishing and marine fleets. Obviously, some of these boats will be used also for exploration and development of offshore resources.

Moreover, a very extensive program has been created requiring about $185 million in investments, in order for the Coast Guard to better discharge its duties relative to icebreaking and navigation assistance and to continue more efficiently with its search and rescue activities, when required.

I just want to come back for one minute, Mr. Speaker and I hope that you will allow me to read my text because of the very difficult names of these shipyards to the contracts awarded up until now, for the building of the ships I mentioned earlier. Marine Industries Limited, in Quebec, will build two class 1100 ships. Burrard Yarrow Corporation, in British Columbia, will also build two ships of that category; Collingwood Shipyards in Ontario will build one, Halifax Industries Limited in Nova Scotia one also besides updating the *Sir Humphrey Gilbert*. Vito of Vancouver, British Columbia, will build a class 1050 ship. Port Arthur Shipbuilding in Ontario will build five barges. Chedabucto Shipwrights Limited, in Nova Scotia, will build three LCM class barges and Hurum Marine Limited, in Quebec, which, Mr. Speaker, is better known in our area as Verrault Navigation, will build three working vessels. To this list must be added all ship updating and maintenance contracts to be granted to Canadian shipyards.

Mr. Speaker, it would take until tomorrow to deal with the services offered by Transport Canada and the efforts that are made to try to improve quality. But it is impossible and I should like to correct some statements made by members of the Official Opposition in particular about certain services supposedly neglected. And I also wish to deal briefly again with the issue of railway transportation. The Hon. Member for Bonaventure-Îles-de-la-Madeleine mentioned some problems arising only in one part of the Province of Quebec where the train, for instance, must stop in 26 stations, placing VIA Rail in the position of having to provide maintenance services in those communities, and he also told us about the modernization program which has been implemented by the stations and railways to improve and speed up services.

If I remember well, he then said when emphasizing up the quality of the development program for VIA Rail services: "we shall do a good job but that will require a lot of our time". I think he added very appropriately that Paris was not built in one day.

• (1640)

The same is true for all transport needs and services in Canada, both for air and maritime services. If I were willing to be less responsible, I could say, as was done by the official Opposition, that the present Minister of Transport (Mr. Axworthy) is rather negligent in carrying his responsibilities. If I were negligent or irresponsible, I could try to make Canadians believe everything can be done in one day. But I would not dare, because that has been proven impossible. Furthermore, I would never dare make the Canadian people believe that it does not take time to do those things, because they must be done well, because changes must be brought after consultation, as the Minister of Transport said this morning, and as I am rather a responsible member on the government side, I would never dare promise the moon when I could not even give the first quarter. It appears to me today that, according to the comments of the official Opposition, Mr. Speaker, to a large extent, they tried to promise the moon to the Canadian people, knowing that they could not even give the first quarter. It was demonstrated in the few months they were in power that the official Opposition party did not understand, certainly not as well as this government, the needs of the Canadian people. It is grossly unfair to state here that all the proposed changes to our air transportation service and all improvements made to our railway system are electoral or irresponsible promises.

I have been here for four years now and I have been on important committees such as the Agriculture and Transport committees and we did, indeed, discuss the very matters that concern us today, that is the transportation of grain in West-

ern Canada and the commitments and responsibilities of the Government of Canada to the people of that part of our country. Our commitments will be fulfilled, our transportation system will be improved but any reduction in the financing of these programs which had been discussed at length two days ago, could jeopardize the government plans. I thought that matter was settled once for all but it cropped up again today even though the situation now is quite different from what it was in 1981-82. However, Mr. Speaker, that exercise did serve a useful purpose because Canadians will be aware, from what has been said today on the government and the official Opposition sides that there is quite a gap between a responsible government and opposite members who would readily promise all sorts of goodies without being able to give any. Thank you, Mr. Speaker.

The Acting Speaker (Mr. Guilbault): Are there any questions or comments on the remarks of the Hon. Member?

[*English*]

We shall resume debate.

Mr. Lee Clark (Brandon-Souris): Mr. Speaker, this is an extremely important issue and I commend the Hon. Member for Vegreville (Mr. Mazankowski) for having brought it to the attention of the House today, and hence to the attention of the people of Canada. I wish to speak to the issue as a westerner, as a Manitoban and as someone who is an historian and very familiar with the history of the West and with the neglect of western Canadians during the many years the Liberal Party has been in power.

You will know, Mr. Speaker, and perhaps some of those on the other side of the House will, deep in their hearts, even regret the fact that one Party has been in power for 51 of the last 63 years. That is unfortunate because the results of that are evident in the neglect of transportation and the neglect of agriculture.

However, the issue before us today is the history of the neglect by the present Minister of Transport (Mr. Axworthy) of the transportation needs of western Canada. In the few moments which are remaining, Mr. Speaker, I plan to address some of the most important areas in which this Minister of Transport has failed western Canadians.

I must begin by noting the Minister's absence during the course of this extremely important debate. I regret that very much. I would like to compliment my friend, the Hon. Member for St. Boniface (Mr. Bockstael), who himself represents 50 per cent of the Liberal caucus from western Canada, for his attendance because his presence suggests that he cares about western Canadians. I can only assume that the absence of the Minister of Transport implies the opposite. Perhaps he is seeking support for his favourite candidate, Mr. John "Deficit" Turner, as I think he should be known.

Mr. Mazankowski: Would you buy a used Government from that man?

Mr. Clark (Brandon-Souris): I am sure that Canadians will not buy a used Government from either one of those two men. However, the issue before us is a history of neglect. Unfortunately, that is so evident today with the declining economy in western Canada. Many western Canadians hoped that when the Hon. Member for Winnipeg-Fort Garry became Minister of Transport, replacing the Hon. Member for Ottawa-Carleton (Mr. Pepin), the new Minister would be more sensitive to the needs of western Canadians. Unfortunately, that does not seem to have been the case. In fact, western Canadians are discovering already that some of the promises made to them during the course of the Crow debate in the fall are being broken.

Part of the package which was offered to western Canadian farmers in return for losing the Crow rate, one of their few privileges in Canadian history, was the fact that the railways would pump a great deal of money into the improvement of the railway transportation system. It has become painfully evident now that the railways are breaking that promise and it would appear as if this Government, and particularly the Minister of Transport, is doing nothing to force the railways into maintaining the pledge which it made. Therefore, the credibility of the Government is at stake.

The Hon. Parliamentary Secretary who has just spoken is doing her best, and I commend her for trying to make the best of a very bad situation. She is disappointed that the people of Canada are skeptical of promises made by the Government at this point in time. I am afraid it is perfectly understandable why that skepticism remains and is so strong. Promises made in the past have not materialized.

There are two or three things which are extremely important at this point. One, of course, is the question of deregulation. This question has already been addressed at some length today, but I would simply like to make two or three comments about the problems of deregulation as they affect smaller communities, particularly those in western Canada.

As you know, Mr. Speaker, I represent the constituency of Brandon-Souris. It is only recently and thanks in large part to the efforts of the Hon. Member for Vegreville who held responsibilities in a previous administration and was very familiar with and sensitive to the plight of western Canadians that we in western Manitoba received jet air service.

As a result of those efforts in the past, PWA established a service between Calgary, Brandon and Toronto. That service is much appreciated by the people of western Manitoba. It is well utilized by the people of western Manitoba and the people of eastern Saskatchewan. However, the people in those communities recognize that if we move to a system of irresponsible deregulation, smaller communities like theirs may well lose the services which they already receive. In fact, the industrial commissioner for Brandon, Mr. Reg Forbes, made a representation to the committee just a few days ago arguing very effectively the concerns of smaller communities. We realize that deregulation will work to the advantage of the large metropolitan communities and will often work to the disadvantage of the small communities where the level of traffic is not sufficient to attract more than one carrier.

As you may well know, Mr. Speaker, the history of transportation in western Canada has often suffered from monopoly service. The essence of competition, of course, and of the so-called free enterprise system, is that it works to the advantage of the consumer. However, that system applies effectively only when there is, in fact, competition. So often that has not been the case in the west where one is dealing with a lesser populated area. I must express therefore, Mr. Speaker, some very real reservations, as the Hon. Member for Brandon-Souris about the future of our community in terms of air service if we move irresponsibly into the area of complete deregulation.

• (1650)

I have also some very real concerns about what is happening in the area of the transportation system with respect to the movement of grain. Nothing is more vital to the economy of western Canada than the movement of grain. The very well being of our farmers, and of the communities and businesses which serve them, depends first of all upon the quantity and quality of the crop and, second, upon our ability to move our grain to market in an efficient, prompt and economical manner.

Unfortunately, the record of this Government is such that that criteria has not been fulfilled as often as the people of western Canada would want. I think particularly of the farmers in my community who are served by the Canadian National Railways, and the extreme frustration which they have felt by virtue of the fact that grain movement in those communities has not been equal to that of other communities. I state this for the record in order to bring this to the attention of the Minister, and I hope that he will address himself to this problem.

I am also concerned about particular communities in my constituency, and many others of a similar nature, which are suffering from a lack of adequate rail line maintenance. I think specifically of a line which may not seem very important to this Parliament, but which is very important to the people who count, the ordinary Canadians who are served by the Deloraine Waskada Line. Promises were made in the past that this line would be rehabilitated. However, despite the urgent requests of Jim Downey of the MLA, a mayor and a reeve from those communities, so far nothing has been done. It seems to be the case of promises made and promises broken.

Unfortunately, in 51 of the last 63 years there has been felt in western Canada a sense of cynicism and alienation. This is very distressing to me because I am a Canadian who worries about the future of Canada should the west as a region become too dissatisfied. Unfortunately, Mr. Speaker, that cynicism, alienation and dissatisfaction is so genuine and so much a product of the accumulation of years and years that it will take more than one or two years, or even four years of a new government which is sensitive to and aware of the needs of western Canada before the damage of the past can be undone.

There is a tremendous crisis in western Canada today, as you know from discussions we have had in the House. Farm prices are declining. Farm bankruptcies are accelerating at an almost unbelievable and, certainly, an unforgiveable rate. What is needed in the west is a Minister and a government which is committed to persuading western Canadians that they are, indeed, a vital part of this nation. Unfortunately, the neglect of the past has caused many western Canadians to fear for their very future. I had hoped, Mr. Speaker, that the appointment of one of the two Liberal Members of Parliament from the west to this very important portfolio would have done something to rectify the grievances which we feel. But that has not been the case.

What we have instead is a Minister who participated over the demise of the Crow, who participated over the destruction of what in fact is part of the western Canadian birthright. In fact, many farmers say to me that the Crow was the only thing they received from Government which made them in any way feel they were the beneficiaries of Government. That, of course, was destroyed despite the pleas of Hon. Members on this side of the House. Even now when we move into the period of re-examination of the Crow there seems to be little urgency on the part of those on the opposite side of the House. As the Hon. Member for Vegreville said in the House the other day, a very important commission should have been appointed by April 1 and, in fact, nothing has been done. Again, to many Hon. Members of this House, Mr. Speaker, that may seem like a small point. However, it is not a small point to the people of western Canada, the farmers, the businessmen who are dependent on those farmers, who simply see, in an accumulation of a number of instances, that in the minds of this Government they do not matter.

In the history of the west transportation has been, second to agriculture, the most vital part of our economy. In fact, Mr. Speaker, if you are familiar with the history of western Canada you will remember that settlers came to the west, to the Red River, as early as 1812, the famous Selkirk settlers. They realized when they settled in the Red River that this was an area which had tremendous potential for agriculture productivity. Many of those farmers were successful, but were discouraged because of their inability to move their product to market.

In fact, it was not until we moved into the period of Confederation, the period of John A. Macdonald, the Conservative Government of that day, that in central Canada the Government began to develop the national transportation framework which linked the west to the east. Since that time, the economy of the west has been dependent upon that very fragile but all important transportation link. I do not believe eastern Canadians have any appreciation of the importance of the railway, or of the importance of the transportation system, because in eastern Canada there are so many alternatives. In western Canada, however, all too often there are virtually no alternatives. In fact, many novelists writing about the history of the west have talked about the rail lines as an essential part of the life of the communities. They realized that in many ways the be-all and end-all of those communities was, in fact, the rail line. Without it they were severed from central

Canada and from the all important markets, and they were severed from any sense of belonging.

Something which sticks in my mind, Mr. Speaker, as an historian, is an incident which occurred in 1885 at the time of the second Riel Rebellion. The people of Calgary at that point in time were fearful for their future. Perhaps looking back on that time their fears were exaggerated, but nevertheless they were fearful because of the uprising which had occurred in the west.

During the midst of that crisis in the summer of 1885, troops from central Canada came into the west by the yet uncompleted CPR. Troops were able to move from central Canada to western Canada and the people of Calgary, it is recorded, believed at that point that they became a part of Canada for the first time. They felt they were Canadians. There is a real danger in western Canada, Mr. Speaker, of these western Canadians losing that feeling of belonging.

We faced a crisis in this country a few years ago in the Province of Quebec. We would be naive and foolish if we believed that the sense of alienation which exists in Canada has existed in only one region. It can be equally true of western Canada.

The way to deal with that alienation is to have a government in place which is aware of and is sensitive to the concerns of western Canada. The Minister of Agriculture (Mr. Whelan) has a special responsibility in making western Canadians feel a part of Canada. The Minister of Transport has an equally important responsibility. I hope and trust he accepts that and recognizes the importance of his administration.

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

This House stands adjourned until Monday at 11 a.m., pursuant to Standing Order 2(1).

At 5 p.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, April 9, 1984

The House met at 11 a.m.

• (1105)

[*English*]

BUSINESS OF THE HOUSE

Mr. Pinard: Mr. Speaker, I would like to indicate a few changes in House business for this week. Since we did not complete debate on the third reading stage of Bill C-12 last week, rather than having an opposition day tomorrow we will be dealing with the third reading stage of Bill C-12. The allotted opposition day will be on Wednesday. Therefore, I designate Wednesday of this week as an opposition day and on Thursday we will most likely debate Bill C-24. The back-up legislation for today is the Divorce Act.

GOVERNMENT ORDERS

[*English*]

CANADA HEALTH ACT

MEASURE TO AMEND

The House resumed from Monday, April 2, consideration of the motion of Miss Bégin that Bill C-3, an Act relating to cash contributions by Canada in respect of insured health services provided under provincial health care insurance plans and amounts payable by Canada in respect of extended health care services and to amend and repeal certain Acts in consequence thereof, be read the third time and do pass.

Mr. Les Benjamin (Regina West): Mr. Speaker, I am pleased to take part in the debate on third reading of Bill C-3, the Canada Health Act. I would like to begin by saying how proud I am of the history of my province in the area of health care. The history goes back many years. In the 1920s we had free treatment for tuberculosis. In the worst of the hungry thirties we had municipal doctor plans, many of which started out at the request of the doctors because the people had no money. In the mid-1940s we had provisions for the complete care of the mentally ill. In the area I am from in Saskatchewan we started the Swift Current health region No. 1 which covered the entire southwest corner of the province. Through this program doctor and hospital services were provided starting in 1948. This served as a model for the entire medicare program in Saskatchewan which followed in 1962. We started our province-wide hospitalization plan on January 1, 1947.

Those were turbulent times, Mr. Speaker. Bringing those programs in caused great political battles and debate among the entire population of the province from the 1940s up to and including 1962. However, we proceeded to implement programs that led the entire country for many years. Anyone who would tamper with those programs now would do so at their political and economic peril.

We have a right to be proud of that pioneering history because we were one of the poorest provinces in the country when we started those programs. In the 1940s the province was bankrupt as a result of a terrible debt going back over many years, especially during the Depression years. Yet the people of that province decided that the health of the people and the care of the ill took priority over money that was owing to banks or bondholders and other things that were not as urgent. The great majority made that decision willingly. Over a period of 20 years, people like Tommy Douglas, Woodrow Lloyd, Tom Bentley, Allan Blakeney, Bill Davies and others like them brought about a growth of health services that was unprecedented in any province in the country. I should also have mentioned that Saskatchewan established the first air ambulance service on this continent.

• (1110)

With that kind of background, those of us from Saskatchewan naturally support legislation concerning the health care of the ill and preventive medicine in all of Canada. It is the right of every citizen to have access to health care, whether it be curative or preventive. People will have beds available to them when they are sick. That access to health care must not be restricted. People must not have their access inhibited or prevented due to financial barriers.

For almost 40 years I have listened to the Liberals talk a good fight about health care. Long before I was born, beginning in 1919, they were promising a national health plan. They spoke much about it and again talked a good fight. Throughout the 1920s, 1930s, 1940s and 1950s, we have known mostly Liberal federal governments and Liberal provincial governments. Besides talking a good fight they set a record for foot dragging. While we feel that this legislation can be supported, it is still insufficient. It is a further example of half-hearted Liberal Government efforts. The Government is still talking a good fight.

I am pleased that the Conservatives in the House are prepared to support the legislation, as I believe they are. However, we see that Party working on both sides of the street. While the federal Conservatives support the Bill in the House of Commons, they are against it in the provinces. Provinces like British Columbia, Alberta, Ontario, New Brunswick, Nova Scotia and Newfoundland, which all have Tory governments—although it is a different name in British Columbia

where that Party is trying to outdo the Tories—have medical premiums, or deterrent fees, extra charges or extra billings to various degrees. The shameful irony of it is that the three wealthiest provinces in the country charge premiums. In Ontario, the fee is almost $700 a year per family. But the dear Tory Government in Toronto is magnanimous. A person earning less than $6,000 a year qualifies for premium assistance. If that is not abysmal, the actual practice and experience is that those people either do not know about this assistance or will not apply because they do not want to go through means tests for their health services, nor should they. No one, rich or poor, wherever they live in this country, should have to go through any kind of examination concerning their financial wherewithal. Many years ago Canadians decided that the nation as a whole through the national and provincial governments would cover the costs of health care and the citizens of the nation would share in those costs. Surely that is right, proper, decent and civilized.

• (1115)

I said this legislation is insufficient because we do not believe the dollar for dollar penalty will work. Provinces will find no hardship on a dollar for dollar basis. For every dollar collected in deterrent fees, extra billing, or medical premiums, will mean they are penalized a dollar in federal contributions. That same dollar will have already been collected from the patient and put into the treasury of the hospital or the doctor's pocket. That is not much of a penalty. I think the penalty could be a dollar for a dollar for the first year in any province that still allows extra billing, extra charges and premiums and then it should increase to two dollars for every one dollar. If provinces were still allowing extra billing after two years, then in the third year the penalty should go to three dollars for every one dollar. I know there will be those who will say this is coercion by the federal Government, forcing the provinces and whatnot, but as long as you have that many Tory Governments in Canada, they will have to be pushed, coerced, and if necessary financially forced.

A dollar for dollar operation is not in itself only insufficient but something should be done on the opposite side of the coin which would then alleviate or head off any possibility of force or coercion, or whatever you want to call it, from Ottawa. There should be a provision in the Health Act for incentives for provinces. There are many other things needed, including home care, some nursing, special nursing, chronic care beds, level three and four care beds, midwives, paramedics and ambulance services, both air and ground. If provinces expand and move into all these other areas which are by and large unavailable to many people, as well as into preventive medicine, the federal Government can and should be saying to the provinces: "When you do that, instead of getting 50 per cent of the costs you will get 51 per cent; and if you do more, you will get 52 per cent". This sort of thing should apply to at least the poorer provinces, the have-not provinces. In fact, it should apply all the time. The wealthier provinces would not need to be treated as generously, although they could be.

Surely it is some kind of social tragedy that in every city across this land there are waiting lists as long as your arm for beds for the chronically ill and the elderly. All of us have experienced constituents who call, write and plead to get into a senior citizens' home. We hear particularly from families of people who need level three and four care as well as from those who need chronic care.

• (1120)

Even in Saskatchewan, to our shame, we have some extra billing. I spoke to a good friend of mine the other day, Allan Brown, who is over 65 years of age. He said he did not mind if I used his name. He was a member of the Saskatchewan legislature for 16 years, until 1960. He is a severe diabetic. He is now blind in one eye. He is due for an operation tomorrow on the other eye; they hope they can save it. It is an operation for cataracts. He has the old age pension and he has a small MLA's pension for which he did not become eligible until 1970, when he reached the appropriate age. That is all he has. He has to stay with another couple. He goes to see the eye specialist. He is in there 20 minutes or 30 minutes and he has to pay $55. That is what happened last week. He will get back $20 or $25 of that from the Saskatchewan medical services plan, but the other $30 or $35 or whatever it is comes out of his meagre income.

People should not be treated that way. No government with any kind of conscience, no Parliament with any kind of conscience, would allow any citizen in those circumstances to be treated that way. There is no excuse for it. If it meant raising the budget $1 billion per year, so what? It is money we owe ourselves. There are thousands of families in the country who have to raise as much as $10,000 per year for special and private nursing. There are thousands of families every year who have to find up to $1,500, $2,000 or $2,500 a month to keep a parent or a grandparent in a home for the elderly at level three or level four. If those kinds of costs were shared by all Canadians, surely it would be the right and proper thing to do. In a nation such as ours, while we have done well and made great advances in health care, we have much more to do. Many thousands of beds are taken up when they could be used by people who are much more severely ill.

I will never forget the royal commission on health care in Saskatchewan. Members of the commission went to Europe back in the mid and late 1950s. They found that home care and midwife services were available to everyone in a little country like Holland. We could be doing that. It would take some of the pressure off the hospitals.

What about paramedics and ambulance services? An ambulance driver who is a friend of mine told me that in many instances in the City of Regina it would be safer and quicker to take a taxi because the paramedics are not well enough trained. Many procedures for which they are trained they are not allowed to do. Surely that is inadequate.

We could relieve some of the pressures on hospitals and medical practitioners if these kinds of services were in place and in most instances operating under the supervision of

medical practitioners, and if the costs were shared by all people through their taxes at the provincial and federal levels. That is the kind of national Health Act we in this Party would like to see; that is the kind of Act this Parliament should be passing.

It is strange that in the Province of British Columbia, the government is proposing to amend its services, so that it can coerce or restrict the numbers of doctors it will pay under the medical care plan. Their reasoning is that this would encourage more doctors to go to isolated and rural areas. That is a backwards way of doing it. Extra payment could be made to those who have to establish in rural and isolated areas. They could even be provided with interest-free loans for offices and office equipment until they get established.

• (1125)

These are the kinds of things that need to be in a national Health Act. That is what this Parliament and this Government should be dealing with. There is no doubt that the people of this nation would support it en masse. They would be willing to contribute through the income tax system, if it were a little more fair. At least to some degree it is tax based on ability to pay. No one who is financially handicapped would have any barrier to access to the best curative and preventive health treatment available in this country.

The Acting Speaker (Mr. Herbert): There follows a ten-minute period for questions or comments.

Mr. Blenkarn: Mr. Speaker, when the NDP was in power in Saskatchewan, there was a system whereby doctors would collect from the patients at the door, sort of a gatekeeper, and then bill the balance, or whatever they could collect, directly to the plan. The doctor was able to collect not only from the plan but could extra-bill the patient if he thought that was appropriate. Why did Saskatchewan allow that to exist? Is this particular statute necessary to correct that defect in Saskatchewan?

Mr. Benjamin: Mr. Speaker, the practice of extra billing was just getting nicely started in 1981. Discussions and meetings were going on between the government of that day and the medical profession of that province. Unfortunately, extra billing is still in place by some but not all doctors. Some try to make a rough guesstimate of the financial wherewithal of their patients. If a doctor thinks a patient is poor, he does not charge extra. I know my doctor does that. He does not charge the extra amount, but he is guessing.

It is getting worse. More and more are doing it. It was the intention of the then government of Saskatchewan to try and negotiate and put an end to extra billing. You can bet that if we were still in power and the negotiations had not succeeded, we would have ended it. We never had any doubt about the wrongness of extra billing. There was a debate in my Party in 1981. We demanded of our Party and the government of that day to try to negotiate a settlement so that there would be no extra billing and, if that was not successful, to bring in legislation to prevent it. Unfortunately we were defeated, but we will be back again and then we will prevent it.

Mr. Blenkarn: Mr. Speaker, I am not so sure they will get back in again. Actually it is a disappearing act they are following. After 20 years' experience in running the Province of Saskatchewan, why did the NDP Government there allow the kind of extra billing that took place in Saskatchewan? It was a rather peculiar system whereby a doctor could collect both from the plan and the patient. He had two sources of funding. Why was that allowed to exist? It still exists in Saskatchewan. Indeed, that is where extra billing was founded. Does the Hon. Member think it important that we have this Act passed in order to stop that practice in Saskatchewan, this being the only way to stop the kind of extra billing which occurs in that province?

• (1130)

Mr. Benjamin: Mr. Speaker, I do not think this Bill will stop that from happening. I hope it will but I doubt that it will.

I just had a note handed to me, Mr. Speaker, which indicated that perhaps I made an error in my speech. Premiums are not subject to the dollar for dollar penalty. Only the user fees and extra billing are. I made a mistake by saying that. However, we want premiums to be abandoned.

I would like to say to my friend, the Hon. Member for Mississauga South (Mr. Blenkarn), that in order to put an end to things like the disgraceful and outrageous doctors' strike of 1962 of which I was just reminded and during which I was present, included in the Saskatoon agreement of July, 1962, at the behest of Lord Taylor was a provision to allow a doctor to extra-bill. Up until 1981, it was very rare for a doctor to extra-bill.

From 1964 to 1971, the then Liberal-Conservative Government of Saskatchewan imposed deterrent fees and raised the hospital and medicare premiums. In 1971 when our Party returned to power, medical and hospital premiums were abolished and deterrent and user charges were abolished. We were very proud of that. There are no premiums in Saskatchewan and I am sure that the present Conservative Government would not dare to reinstate them.

Mr. Riis: Mr. Speaker, I wonder if I could ask the Hon. Member for Regina West (Mr. Benjamin) to elaborate on why provinces such as British Columbia, Alberta and Ontario are the provinces which are in a sense leading the way in the imposition of user fees, extra billing and premiums as well. I ask that question because it seems peculiar to me that in terms of making a case of funding, the three richest provinces in Canada would lead this particular initiative. I wonder if the Hon. Member has some observations to make about this point.

Mr. Benjamin: Mr. Speaker, I did mention those provinces early on in my speech. I can only conclude that the reason those governments do these things is that they do not really believe in universal health care. If those provincial governments did believe in it, they would not be doing those things.

While I say that they do not really believe in it, they do not dare do away with universal health care because it would be so politically unpopular that those governments would be thrown out on their ears. Therefore, they try to get away with as much as they can by way of premiums, extra billing and user fees.

Another reason for this is that those provincial governments have a typical Liberal-Conservative-Reagan-California syndrome. It is called restraint, cutting back and holding down the deficit. That is the main reason for this, Mr. Speaker. Those provincial governments will tax the sick and impose extra charges even on those who can least afford it if they think they can hold down expenditures, cut back on the deficit and show restraint. It is the "buy them a shovel" syndrome. Liberals and Tories have always been like that. Some Liberal and Tory members even think that the old age pension is destroying our incentive to work.

I have lived through too many Grit and Tory operations, both federally and provincially.

Mr. Blenkarn: And you will live through more.

Mr. Benjamin: I know what Liberal and Tory members are like. When they stand up in this House, Mr. Speaker, they are the great defenders and supporters of health care. Their arguments would wring tears from a jury full of bankers. However, take a look at the Tory Governments in seven provinces, Mr. Speaker. They are all the same breed of cat. I do not care whether they are in the federal House or whether they are in the provincial legislatures: a Tory is a Tory is a Tory, is a Tory.

The Acting Speaker (Mr. Herbert): I shall recognize the Hon. Member for Bow River (Mr. Taylor) on a very short question.

Mr. Taylor: Mr. Speaker, if the penalties on the provinces as per the Act were to be enacted, will that not be double taxation or in fact double billing, and is that not just as bad as the double billing against which the Member speaks so loudly?

Mr. Benjamin: I am sorry, Mr. Speaker, I did not hear the beginning of the Hon. Member's question. Would he be good enough to repeat it?

Mr. Taylor: I will be glad to repeat it, Mr. Speaker. If penalties are enacted against provinces and additional taxation must then be secured from the people, is that not double taxation and double billing, and is that not equally as bad as a doctor double billing patients? Is it not even worse when a government does it?

Mr. Benjamin: Mr. Speaker, I do not know how that could be considered double billing or double taxation if the costs of those physicians or hospital services or services outside the hospital were entirely borne by the revenues of the province and the federal Government and user charges were not allowed. I would be perfectly willing to pay a portion of my federal income tax and a portion of my provincial income tax to the hospital, medicare and other health services in Saskatchewan. I and all of the other citizens of the province are perfectly willing to do so because if we keep the people healthy, they keep on working and they keep on paying taxes. For those who cannot work, society owes them the best of health care.

Mr. Bruce Halliday (Oxford): Mr. Speaker, it is with somewhat less than pride and pleasure that I rise today to speak on third reading of Bill C-3, the Canada Health Act. I think one must acknowledge that any Bill which has succeeded in further dividing and separating the federal Parliament and the provincial legislatures is indeed to be deplored. We have seen nothing but increasing separation of the two levels of government because of this Bill. In addition to that, it has caused an alienation and separation between governments and physicians, members of one of the most revered professions in the country. I think that kind of effect is most undesirable.

The Bill has been called the Canada Health Act but that is somewhat of a misnomer because it has little if anything at all to do with health care other than the fact that it imposes certain penalties if provinces do not comply in certain ways with respect to the banning of extra billing and user fees. I recently received a most interesting treatise from an obstetrician-gynecologist in Stratford, Ontario, whom I know reasonably well. He is anything but a politician. He is a very serious person who thinks very deeply and whose position on a political issue is based entirely upon his convictions regarding the issue as a whole.

He has likened debate that he has heard occurring here in the last couple of months to a chess game. He said that it is a game and a struggle between the forces of a collectivist society and those of a free society. He continues the analogy by suggesting that physicians, patients and indeed even the federal Minister responsible are nothing but pawns in this game and struggle between the forces of collectivism and the forces of a free society. He suggests further that Canadians are being manipulated by forces they do not understand and that this will have unforeseen consequences. I think we can all agree, as we reflect over the last three or four months, that the Bill was introduced following a very well orchestrated public information campaign conducted by the Government.

● (1140)

Mr. Blenkarn: Propaganda!

Mr. Halliday: Yes, propaganda. The Government spent funds on that propaganda even before the Bill was tabled in the House. It was attempting to influence people to suit its own wishes, long before it had the courage to bring the Bill in.

The Government was really using the opportunity to build up a relatively insignificant problem in the country. Actually, the problem of extra billing was decreasing, not increasing, but the Government built that problem up and then brought in the Minister as the proverbial white knight in shining armour to take care of the situation and try to correct it.

The Government obviously saw this as a political opportunity that it could not miss. It was seen as a chance to enhance

its prospects at the next election. We do not know whether the Government's failure to consult the professions or the provinces was deliberate, although I suspect it was. The Government thought that would serve its purpose in the long run because this failure to consult was expected to offend the provinces, and it has. Knowing that eight of the provinces have Conservative Governments, the federal Government thought this would entice the Official Opposition to vote against Bill C-3. The Bill is nothing but an encroachment on the powers of the provinces and the Government thought that the Official Opposition would rush to the aid of the provinces as a result. Such was not the case; as some of my colleagues explained earlier in the debate, we on this side have been more committed over the years than have the Liberals to the issue of medicare.

We have no difficulty supporting the five basic principles of medicare. Indeed, we have been supporting them since the mid-1950s when the Diefenbaker Government introduced the Hospital Insurance and Diagnostic Service Act. We have no difficulty with the principles of the Bill but we have difficulty with the way it was put together initially, the way it has been implemented and with the lack of consultation in general.

The basic purpose of the Bill is to remove all financial barriers blocking accessibility to medical care by Canadians. We all agree with that. It has been done by removing the direct private billing features, and the direct funding that came from the private sector whether by way of extra billing or by way of user charges.

It is interesting to go back and see how the Act was written when it was introduced on first reading. The purpose of the Bill was described as being "to advance to objectives of Canadian health care policy". It went on to give the penalties that would be invoked if necessary. Originally the Bill said that the Government was going "to advance the objectives of Canadian health care policy". On the basis of that, dozens and dozens of witnesses who appeared at the committee expressed a desire to enhance the health care policy of the country. They were sent away completely depressed and dejected because when they got here they learned that the Government was trying to change its mind. It was not interested in the future of health care in the country but was only concerned about the narrow issue of invoking penalties if a province did not conform to a federal Government request. It had no interest at all in improving the health care status of Canadians.

I have listened with some bewilderment as the debate has unfolded. When the Bill was given second reading on January 16, the Minister of National Health and Welfare (Miss Bégin) said, as reported at page 427 of *Hansard*, that parliamentarians should pay great attention to it "because we are fixing the rules of the game of medicare for years to come". However, when appearing before the standing committee, she repeated again and again that she did not intend to change the basic rules of medicare. On September 7 in Halifax she told the provincial Health Ministers that the object of the federal proposals remains the same—to protect, renew and improve medicare. At the same time, however, she has insisted that she does not want to change it.

With this Bill, have we changed medicare? Have we changed the rules? What exactly have we changed? It is evident that something has been changed, as proven by the acrimony from the profession and the provincial governments surrounding the Bill that has been heard recently.

Doctors say that the Act will change the basic rules governing their professionalism; that it will have the effect of diminishing their professionalism and eating away at their independence. They generally regard it as being another step in the direction of state control, toward what has been termed by some people as state medicine, which one cannot blame them for despising. Their arguments are well known and do not have to be repeated at this time. Suffice it to say that the change is not a welcome one. Indeed, for them it represents a decline in the greatness of what has been perhaps the world's most envied health care system.

What about the point of view of the provinces? How do they view the Canada Health Act? Certainly they see it as more than what the Minister calls "a consolidation of the previous Bills" and "a clarification of the rules of the game". While this sounds innocuous enough at first glance, it has been clear from the beginning that each and every province has expressed either its outright opposition to or its serious skepticism and reservations about the Bill.

This has not been due to any great desire or predilection for extra billing and user fees or to an ideological opposition to universal health care. Generally speaking, the provinces find opposition to the Canada Health Act not so much in its substance as in its more subtle implications. In the Canada Health Act they see yet another example of federal usurpation of their constitutional and jurisdictional responsibilities.

Our Constitution clearly gives the provinces responsibility for health care in Canada. There was a good reason for this and it pertains today: the health care system, in order to help the people for whom it is intended, must reflect those people's cultures, their customs, their needs, their priorities and their economies. Thus, as the Minister recognized in her third reading speech last week, in Canada there have evolved 10 or perhaps 12 different health care systems, each reflecting the particular needs and priorities in any given province or territory.

One of the most interesting things we have noted in the debate, particularly in the representation from witnesses at committee stage, was the appearance of provincial Health Ministers at committee. They showed a genuine pride in the health care plan of their particular provinces. They were rather reluctant to see these draconian measures being forced upon them by the federal Government. In the health care field as in almost any field of endeavour, one has to recognize the important fact that people must have pride in their work. Those Ministers have pride in the plans in their provinces and the professionals who appeared before the committee have pride in the work they are trying to do on behalf of their profession. Yet we saw this all being challenged by Bill C-3.

There is no doubt that pride in what one or one's group does is one of our most valuable resources. As legislators we must take very great care not to diminish this pride either through legislation or the way it is being imposed—such as in the case of the Canada Health Act, without consultation.

● (1150)

While we can all accept the basic aim of the Canada Health Act to promote more fully health care accessibility, universality, portability, comprehensiveness and so on, a great deal needs to be said about how the Act was brought about in terms of the way it is being imposed on the provinces and the professions. As a result of this we have seen an alienation of the physicians of the country and the adverse reaction of the provinces to what the Government is trying to do. As a result of that, Mr. Speaker, we are going to be able to predict some difficulties as we move ahead into future plans for the health care system in Canada. We are going to see difficulties with the provinces and the physicians as we, at this level, attempt to improve the status of health care in Canada. It is difficult to sustain pride in what one is doing, from either a provincial or professional basis, if rules and policies are being imposed from another level of government, namely from Ottawa.

One must also admit another very important point, Mr. Speaker. If we are going to have a functioning, successful, high quality health care system, it is mandatory that there be acceptance of the plan offered to the country as well as enthusiasm for that plan by the provinces, the physicians and the health care deliverers of all sorts. There are two basic components to a health care delivery system. There are the receivers of the services, whose perceived needs we have addressed as best we can. We have forgotten the providers, namely the provinces and the health care practitioners. The federal Government has completely forgotten those people in the way it has imposed this Bill.

There are a number of matters of concern which this Bill does not address, Mr. Speaker. As legislators we must look a little further down the road than is the case in Bill C-3, the Canada Health Act. All that is being addressed in this Bill is penalties. We must look at the fact that Canada is faced with demographic trends of horrendous size in terms of the changes in the proportion of older people in the community and the fact that that automatically involves many times more of a burden on our health care system than we have had heretofore.

In addition to these demographic trends, Mr. Speaker, there is also the very expensive trend of new technology. There is probably no field in our day to day existence now which is growing more rapidly than the technology field in medical care. Yet there is nothing in this Bill to address that. If anything, Mr. Speaker, they have done the very opposite in this Bill. This Bill actually takes about $100 million away from the medicare pie that has existed up until now. It takes that away by banning the infusion into the system of about $100 million in extra billing and user charges. If the Bill is adopted by the provinces, that will have to stop.

We are in an era in our society where medical technology is moving ahead in leaps and bounds, yet we have nothing in this Bill which signifies a willingness on the part of the federal Government to help support those extra costs. We heard from nearly all the witnesses that came before the committee that underfunding was one of the major shortcomings of our health care policy at the present time. We see nothing in Bill C-3 that is going to improve this problem of underfunding in any way.

We must look ahead in a few other ways as well with respect to the health care system. We must acknowledge the fact that while underfunding is a significant problem it also ultimately deals with accessibility to medical care or health care in general. The Minister has argued that she wants health care to be accessible to all Canadians. We all agree with her on that. She has picked out the small area of extra billing as one which she feels has obstructed that accessibility in some cases. She forgets to realize that underfunding is also causing a lack of accessibility by virtue of long waiting periods for, and the unavailability of, beds. There are still geographic barriers in existence in the country. We have antiquated equipment in our hospitals. We have insufficient money to fund residency training programs and so on. All of these problems are going to affect the accessibility of Canadians to health care in the future.

I would like to conclude with a couple of thoughts about the future of medicare in Canada as I see it as a result of Bill C-3. We have destroyed our relationships with the provinces. We have further destroyed relationships with professional groups. We have taken away the professionalism that existed with professionals heretofore. The Government has refused to accept Justice Hall's recommendation for compulsory arbitration. It has put in a watered down version of the amendment we proposed. The amendment will not be appropriate to guarantee physicians the rights they deserve *vis-à-vis* appropriate remuneration. It is obvious to me, Mr. Speaker, that if we do not adopt a different route than the Minister has been taking, the day will eventually come in Canada when we will have to have two-tiered health care in the country. The Minister herself said she will go off to the United States if she has to to get hers. Others will have to do the same thing.

I believe I can best conclude by reminding the House of an old saying: "Only a fool cannot learn by his own mistakes, but a wise man learns by other people's mistakes". Mistakes have been made around the world. The United Kingdom is one of the best examples. In fact it was a British statesman who said: "We must have a safety net below which we will allow none to fall, but above which there shall be no limits to the height to which a man may rise".

I suggest, Mr. Speaker, that we in Canada are embarking on a program in our health care system that is going to deny Canadians their right to advance to that height which they want to achieve in the health care system.

The Acting Speaker (Mr. Herbert): There follows a ten-minute period for questions or comments.

Mr. Blenkarn: Mr. Speaker, the Member for Oxford (Mr. Halliday) is a doctor in Ontario. Can doctors in Ontario who belong to the Ontario medicare system extra-bill, or are they required to submit their bills to the system and get paid only what the system allows? Are they allowed to extra-bill over and above what the system allows?

Mr. Halliday: Mr. Speaker, if you belong to the medical care plan in Ontario you may not bill extra. You have to be outside the plan as a practising physician in order to be allowed to extra-bill.

Mr. Blenkarn: Mr. Speaker, if you are not in the plan, how do you extra bill the plan? You are not allowed to bill the plan, so how in fact do you extra-bill? Obviously you send your patients a bill, but do you extra-bill at all? Is there anything in this Bill that describes the Ontario system with doctors who are not in the plan extra-billing? Is this in fact just a great charade by the Minister with regard to Ontario? Does the system really affect Ontario at all? Is this system only a pretence by the Minister? Does it affect Ontario doctors who are not in the plan? Are they not entitled to continue to bill what they want to bill in Ontario? I suppose the Government can compensate patients if it wants to.

Mr. Halliday: Mr. Speaker, there are a lot of misconceptions about the concept of extra billing. In actual fact there are two types of schedules in existence in Ontario and indeed across the country. One is a schedule of fees which is arrived at by a professional group. It is traditional for all professionals to arrive at a schedule of fees. Then there is a schedule of benefits which is payable by the plan. A schedule of benefits and a schedule of fees are two different things.

Extra billing only exists, by definition, if the charge is above the schedule of fees. Balance billing is a term that is used if there is a billing above the schedule of benefits but below the schedule of fees. I must say, Mr. Speaker, that there are very few occasions on which physicians truly extra-bill. There are about 3 or 4 per cent of billings in Ontario in which physicians bill somewhere between the schedule of fees and the schedule of benefits. That is not extra billing. There are only about 14 per cent of Ontario doctors who even bill in that area. Of that 14 per cent, they only bill for a small proportion of the total services they render. It is approximately 2 per cent to 4 per cent.

● (1200)

Therefore, the point being made by the Hon. Member for Mississauga South is well taken indeed. It is not a problem. As I said at the beginning of my comments, the Government has built it up as problem so that it could have what it believes to be a legitimate plank upon which to go before the electorate in the next election.

Mr. Riis: Mr. Speaker, I have a simple question for the Hon. Member for Oxford (Mr. Halliday). I must say that I appreciated his comments very much. However, it was not clear whether he was speaking against the concept of introducing premiums and extra billing or user fees. I apologize for that vague interpretation on my part. Would he just clarify that for us?

Mr. Halliday: Mr. Speaker, I appreciate the Hon. Member's question. I presume it was in one of my earlier presentations to the House during the debate on this Bill that I made it very clear that I, like the Minister and I believe everyone in the House, object very strongly to anything in the health care system that will be an obstacle to patients getting appropriate health care. I deplore any instances of patients being unable to get health care because of financial obstacles. If this Bill will correct that, it will be one good measure. However, we must not forget that for every good effect there are bad effects as well. I am afraid that the bad effects of this Bill will impose far more obstacles and a far greater lack of accessibility to health care than had ever existed with the few people who have had some difficulties because of financial obstacles.

I know that the quality of health care is already declining. I know that the hospital waiting lists are becoming longer and that we will lose good physicians in this country. They have already left some provinces, particularly Quebec.

We are in a situation where high quality and readily accessible health care is disappearing from Canada. I do not want to see that happen as a result of this Bill, even if it has one good feature. While I deplore the possibility of someone not getting health care because of financial obstacles, I think we are lowering health care to the lowest common denominator in this country.

An example of this is what happened in Great Britain. People used to go there 50 years ago because it had high quality care. After the introduction of the National Health Service, we never hear of people going to Great Britain for that superb care. They come to London, Ontario, for treatment of cerebral aneurysms or to Montreal or the United States for cardiovascular surgery. People no longer go to Britain because the quality has dropped. That is what I am worried about in this instance and that is the answer to the Hon. Member's question.

Miss MacDonald: Mr. Speaker, I wish to pose a question to the Hon. Member for Oxford (Mr. Halliday) whom, I may say, was one of the most effective and hardworking members during the many sessions conducted by the Standing Committee on Health, Welfare and Social Affairs. He made a tremendous contribution to the deliberations of that Committee.

This morning he raised a point which caused me a great deal of concern. He referred to the fact that we heard from innumerable witnesses who came to speak on the principle of the Bill based on the objectives and purposes of the Bill as stated at second reading and elaborated upon by the Minister. The two key areas that most of the witnesses addressed were the objectives stated in Clause 3, "to encourage effective allocation of the nation's health resources", and Clause 4, "to advance the objectives of Canadian health care policy". In other words, to look beyond the immediate needs or problems, whether they are great or small. In this case, the Bill only

addresses some $150 million out of a $22 billion expenditure. They wanted to look into the future as to what must be done to reform the health care system in this country.

Those were the policies and objectives that were stated at the outset. After all the witnesses had made their presentations based on those objectives, they were then withdrawn. I believe this was indeed cheating those witnesses and misleading them as to what the Bill was all about.

Would the Member address a problem which I now believe exists in the country, that somehow Parliament and the committees of the Parliament of Canada are seen in a light where we have not acted properly toward the people who came before us as witnesses? The Minister invited them to appear to speak on certain principles and then later changed the criteria to which they were speaking. How can we help redress the feeling which must exist that somehow these witnesses were misled? They were asked to address the long-term problem and then we were told that it can only concern a short-term matter. It is the long-term needs that are crying for attention.

The Acting Speaker (Mr. Herbert): I am afraid that the lengthy comments of the Hon. Member have used up the ten minutes for comments and questions. Debate.

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, in listening to the comments by the Hon. Member for Oxford (Mr. Halliday) and some other Conservatives, one is confused about whether they are supporting the Bill or opposing it. On the one hand they say they support it, but on the other hand many of their comments show that they are extremely critical of the Bill and many of its provisions.

As one of the few Members in the House who voted for the original medicare Act in 1966, I am pleased to support this Bill, not because it is perfect or because it deals with all health care problems—

Some Hon. Members: Oh, oh!

Mr. Allmand: The Opposition is a little sensitive to honesty. The Bill is essential to halt the erosion of one of the most important social programs ever adopted in Canada.

I consider my votes and other measures in support of medicare in 1966 as one of the most significant acts I have performed here in my 19 years as a Member of Parliament. If we speak to those older Canadians who tried to cope with medical costs before medicare, many of whom went bankrupt or lost their homes because of high bills, they will tell us what it was like before we had a medicare system and what a great relief it is to have this program since they no longer have to worry about their bills for medical care.

As many others have pointed out, the principal purpose of this Bill is to discourage or deter extra billing and user fees. Extra billing relates to those fees charged by doctors in addition to what is charged by the medicare system. This can be carried out in different ways. User fees are the fees charged by hospitals and other medical institutions in addition to what is provided by the medicare system.

We are told that last year these extra billings and user fees added up to approximately $120 million to $130 million, up approximately 20 per cent in the last two years. That is still a small percentage to the total costs of the medicare system but it is extremely important to ordinary Canadians because it will serve as a barrier to health care services.

As Justice Emmett Hall said before the Committee on Health, Welfare and Social Affairs, the burden of illness, of accident and death is heavy enough without adding the extra burden of medical and hospital bills at that time. Medical care is no place for any kind of means test. No matter how prudent a citizen is in this country, he or she can never predict the seriousness or length of illness or illness resulting from accidents that might happen.

Of course, I believe our doctors and professionals must be compensated fairly and equitably. We owe a lot to our medical practitioners and institutions. There must be a system to assure proper compensation.

● (1210)

For this reason I welcomed the Government amendment in committee adding Clause 12(2) which sets out a system for conciliation and arbitration for medical practitioners under provincial jurisdiction. It is true that this clause is not obligatory, as some members of the committee wanted, but that is principally because that area is under provincial jurisdiction and none of the provinces would accept that type of amendment. On the other hand, they are ready to accept the type of amendment which sets out a process for consultation and arbitration for medical doctors and other practitioners which is not compulsory. It is my firm hope that most if not all the provinces will adopt such a system so our doctors can be fairly compensated.

As I think most Canadians realize, the delivery of health service in Canada is a provincial matter. The federal Government, through its spending power under the Constitution, is able to help finance medical care and hospital systems. They do that to approximately 50 per cent of the cost, and have been doing that for several years now.

My principal frustration with this Bill, Mr. Speaker, and with the present system, as I mentioned in committee on several occasions, is the deplorable situation in Canada with respect to chronic and long-term care, especially for the aged, which is a growing segment of the population. Not only is the provision of proper chronic care inadequate and in short supply, but some of it is a shame for a country as rich as Canada. As a Quebecer I must point out that it is as bad or worse in that province as in other provinces. Quebec has boasted that it does not allow extra billing and user fees, but this is not so for chronic care.

In committee, Mr. Speaker, I put on the record a letter I received from a constituent in Montreal. It is a good example of the type of user charges we are getting in Quebec and I want to put it on the record here. The constituent is a woman, now a widow. Her husband, prior to his death, was a patient in the Centre Hospitalier Thoracique de Montréal; that is the

Montreal Chest Hospital. In November, 1983 her husband received a bill for $850 for one month; in December, a bill for $383.88; for January, $797.02. It goes on, Mr. Speaker. I know of other cases where old people requiring medical care—they are not just those who have no one to care for them—are in overcrowded, poorly staffed nursing homes and certain chronic care hospitals. They must pay fees, and I have seen some bills amounting to $900 to $1,000 per month.

Miss MacDonald: This Bill does not address that.

Mr. Allmand: I know it does not address it because it deals with specific user charges and extra billing. She had no solution either, and that is why I am raising it in the House. This House and all the provinces must do something about it. It is interesting to note that the hon. lady is a Conservative from Ontario. The situation is just as shameful in Ontario under a provincial Conservative Government which has been in power for years.

Some Hon. Members: Hear, hear!

Mr. Allmand: These provincial governments try to justify these charges—

Mr. McDermid: There was a Liberal Government in Quebec, too.

Mr. Allmand: Well, there is fault in many places and we have to correct it. These provincial governments try to justify these extra charges by saying they are necessary to cover meal and room costs. Well, that is a ridiculous argument. Most people in these chronic care institutions have an elderly spouse at home. They must still pay their rent, utilities and taxes at home. To say that they are being charged in the hospital or institution for food and lodging is like pretending they are on some sort of holiday at a hotel. It is a ridiculous argument. We do not take that approach with people in ordinary hospitals. We do not charge them for the food and room because we know it would be impossible for them to pay. Here we have a situation where people are paying $800, $700, $1,000 per month for longterm chronic care. That we should allow this situation to exist in Canada in 1984 is a national shame. It is basically a provincial responsibility but the federal Government must do more to encourage improvement.

I was pleased to note that the Minister, after discussions in committee, announced that soon after this Bill is passed she would seek talks with the provinces to discuss the wide range of matters not covered by this Bill. She assures me that chronic care is high on that list. I hope those discussions will be meaningful and lead to improvement. In the meantime, Mr. Speaker, we are confronted with certain very specific problems right now—the erosion of our medicare system by extra billing and user charges. Let us deal with this immediately and pass this Bill.

Miss MacDonald: Mr. Speaker, I listened to what the Hon. Member had to say here and in committee. I was glad he joined the committee because we were both arguing about the great need for chronic care facilities to come under insured services. One of the ways that might have been done was to take the term "health care practitioner" and give it a much more definitive backing than appears in the Bill. It is true we got the term introduced as an amendment, but not in the original amendment put forward in committee. The original amendment said that "health care practioner" means a person lawfully entitled to practise a health care profession in the place in which the practice is carried on by that person.

Had that amendment not been defeated by the Liberal members of the committee, it would have been much more possible for insured services to be directed to chronic care hospitals and the people who operate nursing homes and chronic care hospitals. Given that, why would the Hon. Member not have voted for that amendment in the first place?

Mr. Allmand: Mr. Speaker, I did not vote for or against the amendment because I was one of the five alternate members on the committee. But let me say that I listened to the discussion and I was not convinced that the amendment would have accomplished what both I and the Hon. Member wanted. She is very concerned about the same problem and she gave some very good examples before the committee as well. However, I am afraid most of the amendments I heard before the committee would only deal with the problem in a peripheral way. The problem is so great that for the federal Government, at this stage of the Bill, to accept certain peripheral amendments would have been very difficult with respect to the provinces because they would have to pick up about 50 per cent of the cost.

I am glad that the Hon. Member and others raised this in committee because it is a growing and serious problem which will require a special federal-provincial conference to deal with it. I hope there will be reason on all sides so we can deal with it. But I do not think the amendments put forward in the committee would have really solved the problem even though I did not have a chance to vote for or against them.

• (1220)

Mr. Taylor: Mr. Speaker, I was interested in the comments of the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand) on the erosion of medicare. I was in the provincial government when the federal Government approached the provincial government and offered to pay 50 per cent of the cost of medicare; I think that was back in 1966. For some time the federal Government paid 50 per cent of those costs. Later on the federal Government introduced a block system and suggested to the provinces that it would be better, instead of paying for isolated items, that the federal Government give a block sum of money, still understanding it would be 50 per cent of the costs. But later we found it was well below 50 per cent. In this Bill we come to the point where the federal Government is paying as little as 32 per cent of the costs of medicare. That is in my province; I do not know what the percentages are in the other provinces. Is this not an erosion of the plan?

Second, would the Hon. Member foresee a provincial government, since the provinces are getting far less than 50 per cent, passing legislation authorizing the province in question to deduct from taxation going from that province to the federal Government the difference between what the provincial government is getting from the federal Government in medicare and the 50 per cent cost of medicare? Provinces may have to introduce such legislation. Could I have the Hon. Member's comments?

Mr. Allmand: Mr. Speaker, since I am from Quebec I am not that familiar with Alberta, but I am familiar with the Quebec system and with the national system. I cannot comment on the Member's allegation that in Alberta the federal Government is only paying 38 per cent or some such figure. I am surprised at that because on a national basis, despite the changes in the funding between the federal Government and the provinces, the federal Government is still paying approximately 50 per cent. In Quebec it is paying more. The system last year cost approximately $22 billion, and the federal Government was paying around $11 billion. There are variations with different provinces. I am surprised and doubtful that the variation with respect to Alberta is that great.

By the way, if we include a lot of other costs that are not included in the system that some provinces decide to fund, then the cost of the system—and this includes dentists, in some cases osteopaths and others—would be $30 billion, with the federal contribution about one-third if you use those figures. But if you use all the moneys included under medicare in the agreement, the federal Government, according to my information, is still paying approximately 50 per cent across the country.

The Acting Speaker (Mr. Herbert): If there are no further questions or comments we will move to debate. The Hon. Member for Esquimalt-Saanich (Mr. Munro).

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I was not a member of the committee. We cannot all be members of all committees, but I have been concerned about a number of the matters that have entered into this debate, not the least of which is the further erosion of federal-provincial relations caused by the abrasive methods used by the federal Government throughout this particular piece of legislation.

However, I would like to begin my contribution to the debate, bearing in mind I was not a member of the committee, by stating quite categorically that I have yet to hear of a doctor in Canada refusing his services as a doctor to anyone requiring his services whether the person requesting them could pay or not. This, I think, is the underlying matter that we must not overlook in all of this battle about user fees and so on. Doctors do not refuse services to those who want them. I think we should pay tribute to the fraternity, those to whom we owe so much, that they take their oath as doctors as seriously as they do. The Hippocratic oath means something to a doctor, Mr. Speaker. I sometimes wonder whether the oath of a Privy Councillor is just as meaningful to some Ministers.

The whole object of this exercise seems to be another method of getting conflict going between the federal authorities and the provincial authorities. I hope time will permit me to make a proposal to resolve this matter, not just in this Bill but in other Bills where it is acknowledged, as it is acknowledged in the preamble of this Bill. I do not know whether you have noticed, Mr. Speaker, that this Bill is somewhat unusual in the manner in which it is drafted. It begins with a preambular set of three or four paragraphs. At the very opening of the preamble it says that the Parliament of Canada is called upon to recognize:

—that it is not the intention of the Government of Canada that any of the powers, rights, privileges or authorities vested in Canada or the provinces under the provisions of the Constitution Act, 1867 (formerly named the British North America Act, 1867), or any amendments thereto, or otherwise, be by reason of this Act abrogated or derogated from or in any way impaired;—

That is a noble sentiment. It is not carried out either in this Bill or in the conduct of the Government with relation to the provinces, and that is what I find so deplorable.

To take one example, the Ministers of Health for the provinces, who are charged under the Constitution Act and all of the amendments, met in Halifax a year or so ago. The Minister of National Health and Welfare (Miss Bégin) went to one meeting. She came out after one hour and said that there was no point in the world trying to talk to these Ministers; they were set on a course, a course which the Constitution provides for them to follow. They are set on a course, she said, that makes it impossible to talk to them. When, in the last fortnight, those same Ministers from the provinces met here in this city while this matter was before the House of Commons or the committee, the Minister refused to attend any of the conferences. This is what I find so deplorable about the manner in which this Bill is being pushed forward by this Government.

This is a Bill of confrontation, and that attitude is followed up by something which I find absolutely unacceptable in any federation. I do not know what happened in other provinces. Mark you, I am not arguing in favour of what the legislature of my province is doing, Mr. Speaker. What I deplore is the circulation of an insert in the old age pension cheques of a thing like this. It sends a message out for all those who receive old age pensions in B.C. It is a message which is designed specifically to set the people of British Columbia against the Government of British Columbia on this issue.

• (1230)

That is not the role of the federal Government. Its role surely is to try to meet with the provincial Ministers of Health and resolve the differences which may exist between them in open conference. It should not use this deplorable, abominable device for circulating a message of this sort. I am not talking about the substance of the message. I am talking about the method used. It is beneath contempt that any federal Government should do it. What would happen if any provincial Government were to try to reciprocate and get a message to all Canadians to undermine the federal authority? What would the federal Government do? It would probably incarcerate the

whole lot of them under the War Measures Act or something like that. This is no way to conduct a federal Government.

My attention was drawn to the fact that there was a change to the purpose of this particular Bill during the discussions in committee. I think it would be worth while to put the two versions on the record—the purpose as originally presented to the House and the purpose as it came out in committee. I have a copy of the original Bill here. I think it is worth reading the purpose in its entirety. Clause 4 of the Bill originally tabled on December 12, 1983—perhaps it is not available to everyone and everyone does not necessarily read it—reads:

> The purpose of this Act is to advance the objectives of Canadian health care policy, while recognizing the primary responsibility of the provinces for the provision of health care services, by establishing criteria and conditions that must be met before full payment may be made under the Act of 1977 in respect of insured health services and extended health care services provided under provincial law.

That was the original purpose. Also I notice that the objectives of the policy as provided in Clause 3 are extended in the original version and somewhat reduced in the final version. The purpose which is in the amended version now before us is somewhat shorter and reads:

> The purpose of this Act is to establish criteria and conditions that must be met before full payment may be made under the Act of 1977 in respect of insured health services and extended health care services provided under provincial law.

There is quite a distinction, but what I find a little worrisome—and this goes back to my earlier worry—is the use of the word "must". A number of speakers, including the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand), suggested that Hon. Members of this Party are opposed to medicare. Nothing could be further from the truth. This Party has supported medicare from the beginning. It wants medicare provided within the means of Canadians. It wants the same medicare system provided across the country. It is not opposed to medicare. I regret any Member rising and even by implication suggesting the contrary. But the use of the word "must" in this instance I find a denial of the true meaning of federalism. It is demonstrable that the centralizing propensities of the federal Government have been at the base of many of our problems. This is another example.

Regardless of the provisions of the Constitution, it is almost as though the federal Government is deciding on its own what provincial governments must do in respect to a matter under provincial jurisdiction before there can be any possibility of a cost-sharing formula—"you had better do this or you will get no help from us". I find this wrong in terms of the federal principle despite the acknowledgement in the preamble that we are dealing with a provincial matter. No one has questioned that. Even the Government has not questioned it, but it has had the effrontery, without consultation and even turning its back on consultation when it is offered, to try to lay down the conditions for the fulfilment of a constitutional responsibility within the provinces.

The propaganda campaign mentioned by earlier speakers was launched even before the Bill was presented to Parliament without consultation with the provinces as a means of creating an issue, not reducing the differences which may exist because of monetary restraints. I just do not understand why the Government seems so intent on creating federal-provincial confrontation. That has marked its passage from its inception under the Prime Minister (Mr. Trudeau). Perhaps therein lies the problem. Perhaps the Prime Minister feels that he has done his work of instilling confrontation as a means of getting the country into debt and preventing it from working. Perhaps he finds that the future is bleak because of the confrontational tactics and has decided that it is about time to watch the process from afar without assuming any responsibility, I do not really know. However, I deplore the notion that the federal Government should draw up a Bill which will penalize the provinces for not doing what they want to do and what they will do within their fiscal powers or the means they have of producing health services.

Like the Hon. Member for Notre-Dame-de-Grâce-Lachine East, I too worry about the provisions of long-term care. It is a growing problem in Canada. The demographics are telling us this. The tax base is going to be lower. Those who pay taxes will be fewer in number. Those who rely on the services which the taxes provide will be more numerous. In 15, 20 or 30 years from now there will be a heavy burden, not just because of the debt that has been created by this Government but because of its promises. The country is being weakened by this confrontational procedure.

• (1240)

The need for chronic care in Canada is mounting, there is no question about that. When one of my predecessor colleagues entered politics in British Columbia, the former leader of the PC Party, Dr. Scott Wallace, his main objective was to get extended care extended. Unfortunately, out of sheer frustration, he felt he could no longer pursue this objective because he seemed to be getting nowhere. At one time I thought it was the local provincial government that was causing the frustration for Doctor Wallace. Having now examined this Bill and the whip hand which the federal Government has over the provincial governments with their narrow tax base, the cause of the frustration of Doctor Scott Wallace is obvious. I now know what caused him to throw up his hands in absolute frustration.

I have just a minute remaining to make a proposal. This Bill acknowledges where the constitutional responsibility lies on this matter, and that is with the provinces. I throw this proposal out; it came to me only a few minutes ago. It has not been discussed with anyone in my Party so I do not throw it out as a Party notion. I bring it forward as one who is concerned about Canada and about health care.

In matters of this sort where there is need for a federal financial input to assist the fulfilment of a provincial responsibility, should there not be some mechanism such as the joint resolution notion which is used in other fields under the Constitution? A Bill or a resolution covering these matters could be produced by the federal Parliament and then ratified by the provincial legislatures. It would show the agreement of the two levels of government in an area where there is not shared responsibility in terms of provision of the service, but a

shared responsibility in terms of the financial contribution to it.

I put that forward as a notion which might be valuable in future cases where the federal Government is expected to contribute financially so that the provinces can fulfil their constitutional responsibility.

The Acting Speaker (Mr. Herbert): There follows a ten-minute period for questions and comments. If there are no questions or comments, I recognize the Hon. Member for Kamloops-Shuswap (Mr. Riis) for debate.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I am pleased to have the opportunity to say a few words on third reading of Bill C-3, the Canada Health Act. The assumption is that all three political Parties will be supporting this Bill when it comes to the final vote. I suspect it is clear to anyone who has paid attention to the debate surrounding the issue of medicare over the last number of months and years that medicare was being eroded, drastically in some provinces, and under attack in virtually all provinces with two or three exceptions. Most notably those exceptions were governments that were part of the movement that founded medicare in the 1940s, namely the NDP.

It is my plan today in the few minutes before we break to outline some of the aspects of the Bill that I feel need to be emphasized and perhaps in some cases to be re-emphasized. The Bill will obviously attempt to remove extra billing and user fees because universality was being eliminated as a result of these two areas. The assumption was that people were not receiving appropriate medical care.

A number of speakers have questioned whether user fees, extra billing and charging premiums was hindering the access of groups of people to appropriate and proper health care. In the last two or three weeks in my constituency in British Columbia, I have noticed a number of occasions where people have made it perfectly clear that they were not receiving the health care to which they were entitled.

My own parents were in need of an injection before going on a vacation. They chose to go to their physician for their injection and then went happily on their way. They could have received the same injections at the community health clinic where there would have been no cost to the system. As a result of my parents' visit, the doctor is now going to bill the provincial system for a visit and these two injections.

Mr. McDermid: Why shouldn't he?

Mr. Riis: The Conservative Member says why shouldn't he? I agree he should. The point is that we are very concerned about the costs of medical care today. We are concerned about the future viability of the present system as a result of the increased costs. My point is that had my parents used the community clinic the cost would have been a few cents for the time of the nurse on duty and the cost of the injection. However, the medicare system was charged for two visits to a physician. That same service could have been provided much more cheaply had my parents been a bit more alert to the role that the community health clinic plays in our community. It brought to mind the fact that we could be organizing our health care system in a more cost-effective way when it comes to something as simple as a straightforward injection.

I was also visited by a young woman. She has a particular problem and occasionally has to go to the emergency ward or visit her physician to have an injection. On that particular day, a Sunday, a doctor was not available so she went to the local hospital. As she walked up to the admission desk in the emergency ward, she was told she had to pay $10 before she could see a physician. She left at that point and came to see me in my home. She asked for advice as to how she could receive this injection. She did not know she could have had her injection, that the physician would have seen her. When she was told there was an extra fee that she was required to pay, having no money with her at the time she was under the impression that that care was not available to her.

• (1250)

A few weeks ago, I had occasion to be visited by a young woman who had recently had a child and was breast-feeding that child. She told me that she was on her way to see her doctor for the third time in order to see how things were going with her breast-feeding. Again, the thought occurred to me that perhaps there might be a more cost-effective way to provide advice to young mothers who are breast-feeding rather than requiring a number of visits to her physician. I thought of this in terms of the cost of the health care clinic as compared to the cost billed to the medicare system.

It really came home to me, Mr. Speaker, when I visited a senior citizens' home and took part in a general discussion over lunch. A number of senior citizens indicated their concern about the availability of health care and they indicated that they were now reluctant to use the hospital system in the way they felt they ought to because of the extra fees they would be required to pay.

Whether or not all of these things which I have mentioned are true in fact, the point I would like to make is that there is a certain mind-set in the country. People who are elderly, ill or poor are, to a certain extent, of the impression that health care is no longer available to them. When it comes to having to pay premiums and extra fees to one's physician, one could say that there is certainly some truth to that in some of the cases I have mentioned. As a matter of fact, when we tally up the amount of money being set aside in user fees and extra billing, we are talking about an amount of money in the $120 million to $130 million range.

In the whole scheme of health care costs in Canada, $120 million to $130 million is not a significant amount of money. However, one could consider that this is an amount of money which is really nothing more than a special tax on the sick with a particularly hard impact upon the poor and the elderly. Bill C-3 has come before the House for third reading today in an effort to do something to end these extra costs.

I shall refer to a study which was done recently in the Province of Saskatchewan. In that study, people were asked the question: "Would a $2 increase in user fees have any adverse impact on the community that uses the health care facilities?" It was found that a $2 increase in user fees would adversely impact upon approximately 19 per cent of the clientele. Again, that 19 per cent of the clientele is composed by and large of the elderly and of people with chronic illnesses. From what I can gather, this was the result of a very unbiased study that attempted to indicate to what extent a simple $2 increase in user fees would impact on a community.

When we speak about a tax on the sick and the elderly, we are reminded of the words of Mr. Justice Emmett Hall who had so much to say about the need for medicare in the country and about the extra charges that are being levied today. He said: "The trauma of illness, the pain of surgery, the slow decline to death are burdens enough for the human being to bear without the added burden of medical or hospital bills penalizing the patient at the moment of vulnerability". This is why we in this Party are so concerned about what we see as the present erosion of the medicare system.

We in this Party are particularly concerned because of the role that we as a political Party have played in the introduction of medicare in Canada. I remember the state of the hospital system in the country at the time that I graduated from high school. I remember the confusing hodge-podge of private and public insurance schemes for health care. From my readings at that time, I recall that at least seven million Canadians did not have any kind of health insurance at all. At least half the population of Canada certainly did not have any comprehensive health coverage at that time.

In 1945, the Saskatchewan CCF Government, a forerunner to the NDP, decided that it was time to take action. I am sure that most Canadians today are under the impression that medicare has existed for as long as anything has and that medicare has always been a fact of life in Canada. Many people have grown up understanding that they could have access to a hospital and a doctor at any time at a cost that would not prohibit their treatment, and presumably at no cost at all because it was funded through the taxation system. However, I think it is important for Canadians to realize that this was not always the case.

Before we break, Mr. Speaker, I would like to take a few moments to outline the evolution of medicare in Canada. To find the origins of medicare, we must go back to 1945 because it was in that year that under the Saskatchewan CCF Government, Saskatchewan was the first province to introduce medical and dental care for all old age pensioners and for mother's allowance recipients and their families. This was the beginning of the idea that we could indeed take action using our relatively progressive comprehensive tax system to provide health and dental care for old age pensioners and those receiving mother's allowance.

In 1946, the Saskatchewan CCF Government introduced an experimental, comprehensive, Government-sponsored medicare plan in the Swift Current region of the province. In this case, the program provided a full range of medical services including a dental program for young people under the age of 16. The Government was testing the situation in an effort to demonstrate to Canadians in all provinces and territories that comprehensive medical care was available there and could be available to all.

In 1947, Saskatchewan, under the CCF Government, became the first province to introduce a comprehensive, Government-sponsored hospital insurance program. By 1961, many Canadians were beginning to feel that if there could be comprehensive medicare available to everyone in the Province of Saskatchewan, why could it not be available to those in other provinces? In 1961, Mr. Justice Emmett Hall was appointed to chair a royal commission on health services which was created to "inquire into and report on the existing facilities and the future needs for health services for the people of Canada".

Mr. McDermid: Who appointed Mr. Justice Hall?

Mr. Riis: In 1962, Saskatchewan, again under the CCF-NDP Government, became the first province to introduce a comprehensive, provincially-sponsored medical prepayment plan, or medicare. This, of course, resulted in the kind of knee-jerk response one might have expected because challenging the system in which appropriate health care was available to select groups of the society and not to everyone resulted in a 25-day strike of Saskatchewan physicians.

In 1964, the Hall Commission reported and recommended, among other things, the creation of comprehensive medical insurance plans in each province which would be available to all Canadians, with cost-sharing by the federal Government. In 1966, a big year for Canadians, the minority federal Government of that time passed the Medical Care Act providing for 50 per cent federal cost-sharing in proven provincial medicare plans.

One could go on to make the point very clearly that, as a result of the CCF-NDP Government which laid the groundwork and convinced Canadians that this was indeed a possibility, we have moved toward the point where today we see once again the need for the federal Government to take action to ensure that proper medical care is available to all Canadians.

Mr. MacLellan: Mr. Speaker, I have a point of order. I think there is a general agreement that if there are to be no further speakers, the vote on third reading would be deferred until 4.45 p.m.

Miss MacDonald: That is agreeable to us.

Mr. Blaikie: Mr. Speaker, you will call the vote at that time. I just want to make it clear for the record that it is intended that there be a recorded vote at that time.

The Acting Speaker (Mr. Herbert): In that case I shall put the question now and as there appears to be unanimous consent, the vote could be deferred until 4.45 p.m. Is that correct?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Herbert): The question is as follows:

[*Translation*]

Miss Bégin, seconded by Mr. LeBlanc, moved:

That Bill C-3, an Act relating to cash contributions by Canada in respect of insured health services provided under provincial health care insurance plans and amounts payable by Canada in respect of extended health care services and to amend and repeal certain Acts in consequence thereof, be read the third time and do pass.

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

[*English*]

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Herbert): Then by the unanimous agreement of the House the vote will stand deferred until 4.45 p.m.

An Hon. Member: Call for the yeas and nays.

[*Translation*]

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

Some Hon. Members: Yea.

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

[*English*]

In my opinion the motion is carried.

Some Hon. Members: Hear, hear!

Mr. Blaikie: Mr. Speaker—

The Acting Speaker (Mr. Herbert): I should point out to the House that to have a recorded vote more than five Members would have to rise to oppose the motion.

And more than five members having risen:

Mr. McDermid: The motion was unanimous.

Mr. Ellis: There were no nays.

The Acting Speaker (Mr. Herbert): The House has put the Chair in somewhat of a difficult position. There was a clear indication of unanimous consent of the House prior to putting the question that there be a recorded division at 4.45 p.m. The House then, as a formality, went through the process of putting the question and called the yeas and nays. Since there were no nays heard by the Chair, it is very difficult to do other than record that the motion was carried. However, there were more than five Members who subsequently rose. I would suggest that was a clear indication that there was to be a recorded division of the House at 4.45 p.m. this afternoon and I so rule.

[*Translation*]

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p. m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

NORTH ATLANTIC TREATY ORGANIZATION

POSITION ADVOCATED BY MINISTER OF JUSTICE

Mr. Bud Bradley (Haldimand-Norfolk): Mr. Speaker, in Regina over the weekend the Hon. Minister of Justice (Mr. MacGuigan) stated that, if he becomes Prime Minister, one of his priorities will be to try to persuade NATO to de-emphasize the deterrent aspect of nuclear weapons. He stated: "I think we should place greater reliance on conventional arms. It would be expensive, but that is a small price to pay to reduce the balance of terror."

Where has the Minister been for the last 15 years, Mr. Speaker? Where was he when his Party and Government unilaterally reduced our commitment to NATO by half? Where was he when the Armed Forces budget was frozen for three years, thus crippling critically needed re-equipment programs? Where was he when our men and women in uniform left in the thousands because of his Party's policies?

The Minister said that if a strengthened commitment means increasing the size and budget of Canada's Armed Forces, he would be willing to do so as long as other NATO countries would do the same. Our NATO partners are doing just that, and have been doing so.

The Progressive Conservative Party has consistently stood for a strong commitment to NATO, a strengthening of our forces, and greater emphasis on equipment replacement. I welcome the Minister's support of our policies, although I would rather have him express these views here in the House of Commons and in cabinet meetings. Recently we have witnessed public repudiation of government policies by many Liberal leadership hopefuls. Now, along with repudiation we have hypocrisy.

[*Translation*]

EMPLOYMENT

STATEMENTS MADE BY LEADER OF THE OPPOSITION

Mr. André Maltais (Manicouagan): Mr. Speaker, I was flabbergasted, as were many North Shore residents, to learn about the remarks made last week by the Leader of the Official Opposition (Mr. Mulroney) concerning Canada's unemployment rate. I should think that the Leader of the Official Opposition is hardly in a position to take anybody to task after what happened on the North Shore and given the unduly high unemployment rate in Schefferville, Gagnon, Fermont, Sept-Îles and Port-Cartier.

Mr. Speaker, I was all the more disappointed as the charge was levelled at the Minister of Finance (Mr. Lalonde) who has done a lot for the North Shore and spent millions of dollars to create jobs and to launch the Pointe-Noire construction project which will guarantee the economic revival of the North Shore. Had the Minister of Finance not intervened directly, Mr. Speaker, we could not think and hope to restore the North Shore on a sound economic footing.

In my opinion, Mr. Speaker, the Leader of the Official Opposition got his letters mixed up when he made rather unworthy allegations concerning the OECD Secretary General and the accepted procedure in diplomatic circles. The OECD is not the IOC—the Iron Ore Company—and the former President of the Iron Ore may have been confused about what he could do himself in Paris when he was President of the IOC.

Mr. Speaker, I think that he was ill-advised to make derogatory comments concerning people who work with the OECD.

* * *

[*English*]

THE ADMINISTRATION

POLICIES ADVOCATED BY MINISTERS DURING LIBERAL PARTY LEADERSHIP CAMPAIGN

Mr. Bill Domm (Peterborough): Mr. Speaker, I would like briefly to voice my strong concern over the serious contradiction currently prevailing in the Liberal Cabinet. To quote the Minister of Indian Affairs and Northern Development (Mr. Munro) from a Liberal Party Biennial Policy Convention:

> The Government is wasting millions of dollars by sending monthly pension cheques to wealthy senior citizens and baby bonuses to families who do not need the money. Such funds should be redirected to help the most needy.

In addition, the Minister of State for Economic and Regional Development (Mr. Johnston) was recently asked: "Would you move out of the Government's involvement in businesses like aircraft production and fisheries?" He replied: "Well, indeed, I would. If we can sell Canadair and if we can sell de Havilland, let's do it as quickly as possible."

On the subject of Petro-Canada, the same Minister was asked if Petro-Canada should be in the service station business. He responded by saying: "Well, frankly, I don't see any need for Petro-Canada in the service station business."

Asked whether his statements contradict policy and whether he should resign, the Minister of Energy, Mines and Resources (Mr. Chrétien) said: "I don't have to comment on that. It's a problem for the Prime Minister (Mr. Trudeau), not for me."

* * *

THE LEADER OF THE OPPOSITION

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, in 1968, George Romney, presidential hopeful, visited Vietnam on a fact finding mission. When he came back he made some statements that were subsequently proven to be false, and he indicated that he had been brainwashed. We all know what happened to his presidential candidacy after that. The same thing is happening in Canada today, Mr. Speaker.

The Leader of the Opposition's (Mr. Mulroney) statement recently in Calgary with regard to Bill C-169, modifications to the Election Expenses Act, was, and I quote: "We were asleep at the switch. I didn't see it and I don't think anyone in our Caucus saw it." That is just not correct, Mr. Speaker, because members of the Tory Caucus have denied that is correct. This is how the Leader of the Opposition dances around an issue. Their Caucus, our Caucus, and the NDP Caucus all saw those changes, and saw the change we are talking about here in particular.

When the going gets tough, Mr. Speaker, it seems like the Tory Leader denies he knew anything about it. That is a clear and absolute deception of the public. You do not claim to have been asleep at the switch if you want to be Prime Minister of this country or, in another context, claim to have been brainwashed in the House of Commons.

* * *

PARLIAMENT

SPEECH MADE BY HUMAN RIGHTS COMMISSIONER

Mr. Rod Murphy (Churchill): Mr. Speaker, I want to repeat the words of Mr. Gordon Fairweather, Chief Commissioner of the Canadian Human Rights Commission and a former Conservative Member of this House, in a speech he made in Manitoba last Thursday. He spoke about democratic institutions and how they should be preserved. He said "the reason we are not in a totalitarian society, the reason why we have freedom and respect for human rights, is that we have institutions like Parliament and Legislatures where issues can be debated in full public view. We have elections so that people can know where their prospective representatives stand, and vote accordingly. Anything that erodes these processes and institutions brings us a step closer to totalitarianism, a step closer to the dark world that Orwell warned us about . . . I am speaking against the undermining of the institutions that

guarantee our freedom. Canadians look around the world and see other societies which are torn apart by tragic sectarian violence and bloodshed, and are thankful that our democratic institutions give us the means to live in peace and harmony with our neighbours. They give us the means to live with one another even when we disagree, and disagree strongly. Sadly, there are people in Manitoba who are urging on Members of the Legislative Assembly who have subverted democracy by walking out, rather than standing up and voting on a resolution introduced by a duly elected Government."

What Gordon Fairweather said of that House, Mr. Speaker, applies—

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

* * *

[*Translation*]

NATIONAL REVENUE

POSITION OF PROGRESSIVE CONSERVATIVE PARTY

Mr. Henri Tousignant (Témiscamingue): Mr. Speaker, during the weekend, the Conservatives went into a retreat in Mont Sainte-Marie to hatch posthaste, it must be said, policies designed to attract the voters. Mr. Speaker, it is not too soon for them to start thinking about what they plan to put before the Canadian public during the next election campaign. The weekend's biggest find was the suggestion that the methods used to collect taxes will be changed. Without wanting to endorse blindly the present methods used by the Department of National Revenue, I believe that the Conservatives are forgetting that, throughout Canada excepting Quebec, the Canadian Government is responsible for collecting taxes on behalf of the Provinces. As we all know, these governments are for the most part Conservative and they do not seem to have any complaints about the federal Government's performance with respect to collecting these taxes. I therefore wonder about the seriousness of this proposal, Mr. Speaker. It would be interesting to know what the Premiers might have to say about this bright idea the basic purpose of which is to seduce and deceive the Canadian businessman.

What they failed to mention is the workers's own views on this as they have not opportunity whatsoever to avoid paying their taxes which are deducted at the source. In any case, no matter who collects the taxes, these have to be collected one way or another.

• (1410)

[*English*]

ADMINISTRATION OF JUSTICE

TORONTO SICK CHILDREN'S HOSPITAL INQUIRY—RIGHTS OF NURSES

Mr. Chris Speyer (Cambridge): Mr. Speaker, I would like to address a matter that I raised in the House last week, that is, the massive intrusion on the rights of the nurses at the Sick Children's Hospital. I am thinking specifically of Susan Nelles and Miss Trayner. If Mr. Justice Grange should find that the deaths were intentional, if he should name names, as is his ability under the terms of reference now, and should the police officers decide as a result to lay charges, how can anyone possibly think that any of these nurses could possibly have a fair trial? Under Section 11(d) of the Charter of Rights every Canadian is entitled to be presumed innocent until proven guilty according to law, in a fair and public hearing by an independent and impartial tribunal.

I invite Members of the House to speak on this issue because it is an important issue. I believe this is the most massive encroachment on rights that I have witnessed.

Let us assume, on the other hand, that there is not sufficient admissible evidence to warrant a trial and yet the finding of the commission is that the deaths were deliberate, and names are named. The stigma, as a result of the publicity, could not be overcome by these nurses or anyone else named. This is totally unfair.

I believe the House should request that the Attorney General restrict the terms of inquiry, or that Mr. Justice Grange personally—

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

* * *

[*Translation*]

ADULT PROFESSIONAL TRAINING

PROPOSALS MADE BY PROGRESSIVE CONSERVATIVE PARTY

Mr. David Berger (Laurier): Mr. Speaker, at first glance, the Progressive Conservative Party's proposals for adult occupational training seem progressive. A closer examination, however, reveals that on the contrary they are disappointing and regressive. Disappointing since there is no mention of paid educational leave, one of the major issues which must be examined.

[*English*]

It is disappointing also, Mr. Speaker, because the Progressive Conservative Party does not address the free rider syndrome. Businesses on the whole are in favour of more industrial training, but are reluctant to do more as they often lose skilled employees to other firms which do not train their own employees. The tax incentives alone which the PCs propose

will not solve this problem. Regressive, Mr. Speaker? Totally so.

The proposals do not address the problem of equal access and opportunity. The Tories suggest that we allow persons to receive unemployment insurance while training. What of those who have no unemployment insurance benefits, such as the 500,000 unemployed youth and women re-entering the labour force?

The Tories also suggest a tax sheltered savings plan which will benefit those with high incomes and a good education. It seems to me that the Tories are trying to promote a scheme such as their 1979 mortgage interest deductibility plan which will do little to solve the needs of the poor and the unemployed.

* * *

SOCIAL SECURITY

PLIGHT OF WOMEN FACING WELFARE

Mr. Gordon Taylor (Bow River): Mr. Speaker, there are scores and perhaps hundreds of Canadian women who, in the silence of their own homes each night, wet their pillows with tears. Here is a typical case. A woman came to me to ask if the Government could help her. She said:

> I am 63 . . . my husband died when our son was seven. I resolved to give my boy a good education. I scrubbed floors, washed clothes, made bread . . . I did everything I could to make a dollar. I was proud when Tommy entered college . . . soon he would help me . . . I worked harder than ever . . . my arthritis bothered me but I forced myself . . . I must get him through college . . . and . . . then, just before his graduation he was killed in an automobile accident . . . it tore the heart out of me . . . all my hopes were dashed to the ground . . . that was three years ago . . . I have continued to wash clothes and scrub floors, but now every part of my body aches day and night . . . my doctor tells me I must stop working . . . can the Government help me?

She did not have Canada Pension , UIC, or a bank account. I hated to tell her, but finally I swallowed hard and I said: "I'm sorry, but there is only welfare." "Welfare" she echoed. She was proud, and I saw the tear that she tried to hold back while she thanked me for listening, and hobbled out of the room.

Could we not take a few of the thousands of dollars we give to Crown corporations to provide a pension for our heroic Canadian women who have given their all and have taken nothing for themselves, Mr. Speaker? Welfare should not be their reward.

* * *

SOCIAL SCIENCES AND HUMANITIES RESEARCH COUNCIL

SIZE OF GOVERNMENT FUNDING

Mr. Simon de Jong (Regina East): Mr. Speaker, the Minister of Communications has announced that the budget for the Social Sciences and Humanities Research Council will only be increased by $2 million, and that the $5.9 million of supplementary funds provided in the three previous years will not be renewed. Even the Government's own guideline of 5 per cent increases was not adhered to. In fact the Council will get less this year.

What astound me are the crazy priorities of the Government. On the one hand it can pour in well over $1 billion to support Canadair, but cut back and slash support for the social sciences and humanities. It seems to be okay to lose vast sums of money building executive jets, but our universities can do without. Why is the Government attacking our universities? With Bill C-12 it will deprive the universities of several hundreds of millions of dollars. With the cutback to the SSHRC it is making the situation even worse.

Does the Government feel we do not need as much research into our economic conditions, the human displacement due to technological change, or the problems facing native people? Does the Government believe that our artists, writers, and musicians need less assistance in their efforts to maintain a Canadian cultural identity? Does the Government not realize that Canada is in the midst of major social, economic, and cultural changes, and that we need more, not less, effort by organizations like the SSHRC, to help us successfully through these changes?

Mr. Minister, please wake up, get your priorities straight, and restore the funding to the social sciences and humanities.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

UNEMPLOYMENT STATISTICS—STATEMENT ATTRIBUTED TO MINISTER OF EMPLOYMENT AND IMMIGRATION

Hon. John C. Crosbie (St. John's West): Mr. Speaker, my question is for the Minister of Finance. He is wearing the red badge of shame, because 16 years ago 360,000 Canadians were unemployed and today 1,541,000 are unemployed on the anniversary of the Prime Minister's accession to leadership.

While the Minister of Employment and Immigration was campaigning for the Liberal leadership in Calgary on Friday he was asked about the latest unemployment figures, which of course went up last Friday. He said this: "They are a bad guide to the state of the economy".

If the unemployment figures are a good guide to the state of the economy when they go down, why are they a bad guide to the state of the economy when they go up? Is this the new Liberalism? Is this the new Orwellian newspeak? Is it Government policy that unemployment figures are no longer a good guide to the state of the economy?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, first of all I would like to show appreciation for the fact that my colleague has noted that today is the sixteenth anniversary

of the election of the Prime Minister as the Leader of our Party.

Some Hon. Members: Hear, hear!

Mr. McDermid: I got the list for you, Pierre, of those who did not clap.

Mr. Lalonde: I would like to remind the Hon. Member that this has been a period during which the economy in Canada has grown at an average of 3.3 per cent a year. This is more than every other industrialized country except Japan. During this time the average for the other countries was about 3 per cent. That means that the rate of growth of Canada has been 10 per cent above the average of all other industrialized countries since 1968.

Since my friend has talked about unemployment I would like to remind him that during this period three million jobs have been created in this country. Today there are 40 per cent more Canadians employed than there were in 1968.

During this time we have had two million more women in the workforce than in 1968.

• (1420)

This country has created more jobs than practically every other industrialized country during that period, and we have succeeded in doing this while preserving our social security system, which the Tories would be the first to attack, like they did when they came into office in 1979.

If my friend wants to talk about unemployment and leadership, he should first ask questions of his Leader who has destroyed the economy of the North Shore, turned Schefferville into a ghost town, and closed down half of the North Shore of Quebec.

SIZE OF LABOUR FORCE

Hon. John C. Crosbie (St. John's West): Mr. Speaker, I asked the Minister a question about a statement made by the Minister of Employment and Immigration, who has stated that unemployment figures are a bad guide to the state of the economy. There are 1,541,000 Canadians who are not applauding the elevation of the Prime Minister to office 16 years ago. They are out of work, and they do not care for your specious recital of false statistics that we just heard.

Some Hon. Members: Oh, oh!

Mr. Crosbie: When the donkeys stop braying, I will ask my question.

Last Friday the Minister of Employment and Immigration said: "The economic recovery is drawing more people into the labour force causing an increase in the number of people looking for work and inflating the unemployment rate". He is blaming people coming into the labour force for inflating the unemployment rate. As a matter of fact his statement is completely false, because the labour force declined last month by 27,000 people.

How does the Minister account for this amazing misinformation by the Minister of Employment and Immigration? Is it deliberate? Is he deliberately trying to fool the Canadian people, or is he witless and stupid? Which is it? When will he be removed from his post if he does not even know that the labour force declined, not increased, last month?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I am afraid that my friend has such a corner on stupidity that there is not much left for anybody else. He knows that the labour force in Canada has increased quite significantly over the last few years, particularly last year. There is practically no other industrialized country that has known a greater growth in labour force than Canada. He knows that, or should know that.

I have already told him that the labour force in Canada last year increased by some 40 per cent more than the United States. Indeed, I was wrong, because the latest final figures that have come out show that the labour force in Canada increased by some 58 per cent more than the United States in 1983.

It may be true that, indeed, there was a decline in the labour force last month of 0.2 per cent, but my friend should try to take a little broader perspective and examine the figures for several months to realize what is really happening in this country.

Mr. McKnight: Fifty-four per cent of the people already realize that.

Mr. Lalonde: If he took a little more trouble to examine the facts he would be able to discover for himself that, indeed, we have created over 400,000 jobs last year since the depression—since the recession—in 1982.

Some Hon. Members: Oh, oh!

Mr. Lalonde: Yes, we had a very deep recession. We have created over 424,000 jobs, and we have created as many jobs comparatively as any other industrialized country—as a matter of fact, more than most of these countries.

The Canadian record is good, and it is not by knocking Canada and knocking Canadians—

Mr. McDermid: We are not knocking Canada; we are knocking you.

Mr. Lalonde: —that we will inspire confidence in this country. I leave my friend to his pessimism.

GOVERNMENT POSITION

Hon. John C. Crosbie (St. John's West): Mr. Speaker, the Minister of Finance has a colleague, the Minister of Employment and Immigration, who said on Friday: "Unemployment figures are a bad guide to the state of the economy." We want to know if that is now the Government's position, that they are a bad guide to the state of the economy? He also said that the labour force went up, when in fact the labour force in the last

month went down. Is down now the same as up in the Liberal lexicon? Or is up, down? Is in, out?

Are the views of the Minister of Employment and Immigration, the little Lord Fauntleroy of the new Liberalism, the economic views of the Government, or is he to be asked to tender his resignation for the foolish and deceitful statements he made last Friday in Calgary?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the Hon. Member could at least listen. I told him that the labour force had gone down two-tenths of one per cent last month.

Mr. Crosbie: Your colleague said it went up.

Mr. Lalonde: I also told him that the labour force in Canada in 1983 grew by some 58 per cent more compared to the United States. These are facts that my friend can check.

Again, it is true that you cannot simply judge a performance of the economy by the results of the unemployment figures for one month. You also have to look at the results in terms of productivity, the results in terms of growth of the economy, results in terms of the reduction of inflation, results in terms of the trade balance of this country and our record exports that we know at the present time.

Mr. Crosbie: Answer the question.

Mr. Lalonde: These are all factors that one must look at when one wants to look at the performance of the Canadian economy. You cannot just take one figure for one month—

Mr. Crosbie: Are they a bad guide?

Mr. Lalonde: — and try to extrapolate this for the whole economy. If you have any knowledge of this area, you know that you have to bear in mind all of the factors that I have mentioned.

Mr. Crosbie: Are they a bad guide?

* * *

THE ADMINISTRATION

GOVERNMENT POLICY—STATEMENTS ATTRIBUTED TO MINISTER OF STATE FOR ECONOMIC AND REGIONAL DEVELOPMENT

Miss Pat Carney (Vancouver Centre): Mr. Speaker, the Canadian public have looked at the results of the Government's economic policy, which is why they will throw the Government out in the next election.

My question is directed to the Prime Minister. His Minister responsible for economic development is openly criticizing the Government's energy policy, including the National Energy Program, and now the Minister is advocating the sale of Petro-Canada service stations. He may not be aware that Petro-Canada only owns 116 of the 3,000 service stations, the rest of which are leased or are independents.

My question is about Cabinet solidarity. In view of the long established parliamentary tradition that when a Minister is openly critical of Cabinet policy, that Minister resigns, has the Prime Minister asked for this Minister's resignation?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Ministers who are running for the leadership of the Liberal Party are talking about the future and things that they would do if they became Prime Minister, which one of them certainly will, one of the leadership candidates will become Prime Minister.

Some Hon. Members: Oh, oh!

Mr. Crosbie: It will be very brief.

Mr. Trudeau: I find it normal that those Ministers would indicate how they intend to govern in the future when they are Prime Minister. They are setting out their views for the delegates to hear, and they are permitting the Canadian people to know their position, which is more than the Conservative Party is doing. We are out in front with our policies and we are looking at the future. I see nothing wrong with that.

Miss Carney: We are being aided in our attacks on the Government's policy by the Prime Minister's own Ministers, and we have lots of time to review our policy.

MINISTER'S STATEMENT ON PETRO-CANADA GASOLINE STATIONS

Miss Pat Carney (Vancouver Centre): Mr. Speaker, my supplementary question is directed to the Prime Minister. I would like to quote the exact statement made by the Minister of State for Economic and Regional Development. It has nothing to do with the future; it concerns basic Party philosophy. He said:

> I don't see that the Government needs to retail gas any more than it needs to retail chocolates.

If that is not an example of abandoning Cabinet solidarity, what is? Why does the Prime Minister tolerate this open criticism of his own Government's policy?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as I understand it, the Minister made it quite clear that he had supported the purchase of multinational corporations, including some which were retailing gas, and he was looking at problems he would examine in the future. He was indicating that he would consider what he would do with retailing of gas. I see nothing wrong with that. If the Minister and a future Prime Minister want to say that they will differ in some way from policies they adopted, it will be up to the delegates and the Canadian people to judge them.

● (1430)

UNEMPLOYMENT INSURANCE

PLIGHT OF WORKERS EXHAUSTING BENEFITS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is for the Minister of Finance. It has to do with an individual who is 56 years of age. He has worked for 33 years for Kimberley-Clark at Kapuskasing. He was laid off last year when the plant was closed. This individual is not entitled to any pension. His UIC runs out in a little less than three weeks. His savings have gone supporting his family while he has been on UIC for the past year. The case is not unique, Mr. Speaker. It is the same situation you will find for more than 300,000 Canadians today.

While welfare is the only option left in three weeks' time, has the Minister of Finance anything to tell the more than 300,000 people in a similar situation as to what they can expect in future action from this Government as quickly as possible?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, we are trying to create jobs as much as we can. Second, we have training programs, retraining programs for workers young and old. These programs at the present time have been allocated more funds than at any time in the past and are available to Canadian citizens. There are Manpower centres in this country to which people can address themselves and where they can discuss with officials ways whereby they could receive additional training which would allow them to take jobs which would become available in the labour market, and make themselves more competent and able to fill the needs that open in the labour market.

Mr. Riis: Mr. Speaker, through you I want to inform the Minister of Finance that this individual has three children who are all attempting to develop their education in one form or another. This individual has tried on many many occasions to find access to retraining programs. They simply do not exist for him. He is not qualified for most programs, and the programs for which he does qualify are offered 2,000 miles away.

REQUEST FOR MINISTER'S ADVICE

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I have a supplementary question for the Minister of Finance. Regarding the individual in Kapuskasing, what advice would the Minister have if the individual had access to a retraining program as to what he should train for? In terms of the direction which this country is taking, what advice would the Minister of Finance have for this individual?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, obviously this is not an answer that I can give, not knowing the individual, not knowing his past experience, not knowing the opportunities there would be for training, and not knowing the opportunities available in the area where he lives. My friend says the opportunity for job training is 2,000 miles away. I am very surprised and, frankly, I do not believe that statement. I just cannot accept such a statement as representing the realities. If my friend wants to send the Minister of employment and Immigration the specifics about this individual, I am sure the Minister will ask his officials to examine the case and see whether anything can be done in that regard. Again, I just do not believe that facts are as stated by my friend.

* * *

LABOUR

SUCCESSOR TO ILAP PROGRAM

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my final supplementary question is for the Minister of Labour. He was informed of this case in some detail just before Christmas. He responded two months later saying that he and his colleague, the Minister of Employment and Immigration, were developing a successor to ILAP, which would build on the lessons learned from the program and that it was a high priority for both of them. This came as welcome news four months after the first letter of inquiry, Mr. Speaker. Having waited not in excess of four months, and knowing that it is a high priority, can the Minister tell us where the successor to ILAP stands? How soon will an announcement be made?

[*Translation*]

Hon. André Ouellet (Minister of Labour): Mr. Speaker, this document is now being considered by Cabinet and a decision should be reached at an early date.

* * *

[*English*]

LAW REFORM

DELEGATES INVITED TO PEOPLE'S LAW CONFERENCE

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, my question is for the Minister of Justice. The second annual People's Law Conference is taking place today and tomorrow. The Justice Minister will know that at the first such conference last May, in addition to many distinguished members of the Bench and Bar and other organizations with a legitimate interest in law reform, a spot check of the delegate list revealed that over 40 Liberal candidates, relatives of Liberal MPs, and members of the executives of Liberal organizations, were also invited by the Minister at public expense to attend that conference. What explanation does this Minister have for their presence? And how can he justify using his position and public money to build up a campaign organization for his run at the Liberal leadership?

Hon. Mark MacGuigan (Minister of Justice): Mr. Speaker, the participants in the first People's Law Conference, as with respect to those in the second People's Law Conference, were chosen on the basis of their participation in communities. We wrote at that time to all Members of Parliament asking them for proposals to invite people. Most people, members of all Parties, were accepted. If my hon. friend finds there were a

number of Liberals present, that should hardly surprise him considering the activity of Liberals in building up this country.

STATEMENT ATTRIBUTED TO PRESIDENT OF LIBERAL WOMEN'S COMMISSION IN BRITISH COLUMBIA

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, my supplementary question is also for the Minister of Justice. My office has contacted a number of the people invited by the Minister's office. No doubt they were invited because of their Liberal connections. For example, Lauris Talmey of Richmond, B.C., said:

> I guess I was invited because I'm now President of the Liberal Women's Commission in B.C.

Can the Minister account for such a statement by any other explanation than that the legitimate work of this Conference was used as a cover to build his leadership campaign organization well before the Prime Minister's resignation?

Hon. Mark MacGuigan (Minister of Justice): Mr. Speaker, my hon. friend is both hard of hearing and understanding. There were people at that Conference last year who were nominees of all Parties in this House, some of them very active. The person my hon. friend mentions is one of the most active people in women's circles in Canada. There are many people who have that kind of national status who were at the Conference. It would have been a poor Conference if they were not.

DISTRIBUTION OF CONFERENCE REPORT

Mr. Tom McMillan (Hillsborough): Mr. Speaker, my question is also for the Minister of Justice. The edited proceedings of the People's Law Conference in May were published at government expense and distributed by the Minister's leadership campaign committee, as campaign literature, at the recent meeting of the Ontario wing of the Liberal Party of Canada. The publication is highlighted with such immortal phrases as:

> Mr. MacGuigan has a vision of democracy in action . . . At the People's Law Conference he proved that it does work in the highest practical sense.

In light of what my colleague just said, and in light of this palpable pap, would the Minister rise to his feet and admit to Parliament, and through Parliament to the people of Canada, that he is using taxpayers' money to further the campaign of himself for the Liberal leadership of this country?

Hon. Mark MacGuigan (Minister of Justice): Mr. Speaker, I thank the Hon. Member for reading my qualifications into the record. I am sure he does it with great sincerity.

Mr. McDermid: That brought the House down.

Mr. MacGuigan: In fact the publication to which he refers is a literal reproduction of the proceedings of the Conference.

Mr. Crosbie: The only one laughing is Chrétien.

Mr. MacGuigan: There were some people there who, I am happy to say, had that opinion of my work. There were people there who spoke about all aspects of the law that was under consideration.

Mr. Nielsen: Name one.

Mr. MacGuigan: I am glad my hon. friend has a copy of the book, and I hope he reads it and learns something from it.

MINISTER'S POSITION

Mr. Tom McMillan (Hillsborough): Mr. Speaker, my supplementary question is also for the Minister of Justice. We are not doubting that some qualified people were invited to attend the People's Law Conference. Nor are we doubting the potential usefulness of such a Conference in principle. But how can the Minister so shamelessly use taxpayers' money to advance his leadership campaign when many of the participants in the Conference in question had no qualifications whatever other than as potential delegates to the Liberal leadership convention in June?

Hon. Mark MacGuigan (Minister of Justice): Mr. Speaker, I can tell that my hon. friend has not yet read very far in that book. A minority of the people at last year's Conference represented the legal profession. The majority represented the people of Canada. That is why it was the People's Law Conference, and there were people drawn from their communities. This was not a specialist conference. This was a conference of people who were community involved—

Mr. Crosbie: They were Liberals pretending to be people.

Mr. MacGuigan: —and who were interested in the way in which the law impinged on their society, their groups, and themselves. I think that is why the Conference has had the kind of impact it has had upon the development of law in Canada, because those who participated were so well chosen and participated so well.

* * *

● (1440)

THE PRESS

EFFECT OF COMPETITION BILL ON MAJOR NEWSPAPER CHAINS

Hon. Jim Fleming (York West): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. While the new Competition Bill will obviously discourage, and probably stop, either of Canada's two giant daily newspaper chains from taking over each other, could the Minister assure the House, as a Member of a Cabinet which agreed these two chains should not increase their daily newspaper holdings in Canada, that the Bill will stop the two chains from acquiring more Canadian daily newspapers, when they already control almost two-thirds of English-language daily newspaper circu-

lation? Does the Minister not agree that too much in the hands of too few is dangerous?

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Yes, Mr. Speaker, of course I agree that too much in the hands of too few is dangerous. That is why the new Competition Bill is so vitally needed. I can assure the Hon. Member that the prenotification clause in the new Competition Bill will serve us well in those kinds of mergers which he describes.

* * *

EXTERNAL AFFAIRS

MINE LAYING OFF COAST OF NICARAGUA

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, in the absence of the three Ministers who preside over external affairs, and also in the absence of the Parliamentary Secretary, I will direct my question to the Prime Minister. He will know that in recent weeks U.S.-backed contras have been laying mines off the coast of Nicaragua and that five foreign ships, including British and Dutch ships, have struck mines in the Port of Corinto, leading to an offer from France to help clear the mines. Could the Prime Minister tell the House whether the Government has investigated the possible danger to Canadian aid on board ships bound for Corinto, the results of that investigation, if there has been one, and also if the Government will join the initiative of France and offer a Canadian minesweeper to Nicaragua to help clear Nicaraguan ports?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am afraid I cannot assist the Hon. Member. I do not know whether action has been taken by the Department, but I will gladly take the question as notice.

REQUEST THAT GOVERNMENT OFFER MINESWEEPER TO ASSIST IN CLEARANCE OPERATIONS

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, perhaps the Prime Minister can answer the latter part of my question as to whether the Government will offer a Canadian minesweeper, or at least consider offering one to go to Nicaragua to help clear the ports. Given the Prime Minister's opposition, stated on many occasions, to the growing militarization of the region, particularly the very much increased militarization with U.S. troops and bases in Honduras, could he assure the House that Honduras, which is Canada's country target in Central America for aid assistance, will be told that that assistance will have to be reviewed very carefully if it continues to host U.S. militarization of the region?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the last question is hypothetical in its nature. I know the Hon. Member's interest in the subject. She will know that the Secretary of State for External Affairs has been visiting Central America. When he returns, I am sure these questions will be examined by the Government.

As to the Hon. Member's suggestion of sending a Canadian minesweeper into those waters, it surprises me, coming as it does from the Hon. Member who generally opposes the use of Canadian forces in war zones or that type of conflict. Certainly this Government has a pretty clear practice of not sending its ships, planes, or men into any conflict, or area of conflict, unless that expedition is under the United Nations' banner. I repeat, the Hon. Member seems to be coming in conflict with the long-stated policy of her own Party.

* * *

INDIAN AFFAIRS

ALLEGED CONTRIBUTION BY TRIBAL COUNCIL TO MINISTER'S LEADERSHIP CAMPAIGN

Mr. John McDermid (Brampton-Georgetown): Mr. Speaker, in the absence of the Minister of Indian Affairs and Northern Development I will direct my question to the Prime Minister. He knows that Indian tribal councils receive their funding from the federal Government. As a matter of fact the Minister is now after a doubling of those funds. Is the Prime Minister aware that one of these tribal councils presented a cheque for $9,000 to the Minister of Indian Affairs and Northern Development for his leadership campaign? Does he approve of taxpayer's dollars being spent to fund Ministers' leadership runs?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, no, I am not aware of that. I do not know the basis in fact of the question of the Hon. Member. I will look into it.

REQUEST FOR INVESTIGATION

Mr. John McDermid (Brampton-Georgetown): Mr. Speaker, will the Prime Minister conduct a complete investigation into this matter and, if he finds that it is true, will he remove the Minister of Indian Affairs and Northern Development from office immediately?

Some Hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the Hon. Member wants me to conduct a complete investigation, I would appreciate it if he could submit to me the allegations and the origin of them, and I will conduct that investigation. As to the question which followed, the Hon. Member realizes that it is hypothetical, very hypothetical.

* * *

THE ADMINISTRATION

GOVERNMENT POLICY—RESPONSIBILITY OF MINISTERS

Right Hon. Joe Clark (Yellowhead): Mr. Speaker, I wonder whether the Prime Minister could tell us if it is the position of

the Government that when a Minister of the Crown speaks on public issues in public, that Minister is speaking for the Government.

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, if he is stating government policy.

Some Hon. Members: Oh, oh!

Mr. Trudeau: Yes, if he is stating government policy. If he is discussing the time of day, he is not speaking for the Government.

IDENTIFICATION OF MINISTERS

Right Hon. Joe Clark (Yellowhead): Mr. Speaker, the question of course is: how do we know when a Minister of the Crown is stating government policy? I remember years ago a former Minister distinguished between bears that lived in national parks and those that did not, by painting red the posteriors of the bears that did not live in national parks. Is it the suggestion of the Prime Minister that we distinguish when Ministers are speaking for the Government by painting the posteriors of Ministers, perhaps red, when they are speaking for themselves?

Some Hon. Members: Hear, hear!

Mr. McDermid: It would be a pleasant change from the red faces over there.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I think the Hon. Member is making an ungracious allusion to the red Tories in his own Party.

Some Hon. Members: Hear, hear!

* * *

CANADIAN WHEAT BOARD

REQUEST FOR ANNOUNCEMENT OF INITIAL GRAIN PRICES

Mr. Len Gustafson (Assiniboia): Mr. Speaker, my question is directed to the Minister of Transport. The Minister responsible for the Canadian Wheat Board, Senator Hazen Argue in the other place, has failed to announce to farmers the initial price of grain for the coming year. Farmers cannot stand the financial strain of falling grain prices, nor can farmers tolerate the Government playing politics with the important announcement of the initial price of grain. Will the Minister immediately announce the initial price of grain for the coming crop year so that farmers can plan their seeding operations?

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, it is my understanding that Senator Argue in the other place has already made a statement concerning the initial payments for grain. He indicated that he will be making that announcement before seeding begins so that farmers will have that initial advantage. I cannot give the Hon. Member the specific date, but I believe the commitment of the Minister responsible for the Wheat Board will be fulfilled in a very short period of time.

REQUEST FOR IMMEDIATE ANNOUNCEMENT

Mr. Len Gustafson (Assiniboia): Mr. Speaker, the Hon. Senator in the other place has been making several announcements and several statements. What we are asking for is an announcement of the initial price of grain for farmers who are beginning their operations in the fields, and who need to know the direction for planting their crops in this coming year. Will he make an announcement immediately so that farmers can plan their planting operations?

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, I could only once again repeat my earlier answer. The other place is a useful, legitimate forum in which government policy is announced. The Minister responsible for the Wheat Board is a member of that particular Chamber. He will be making an announcement at the earliest possible date in order to allow farmers to undertake the advanced planning that is required. I will take notice of the Hon. Member's representations so that the Hon. Senator will be able to respond in a very short period of time.

* * *

● (1450)

INDIAN AFFAIRS

PLIGHT OF LUBICON BAND IN ALBERTA

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, my question is for the Prime Minister. Last Fall Doctor Anwar Barkat of the World Council of Churches' Program to Combat Racism wrote to the Prime Minister concerning the Lubicon Lake Indian band in northern Alberta. He wrote that the Alberta Government and multinational oil companies "have taken actions which could have genocidal consequences" for the band. After detailing these actions, he said that the Lubicon people "cannot be expected to survive as a people unless they receive immediate financial, political and legal help". Was the Prime Minister made aware of the contents of this letter? Did he answer it? What action did he take in response to this urgent plea for justice?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it escapes me at the time as to whether I have seen that letter, but I will take notice of the question and give the Hon. Member an answer.

REQUEST FOR ASSISTANCE TO MEET LEGAL COSTS

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, this question has been a front page story in the news for the last week, although the letter was written six months ago. It was an urgent plea for justice.

The report on Indian self-government said that one of the most distressing problems noted by the committee was the problem faced by bands like the Lubicon band and the Conne River band, which have no land base, and urged immediate action to give them a land base. Considering the threat to their traditional land base in Alberta, will the Prime Minister urge the Minister of Indian Affairs to give money to the Lubicon band for legal costs in their fight to preserve their traditional land against encroachment by the Government of Alberta and multinational oil companies? Will he urge the Minister of Indian Affairs to quit stalling and to take action to validate a comprehensive claim for these people who have never signed a treaty with the Canadian Government?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Hon. Member is asking to me urge the Minister to do such and so. I cannot discuss that particular case. I just told the Hon. Member I did not recall the letter to which he referred. The Minister's actions since he has been Minister of Indian Affairs have been very consistent and persistent in attempting to solve the land claims issue. He has been successful in some cases. Certainly on the whole area of self-government with a land base, the Minister has been very forward looking and progressive. His statements—

Mr. Manly: Read the letter.

Mr. Trudeau: Now the Hon. Member is going back to his first question. I thought he wanted an answer to his second one.

* * *

CROWN CORPORATIONS

NORTHERN TRANSPORTATION COMPANY LIMITED—DATE OF DECISION TO SELL

Mr. Jack Shields (Athabasca): Mr. Speaker, my question is for the Minister of Transport. Will the Minister inform the House when the decision was taken to sell Northern Transportation Company Limited? Was it advance knowledge of that decision that caused management of NTCL to charge to the Athabasca operation expenses incurred by other parts of NTCL to make it appear unprofitable? Will the Minister answer that?

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, I believe I answered a question in the House some ten days ago where we did announce that we were beginning measures to privatize the Crown corporation, Northern Transportation Company Limited. However, the first step we will take is to have a full, independent evaluation before we put out the offers for private purchase, so we will be securing the services of an outside investment firm to give us that kind of financial analysis. Any actions taken by management are relative to that process because they will be done by an independent group.

DISPOSAL OF ATHABASCA ASSETS

Mr. Jack Shields (Athabasca): Mr. Speaker, because the Athabasca assets are now surplus to NTCL operations, will the Minister make a commitment that the dead assets of the Athabasca area no longer being operated by NTCL will be disposed of through Crown Assets Disposal Corporation, to allow residents of the Athabasca area to purchase them or, more particularly, that the City of Fort McMurray be given an opportunity to purchase the 35 acres of prime property contained within its borders?

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, that is not really the kind of question I can answer during Question Period. I will take the Hon. Member's representation and examine it. I would point out that we took a position on the Fort McMurray alternative almost a year ago. There is a private development taking place in that area under agreements with other federal Departments. In terms of a specific request, I will refer to the proper authorities and get an answer for the Hon. Member.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF BELGIAN SECRETARY OF STATE FOR EXTERNAL TRADE

Mr. Speaker: May I call the attention of the House to the presence in our gallery of Mr. Andre Kempinaire, Secretary of State for External Trade, Belgium.

Some Hon. Members: Hear, hear!

* * *

INCOME TAX ACT

PROVISIONS AFFECTING ARTISTS

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, my question is directed to the Minister of Finance. The Tax Act that he has given to the Minister of National Revenue to administer enables him to treat *bona fide* Canadian artists as hobbyists and tax them accordingly. Meanwhile, Canadians can go across the line or to any other country and bring back good art duty free, which has the effect of enabling Canadians to boycott Canadian art and thereby have Canadian artists subsidize foreign artists. Does the Minister have any intention of changing the Income Tax Act so that Canadian artists will not be prejudiced by the Income Tax Act?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the Hon. Member knows that the whole issue of the taxation system as it applies to artists is now being examined by a Parliamentary Committee. I am confident that the Committee will do an excellent job and make the necessary recommendations.

Concerning the specific aspect mentioned by the Hon. Member, namely the establishment or the absence of tariffs on the importing of artwork or paintings from the United States to Canada, I am not too sure, but I believe that the reverse is also true. What I mean is that the United States does not have any tariffs applying to the exporting of artwork by Canadian artists to the United States.

However, I believe that the question asked by the Hon. Member goes beyond the general concept of the taxation system as applied to artists.

* * *

[*English*]

NATIONAL DEFENCE

MILITIA DEATHS INQUIRY—TRAINING OF DRIVER

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I have a question for the Minister of National Defence concerning the inquiry into the deaths of Privates Krosney and Laurendeau last August. The Minister will know that I received a copy of the transcript of the inquiry through Access to Information. Subsequent to that, the Minister provided me with a copy of the recommendations which had been left out of what had been released by Access to Information. I commend the Minister for providing me and, through me, the family, with those recommendations.

Having had a look at the recommendations, and I hope the Minister has had that opportunity, we are concerned that the recommendations do not deal with what we consider to be the fundamental concern raised by that accident, namely, the qualifications and experience of Private Krosney to drive the vehicle in the context in which he was driving it, that is, with a gun on top, a trailer, and so on. Has the Minister had an opportunity to look at those recommendations? If so, is he satisfied that they deal with that fundamental problem? I do not believe they do. If he has not had a chance to look at the recommendations, will he do so? Will he ensure that the Militia addresses that particular concern? In my view, the recommendations do not do that.

Hon. J.-J. Blais (Minister of National Defence): Mr. Speaker, I have had an opportunity of reviewing the recommendations. The hon. gentleman has had an ongoing interest in this matter. If there are matters that he would like to see addressed, or if there is additional information that he wants to solicit, I will be pleased to receive any requests for that information and see what effort can be made in order to provide the information requested.

* * *

NATIONAL REVENUE

SEIZURE OF TAXPAYER'S BANK ACCOUNT

Mrs. Jennifer Cossitt (Leeds-Grenville): Mr. Speaker, my question is for the Minister of National Revenue. On March 28 the Minister assured my colleague from Crowfoot, and all Canadian taxpayers, when responding to a question regarding the matter of third party demand notes, "that we do have a lot of respect for both the law and the taxpayer and that any action we might take is in keeping with the utmost fairness and justice for everyone." How can the Minister justify this statement when, last January, his departmental officials proceeded through a third party demand note to seize over $5,400 from a constituent's bank account seven days after a bank draft had been sent to pay the entire amount of taxes owing?

● (1500)

As of today, Mr. Speaker, Revenue Canada has yet to return fully the money that has in effect been stolen from my constituent's bank account. I would ask where are the justice and fairness in a despicable action of this kind?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, if the incident referred to by the Hon. Member really happened as she has indicated, I would like to apologize on behalf of the Department for what has occurred. However, I want to remind her that on the one hand, there are over 19,000 employees in the Department and that on the other hand tax returns are processed and updated by computers and that there can occasionally be a breakdown in communications between the Taxation Data Centre and the District Tax Office. If the facts are as reported by the Hon. Member, I must say on behalf of the Department that I am sorry about it. However, the Hon. Member will admit that mistakes can happen because of the human factor involved.

[*English*]

Mrs. Cossitt: Mr. Speaker, I can assure the Minister that the facts are as presented. I would say that it will certainly take a lot more than his six-page letter addressed to a new Deputy Minister to outline the corrective action that is necessary to put a human face on the tax Department.

Some Hon. Members: Hear, hear!

Mrs. Cossitt: Mr. Speaker, I would say that it would take the resignation of a Minister who is incapable of giving responsible directives to his officials.

REQUEST FOR AMENDING LEGISLATION

Mrs. Jennifer Cossitt (Leeds-Grenville): Mr. Speaker, my short supplementary question is also directed to the same Minister. Will he take steps to introduce immediately legislation based on the proposals contained in the PC task force on taxation which, if implemented, would take a giant step toward humanizing Revenue Canada, so that Canadian people will no longer have to fear "Big Brother"?

Some Hon. Members: Hear, hear!

Order Paper Questions

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I must point out to the Hon. Member that most Canadians do not stand in awe of the Department of Revenue because the vast majority of them pay all their taxes through payroll deductions, and do so every week, every two weeks, or every month. This is the case for most Canadians.

I also want to remind the Hon. Member that I have just received the report from the Task Force, and I have found the little I have seen of it quite encouraging since many of the instructions I put down in my letter last week to the Deputy Minister are recommended in the report. Therefore, the decisions I had already made and implemented in the Department as *ad hoc* policies are in agreement with the objectives set by the Progressive Conservative Party Task Force. I shall be very happy to have further discussions for the purpose of examining more fully the other recommendations contained in this report.

ROUTINE PROCEEDINGS

[*English*]

PETITION

MR. RIIS—TELEPHONES FOR HEARING IMPAIRED

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, it is my pleasure to present a petition on behalf of a number of individuals from the constituency of Kamloops-Shuswap who feel that the telephone is a central communications tool vital to work, safety, recreation and family life, who believe that hearing-impaired individuals should have access to the greatest possible communications and who know that a simple and inexpensive part called a fluxcoil can make telephones compatible with hearing aids. They request that the Government of Canada order that all new telephones be compatible with hearing aids as quickly as possible.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 356 and 586.

[*Text*]

TORONTO BROADCAST CENTRE

Question No. 356—**Mr. St. Germain:**

Did the (a) Government (b) CBC incur any expenses to announce the CBC's plans to construct a new Toronto Broadcast Centre, and, if so, what was the cost of (i) staging of the news conference (ii) preparation and distribution of press information kits (iii) consultants' fees and what was the total cost?

Hon. Francis Fox (Minister of Communications): In so far as the Department of Communications is concerned, the reply to the above question is as follows: (a) Yes. (i) Nil. (ii) $198.77. (iii) Nil. Total cost: $198.77. (b) Not applicable.

I am informed by the Canadian Broadcasting Corporation as follows: (a) Not applicable. (b) Yes. (i) $393.15. (ii) $3,433.15. (iii) Nil. Total cost: $3,826.30.

INTERNATIONAL BANKING PROJECT DECISIONS

Question No. 586—**Mr. McLean:**

Does the Government give criteria to Canadian-appointed officials of development oriented financial institutions such as the World Bank and the Inter-American Development Bank for their use in making development project decisions and, if so, what are they?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): The Government provides its views to its executive directors at multilateral development banks on general policy issues such as the mobilization of financial resources and broad guidelines for lending. With respect to criteria for specific projects, the Government seeks to ensure that decisions are based on sound economic development grounds, including the conformity of the project with the over-all development plan of the beneficiary country, a positive financial and economic rate of return, and the technical and organizational merits of the proposal. In certain development banks, such as the World Bank, the Canadian executive director represents a constituency comprising a number of countries, whose views are also taken into account.

* * *

[*Translation*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if Question No. 479 could be made an order for return, this return would be tabled immediately.

[*Text*]

CEIC—ADDITIONAL ALLOCATIONS

Question No. 479—**Mr. McGrath:**

1. By constituency, what amount was allocated from the additional $61,850,000 announced on December 9, 1983 by the Minister of Employment and Immigration for the Canada Works Program?

2. By constituency, what amount was allocated for the 1984 Summer Canada Program?

3. In 1983, by constituency, what amount was allocated under the Unemployment Insurance Job Creation Program?

4. In 1983, under the Youth Career Access Program, what was the (a) average amount paid per participant to employers by the Government (b) total number of participants (c) average number of employment weeks per participant?

Return tabled.

[*Translation*]

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

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

DIVORCE ACT

MEASURE TO AMEND

The House resumed from Wednesday, April 4, consideration of the motion of Mr. MacGuigan that Bill C-10, an Act to amend the Divorce Act, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Mr. Speaker: The Hon. Member for Surrey-White Rock-North Delta (Mr. Friesen).

Ms. McDonald: Mr. Speaker, I rise on a point of order. I am rising to make a comment and ask a question with regard to the speech of the previous Member. When we finished debate the last time, it came right to the hour and there was no time left for a ten-minute question and comment period.

Mr. Speaker: The Hon. Member for St. Catharines (Mr. Reid) was the previous speaker. The Hon. Member for Broadview-Greenwood (Ms. McDonald) is perfectly right, there was no provision at that time for a ten-minute question and comment period. The Hon. Member for Broadview-Greenwood has the floor.

Ms. McDonald: Mr. Speaker, I was very interested in the speech made by the Hon. Member for St. Catharines (Mr. Reid) and I appreciated his attention to the practical measures of providing means for collecting maintenance orders. However, I would like to ask him a question regarding a couple of other points. He said rather clearly and forcefully that he did not want to see no-fault principles applied to maintenance but that he wished the fault principle applied. Let me quote the Hon. Member's speech from page 2737 of *Hansard* of April 4, 1984:

> It seems to me an abuse of the privileges of the court when we attempt now to tell it that there is no alternative for the court, no discretion for the court to dispose of these very material matters of maintenance orders with a consideration of right and wrong . . . to make them divide the assets between them and not take into consideration whose fault it was that the marriage is to be dissolved.

I would like to ask the Hon. Member to comment on how this can be done in any fair way. The publication of the Department of Justice called *Divorce Law in Canada, Proposals for Change* points out precisely this problem. It points out that where the faulty person is the dependent spouse, it is easy to make that person pay for the fault by reducing the maintenance order. However, if the faulty person is the breadwinner spouse, it does not mean that more money will go into the maintenance payments. In effect, with the rare exception of breadwinner spouses who happen to have a lot of money and can pay more maintenance, the only way to make this principle work for most people is by deducting maintenance in cases where the dependent spouse has been the so-called guilty partner. In other words, there is a double standard here and a principle which only applies to cause suffering to the dependent spouse. I wonder if the Hon. Member would comment on the fairness of that proposal.

Mr. Reid (St. Catharines): Mr. Speaker, I do not have any objection to answering the question. However, I thought the question was put earlier today and the Bill carried, or at least that the question was reserved for deferred vote. If it is the feeling of the Chair that I should respond, I will.

The position of this Party is clearly one of supporting no fault with respect to the dissolution of marriage. I do not believe in the philosophy of NDP members who try to put everything in a codified form or have everything divided equally without consideration of the many other aspects of a marital situation. I was suggesting that there was and should be a discretion in the hands of the judge who is trying the matter. Obviously, when we come to the matter of disposition of the assets of the estate, differences do apply to contributions or to whatever else.

• (1510)

For the people on my left, it might be said that everything should be divided equally. We got into that question a little bit with the task force on pensions and with some other legislation when considering the position of the legal wife compared to that of the common-law wife. I can see no justification for legislation providing that a common-law wife who has lived with someone for three years should be the recipient of all the benefits of the estate as well as the pension benefits, while the legal wife who stood by and raised a family is left with nought. That is just one simple example.

There is another example. If a woman should happen to have equal assets and to have made an equal contribution to the marriage, if she is the person who contributes her efforts to maintaining the social benefit of that marriage, then why should she be prejudiced in the division of the assets of the family? Why should she be limited to an equal division of the assets? If fault has any bearing on the case at all, it should be based on the financial aspect so that the innocent party is not hurt. I distinguish that completely from there being no fault in the dissolution of marriage.

The Acting Speaker (Mr. Herbert): If there are no further questions or comments I will recognize the Hon. Member for Surrey-White Rock-North Delta (Mr. Friesen) for debate.

Divorce Act

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, this morning we debated the third and final reading of the Canada Health Act which focused attention on the health of the nation. The Bill before us, the Divorce Act, also deals with the health of the nation although in a different sense. With this Bill we are dealing with anxiety, with hurt, with people in conflict. It may be the spouses who are in conflict or there may be a conflict between parents and children. In any case, we are dealing with people who are hurting. In the course of debate we should not lose sight of the fact that the Bill involves concepts that affect clients who are hurting.

As society moves into a much more congested era and we become compressed into urban areas, as people are squeezed closer and closer together, social tension is going to increase. As society is imbued with and adopts an egocentric philosophy where most attention focuses on the rights of the individual, we are going to move into more and more conflict because all of our individual rights are going to come into collision. When we bring together those two ingredients, the squeezing of society so that people are in closer juxtaposition, together with the egocentric philosophy of people, more and more pressure will be put on the family.

There is a hunger within all of us that cries for permanence, Mr. Speaker. In spite of the cry for individual rights and, many times, the justice of that cry, and as much as we want to focus on the rights of the individual, we must realize that the rights of the community also come into play. The health of the whole organism comes into play. One of the overriding hungers that we have is the hunger for permanence, for security.

As we debate the Bill we must keep in mind that the forces that are coming into play in society are setting us on a collision course which puts the family unit in jeopardy. On the other hand we must keep our ears open to the still sad music of humanity, and on the other hand we must listen to the victims of divorce.

We must also acknowledge that there is no such thing as creative divorce. There is a book on the newsstands which would have us believe that you can have creative conflict. In a divorce proceeding everyone loses, everyone hurts. There is no such thing as creative divorce. I am not denying that there are circumstances where divorce is necessary; I am not saying that divorce should never happen; I am simply saying that as we debate this measure we must take a long, hard, compassionate look at the consequences of the legislation and how it will impact on society.

This is a difficult Bill to debate for several reasons. There is a tendency on the part of all of us in the Chamber to closet ourselves into fixed positions and thereby isolate and automatically reject the views of others because we have already assigned them to vested positions. When we get a stated position from the Council of Catholic Bishops, for instance, it is all too easy to say that it will be opposed to divorce and to reject categorically and without examination what that position is. Because it stands at some distance, however, it may have an attitude of objectivity to the social aspect of this question that some of us may not have. Is it not true that sometimes we increase our objectivity the further we stand back, that the closer we get to the problem and involved in the tensions of it, we lose our objectivity and our focus? We must be careful lest we reject categorically the views of those people whom we think have an iron-cald, vested position which we believe ought to be rejected because those people are already in a box.

It is also easy to reject the position of people who have a happy marriage. Several weeks ago I received a letter on this subject from a constituent. He wrote: "I cannot offer you any advice on this divorce Bill because I have been married to the same sweet person for 52 years". With all respect, Mr. Speaker, I would turn that around and say that perhaps this person, who has found the secret of happiness in marriage, has more to say to us than the person who is in tension and conflict. There is possibly some objectivity in his position. We need to be careful in this Chamber lest we disenfranchise those people we have already assigned to a fixed position.

It is difficult to speak to this Bill because we have to weigh the total effect of it on society, keeping in mind the individual cases that all of us know about and have been involved in. While we look at cases where families are being torn apart, realizing that there may be just and reasonable cause for the participants to enter into divorce proceedings, while we are debating a Bill that would loosen the restrictions on divorce proceedings, we must keep in mind the effect on society as a whole. As I said earlier, we must look at the total organism and not only at some members of society. All of us know of people who are in pain over divorce and all of us will acknowledge that there are people who are suffering as a result of faulty marriages.

Without any attitude of pomposity on our part, without adopting the attitude that we are absolutely right and that we have a reserved position, we need to keep in mind that while we want to help individuals we must also preserve the health and unity of the whole. We have a choice between the appearance of immediate relief to individuals as against the total health of the emotional and the humanitarian aspect of the whole.

• (1520)

This is a difficult Bill to debate, Sir, because of the unrelenting and unforgiving aspect of universal laws. They are very precise and very demanding. They make no exceptions because of personality or social strata. As the name infers, universal laws apply to all. Just because after you fall off a building you change your mind because you made a mistake, that does not mean the law of gravity is going to change its mind and forgive you. The law of gravity is going to have a total impact whether we made a mistake or not. The law of combustion is a very unforgiving law. If you play with matches around paper, you will cause a fire. The law of combustion is not going to say: "Oh, I think you made a mistake; maybe we can impose a no-fault provision on playing with fire". The law of combus-

tion is very unforgiving and, in that sense, very narrow minded.

I suggest, Sir, that social laws, the laws of human relations, are just as relentless. The only choice we have is to harness them. The law of gravity is a great law if we harness it and use it properly. The law of combustion is a great law if we understand it and harness it. Society's laws, the laws of human relations, are tremendous laws if we understand and accept them and learn to harness them. They are also unbending and if we obey them, we will flourish. If we harness these laws, we will prosper. If we violate them, we do so at our peril and the peril of society.

There is a tendency on our part, Sir, in order to be compassionate to the individual, to overlook the universal laws or reject them on behalf of an individual. Therefore, we must pay the consequences of this legislation, indeed any legislation. Where will it take us? What will happen if we invoke these laws? As we look at the consequences, I would point out that there is a total contradiction between the principle in this law and the law we passed 18 months ago in this House, the Young Offenders Act. Provisions of that Act have just been applied in one of our provinces, and I want to quote from Section 3 under the heading "Declaration of Principle":

> It is hereby recognized and declared that (a) while young persons should not in all instances be held accountable in the same manner or suffer the same consequences for their behaviour as adults, young persons who commit offences should nonetheless bear responsibility for their contraventions;—

There we have a principle enunciated in legislation. We are saying to young people that young people have to be responsible, although perhaps in not quite the same way as adults, and adults have to be responsible for their behaviour and decisions. But in this Bill we say just the opposite. We say you can have circumstances where there is no fault. You do not have to assume fault. I suggest to you, Sir, and to all of my colleagues here, that if we start enunciating one principle to the young people on accountability and another principle to adults where the adults share less accountability than young people, we are invoking a duality that we are going to come to regret. If the trumpet give an uncertain sound, what is going to happen to future generations? Are we not teaching young people through this legislation that there is a law for adults and another one for young people? We are going to rue that day.

We are now 15 minutes into my speech and I am only half way through, Mr. Speaker. That is one of the faults of a 20-minute debate when it comes to a subject like this.

We are training people to look to alternatives rather than to commitment, resolution and reconciliation. We are already teaching people to look at alternatives so that when they enter the threshold of a major decision like marriage, they are already able to say: "Hey, I can cop out of this in a year". That, Sir, leads us to tension which our society cannot handle.

In 1969, after the provisions of the previous Divorce Act came into focus, 19.3 per cent of dissolving marriage lasted 25 years or more. In 1979, ten years later, it was 11.3 per cent. You see, Mr. Speaker, once we opened the door we did not make divorce simply easier, we made marriage considerations include the consideration of opting out later on. We made it easy. Aside from that, our income tax laws make it cheaper to cohabit rather than get married. There is a prejudice in our income tax laws against marriage.

I suggest that the people who will suffer most if we destroy the commitment to permanence will be the children in those families involved in a divorce. For children the best hope of continuing relationships and for a sense of security is the home. It is not school, church, the local McDonald's, the baseball league or the hockey league. The best hope for security for young people is still the home, imperfect as it is. There is no study which shows or proves that it "is better for the kids if we separate". The fact is that if they are given a choice, they would rather the parents stay together in most cases, even in conflict, than have them separate.

We also have to look at the effect on the oath which this Bill has, whether it is before judge or before God in church. What does it do to the law of the land, our system of jurisprudence, if before a judge we swear permanent loyalty and commitment and one year later we can back out? What does it do to an oath before God? What does it do to the concept of His character? If we say before God that we are going to be true to each other, and then, in a year's time, we say forget it, what does that do to our concept of God and the integrity of His character?

Finally, Sir, the no-fault provisions of this Bill will lead us to an era, and I say this carefully and cautiously, of a kind of incipient mental illness. It leads to a world of illusion when we say there is no fault. Both parties know there was a fault and you cannot have mental health if you deny there is a problem. The first rule of mental health is if we accept reality. If we try to escape from reality by saying there is no fault, we pertuate an illusion. That will lead us to a kind of national illness in the home. It also involves a denial of justice. What do we do for the person who knows there is fault and is denied a court of appeal? One of the marriage partners was injured but is denied the right to be heard by the courts. I thought all of our jurisprudence rested on the right of the accused or of both parties to be heard by a forum. If we are going to invoke the principle of no fault, presumably in order to take away the tension, we will increase, postpone and put forward the tension that is already there and magnify it for future years. That is not a route to health, Sir.

• (1530)

As I said at the outset, we are dealing with a Bill that is focusing on national health. The national health of our families is at stake here. We need to preserve it. As we look at the provisions of this legislation we must consider its impact on our children and on future generations in order to maintain the health of families and of the nation.

The Acting Speaker (Mr. Herbert): There follows a 10-minute period for questions or comments.

Ms. McDonald: Mr. Speaker, I have a brief comment and then a question for the previous speaker. I was very puzzled by his discussion of the no fault principle. I do not know of anyone who is claiming that there is no fault in the ordinary, common sense use of the term. The idea of the legislation is that it will be a better marriage-divorce regime not to have fault proved in the courts. My Party and I certainly support this part of the legislation. It is difficult for the children to be dragged into court to give evidence against one parent or the other. It is more difficult for arrangements with regard to maintenance, visiting and custody if this hostility between the partners, which undoubtedly exists, is exacerbated by the proving of fault. Therefore, it is not a denial of fault, but, rather, it is saying that we build whole communities by being forgiving, by overlooking the past, and by trying to be reasonable and practical in developing relationships for the future.

Is the Hon. Member saying that there should be no divorce under any circumstances? It seemed that he was implying that divorce ought not to be allowed under any circumstances. He said that under no circumstances would children prefer the marriage to be broken up. Does he hold this belief when there is physical or emotional abuse in the home? Statistics indicate that one in ten Canadian wives is beaten by her spouse in any year. Is a woman who is beaten by her husband supposed to stay in that relationship? What about the children? We do know that women and children are beaten and indeed murdered in situations of this sort. Is he saying that this vow of permanence should hold even when there is a risk to life and limb?

Mr. McDermid: Never come in in the middle of a speech.

Mr. Friesen: Mr. Speaker, I do not know where the Hon. Member for Broadview-Greenwood (Ms. McDonald) was when I was speaking. She can check *Hansard* tomorrow. I made a deliberate statement that there are circumstances under which divorce is going to happen. I understand that. I am not going to rule out the fact that divorce will, and in some cases must, take place. I can understand this in cases where there is incest or aggravated wife beating. Ther are all kinds of—

Ms. McDonald: How aggravated?

Mr. Friesen: Well, you define aggravated, or we will let the courts define it.

Ms. McDonald: How much does someone have to accept?

Mr. Friesen: I am not going to get into a definition of terms in the debate. I am pointing out to the Member that I understand fully the need for divorce. I can envisage circumstances where I would not only understand this, but I would counsel it. I would ask the Member not to distort what I said when I was speaking to principle.

I would like to make a second point. In most legislation the lawyers who draft the legislation make the Bill as precise as possible. This is why legislation becomes complicated. In making it as precise as possible they tend to make it as complicated as possible. Rather than precision in this Bill, we have generality in no fault divorce. That creates a problem in the divorce proceedings. As soon as you have those generalities you are going to get into problems because the courts must have precise definitions.

I urge the Hon. Member to take a look at the division between divorce and settlement. I think the Hon. Member understands that the anxiety does not come during the divorce proceedings. It comes while trying to decide where the children will go and how the assets will be disposed of.

The Hon. Member has been in social work. She understands some of the dynamics that enter into social relations. She has taken courses in psychology, I am sure many more than I have. I think she ought to understand that you cannot have health if you do not have reality. I think she will accept that. And you cannot have reality if you pretend there is no fault. It is a chain reaction. We will not have a healthy society if we encourage illusion. It is as simple as that.

Mr. Thacker: Mr. Speaker, I would be interested in hearing my friend's comments on his concept of justice. I practised divorce litigation for some 11 years. The vast bulk of cases which I saw were of women who had married a man young and had often financed the advancement of his education. She then stayed with that man and raised three, four, or five children only to find, at age 45 or 50, that the man hooked up with a younger woman and abandoned his wife. He would then come in and expect a divorce on the basis of no fault. He would wonder why this woman was upset with him, because he was prepared to provide well for her. I would be interested to hear the Member's thinking in terms of justice and what is fair for a society in the long run.

Mr. Friesen: Mr. Speaker, I think the Hon. Member for Lethbridge-Foothills (Mr. Thacker) has focused on one of the great problems that we face in this legislation. First of all, we must realize that what is an applied sense of justice in one case is not necessarily the same in another. It is one thing to talk about a just settlement for someone who has been married two or three years, where there are no children and no property involved, and another, as the Member points out, for someone who has spent half of his or her life with a partner and has shared and accumulated property and so forth. It is quite a different thing. That is why I am concerned about this legislation. It seems to me that we jeopardize the justice, usually on behalf of the wife, by shortening the time of possibility of litigation. That is my fear. I think that is the fear of some of the women's organizations. If you hurry the divorce proceedings you are going to get into a situation where there is no time to have an equitable and just settlement of the accumulated assets. I understand that. That is why I believe we need to be careful to preserve a domain where both parties can be heard in the fullest without any pressure of time constraints.

• (1540)

I am not a lawyer and I do not understand all of the legal proceedings. My friend is a lawyer and he may understand

aspects of this that I do not. However, that is my understanding of it at this point.

The Acting Speaker (Mr. Herbert): This is the end of the period for questions and comments. Debate.

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, Bill C-10, has had a rather "on again, off again" history in the House. I am pleased that we are debating it again, although it is a bit of a surprise to us today. Fortunately, certain references were attached to the Bill, such as the document "Divorce Law in Canada: Proposals for Change", which have been quite useful. I found working paper No. 13 even more useful. It is from the Law Reform Commission which also had something to say on this subject.

The Bill does not live up to the promises of the Minister of Justice (Mr. MacGuigan). It neglects many of the key proposals that were spelled out in "Divorce Law in Canada" and Working Paper No. 13. Bill C-10, which was accompanied by this document, reviews very selectively some of the need for reform in divorce legislation.

It seems that the Government never understands some of the ancillary effects of legislation that it passes. A good example of this was when it cut off the capital cost allowance of apartment buildings. When it did this, the Government was surprised when people stopped building apartment buildings, because it did not think that capital cost allowance was connected to construction.

This Bill has some side effects which must be addressed before it is passed by the House. I listened with great interest to my colleague who just spoke when he gave statistics of the broken marriages and divorces that are occurring and stated that only 11 per cent of current marriages are what we call long-lasting marriages. I do not know whether it is the divorce laws that are causing an increase in divorce or if it is the attitude toward marriage. I suspect it is the latter because young people get married without any real sense of commitment toward the vows they are taking. When they get bored a year or so later, they opt for an easy divorce.

Some time ago I attended the wedding of a friend's son. While I thought I gave a pretty poor response to the toast to my bride, his was even worse. While mine was short and bumbling, he said, "So we are getting married, no big deal". Somehow, those words have stuck in my mind over the years. Of course, it was no big deal because they are now divorced after some three years of marriage.

I do not know if this attitude can be changed, but people who enter marriage with the idea that it is no big deal will face an early boredom with marriage and will want to walk out of it. They will miss a great deal in life by doing so.

I believe some people divorce for financial reasons. I have not had that experience but I have heard from knowledgeable people that no one can afford to get divorced. It is always expensive for both the man and the woman.

To show that the Government does not understand the effects of its legislation on the public, one needs to look only at the increase to GIS. I see that the Minister of National Health and Welfare (Miss Bégin) is here. Increasing the GIS for single people only means that for a person living in my constituency who is getting older and is thinking of getting married again, there is an inducement not to get married again because it will not be possible to get the increase in the GIS since he or she will no longer be single. However, it is possible to cohabit and receive $100 extra per couple by next Christmas. Consequently, people in lower income brackets who are considering marriage decide not to marry because they cannot afford the $100 a month it will cost them.

However, to show how the Government is even-handed, it now grants a continuation of pension benefits upon remarriage. If a widow is drawing a pension benefit, she can now get remarried and continue drawing the pension. This shows that, on the one hand, marriage is discouraged while, on the other hand, it is encouraged. I suggest this uncertain attitude toward marriage has had the result which has been mentioned by my colleague so eloquently this afternoon. The reason that people are not staying married can often be found outside of the fault—no fault arrangement. It is essentially a lack of faith when marriage is entered into.

When the Minister of Justice introduced the Bill and wrote about it, he said, "I encourage groups and individuals to let me know their views on the proposals for changes to the Divorce Act". We on this side are expressing rather wide-ranging views because we do not believe that this is a subject to which a Party should adhere rigidly in terms of being in favour of the entire Bill or certain parts of it, particularly at this early stage of its reading. We are stating our views in the confidence that the Minister is sincere and prepared to revise this rather unsatisfactory piece of legislation.

One of the great controversies is that Bill C-10 introduces grounds of no fault and that marriage breakdown can be the only reason for divorce, with one year of separation being considered a sufficient condition to prove that there has been a marriage breakdown. It is no longer possible to sue for immediate relief or divorce on the grounds of marital misconduct.

My colleague said that this delay was not long enough. There are others, particularly among women's action groups, who believe that one year is too long. I would suspect that it is far too long for a wife who is being physically mistreated and whose husband is guilty of very aggravated misconduct. I suggest that making her wait a year with very little means at her disposal is adding insult to injury.

No fault eliminates the idea of one partner being more responsible for marriage breakdown than the other. The idea of no fault marriage breakdowns and no fault divorces is a purely semantic exercise. I find it difficult to understand how there can be no fault when a wife has been beaten up by her husband who has run off with another woman or when a wife has abandoned her husband for some other man and left two children. The husband has every right to believe that it was not his fault. He may be difficult to live with, but there is clear evidence of fault.

Of course, the Government uses semantics well. We heard a good example recently when one of that Party's leadership aspirants made a crystal clear statement of his opinion about the language question in Manitoba. The following week, he clarified it in a way that was totally incomprehensible to anyone. We have a new meaning of the word "clarify" which is to muddify whatever you are talking about. I see that the Minister of Justice (Mr. MacGuigan) agrees entirely with me about that particular case.

We believe that the fault grounds should be retained in order to protect the interests of the innocent spouses in cases of marital misconduct. The National Action Committee on the Status of Women expressed its concern about the elimination of fault grounds as they relate to maintenance. Previously, in the case of a spouse divorcing a husband who is at fault, the injured party was able to bargain by granting him an early divorce in return for a suitable settlement. That way they would dream up false grounds or something like that to get a quicker divorce. This will not be possible now. It will have, according to the National Action Committee on the Status of Women, a bad effect on the wife's bargaining position, as far as having a quick divorce is concerned, which the husband might well want.

● (1550)

Judges are explicitly instructed to consider conduct when they establish awards under the present law. In Bill C-10 they are prohibited from including this consideration. It is rather difficult, as I mentioned in the two cases, the one where the woman was at fault and the other where the husband was at fault, to believe that there should always be an even division of property and income. I can understand the Minister's difficulty in writing a piece of legislation that would be fair both to young women and to much older women. Say a woman is in her mid-fifties and her husband runs off with his secretary, or a friend in some other trade or profession, abandoning his wife. It is pretty hard for a woman at that age to find another occupation to sustain her in any degree comparable to the life to which she was accustomed. They tell the famous story here in Ottawa of a senior official in government whose wife was reduced to working as a scullery maid because she had been a homemaker. That is what she was qualified for at age 55. She knew nothing about Micoms, computers, and things like that, which would be difficult for her to learn.

I think the Government was moving in the right direction with Bill C-38, which I was pleased to help along in this House as best I could. I thought Bill C-38 was one of the best pieces of legislation produced by the Government. As most people know, it has to do with the garnishment of salaries of civil servants, armed forces, Members of Parliament, judges and Governors General. In fact, it covered the salaries of quite a variety of people. But the final part of that particular Bill enabled a diversion of pensions to fulfil a court order for maintenance. This was done fairly simply and easily. I think it was done by the intention of the Government to set an example for the rest of the country that its employees were not going to be able to dodge maintenance orders any longer. If a person has a proper maintenance order from the proper judicial authority, the recipient of family maintenance would simply have to register with the appropriate Minister of the Crown. There would be a pension diversion which would see that the one who was not the wage earner should receive a fair proportion of the combined income. I am happy that after a long legal difficulty pension diversion is now the law of the land.

Perhaps the Minister of Justice could tell us if he could get the word across to judges that they should stop allotting maintenance orders in dollar terms. If inflation continues, and there is not much indication it will slow down, especially with this spendthrift Government, it will become quite unfair for a person with an $800 pension to have $200 allotted as maintenance to the spouse who has been faulted in the marriage. Then, after a few years of indexation, the wage earner is getting, say, $1,200 a month and the abandoned wife, we will say, is still getting the same $200. These awards have to be granted on a percentage basis so that when an allocation is made at 50 per cent, 60 per cent, 40 per cent, or whatever, the percentage holds, and, as inflation goes on, the pension cheque goes up accordingly. I think that is only fair.

There was a recommendation on page 25 of the discussion paper which stated that recommendations not included in the Bill are:

> —being considered by both federal and provincial governments, including the possibility of creating a central registry in which all maintenance and custody orders would be filed and the possibility of allowing access to information contained in Government files relevant to location of a debtor.

There is a variety of statistics to tell us how many of these maintenance orders are being ignored. The figures I usually hear run from around 65 per cent to 85 per cent. Indeed, many settlements are made in divorces with, let us say, the husband—it could be the other way around—agreeing that he will pay a certain amount. He bargains to keep that amount low on threat of leaving the province, in which case the spouse will never collect a cent. Therefore, the wronged one will say, "I will take it if you will pay it", if the husband stays in the province and the wife has some hope of collecting. However, if the husband decides he will live in another province, the possibility of collecting becomes exceedingly remote.

I spoke to the Attorney General of British Columbia about this matter who said that he would certainly extend his co-operation to having this kind of legislation enacted with a central registry established in which these maintenance orders would be filed and the money collected. That would be done federally. However, you would need the co-operation of all the provinces. I hope the Minister of Justice will do his best to get that co-operation, which I believe is there. I do not think any country can be happy with the fact that in the judicial system, of which we are quite proud, 84 per cent, even if it is 65 per cent of the people who are ordered by a judge to make payments, laugh at the court order and go off to another province and leave their former partner behind.

I do not propose to go on any further in debating this Bill. I hope there will be an opportunity to amend it in committee. As one final note, let me point out that working paper No. 13 of

the Law Reform Commission, whose reports I believe received acclaim and support in all corners of the House, had this to say at page 34 regarding matrimonial offences:

—serious hardship would be suffered if matrimonial offences were abolished as grounds for divorce and no petition could be entertained unless the spouses had been separated for a lengthy period of time.

This recommendation is one totally ignored by the Minister of Justice. I feel that the Law Reform Commission had a good case to make, as did the National Women's Association, about the incompetence of the drafters of this Bill, who, I suppose, were not adverse, in an attempt to make fine points, to muddifying the entire proceedings of it.

The Acting Speaker (Mr. Herbert): There follows a ten minute period for questions or comments. The Hon. Member for Broadview-Greenwood (Ms. McDonald).

Ms. McDonald: Mr. Speaker, I would just like to clarify one misunderstanding and then ask a couple of questions. The Hon. Member for Victoria (Mr. McKinnon) mentioned the position of the National Action Committee on the Status of Women and its criticism of the Bill, particularly with regard to maintenance. That has been the main criticism. He mentioned the elimination of fault as harming a woman's bargaining power. However, the National Action Committee did not recommend that fault be introduced; indeed, it supports marriage breakdown as the sole cause for divorce. What the National Action Committee did advocate is that there be very effective collection machinery for maintenance orders and that there be very clear criteria setting out the equal financial responsibity and other responsibilities for child care and support.

The Hon. Member showed a great deal of sympathy for the situation of women who do not get their maintenance orders paid. Would he be very specific and advocate equal splitting of pensions on marriage and divorce? Specifically, would he advocate the use of federal data banks for the location of defaulters on maintenance, going into a central registry which we know he supports? Does he support the interception of federal moneys for the collection of maintenance orders?

• (1600)

Mr. McKinnon: Mr. Speaker, I am glad the Hon. Member for Broadview-Greenwood (Ms. McDonald) stopped where she did, because I lost track of the first two or three questions. In brief, I have the same feeling as the National Action Committee on the Status of Women. According to my records, it is concerned about the elimination of fault grounds. I would not say that the committee wanted it to be changed from the legalistic viewpoint. As far as maintenance orders being satisfied by pension deductions are concerned, I certainly indicated by my attitude during the debate on Bill C-38 that I was very strongly in favour of that. In fact, I do not know how often I raised it in the House. I expect that it was half a dozen times. The Minister of Justice could certify as to the delay there was on the diversion of pensions to satisfy court orders.

I do not think we should say to judges that they must divide it 50-50. Indeed a judge might want to divide it 75-25, with 75 going to the female spouse. It is up to the judges to decide what proportion it should be. I am in agreement with satisfying court orders. It is judges not parliamentarians who listen to individual cases. I suppose there is an infinite number of different cases, different blames and different incomes.

It is reasonable to add up the income a person has or is likely to have, add the two totals together and divide it in half. Unless someone can think of a better scheme, that would be very rough justice, I assume. It is the role of judges in matters such as that to try to come up with an equitable solution.

I have no hang-ups about having it collected from their pay, but getting into data banks to trace them would mean that we would get into a sensitive area where people do not want to have their incomes registered, their tax returns made public or anyone else having access to the information. If we could do it and still manage to stay within the Privacy Act, I would not mind particularly. I do not have strong feelings on that particular question.

The Acting Speaker (Mr. Herbert): For questions, the Hon. Member for Lethbridge-Foothills (Mr. Thacker).

Mr. Thacker: Mr. Speaker, I would be interested in having my colleague's comments on the broad question of justice in the situation where the wife has oftentimes educated her husband, stayed home, raised four or five children and then finds herself at the age of 50 years with her husband having left for another woman, invariably a younger woman. The current Bill on no fault lets that man, after one year, get out of the marriage with no adequate provisions with respect to maintenance. Indeed, the current formation of the Bill would indicate that the judge has to insist that the woman become self-sufficient within three years. That somehow seems unjust to me. Why cannot there be a provision in the Bill where fault can be raised in legitimate cases as opposed to the total no fault position? Would the Hon. Member give me his sense of what is just as between men and women in that circumstance?

Mr. McKinnon: Mr. Speaker, I am sure we all have experience from constituents who have written to us with problems. For example, there is the woman who has educated her husband and then he wants to run off with a younger woman. Of course he has missed something in his education and does not appreciate older women the way he should, but I suppose it is a fact of life that often happens. In cases like that, particularly if the woman is at an age at which it would be difficult for her to learn any technological trade or skill, she should not have placed on her a three-year limit to be re-educated to do something she never expected to do in her life. The man who takes off for the attraction of some other woman and leaves behind his responsibilities is not acting in a fair manner at all. I believe that in such circumstances the woman has a good case to make for the fact that she will probably be at a low-income level without maintenance for the rest of her days.

As I said earlier in my remarks, no one is better off as a result of a divorce. It simply costs far more for a threesome to be involved than it does for a twosome, particularly if a home has been established with all the ancillary things which go along with it. It is a tragedy that the old standards seem to have been ignored or forgotten. Often those who think they are getting away with something by living a new life or a new lifestyle find out that they have missed something pretty precious.

The Acting Speaker (Mr. Herbert): For questions, the Hon. Member for Surrey-White Rock-North Delta (Mr. Friesen).

Mr. Friesen: Mr. Speaker, one of the difficulties I have had in coping with legislation in this place has been the whole area of the language of legislation. It tends to get more complicated as the years go by and therefore more undiscernible and undecipherable to most people. I can accept that every Bill with which we deal always comes before us at the outset with a list of definitions of terms. The purpose of that is to make the legislation as precise as possible so that those affected by the legislation, the practitioners and the lawyers who deal with it, can be as precise as possible in narrowing it down to the finest point so that nothing is left to the imagination. It is the opposite of generalization. It is precision. Yet, in this bill we have the term "marriage breakdown", which is about as encompassing a term as can be. Lawyers who practise the art of precision in most cases want the language to be as precise as possible so that there is no opportunity for elaboration, misconstruction or misapplication. In this Bill the term is as general as possible, with an umbrella definition as to why it is possible. What does the Hon. Member think about this digression from the principle of precision in this legislation to one of generalization?

Mr. MacGuigan: Marriage breakdown is defined by one year's separation.

Mr. McKinnon: The Minister of Justice just said, "Marriage breakdown is defined by one year's separation." He is just showing the idiocy of that attitude. He would have been much wiser to say nothing, and we would not have known that he held that opinion of marriage breakdown in the English language.

Mr. MacGuigan: It is in the Act.

Mr. McKinnon: Marriage breakdown can happen for a dozen different reasons, or maybe a thousand different reasons, one being that the personalities clash day in and day out, another being a misdemeanour of one or the other parties. A group of lawyers say that marriage breakdown means living separately for one year; of course during World War II we would have lost 700,000 marriages. They would have gone down the tube with this legislation because couples were separated.

Mr. MacGuigan: That is not separate and apart—

Mr. McKinnon: That is separated for one year and that is how a marriage breakdown is defined.

The Acting Speaker (Mr. Herbert): Order, please. I am sorry to advise the Hon. Member that the ten minutes for questions and answers has expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Herbert): It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Mission-Port Moody (Mr. St. Germain)—Labour Conditions (a) Youth unemployment levels. (b) Criteria applicable to youth employment fund; the Hon. Member for Peace River (Mr. Cooper)—Employment—Program expenditures made by Canada Post Corporation; the Hon. Member for Dauphin-Swan River (Mr. Lewycky)—Income Tax (a) Expense deductions for volunteer firemen. (b) Increase sought.

• (1610)

GOVERNMENT ORDERS

[*English*]

DIVORCE ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. MacGuigan that Bill C-10, an Act to amend the Divorce Act, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I appreciate this opportunity to speak on Bill C-10, an Act to amend the Divorce Act. This Act is important both to thousands of individuals and to society as a whole. Perhaps it would be helpful if I clarified the perspective from which I speak. It might illustrate the evolution of the views in our society.

As a small child, I remember hearing whispered comments about a certain woman being divorced, implying that divorce was not something people talked about, at least not out loud. There was a whiff of scandal about it.

During the 1950s, I remember divorce becoming a subject for farce. About the only way people could obtain a divorce was to prove adultery. On one hand, there was the situation where aggrieved spouses hired private detectives to follow their partners, break in on them with flashbulbs and witnesses in an

attempt to get evidence that the partners were having an illicit relationship. On the other hand, there were couples who very much wanted a divorce. Therefore, they had to obtain the necessary grounds. They would hire professional correspondents to go to a hotel room with one or the other. They would get partially undressed and wait patiently for the private detective, hired in advance, to burst in and take a picture. That picture provided the necessary evidence of adultery so that a divorce could be obtained.

In the late 1950s and early 1960s, two Members of our Party, Frank Howard and Arnold Peters, forced changes in the Quebec divorce law by insisting on debating every single divorce that came before this House. Quebec divorces at that time could be gained only through an Act of Parliament.

As a United Church clergyman, I have officiated at hundreds of weddings. I must admit that I do not always feel very good when I look back on my performance and participation. I see young people and some not so young rushing into marriage with little or no understanding of what was involved. Counselling did not always seem to help very much. I explained to them that the wedding service takes place on at least four levels.

First, the wedding service is a legal procedure involving a marriage licence issued by the province, official witnesses and a clergyman who is licensed by the province. There is a formal registration and a full body of law attached to marriage so that after the wedding service people have a different legal status than before. On the second level, it is a social affair. People usually have some kind of reception. They invite their family, friends and sometimes the community, in recognition of the fact that society as a whole is involved in the wedding. Third, because they come to a clergyman, the wedding service is also a worship service. The couple acknowledge the presence of God as they make their vows, asking God's blessing upon their marriage. Finally, and most important, the wedding service is a very personal affair where two people make vows and a commitment to each other.

When this personal dimension changes, we have divorce. When we try to undo the legal entanglement from the first level, we have all the problems. The American writer Peter DeVries talked about some churches which he said were so modern that they made divorce almost a sacrament. The United Church is not like that, but we do recognize situations where the marriage relationship has broken down to such an extent that divorce becomes the most creative possibility. The Hon. Member for Surrey-White Rock-North Delta (Mr. Friesen) said that there is no such thing as creative divorce. He might have to admit that in some situations divorce would be the most creative possibility that a couple could face.

I am reminded of the situation in which a traditional set of parents were confronted by one of their children who wanted to obtain a divorce. The parents asked why he wanted a divorce. He said "Because we are not happy". The parents asked, "Who is happy? Do you think your mother and I have been happy all these years? Yet we stayed together".

I am not sure that that attitude toward marriage and divorce is very helpful. It is good that we have moved beyond the hyprocrisy of talking about divorce in hushed terms of scandal. It is good that we have moved beyond the fifties farce of private eyes and make-believe adultery. It is good that this Government has brought in legislation making marriage breakdown the only grounds for divorce.

The March, 1984 *Canadian Churchman* contained an editorial pointing out some of the problems with the present situation. It said, and I quote:

> And the procedure now laid down by the Divorce Act is a legalistic, expensive and often humiliating experience for the couple and children involved. It is grounded upon an adversarial stance, presents grounds for divorce in the worst possible way and gives new light to old hurts.
>
> Children often become pawns at the hands of one parent or another . . . Routine, uncontested divorce proceedings now cost between $700 and $1,000.
>
> These costs should be cut by one-third to one-half if the proposed reforms are approved.
>
> However, their value should extend far beyond the economic saving to the parties concerned.
>
> They should eliminate the need for a child to go into a courtroom to testify against one or other of the parents. Such cases are traumatic for children, but sometimes necessary under the current law.

Most divorces are painful enough without one partner having to prove that the other was at fault. There are probably situations where one partner is clearly at fault, but it has been my experience that in most relationships fault or blame is not a helpful concept. The New Democratic Party has been calling for no-fault divorce since 1967 when it passed a resolution to that effect.

After divorce, most couples have to find some *modus operandi*. If there are children, there are visiting rights and access. The less hurt, the better. To focus on the whole idea of where blame should be assigned or who is at fault is not helpful in this context. Consequently, we support the provisions of this Bill that make no-fault divorce possible, even though the Conservative Party seems to stumble over that phrase.

Unfortunately, the failure of this Bill to deal with the question of maintenance makes it impossible for us to support the Bill. The Bill ignores the complex nature of marriage and suggests that divorce is simply a matter of two people cutting their losses while the band plays thanks for the memories, no tears, no fuss, hurrah for us.

There is the matter of maintenance payments, which cannot be ignored. More than one-half of all divorces involve children, and in 85 per cent of divorces involving children, the mother gets custody. Mothering traditionally takes the woman out of the labour force for a number of years. As a result, a divorced woman with children either has no outside job or one with a very limited income. It is known to all Members of the House that, on average, women earn only 60 per cent of the average male income. This has a direct relationship to divorce because 45 per cent of all single-parent families headed by women live under the poverty line. For women with children, divorce is too often a shortcut to poverty. This is also the case with the 10 per cent of divorced women over 50 who have been homemak-

ers most of their lives and have no skills, no jobs and very few prospects.

● (1620)

At various times the House has been concerned about the situation of Indian women who marry non-Indian men. This situation becomes particularly acute in the case of divorce because, under Section 12(1)(b) of the Act, these women have lost their status as Indians and do not even have the right to go back to their traditional home.

It is important that the House recognize the fact that no-fault divorce does not mean divorce without consequences. It does not mean divorce without economic consequences. At present, women must bear a very disproportionate share of those consequences. Maintenance orders are widely disregarded and more than 70 per cent of such orders are in arrears.

There may be some cases in which a man's economic circumstances make it impossible for him to make support payments that have been ordered, but in most cases I suspect that it is a matter of attitude. Many people making support payments wonder why they should go on paying after a relationship has been terminated. They have new lives to live and new expenses and obligations. Because society does not insist upon the enforcement of maintenance payments, 70 per cent of maintenance orders simply go by the wayside. This attitude on the part of many divorced men may be understandable, but it is not acceptable. However, this Bill does nothing to deal with that problem. Bill C-10 walks away from the problem and lacks adequate provisions to ensure support payments.

Clause 10 of Bill C-10 adds a new Section 12.1(1) to the Divorce Act. It sets out the objectives for maintenance orders. That clause reads in part that these orders should:

—be designed, in so far as is practicable, to

—(c) relieve any economic hardship that the court exercising jurisdiction to make or vary the order determines to be grave;—

What does relieving grave economic hardship mean? If, for example, a woman had been married to a well-paid professional and is forced to take a job at the lower end of the pay scale, would her situation be one of grave economic hardship or would it simply be another factor to which she had to adjust? Part (d) of the clause indicates that an order should be designed to:

—assist adjustment to economic self-sufficiency by either of the spouses within a reasonable time of the making of any such order for maintenance of the spouse.

What is a reasonable time, Mr. Speaker? We do not know, and of course it varies from situation to situation. In many cases the economic climate of a country or province can vary over a period of two or three years. If a court order was made to provide for maintenance payments over a three-year period, as has been suggested, and then the economic climate changed so that prospects for economic self-sufficiency that previously existed were no longer possible, then there would be no recourse but to go back to the court to get a new court order. The Act contains very inadequate provisions to enforce maintenance payments.

In conclusion, Mr. Speaker, while our Party supports and likes the no-fault provisions within this Act, we are completely unsatisfied with its shortcomings regarding maintenance. On that basis, we are asking the Minister to withdraw the Bill and bring it back with adequate provisions for the enforcement of maintenance payments.

Mr. Friesen: Mr. Speaker, I listened with care to the speech of the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly) because I have known him intermittently over many years. I was glad that he focused on the matter of maintenance and the problems that this Bill creates for those people who would be at an incredible disadvantage as a result of this legislation. Therefore, I am happy for small mercies and am glad that members of the NDP are fighting this Bill, even if it is only on that one point. It is a very important point and I do not mean to diminish its importance.

I also noted with great interest that the Hon. Member referred to himself as being an ordained minister. I suspect that at the many weddings at which he has officiated over the years, if he has used the traditional service, he has usually ended with the statement: "What God hath joined together, let no man put asunder". Now he is saying that he, as a member of his caucus, supports no-fault divorce. I am interested in the tension that that creates between the absolute statement he has made in those vows and the relative position that he has adopted in the law. I am wondering if the law takes precedence over what he said in marriage ceremonies.

I am even more fascinated by a statement of his which I wrote down very carefully. If I am wrong, I hope he corrects me but I think he said: "Fault or blame is not an interesting concept". I did not know that whether or not fault or blame is interesting was a matter of discussion. I thought we were dealing with whether it is fact or not. If the Hon. Member, in his application of social, emotional, psychological or spiritual principles, wishes to avoid the discussion of fault or blame so that people could go on to build their lives, how does he see reconciliation taking place if there is not a discussion and acknowledgement of fault or blame?

Mr. Manly: Mr. Speaker, my friend, the Hon. Member for Surrey-White Rock-North Delta, brought up a number of interesting points. First, he referred to the marriage service statement: "What God hath joined together, let no man put asunder". We in the United Church usually use non-sexist language wherever possible.

Mr. Friesen: You are marrying two sexes.

Mr. Manly: Yes, that is true. We are marrying two sexes. However, if we are going to get into a theological debate, I believe that the Scriptures themselves talk about divorce as being something that is related to human failures. I suppose that in every divorce there is a human failure of some kind. I think the Hon. Member himself admits the need at times for divorce. How is this put asunder in his mind? I think he takes a much more rigid view of the Scriptures than I do, and I would be interested to see how he reconciles that particular

view. I see this question as being one of dealing with the fact of the failure of relationships.

I intended to say that fault or blame is not a helpful concept. If I said that fault or blame is not an interesting concept, of course I was quite wrong. It is a very interesting concept. Whenever I counselled a couple with problems, I was very interested in the whole question of who was at fault and who was to blame. However, that was not helpful. It was helpful for the couple to see that their relationship had reached a certain point. Perhaps it had not reached the point of absolute breakdown but it had reached a point where certain actions had to be taken. Maybe the action taken would be one of reconciliation, but maybe the point had been reached where the most helpful solution would be to simply acknowledge that they had reached the point of complete breakdown and the most helpful action would be to separate and indeed to have a divorce. It is on that basis that I say it is not helpful to assign blame.

• (1630)

I do not think that as a general rule assigning blame has ever led to reconciliation. Sometimes it is helpful if I, as one of the people involved, accept blame that attaches to me. If I go into a situation where there is a dispute between myself and another person, however, I do not think it is helpful for me to try to put blame on that person, nor do I think it is helpful for the law to try to put blame or fault or another person.

Mr. Friesen: Mr. Speaker, I want to point out to the Hon. Member that I did not invoke the Scriptures; I could easily have done so but I did not. I was referring to his own statement that he had officiated at many marriages.

I would like the Hon. Member to define the second point more clearly. I am not talking about blame, I am talking about fault. I make distinction between blame and fault. Talking about blame brings us into a pejorative and accusatory atmosphere, and it is not my intention to invoke that kind of pejorative atmosphere. My concern is that we have a health-giving atmosphere. If we talk about blame we will get into that kind of atmosphere, but if we talk about fault then we can examine it. Surely the emotions are not involved with fault as they are with blame.

I should like the Hon. Member to make the distinction. I thought he was using terms very loosely and I should like him to clarify whether he sees a distinction between fault and blame.

Mr. Manly: Obviously, Mr. Speaker, there is a distinction, but in the way I was using the words I think they both apply. I would ask how the courts can determine fault if they do not have some process? Very often that process become pejorative where one person blames another. The court also assigns blame along with assigning fault.

The whole history of our divorce courts is one where people try to assign blame to one another. If the Hon. Member wants to quibble with the word "fault" or have a no-blame divorce, that is fine with me. I would be glad if he would accept a no-blame divorce.

The Acting Speaker (Mr. Herbert): If there are no further questions or comments, I will recognize the Hon. Member for Kingston and the Islands (Miss MacDonald) to continue debate.

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, I consider this to be one of the most important debates in which we have engaged in the House of Commons, one which certainly involves some long overdue reform. On the other hand, we are faced with a Bill that raises some very, very major reservations on the part of many of us on this side of the House.

When the Bill has been before the House, a number of Members have commented that it is a sad fact that in Canada today over 40 per cent of marriages end in divorce. This figure represents something like 70,000 divorces per year. That figure is growing and is twice the number of 10 years ago.

Perhaps more important, however, than the increasing number of divorces is the fact that 50 per cent of divorcing couples have dependent children, many of whom are put to unnecessary suffering due to the adversarial or confrontational nature of divorce.

That there is a pressing need to reform and humanize the current divorce law cannot be denied. What has to be highlighted and brought to the attention of every Member of the House is that what is unacceptable is the very superficial and simplistic approach to divorce that Bill C-10 brings to the subject.

One cannot really expect legislation to be accepted on the basis of slogans or popular headlines. It is great to see something like "No Fault Divorce" in headlines, but beyond the headlines and slogans one has to consider the heartache and frustration and pain that accompanies the breakdown of marriage.

The press release that accompanied the Bill when it was introduced in the House by the Minister said that the Bill would "—revise Canada's divorce law to make it more consistent with current social needs and realities". That would be a laudable goal. That is the way the present Bill has been sold, particularly to the media, and it has been conveyed to the people of Canada in that vein. Does that necessarily accord with the facts? Perhaps someone will stand up and say, "We took a Gallup poll on the subject across the country and 62 per cent of those polled agreed that no fault divorce was welcome. A shorter time period and fewer reasons for divorce are acceptable because 62 per cent of the Canadian public said so".

Mr. MacGuigan: It was 64 per cent.

Miss MacDonald: I stand corrected; the Minister says 64 per cent. I should like to know whether 64 per cent of the people who replied have actually read the Bill. Have they looked beyond the headlines and the slogans to what is actually in the Bill? I suggest that the other 36 per cent, those who did not accept it so easily, are the people who have probably

read the Bill and looked at the fine print, the clauses and the deficiencies of the Bill.

Let me give some examples of people who have objected to the legislation. The National Action Committee on the Status of Women, as I am sure the Minister will be aware, is an umbrella organization which encompasses 260 women's organizations from coast to coast and represents millions of women. It responded to the new legislation as follows:

Instead of improving the terrible situation of the victims of divorce such as mothers of young children and older housewives, it would worsen it by reducing their already meagre bargaining power while giving them nothing at all in exchange.

That is the reaction of the spokespersons for the National Action Committee on the Status of Women.

Other groups looked at the Bill and almost immediately after studying it voiced their objection. One such group was the Government's own Advisory Council on the Status of Women. It complained about the Bill, saying that it poses a threat to women and children involved in divorce proceedings. The council talked about a threat, and I think it is to this threat that we should address our remarks. We should determine why the council considered certain parts of the Bill a threat to wives and children. I hope that if we look at it from that point of view, we may get members of the Government to see that the need for divorce reform has to be examined through the eyes of the victims and not through the eyes of a Minister. He may think this is a very progressive piece of legislation which he can perhaps use to further his leadership drive. It is the people involved in divorce who should be able to offer some comment. That is the reason that many people who have already been through that traumatic situation object to this Bill.

● (1640)

I want to go further and illustrate why it is that so many women's organizations have in fact been so critical of this Bill and have labelled it as doing great injustice to women and children. Let me provide a few vital background statistics which point out just how badly the present system works. Only when the current danger is known do the difficulties this Bill presents become even clearer.

Sir, today, in 85 per cent of all cases of divorce, the mother is granted custody of the children. Not only has she the responsiblity of raising the children, she also has the responsibility of providing for them financially as well as supporting them morally, since in most cases child support is rarely paid, if at all. That is one of the greatest tragedies in the many divorces which have taken place. In fact, five years after divorce, only one in four families gets child support. That is all. I have said that in 85 per cent of divorces the mother has the responsibility for her children; only one of four of those cases receives any kind of support after five years. In Ontario alone an incredible $85 million is in arrears at the present time. Overall, 75 per cent of all maintenance orders do not get paid. Ten per cent of all divorcing wives, Sir, are over the age of 50 years. That is the figure for last year. These are people who, by and large, have spent most of their adult lives working full time in the home. As a result of their assumption of the primary responsibility for the household and child rearing, these women have become financially dependent upon their husbands and they have lost career opportunities which they might otherwise have had. In other words, what happens is that these women—and I am speaking now of those who have been divorced at over the age of 50—are left with very little, and they are probably the most vulnerable group in society in the case of a divorce.

In the face of these very sobering statistics, Mr. Speaker, what do we have? We have the Minister of Justice (Mr. MacGuigan) proposing this Bill to the House of Commons and encouraging all Members to support it. Well, some of these proposals he puts forward are long overdue, and I can list a number of them that I want to see passed. But there are other aspects of the Bill which are only going to worsen an already bad situation. That is the last thing we should want to do, make matters worse for those who are indeed most vulnerable.

Much of the problem we have in this regard, at least I have myself, is to give a concept of a blanket approach to no-fault divorce. In an effort to streamline legal proceedings, the only grounds for divorce would be a one-year separation period. This may be acceptable in uncontested cases, and I do not have any difficulty with that whatsoever. But by no means at all am I sure that fault should be entirely eliminated. In the case of cruelty or desertion, a 12-month waiting period could be quite undesirable. One might want to have a divorce brought about sooner than that. Fault would also play a crucial role in the establishment of property and financial settlements.

I see you are about to rise, Mr. Speaker.

The Acting Speaker (Mr. Herbert): I am sorry to interrupt the Hon. Member.

GOVERNMENT ORDERS

[*Translation*]

CANADA HEALTH ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Miss Bégin that Bill C-3, an Act relating to cash contributions by Canada in respect of insured health services provided under provincial health care insurance plans and amounts payable by Canada in respect of extended health care services and to amend and repeal certain Acts in consequence thereof, be read the third time and do pass.

The Acting Speaker (Mr. Herbert): Order, please. It being 4.45 p.m., pursuant to the order made earlier today, the House will now proceed to the deferred division of Bill C-3, an Act relating to cash contributions by Canada in respect of insured

health services provided under provincial health care insurance plans and amounts payable by Canada in respect of extended health care services and to amend and repeal certain Acts in consequence thereof.

Call in the Members.

The House divided on the motion (Miss Bégin), which was agreed to on the following division:

● (1650)

(Division No. 39)

YEAS

Messrs.

Allmand
Althouse
Appolloni (Mrs.)
Axworthy
Bachand
Baker
Beatty
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Benjamin
Berger
Blackburn
Blaikie
Blais
Blaker
Blenkarn
Bloomfield
Bockstael
Bosley
Bossy
Bradley
Breau
Broadbent
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Cardiff
Carney (Miss)
Chénier
Chrétien
Clark (Yellowhead)
Clark (Brandon-Souris)
Clarke (Vancouver Quadra)
Coates
Collenette
Cook
Cooper
Corbett
Corbin
Cosgrove
Cossitt (Mrs.)
Côté (Mrs.)
Cousineau
Crombie
Crosbie (St. John's West)
Crouse
Cyr
Dantzer
Darling
Dawson
Deans
De Bané
de Jong
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Domm
Dubois
Duclos
Dupont
Dupras
Duquet
Ellis
Elzinga
Epp
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Friesen
Frith
Garant
Gass
Gauthier
Gendron
Gingras
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Guilbault
Gurbin
Gustafson
Halliday
Hargrave
Harquail
Hawkes
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hovdebo
Huntington
Irwin
Isabelle
Ittinuar
Jarvis
Jewett (Ms.)
Joyal
Kaplan
Keeper
Kelly
Kempling
Kilgour
Killens (Mrs.)
King
Knowles
Korchinski
Kristiansen
Lachance
Lajoie
Lalonde
Lambert
Landers
Lang
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
La Salle
LeBlanc
Leduc
Lefebvre
Lewis
Lewycky
Loiselle
Lumley
MacBain
MacDonald (Miss) (Kingston and the Islands)
MacDougall
MacGuigan
Mackasey
MacLaren
MacLellan
Malone
Maltais
Manly
Marceau
Massé
Masters
Mazankowski
McCain
McCauley
McCuish
McDermid
McDonald (Ms.) (Broadview-Greenwood)
McKenzie
McKinnon
McKnight
McMillan
McRae
Miller
Mulroney
Munro (Esquimalt-Saanich)
Murphy
Neil
Nickerson
Nielsen
Nystrom
Olivier
Ouellet
Paproski
Parent
Parker
Patterson
Pelletier
Peterson
Pinard
Portelance
Prud'homme
Reid (St. Catharines)
Reid (Kenora-Rainy River)
Riis
Roberts
Robinson (Burnaby)
Rompkey
Rossi
St. Germain
Sargeant
Savard
Schellenberger
Schroder
Scott (Hamilton-Wentworth)
Shields
Siddon
Simmons
Skelly
Stevens
Tardif
Taylor
Tessier
Thacker
Tousignant
Towers
Trudeau
Turner
Vankoughnet
Veillette
Watson
Weatherhead
Wise
Wright
Yanakis
Young—213.

NAYS

Nil

● (1700)

Mr. Speaker: I declare the motion carried.

Motion agreed to and Bill read the third time and passed.

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

PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*English*]

Mr. Speaker: Shall all orders and items preceding item No. 48 stand by unanimous consent?

Some Hon. Members: Agreed.

* * *

PUBLIC SERVICE

MEASURE RESPECTING APPOINTMENT AND TENURE OF SENIOR OFFICERS

Mr. Stan Schellenberger (Wetaskiwin) moved that Bill C-230, an Act respecting the appointment of deputy, associate deputy and assistant deputy minister, be now read a second time and referred to the Standing Committee on Miscellaneous Estimates.

He said: with the little time left, I know there will be a lot of approval for this legislation that I am putting before the House. I recognize that it may not be necessary for Private Member's Business to take up the full hour allowed, and I am anticipating that there will be a chance for this Bill to go on to Committee for further study. I think it is necessary for the House to legitimize what is happening by practice with deputy

ministers at this time. It is also essential that we take a long look at what is happening in the Public Service with the appointments of associate and assistant deputy ministers.

Miss MacDonald: Order.

The Acting Speaker (Mr. Guilbault): Order, please, the Hon. Member for Wetaskiwin (Mr. Schellenberger) has the floor.

Mr. Schellenberger: The purpose of this Bill, Mr. Speaker, is to standardize the method of appointment and tenure of senior officers of the Public Service and to tie their appointments to the duration of a Parliament. The Public Service would thereby be more accountable to the Government of the day and to the electorate. That, in effect, is saying that we should make sure that senior public servants hold the same political beliefs as the government in power and as the Ministers. If governments were to change more often than they have in the past, you would find that the principles on which the government is elected and the policies by which it has come into office would be the same as those of the senior public servants whom it has appointed. Those senior public servants would then be in charge of making sure that the Bills and other pieces of legislation that have passed this House are put into practice by the Public Service.

If one looks at what has happened in the last number of years, one will find that legislation is now being passed that gives more and more discretion to the Public Service and to the Governor in Council. No Minister can keep up with making sure that everything that is passed by this House is being put in place by the Public Service in the method in which this House or the government wishes. It is important that Ministers have the chief people in the public service using the same methodology as those people who have been put into power.

• (1710)

We now have the problem of having permanent political public servants at top levels of government. Because we have had in effect one-Party rule since 1963, elected officials and appointed senior bureaucrats play a similar role. I use as an example the deputy minister of national revenue who was on television defending the Government for practices which it had put in place. Also we have the deputy minister of agriculture making a speech on behalf of the Minister of Agriculture (Mr. Whelan) and in effect assuming his role. Therefore, the political effect of those at senior levels is the same as that of Ministers. There are approximately 45 deputy ministers and between 250 and 300 assistant deputy ministers. The Minister's office has become a back door for higher public servants. They are not appointed on the merit system. Rather than doing what is being done now and saying that it is not in effect, we ought to legitimize the process.

The Minister needs a small loyal staff who can administer his Department along with him. That is what we ought to provide. Bureaucracy at the highest level is being eroded of its objectivity and its professional neutrality by a tired political executive or one that does not care and is on to other things. We must acknowledge this fact. It reminds me of a book written by Hugh Heclos entitled *A Government of Strangers*. He wrote, and I agree with it:

> —a political appointment need not be unfilled to be functionally vacant; career officials can be found in charge where the supposed political leadership is uninterested or inept. As a former supergrade who had moved up to a presidential appointment said: In a department where there is a vacuum and only a series of transients, then the bureaucrats try to fill the vacuum. Without malice, with the best intentions in the world, people trying to fill a political vacuum can adopt some pretty unique strategies . . . arranging special trips for congressmen or upgrading their own and other people's jobs.

In effect that can happen when we ask a supposedly unpolitical Public Service to take over the job of a Minister who does not have time to administer his Department properly or is not capable of doing it. There is a need in Canada for major reform at senior levels of bureaucracy in order to facilitate the greatest degree of responsiveness between senior levels of the Public Service and newly-elected political leaders.

In some cases the transition can be smooth, Ministers and their senior deputies and assistant deputies get along well and are of the same philosophical background. In other cases there are barriers. There can be structural barriers to transition or a situation wherein a senior deputy minister has a completely different philosophy from that of his Minister and finds it very difficult to abide by what he should in fact be putting in place.

There are many things deputy ministers can do to see to it that policy is not effected. They can start by having many briefing sessions with the Minister to say that this or that is not possible. In effect, they slow down the process. They can ensure that all correspondence going through the Department is routed through the Minister's office. They can exaggerate the time frames within which things can or cannot be done. They can see to it that there is a lack of money in the budget to adopt new approaches which the Minister or the Government wishes to put in place. In effect, they can indicate that there are certain ramifications as to why on a political basis something should or should not be done. There are many examples of this in history, for example, in the Province of Saskatchewan when the political change from the Liberal Party to the CCF occurred. This can be documented as actually having taken place. When political policymakers come head to head with bureaucratic personnel who can influence policy, they simply withhold information or ideas, change them or forcefully present conflicting proposals to the Minister.

• (1720)

When government is growing there is a greater amount of decision-making conferred on departmental management. This really raises the question of who has the power—who is the master and who is the servant. We see a majority of Bills which are now conferring discretion on departmental management. They are attributable to present government philosophy. The Government has remained in power for a long period of time. Effectively there has not been a change since 1963. Because of this fact, the executive and legislative functions of Government have become very closely meshed.

At the present time deputy ministers are appointed at the pleasure of the Government, so they can be removed. When a deputy minister has held his position for a long time, it is very difficult to fire him. When there is a change and a new government is in place, the resignations of all deputy ministers should follow. The legislation says that it is at the pleasure of Parliament. Then there are some 300 assistant deputy ministers who simply cannot be removed. Even if they do not agree with the philosophy of government, they remain in place. Their position in government is that they are supposed to offer continued advice and guidance on matters of high policy. They are to be program specialists and technical people. They are to be very efficient in allowing the Minister to make decisions. Ministers, deputy ministers and assistant deputy ministers who have been working together for a long period of time often find that they ask those people to come forward with public policy. When a person has brought forward a policy position which his Minister has put in place, and then a new government comes into power and wants to throw out that policy, that public servant will be very reluctant to allow it to happen and perhaps will put various obstacles in the way so that it cannot come about. This Bill would allow a government coming into office to make changes at the most senior levels.

Some concern has been expressed that if that were the case there would be no office within the Public Service toward which public servants could work to attain. That office now is that of assistant deputy minister. We should make the top job in the Public Service that of director general. The salary of that person should be elevated to a level that would encourage public servants moving through the system to attain it. The difference in salary should be such that persons would try to move up to the top job. As well we would find that technical people trying to get information to their Minister would not have to run the gamble of going through the assistant deputy minister and then the deputy minister. Often it is the case that people say it is impossible to get information through their deputy ministers to their Ministers because deputy ministers or assistant deputy ministers do not want their Ministers to feel they are not in touch with everything that is going on in the Department. If those people were political appointments at the top level, they would be searching for that information. They would be political people who would want to get the information out which supported the Ministers or the Government's political philosophy.

● (1730)

I suggest that there are six reasons why the Bill should pass. The officials, namely the deputy ministers and assistant deputy ministers, and Ministers would share the same basic philosophy and, therefore, the options presented for the Minister's consideration would be consistent with his own. They would bring to the Public Service new expertise in given areas with fresh ideas and approaches.

I went to the United States to see how the system worked there. I talked to some public servants under political appointments. The chief public servant in the United States Department of the Interior said there was no difficulty with the system. As under-secretaries changed, they brought expertise from the outside sector. He said one under-secretary was an expert in information flows, another in computers and another in efficiencies. They brought that expertise to the Department. It was of great assistance.

He also said that when there was a particularly serious problem, they could pick the best expert in the general work area and bring him in for a period of a year or a year and a half to assist the Public Service and the Government in putting a policy in place. This would be of assistance to our Public Service in Canada. There would be new enthusiasm for ideas and approaches. It would allow the experts and technical people in the Public Service to bring their ideas forward to the Minister and to the political people in the Department. They could be analysed and possibly put into place.

Third, it would facilitate the implementation of the program on which the Party had been elected to office. In my experience in the very short period of time we were in government, this was a serious problem. This Bill would assist a government coming into power by allowing it to implement its program.

Fourth, it would reduce substantially Public Service resistance to a change in government programs or direction. One can imagine how a deputy minister or assistant deputy minister would react to the abolition of a major program they had developed. An example is the National Energy Program. If a new government wanted to abandon that program and put in place a policy that was the exact opposite, the person who developed the program might find reasons why he should not implement that quickly.

Fifth, it would provide a greater degree and recognition of the accountability that senior officials should accept for their administrative actions. When deputy or assistant deputy ministers come before a committee, Members often cannot get answers as to why policies are in place, why policies have not been put into place or why they are in place in the manner in which they are. The deputy or assistant deputy minister constantly say that you can only ask the Minister. It is the deputy and assistant deputy ministers who often put the policies in place and it should be they who answer the questions. If this Bill were accepted, they could answer for the Minister. They would be an extension of the political arm of the Party.

Last, it would reduce to a minimum clashes between the administrative and legislative arms of Government. When a government is elected by the people with its program, it should be allowed to put that program in place as quickly as possible. Allowing the Government to choose its senior public servants would enhance that ability.

Some may ask how we could implement this program with what is now in place. They say it would put possibly 300 people out of a job. I do not suggest that would happen. Many assistant deputy ministers would stay on because they are very capable and helpful. There are ways of doing this. We now have in place the executive interchange program. It allows people to come into the Public Service through sponsors. We have the use of service contracts and options such as term employment. It is essential to ensure that people who come

into the Public Service can bring their pensions with them and take them when they leave. That may mean more use of the Registered Retirement Savings Programs.

These are some reasons why I believe this legislation has a lot of merit. It should be considered and discussed. A government coming into being would have a lot less difficulty dealing with the senior managers in the Public Service with this kind of legislation in place. The problem of not being able to get along with a deputy or assistant deputy minister would not exist. At present the cannot be fired or asked to leave. What happens is that he is shuffled aside and given mediocre tasks. He still receives the same salary, a salary not comparable to the duties he is asked to perform. That is not fair to the taxpayers of this country. With this legislation in place, those coming into the senior levels of the Public Service would know that they would have a duration of office of four years or less, and there would be no difficulty with a change of government.

This House should seriously discuss the pros and cons of a Bill such as this. I commend the Bill to Members of this House for debate and I ask them to look seriously at what it offers.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, the Bill under consideration is somewhat of a surprise to me. The purpose of Bill C-230 introduced by the Hon. Member for Wetaskiwin (Mr. Schellenberger) can be surprising to anyone who has been working with federal public servants for 12 years and who wants to understand the importance and especially the difficulties inherent in so large and complex a system as that of the Public Service of Canada.

Mr. Speaker, I am very much in favour of making our Public Service accountable. I am convinced that Members on both sides of the House are prepared to support any new and worthwhile measure designed to make the Public Service of Canada more responsible. What amazes me, however, is the suggestion made in Bill C-230 as to the means deemed appropriate to achieve accountability.

The purpose of Bill C-230 introduced by the Hon. Member for Wetaskiwin is, and I quote the explanatory note:

> The purpose of this Bill is to standardize the method of appointment and tenure of the senior officers of the Public Service and to tie their appointments to the duration of a parliament. The public service would thereby be more accountable to the government of the day and to the electorate.

Mr. Speaker, I said at the outset that this Bill is somewhat of a surprise to me. I should have said that it is a big surprise to me. First, here is the way to standardize the method of appointment, as proposed: all appointments of senior officials would be made by order in council, in other words, by the Cabinet. The Bill does not refer to regular staff; it refers to deputy heads, more commonly known as deputy ministers, associate deputy ministers and assistant deputy ministers. It refers as well to the deputy head and the chief executive officer of organizations, boards, agencies and other bodies, since this Bill, as explained in Clause 1, applies to any organization listed in Schedule I of the Public Service Staff Relations Act of Canada.

What we are talking about here, Mr. Speaker, is the entire senior management of the main body responsible for the administration and the policies of most of the Government. Before going any further, Mr. Speaker, let us consider more closely the current situation and the practical consequences of the suggestion made by the Hon. Member for Wetaskiwin.

First, the deputy ministers—about 40 of them—are now appointed by the Governor in Council, which means the Cabinet, and their responsibilities, powers and authority are implicitly and explicitly defined in agreements and legislation such as the Acts to establish the Departments, the Interpretation Act, the Financial Administration Act, the Public Service Employment Act of Canada and the Official Languages Act. Their responsibilities are clearly defined. As to the associate deputy ministers, at least nine, the situation is somewhat different since there are two categories: those who are appointed pursuant to the Acts to establish the Departments and whose responsibilities, powers and attributions are set forth in those Acts—there are four now, only four that . . . And I will name them: the Department of Justice Act, the Department of Labour Act, the National Defence Act, and the Employment and Immigration Department Act. In those cases, appointments are made by the Governor in Council. The appointments of the other associate deputy ministers are made differently, mostly under the Public Service Employment Act by the Commission itself, that is the Public Service Commission of Canada. It should be noted that the appointments of deputy ministers and associate deputy ministers are made by the Governor in Council and revocable at pleasure. Let us consider the status of associate deputy ministers. There are many of them, exactly 282. The assistant deputy ministers make up the largest group and are appointed under the provisions of the Public Service Employment Act and, of course, according to the merit principle. In practice, what does that proposal mean? With respect to the deputy ministers and some associate deputy ministers, it means that from now on their appointment will not be revocable at pleasure but that their term of office will be set. Under the bill, such a term of office would coincide with the duration of a Parliament. Secondly, with respect to the appointment of associate and assistant deputy ministers under the Public Service Employment Act, it is suggested not only that their type of appointment should be changed but that they also be subjected to a set term of office; they would therefore become term employees.

● (1740)

Mr. Speaker, the bill which was introduced today by the Hon. Member for Wetaskiwin is aimed above all at standardizing the appointment procedures and the terms of office of those officials so that the Public Service of Canada would not have to be more accountable to the government and the

electorate. It would provide for a term of office which would have nothing to do with the efficiency of the individual.

Mr. Speaker, I do not see many advantages but some serious implications in such a simplification. Firstly, let us deal with the serious implications. What will happen when, all of a sudden, the senior executives, the administrators who make the wheels of the organization turn, all leave at the same time because their term of office has come to an end? The Government is anything but a small business. It is a major system which needs some continuity and stability, and when there is a change of Government, it is the senior public servants who must provide the continuity required for an effective and healthy management of the country's business.

We just have to recall the criticism to be found in the Lambert Report, this famous report on accountability and financial management, to the effect that Deputy Ministers are changed much too frequently, a fact which affects efficiency and is of course reflected on the organization itself. What the Hon. Member for Wetaskiwin (Mr. Schellenberger) is suggesting is not a change in Deputy Ministers with each new Parliament, but a change which would affect all senior public servants, all the heads of the Government organization. This could do serious damage, Mr. Speaker. I find it difficult to believe that such action would make the Canadian Public Service more accountable to the Government and the Canadian public, when all the agencies and services serving the public would be seriously affected during the period of transition at the end of each Parliament.

If we were to implement such a legislation, Mr. Speaker, we would not be more accountable to the voting public, but we would be acting irresponsibly and neglecting the voters. The public would be the first to suffer. These periods of hesitation and uncertainty will only affect the quality of the services provided to the public. In addition, the Hon. Member seems to forget that, at the level of the individuals themselves, whose terms of office would end with each change of government, such a system could and certainly would affect the morale, the motivation, the commitment and the work of these senior public servants, because they would no longer be in a position to guarantee the effectiveness of Government programs and policies. I am not speaking about partisan policies, but about policies and objectives set by the Government in the interests of the Canadian public.

I also believe that this proposal would be a serious hindrance to the career of these senior public servants.

Mr. Speaker, we must not delude ourselves, and I want to point out in passing, that it is because Deputy Ministers were appointed by the Governor-in-Council that the public service has often been accused of political bias. What is now being suggested is that the list of politically-oriented public servants should also include the Assistant Deputy Ministers and all the senior public servants who are responsible for Government management and policies.

It seems to me, Mr. Speaker, that this would be going a bit too far. Apparently, Bill C-230 tends to make Canadian public servants more accountable to the Government and the voting public. Mr. Speaker, I find it very difficult to see how these changes could make the Canadian Public Service more accountable. These last few years, I have seen many initiatives taken by this Government to make the Canadian Public Service more accountable. I have supported them as their purpose really was to bring about improvements. Their objectives were valid and practical. I am afraid that the purpose of this Bill might be somewhat fictitious.

If I may, Mr. Speaker, I would like to say a few words about this concept of accountability and ask my colleagues to ponder over it. I ask them to muse over this basic principle with which you are yourself quite familiar, Mr. Speaker, because you sat with me on the Special Committee in 1977 and 1978, when we considered this matter. All these systems tend to be more effective and require greater efficiency on the part of our public servants.

Mr. Speaker, in our parliamentary system in Canada, and this cannot be compared with the American system as the two are quite different, the concept of accountability to the public, the Government and Parliament, within the law, has been the subject of much attention for many years. First, there was the Glassco Commission, then, more recently, the Royal Commission on Financial Management and Accountability, better known as the Lambert Commission. This was only four or five years ago. We received the report of this Commission in the House in 1979, four years ago. All the Hon. Members will recall that enormous efforts were made by the Government to implement the recommendations contained in this report. The managerial practices have been reviewed and amended to ensure that the highest level of government assumes its responsibilities on all fronts, in terms of operational, fiscal or human resources activities, to mention just a few.

Several reforms were implemented along the lines of the recommendations formulated by the Royal Commission on Financial Management and Accountability. I should like to deal briefly with the changes proposed by the President of the Treasury Board around 1981, only just two years ago, based on the recommendations of the Lambert Report. According to this document, the government's proposals concerning managerial accountability were divided into seven categories, which I should like to read for the information of Hon. Members.

First, the fiscal plan; second, an orderly distribution of resources based on the fiscal plan; third, the government's accountability to Parliament; fourth, the accountability within the government; fifth, the accountability and effectiveness of financial system management; sixth, the accountability and effectiveness of human resources management; and seventh, a permanent reform strategy.

The Government has implemented the major recommendations of the Lambert Commission. I should like to give some concrete examples of these reforms.

To begin with, a new policy and expense management system which starts planning expenses from the top down by using functional envelopes and which allows a closer integration of government priorities to decision-making mechanisms which decentralize the decision-making process while taking into account the complexity of government responsibilities, and which increases the minister's input in the decisions concerning the state's planning policies and expenses.

The yearly presentation to Parliament of a Government multi-year financial plan is the basis for a healthy government management and parliamentary control over public funds. Cabinet is regaining its ability to set a ceiling on public expenditures and ensure that hundreds of departments and agencies manage their operations efficiently to make the best possible use of taxpayers' money.

These initiatives have enhanced accountability to Parliament by providing us with more useful and more specific information which allows us to better judge the importance of programs and expenditures and puts us in a better position to reach responsible decisions. In this regard, Mr. Speaker, the committees of the House can examine the specific expenditures of each Department and agency as set out in Part III of the Estimates.

• (1750)

I admit that we still have a long way to go. I admit, as everyone knows in the Committee on Miscellaneous Estimates which I have the honour to chair, that there is still room for improvement. But we will work towards our common goal, that is to ensure a better accountability of public expenditures to Parliament, by making those books easier to understand.

In the area of personnel management accountability, there are also many substantial improvements. Thanks to a new policy on personnel management planning which integrates the development of human resources objectives in the financial plan, requirements are more easily determined and a clearly established responsibility channel is provided. This matter was also given much attention to ensure that managers themselves better understand their responsibilities. Through the development of a new management category, managers are now more aware of their duties and therefore in a better position to assume their responsibilities. In addition, these past few years, the Government has strengthened its policy on performance rating of public servants and senior officials in particular so as to ensure that the systems have not only been improved and the managers' roles clarified, but that the latter fulfill their responsibilities, account for their work, in a word, that they are accountable.

Accountability, Mr. Speaker, is an important and even vital principle within an organization such as the Government of Canada. Let us keep in mind that it involves a professional and non-partisan commitment by senior officials. On the Government's service, senior officials and managers must, on the one hand, be aware of the various aspects of the political process and, on the other hand, remember that under the law and by tradition in this country, the Public Service must not take any political stand. If public servants are required to support and implement the policies put forward by the Government in office, they must perform their work so as to avoid being accused of partisanship neither in favour of the party in power nor against those who might disagree with the Government of the day. They must avoid any action that would deliberately favour one part at the expense of another. God knows, Mr. Speaker, that Section 32 of the Public Service Employment Act is causing problems! The matter of the political involvement acceptable for public servants will have to be resolved. I call upon my colleagues to come and sit on the Committee on Miscellaneous Estimates. We shall discuss the matter during two hours and a half. Mr. Speaker, I see that you are about to rise, which means that I do not have time to conclude my remarks. I am sorry, I wish I could complete my speech, but I shall do it some other time.

[*English*]

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the time available to me is very short but I should like to put a few things on the record. First of all, it seems that the kinds of problems the Hon. Member referred to would be better dealt with—if his opinion is correct, and I do not think it is—by strengthening Parliament rather than attacking a Public Service that I think gives us the best service in the world today. It is an excellent Public Service. We have an excellent structure with very good, dedicated people at the senior levels. I have always found, as I think all Ministers have, that if the Government is sure about its policy and knows where it wants to go, it will get excellent service from the Public Service. If it does not provide direction to the Public Service, however, the policy development starts to take place elsewhere—in many cases at the request of Ministers. Perhaps that service is not what Hon. Members opposite would like to see—

The Acting Speaker (Mr. Herbert): I am sorry to interrupt the Hon. Member but it is now six o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

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

● (1800)

[*English*]

LABOUR CONDITIONS—YOUTH UNEMPLOYMENT LEVELS. (B) CRITERIA APPLICABLE TO YOUTH EMPLOYMENT FUNDS

Mr. Gerry St. Germain (Mission-Port Moody): Mr. Speaker, I rise in this House to speak on what is likely the most important issue facing young Canadians, old Canadians, all Canadians: unemployment. Last Tuesday the Minister of Employment and Immigration (Mr. Roberts) skilfully denied the statements made by the Minister of Finance (Mr. Lalonde) in Montreal when he said that the problem of youth unemployment is not a crisis and there is no danger of losing the present generation. That attitude, Mr. Speaker, ignores the stark, cold fact of youth unemployment.

Some 18.7 per cent of our youth are unemployed and that is not acceptable. Over one third of the total number of unemployed and on unemployment insurance are youth. Statistics Canada lists 536,000 Canadian youth as unemployed and another 40,000 have given up looking for jobs. Since 1980 the number of young unemployed for a year or more has risen from 42,000 to 102,000.

In the same period the number of Canadians in the 20 to 24 years age group increased by 73,000, but the number of jobs held by youth in that age bracket decreased by 96,000. The unemployment rate among youth with secondary school certificates and university degrees has almost doubled; 13 per cent in 1983 as compared to 7.8 per cent in 1981. Why send your children to university, Mr. Speaker—to join the unemployment roles?

Across Canada the youth unemployment rates are 24 per cent in B.C., over 39 per cent in Newfoundland, 26 per cent in P.E.I., 24.9 per cent in Nova Scotia, 31.2 per cent in New Brunswick, 21.6 per cent in Quebec, 17.7 per cent in Ontario, 14.7 per cent in Manitoba, 18.4 per cent in Saskatchewan and 18.4 per cent in Alberta. This is a disaster.

As was pointed out in this House, Mr. Speaker, the statistics clearly indicate a crisis and a generation adrift. If the Minister of Finance cannot see that, his vision is lacking. This all results from the chaos of Liberal economic policies. It started several years ago, but in the West we have seen policies like the National Energy Program virtually annihilate an economy. The Minister of Finance, the Minister of Employment and Immigration, and the Government opposite, are ignoring the statistics. They are not talking of the youth and their parents who would be telling them what the real crisis of youth unemployment is. It is characteristic of the Government opposite to ignore the problems, to ignore the Canadian people, while it fixates on the Gallup polls.

The Government tries to divert our attention from the fact that it has run out of ideas. What the Liberal Party of Canada is, is a Liberal with Canadian tax dollars which he gives only to Liberals. The Minister of Employment and Immigration talks of new Liberalism. Where is his credibility? He was the Minister who personally administered the largest slush fund this country has ever seen, the Special Employment Initiatives Program. It is a disgrace that all Canadians were not allowed to share in those funds. I would like to read this quotation by the Hon. Minister of State for Youth (Mrs. Hervieux-Payette) in her maiden address to this House as Minister:

● (1805)

> What is more, young people have suffered a loss of purpose and social contact . . . all this has been at a huge social and financial loss to all Canadians. And the result, I am afraid, is that too many young people have lowered their expectations, have stoppped searching for the future they want and have begun to settle for less.

I ask you, Mr. Speaker, is that not a crisis? Is that not a lost generation, a generation adrift? This was said by a Minister in this House in contradiction to the Minister of Finance. I agree with the Minister of State for Youth. She knows of the alcoholism, crime and the suicide that afflict our youth. She understands the problems that are facing our youth. Yet she gets a paltry $150 million for youth unemployment, whereas Canadair squanders $2.1 billion.

The story of the Government, Mr. Speaker, is total devastation to our youth and they will not recognize it. We have pleaded with them. We have suggested ideas. Mr. Speaker, I plead through you that they do something about this very crucial situation.

[*Translation*]

Mr. Jean-Guy Dubois (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, as the minister has already indicated, he agrees with his colleague, the Minister of Finance (Mr. Lalonde), that such high unemployment rates among young people are entirely unacceptable.

The federal Budget of February 1984 takes into account the fact that young people are facing serious unemployment problems in spite of improved economic conditions. Consequently, the estimates for the Youth Opportunities Fund have been increased by $150 million, which raises the total amount earmarked for employment projects intended for young people to $1.3 billion for 1984-85.

An integrated and comprehensive concept of education, proper professional training, a working experience and a balanced combination of those elements will greatly contribute to increase the labour force participation rate of young people. Moreover, the Cabinet has recently approved an additional amount of $30 million for the Summer Canada Program.

At present, the Department of Employment and Immigration has some $457.9 million for youth training, $550.3 million for the funding of direct job creation and some $150 million for youth services such as job counselling, the Outreach Program, mobility and placing.

Employment problems are particularly serious for young dropouts with inadequate schooling.

In addition, there are considerable challenges to take up in order to prepare students to enter the labour force, to restructure the educational system and put emphasis on innovative

agreements with the private sector to ease the transition between school and the labour force.

During the 1983-1984 fiscal year, more than 2.5 millions young Canadians participated in training and job creation programs of the CEIC, and this number should increase during the coming year. Moreover, Mr. Speaker, there is a program called Skill Grouth Fund jointly administered by the Federal Government and the provinces, whereby students can enrol in training courses in a great variety of new fields.

I must also indicate to my colleague that, when his Party was in power, how ever briefly, in 1979, they wanted to put an end to the job creation program for youth, and that when the Liberal Party came back to power, in February 1980, this program was offered again. So, I think that this Government has done more than any other as far as job creation is concerned, and we did it again lately, by increasing the budget of Summer-Canada for youth.

[*English*]

EMPLOYMENT—PROGRAM EXPENDITURES MADE BY CANADA POST CORPORATION

Mr. Albert Cooper (Peace River): Mr. Speaker, the matter that I particularly wanted to raise today relates to a question I posed in the House on February 22 to the Minister responsible for the Special Employment Initiatives Program, specifically regarding Canada Post.

Under this program the Minister, through Canada Post, had budgeted some $5,575,640. Essentially what happened is that 95.7 per cent of that money ended up being spent in Liberal ridings. Only 4.3 per cent of that money was spent in ridings held by the Conservatives and absolutely nothing was spent in the ridings held by the NDP. Of course, it was not an isolated incident. The same thing happened in the Department of Communications where 64.6 per cent of the money was spent in Liberal ridings and only 28 per cent in P.C. ridings. With respect to CMHC, 89.5 per cent of that money was spent in Liberal ridings.

• (1810)

What made people so angry is that as one went through that program it became more and more apparent it was nothing more than a Liberal slush fund being used in the most partisan way.

The concern I have is that Canada Post has recently deferred some $35 million in capital projects right across Canada. Of course, the reason is that it is trying to save money and ensure that it does not go too far into debt. Supposedly it is trying to be austere and look after the situation. We suddenly found that this $5 million was available and was all spent in Liberal ridings. Immediately one becomes very suspicious.

I am particularly suspicious because in my riding we have a number of very serious postal concerns. The City of Grande Prairie was promised a new post office over two years ago. It was the No. 2 priority, and in fact has moved up to the No. 1 priority in Alberta. Now there is no action. Suddenly, when funds become available, they are all spent in Liberal ridings.

How can the Minister justify that kind of action? Clearly it is an abuse of Canada Post for partisan purposes. It is an abuse of the power of the Government. It is certainly something that aggravates Canadians very much. If we look at the whole program we find that there was $184 million in the program. A mere $1.3 million of that ended up being spent in the Province of Alberta. Clearly, the Government has been very partisan in its administration of the program. It is no wonder that Albertans have not bothered to return a Liberal to the House. I doubt that they will for a very long time to come. They are sick and tired of this kind of partisan approach which the Government has used in handling government programs that are supposedly meant for the benefit of all Canadians.

I want to close my remarks by saying that we on this side of the House are extremely angered with the Government for doing that. We do not think the Minister can justify it in any honest or sincere way. The only thing we are left to believe is that it was done for partisan purposes and not in the best interests of the country, that it was an abuse of taxpayers' money to use it in such a partisan fashion.

[*Translation*]

Mr. Jean-Guy Dubois (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, the Hon. Member for Peace River (Mr. Cooper) rose in this House on February 22, the day after the Minister of Employment and Immigration (Mr. Roberts) tabled an exhaustive list of the 50,000 job-creation projects funded by this government during the last two years. On this occasion, the Hon. Member raised the matter of the money spent by Canada Post under the Special Employment Initiatives Program, attempting to demonstrate that post office capital projects had been poorly distributed.

However, Mr. Speaker, the Hon. Member for Peace River carefully omitted to make any serious analysis of this government's huge job-creation efforts and especially of the 50,000 projects that were implemented in all parts of this country.

Since the Hon. Member chose not to talk about it I would like to remind him that this government spent $2.5 billion for job creation in a two-year period through the Canada Employment and Immigration Commission, that is, more than $1.2 billion in 1983-84 and almost $1.3 billion in 1984-85. Moreover, within the special recovery projects aimed at stimulating the economy and creating jobs, which are funded by several departments, and within various existing government programs, this government will spend another $2.4 billion during fiscal years 1983-84 and 1984-85.

Mr. Speaker, I would like to clarify a few points regarding the questions raised by the Hon. Member for Peace River concerning the so-called huge sums spent in Liberal ridings through the Canada Post Corporation. Canada Post was

advised as to the money available to stimulate the economy and create jobs through various programs, one of which being the Special Employment Initiatives Program. The Corporation prepared more than 70 projects aimed at upgrading or building post offices where needed around the country. Forty of these projects were approved and funded for a total of $5.57 million.

I should point out that this represents a small portion of the Corporation's capital expenditure projects which will amount to between $20 and $30 million in 1984-85.

Mr. Speaker, concerning the Special Employment Initiative Program, I should like to say that in the Joliette riding and in others, some special recovery programs have been implemented. Some have even been implemented in the Yukon riding. What can you say to that, Mr. Speaker? But Hon. Members disregard this information and fail to mention these projects. However, when they had a look at the list of 50,000 job creation projects which the Liberal government in Ottawa has implemented over the past few years, the Canadian people realized the moment it was tabled that the Canadian government had done a lot to create jobs.

As far as Post Canada is concerned, there are certainly a number of Conservative ridings which have received funds, including the Sunbury, Fundy Royal and Timiskaming ridings.

Although these three ridings are represented by PC members in the House, they have all received funds however, none of them has risen in the House to criticize the government for the money which Canada Post has invested in their respective ridings.

• (1815)

[*English*]

INCOME TAX—EXPENSE DEDUCTIONS FOR VOLUNTEER FIREMEN. (B) INCREASE SOUGHT

Mr. Laverne Lewycky (Dauphin-Swan River): Mr. Speaker, I rise this afternoon to pursue further the question I raised in the House on March 28, 1984, with regard to income tax, specifically expense deductions for volunteer firemen.

I think if you were to review the response I received from the Minister in the House at that time, you will find he indicated that he was aware on March 27 that we had debated a private member's motion, which the Liberals talked out, concerning an increase to the maximum deduction allowed to volunteer firemen. The Minister indicated he would consider increasing the present limit. Then he said he would give it the same sort of consideration he gives all representations regarding future budgets.

In response to my supplementary question, the Minister indicated he would give consideration to the fact that all volunteer firemen would be covered, including those who might receive some sort of token remuneration for the work they had done. I was not really satisfied with the Minister's response on that particular occasion.

I want to draw to your attention, Mr. Speaker, that this issue has really been kicking around for quite some time. I know that after being elected on February 18, 1980, four years ago, a Mr. Charlie McKean came into my Dauphin office on March 9, 1980, to make representation that this expense deduction be increased to $1,000. His particular representation went back a bit further, he drew my attention to the fact that the Manitoba Association of Fire Chiefs at their annual meeting on March 31, 1979, had made a request that the income tax deduction be increased to $1,000. What we are talking about is something that has dragged on for five years, almost half a decade. It is not really a very recent issue.

If you consider the types of increases in expenses that have risen over the last half a decade I think you can see the reason I am rising again to urge the Government to act on the representation I have made, and make again. Again, I just want to point out my disappointment with regard to talking out the issue by various parliamentary secretaries on the other side of the House.

In addition to speaking in the House on various occasions, I have written to the Minister. Just to give you an indication of how longstanding this issue is, Mr. Speaker, on January 26, 1983, as a follow-up to what I said in the House some two weeks previously, I asked the Minister to consider increasing the income tax deduction allowed to $1,000. He replied that because this issue was under consideration for the forthcoming Budget, that is the one of February 1983, he was not at liberty to elaborate in any great detail upon my representation. When he indicated that he was prepared to give it some further consideration in future Budgets, I was somewhat concerned, to put it mildly, with his response. In the last two weeks I have experienced further consternation simply because I have received no letter subsequent to his statement in the House. For that reason I wanted to raise the matter again today.

• (1820)

I think this issue is important to small communities, especially rural and northern ones. In my own constituency there are 27 such volunteer firemen groups working in various communities. I urge the Government to take my representation seriously and to act upon it. It is extremely important. Otherwise, we will be forced to assume that the Minister will not be giving attention to this matter until the next Budget. We will then have to ask ourselves when will be the next Budget, and will he be the Finance Minister? Here is an opportunity for him to act immediately to meet a need which exists. It is something for which firemen have been awaiting a long time. This issue needs the Minister's immediate, and favourable consideration and attention now. I hope the Parliamentary Secretary will indicate that they are prepared to consider it.

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the federal Government fully supports the volunteer movement in Canada and recognizes

the important role it plays in providing or supplementing various services in the community. The question of volunteer service has become an important issue, and many advocate the use of the income tax system to provide incentives to encourage volunteer services in Canada. However, the effectiveness of the tax system depends upon its integrity and fairness.

Contributions of money and time in volunteer service is basically personal and undertaken at a taxpayer's discretion. The related expenses of providing the service are therefore personal expenses. Because of the possibility of the misdirection of tax incentives for personal gains, tax concessions are not generally provided in respect of personal expenses, even when they are expended to earn income; for example the cost of transportation to and from work. Given this general tax principle, it would be very difficult to introduce tax benefits for volunteer services which would be fair to the taxpaying public who must ultimately finance these benefits.

An exception has already been provided in the Income Tax Act by way of the $500 exemption in respect of allowances received by volunteer firemen from a government, municipality or other public authority. This exemption is in addition to the 20 per cent employement expense deduction, to a maximum of $500, available to all employees including volunteer firemen. The $500 exemption differs from the provision which is proposed in that under current law the authority which grants the allowance serves as an independent control to ensure that the expenses incurred are reasonable and valid. Permitting a deduction of these expenses would clearly increase the administrative cost of ensuring that expenses are reasonable. It would also further aggravate the disparity between volunteer firemen and other volunteer workers, such as St. John's Ambulance drivers who constantly point out the inequity of a tax concession for firemen with no similar treatment for themselves.

At this time of budgetary constraint it would be difficult to justify to the tax-paying public further exemptions. This is so especially in light of the fact that the responsibility for providing municipal services, such as protection against fire, is not properly the responsibility of the federal Government, but that of local and provincial governments.

[*Translation*]

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

At 6.25 p.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, April 10, 1984

The House met at 11 a.m.

• (1105)

[*Translation*]

BUSINESS OF THE HOUSE

Mr. Pinard: Mr. Speaker, I indicated yesterday that tomorrow would be an allotted day. Although the fact remains that tomorrow will be an allotted day, I should also like to designate Friday of this week as another allotted day.

GOVERNMENT ORDERS

[*English*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND ESTABLISHED PROGRAMS FINANCING ACT, 1977

MEASURE TO AMEND

The House resumed from Thursday, April 5, consideration of the motion of Mr. MacLaren (for Mr. Lalonde) that Bill C-12, an Act to amend the Federal-Provincial Fiscal Arrangements and Established Programs Financing Act, 1977, be read the third time and do pass.

Mr. Neil Young (Beaches): Mr. Speaker, in speaking previously to this Bill, I was arguing that the Government should be expanding funding for post-secondary education rather than reducing the amount of funds that are available. I have also argued that these reductions in the amount of money that the federal Government is prepared to spend on post-secondary education will have a more serious effect, I believe, on both deaf and hard of hearing Canadians. At the present time access to higher education is limited for deaf and hard of hearing students. There is a lack of program services and facilities. Among other problems, there are insufficient notetakers, interpretative services, special preparatory programs, sound amplification systems and other facilities to give them equal access to post-secondary educational opportunities.

• (1110)

The need for greater access to advanced technical programs for the deaf and hard of hearing is critical. Modern technology and computer sciences will have an enormous impact on our society. Our hearing impaired population can stand to benefit greatly from extensive training. It is estimated that there are between 30 and 40 deaf students in Canadian universities. Statistics are not available as to the enrolment of hard of hearing students in Canadian universities. The universities and colleges with hearing impaired students have attempted to provide some support services. Such services may take the form of notetakers or sign language interpreters but these services are not structured into an ongoing program.

In the past and until as recently as the fall of 1982, deaf students capable of progressing to a higher education had the limited options of attempting to compete with their hearing peers to gain access to a regular university or community college and then struggle through the program with or without support services, depending on the availability of such services.

Another option is to seek access to an existing institution which has initiated some form of support services or even the Gallaudet College entrance examination for acceptance into a program specifically designed to meet the needs of the hearing impaired. There are about 120 Canadian citizens currently attending Gallaudet College in the United States.

The third option is no longer available to deaf Canadians at the preparatory level because the rubella epidemic in the United States in 1963-64 created an unusually high number of college-age American deaf students seeking admission to Gallaudet College. It is worth while pointing out, as I did previously in this debate, Mr. Speaker, that there is absolutely no Canadian institution for deaf or hard of hearing students. If a deaf or hard of hearing Canadian wants to be educated or even gain access to post-secondary education, he or she has to go to the United States.

In addition to the problem of admittance, Canadian students are encountering other difficulties at Gallaudet College. Tuition fees have been increased and on-campus housing is limited. This has resulted in additional expenses for students as well as possibly increasing difficulties in finding suitable housing in the vicinity of the campus.

Given American statistics which show that 30 per cent of U.S. graduates of residential schools for the deaf will attend post-secondary institutions, it is expected that a similar percentage of Canadian deaf students would also want to pursue higher education. At this point it is crucial to indicate that even if the facilities of Gallaudet College are available to Canadian hearing impaired students, this College provides services only in English and is not accessible to deaf Francophones.

It is evident from the situation I have described that the time is long past when Canadians can safely rely on American institutions in order to educate their deaf youth at the university level. American Government-supported facilities must, by definition, give priority to their own citizens and should not be

expected to compensate for the shortcomings of the educational system of another country, in this case Canada. Furthermore, it is highly questionable whether it is justifiable, both morally and financially, to deprive young people who will become the leaders of Canada's deaf community of a large part of their Canadian heritage by forcing them to be educated in a foreign country. To be effective Canadian leaders, they must be given the opportunity to grow in a Canadian environment, learning about Canadian society, politics, institutions and culture.

Hard of hearing students have special needs of their own which are usually not recognized unless specifically brought to the attention of the educational institutions. Usually these students are left to struggle through university or college with little or no support services. A hard of hearing student may need some simple and inexpensive sound amplification to supplement the personal hearing aid, the assistance of a note-taker or an overhead projector or some other appropriate device which could be provided if the facilities of universities and colleges were sensitized to the needs of hard of hearing students. Such sensitization will only come into being when formally structured, subsidized support services are made available as a matter of course.

• (1115)

More often than not a Canadian hard of hearing student would choose to continue to study in this country rather than in the United States—in this case in Washington—thus avoiding a move to another country and another culture. Gallaudet College is primarily intended for the deaf and the environment is rich in deaf culture.

This lack of opportunity about which I have spoken exists because post-secondary education of the deaf and hard of hearing has never been addressed on a national scale. Until the problem is addressed by way of a federally-funded study, then this problem will remain with us and will continue to squander a facet of one of our most important resources—Canadian hearing impaired youth.

In my view—and it is shared by my colleagues—the Government of Canada should fund a national study of post-secondary education of the deaf and hard of hearing. The national study group should include representatives from various organizations, institutions, as well as appropriate individuals. The purpose of the committee should be to focus on studying the development of multi-disciplinary facilities with emphasis on technical training, with full access to deaf and hard of hearing students. These facilities should encompass applied research and human resource development and should act as resource centres for the purpose of networking with other existing universities and colleges where there is an overlap of interest. I would hope that the recommendations of the proposed study committee would be supported by federal funding, which would then result in a solution of the difficulties confronting deaf and hard of hearing Canadians in their attempts to seek higher education.

The urgency of this matter cannot be over-emphasized. For too long the post-secondary educational needs of the deaf and hard of hearing have lacked attention. As 1985, the International Year of Youth, approaches, it is particularly timely that action be taken on this important issue. The Canadian Co-ordinating Council on Deafness presented a brief to the Minister of State responsible for the disabled on this very important issue of access to the hearing impaired and deaf in the country.

Provincial and federal governments have been cutting back on post-secondary education for young people, but not because of any lack of resources, as has been argued by the federal Government and provincial governments, in particular in my case the Government of Ontario.

An Hon. Member: A Conservative Government.

Mr. Young: As my colleague indicates, it is a Conservative Government, as is the case of all governments of the provinces, in effect, with the exception of Manitoba.

What will this mean to the Canadian student population? It will mean a denial of access to post-secondary education because of a lack of personal financial resources on the one hand. On the other hand, for those who can afford it, it will mean an increase in tuition fees. In fact, I was talking to some of the pages who serve us so diligently in the House, and in Ontario many of these students are being asked to spend something like $1,200 a year just to gain access to the university system. That is all right if the student manages to obtain a job, which is extremely unlikely in today's economic environment. It may be helpful if their parents happen to be in the upper income levels of society and can afford to provide the necessary tuition fee. However, for may people, particularly those at the low or middle part of the income scale, it will be practically impossible for them to see their children enter the university and college system. As I mentioned previously in this debate, and as my colleague from New Westminster-Coquitlam (Ms. Jewett) pointed out *ad nauseam* in this House—

• (1120)

Ms. Jewett: Me, *ad nauseam*?

Mr. Young: Yes, *ad nauseam* in this House. She has done a very effective job attempting to persuade this Government that what is needed in this rapidly expanding technological society is that rather than cutting back on funding for necessary educational purposes at the post-secondary level, this Government should be expanding those facilities, making entrance into those facilities and institutions more accessible rather than restricting access, as will be the case with this Bill. I see my time has run out, Mr. Speaker.

The Acting Speaker (Mr. Guilbault): At this stage in our proceedings a ten-minute period is provided for questions or comments relative to the Hon. Member's remarks. Are there any such comments and questions?

Ms. Jewett: Mr. Speaker, I just wanted to comment and question the use of a particular Latin phrase. I wonder whether the Hon. Member intended to say that my concern about this matter led me to debate *ad infinitum*.

Mr. Epp: Mr. Speaker, *ad nauseam*; he was right the first time.

Mr. Young: I stand corrected, Mr. Speaker. It was *ad infinitum*, but with this Government you have to repeat an argument *ad nauseam* in order to have it penetrate their little ears.

Mr. Malone: Mr. Speaker, the Hon. Member mentioned with some frequency, and attached some considerable importance to, educational services for the hearing impaired. Since I sit beside the Hon. Member for Vancouver-Kingsway (Mr. Waddell), I wonder if he could advise where I might find one of these institutions that can help my left ear a little bit.

Mr. Young: Mr. Speaker, I am not sure whether the Hon. Member asks the question in a light vein or not. As my colleague and friend from Don Valley East (Mr. Smith) mentioned, it would be rather difficult for that particular Member to receive education in any facility in Canada.

The important point that has to be made is that for those who are hard of hearing or deaf, there is absolutely no facility in Canada which provides that individual with access to post-secondary education. That individual must go to the United States in order to receive an education. In a country as rich in resources as Canada, it is a national shame, if not a national disgrace, that that kind of situation is allowed to continue to exist. Surely we have a responsibility to all Canadians, whether they be the hearing impaired, hearing individuals or children with physical disabilities other than a hearing impairment, to ensure that, regardless of their physical disability, they have equal access to education, no matter where they live in this country, or whether they need extra assistance in order to gain access to education within Canada.

Mr. Orlikow: Mr. Speaker, I have a question for my colleague. He spoke very movingly about the problem of the hard of hearing getting an education. I reckon the situation is bad. Could he give me some information on the problems of some of the other handicapped, such as the blind and the physically handicapped? Are the facilities and opportunities for them as bad as they are for the hard of hearing?

• (1125)

Mr. Young: There is absolutely no question about that, Mr. Speaker. Shortly after the last Parliament convened, I along with other Members of the House served on the Special Committee on the Disabled and the Handicapped. The Minister of State for Small Businesses and Tourism (Mr. Smith), by the way, was the Chairman of that particular committee. I would be remiss if I did not take this opportunity to mention that one of the hardest working members on that committee was the late Hon. Walter Dinsdale who had devoted much of his adult life to the concerns of the disabled in the country.

The testimony that we on that committee heard from witness after witness concerned access to education. Access to education for a person who happens to be disabled is extremely limited for a number of reasons. We cannot talk about access to education for someone who is disabled in isolation because it is so integral to the participation of the handicapped in the mainstream of Canadian life.

If we are not prepared to provide a disabled person with adequate access to education, then we are denying that disabled person the opportunity to find gainful employment, access to transportation, access to recreational facilities and access to all kinds of things that we able-bodied Canadians take for granted. That is why education is so crucial to a person who happens to be disabled. We must recognize that individuals such as blind Canadians who are attempting to gain access to the university education system or even to junior school require additional assistance that able-bodied Canadians do not need. Very often the family resources cannot provide for that and I would strongly argue, as our committee strongly argued, that the Government must play a role in allowing the handicapped and disabled to gain access to the various institutions in the country that we as able-bodied Canadians take for granted.

Mr. Orlikow: Mr. Speaker, I would like to ask the Hon. Member another question. In the studies done by the committee of which my hon. friend was a member, was there any indication that if people who are blind, deaf or in any other way physically handicapped were given an opportunity to get an education, then they can indeed find employment? If they can find employment, it means that they will no longer be a burden on their families or, when they become adults and their families cannot support them, on the state. I am trying to ask the Hon. Member if we are not being penny wise and pound foolish.

Mr. Young: Mr. Speaker, there is absolutely no question that that is so in a number of ways. First, the individuals I have encountered since I came to this place and since I was a member of that committee clearly indicated to me that the old stereotype of a disabled person being locked up in an institution and kept away from the mainstream of society no longer holds true at all. A person with disabilities is quite capable of being educated in the same way as anyone else. In fact, the stereotyping has got to the point where anyone with a disability has been considered to be somehow mentally deficient, and that is the worst kind of stereotyping I have ever encountered.

We should take a look at the straight economics of the situation, Mr. Speaker. Let me refer to figures based on estimates that are three or four years old; I am sure the figures are quite different today. However, if society continues to institutionalize individuals simply because of a disability or a handicap, it is not economical on a straight cost basis. It costs something like $35,000 and probably more like $40,000 or $50,000 a year to maintain a person in an institutional setting. If you provide them with the means to live within the community and with adequate community support services, the com-

parative cost is around $8,000 per year. Even on a straight economic basis it is much more effective for society to provide those individuals with the means to live within Canadian society as able-bodied Canadians, and to give them the opportunity to reach their own level in society.

• (1130)

Disabled Canadians have an expression for the able-bodied. They call them "tab" persons—that is, "temporarily able-bodied". Even while we enjoy good health and physical attributes, at some point in our life either through accident, illness or aging the possibilities of becoming disabled are extremely good.

Mr. Gordon Taylor (Bow River): Mr. Speaker, I am very pleased to have the opportunity to say a few words on Bill C-12. The first point I should like to make refers to statements made by the Hon. Minister when he moved second reading of the Bill on January 27. As reported at page 814 of *Hansard* he said:

—federal assistance to each province for post-secondary education will be increased by 6 per cent in 1983-84 and by an additional 5 per cent in 1984-85.

He emphasized the word "increased". A little later he said:

The purpose of this change is to clarify the fact that the federal Government contributes huge amounts to the provinces. Over $13.5 billion was contributed for 1983-84 to assist the provinces in financing post-secondary education and health programs.

The Hon. Minister continually used the word "increase", but when I look at the Bill I do not see anything in it about increases. As a matter of fact, on the first page of the Bill Clause 3 reads as follows:

"the fiscal equalization payment to each province for a fiscal year shall be reduced to the amount obtained—"

Not "increased", Mr. Speaker, but "reduced". On page 5a of the Bill a very tricky formula is set out under which the numerator is the per capita Gross National Product for the calendar year ending immediately preceding the calendar year ending in the fiscal year, and the denominator is the per capita Gross National Product of the fourth calendar year. It also refers to the cube root of the fraction, not the square root or result but the cube root. Anyone who knows anything about mathematics knows that the cube root is much smaller than the square root and much smaller than the actual result. This is another way of reducing the amount. As everybody knows, the cube root of 64 is 4 and the cube root of 27 is 3. The square root of 64 is 8. Here we have the cube root taken to find the amount of money going to the provinces.

An explanatory note to Clause 7 reads in part as follows:

—would provide for a 6 per cent limitation in the growth of the per capita entitlement applicable in respect of the education program to a province for the 1983-84 fiscal year and a 5 per cent limitation in the growth of that entitlement for the 1984-85 fiscal year.

Why did the Hon. Minister leave the impression with all those who heard his address but who have not had access to the Bill that the funds are going to be increased by the Bill? That is a pretty sneaky way of trying to fool the public. I do not think it is proper for a Minister to mislead the people.

Just recently a teacher said to me: "I heard we got an increase because I heard the Minister". I said: "How do you get an increase when you take the cube root of something?" She looked at me very oddly. I said: "Do you get an increase when you reduce the amount of money that is going to be paid to the provinces?" She said: "I do not know what you mean". I showed her the Bill and told her what has been happening. She said: "I was completely misled". When qualified teachers are misled, what about the general rank and file of the public? This is no way for the Government to act, Mr. Speaker. I deplore the method used by the Hon. Minister to make people think we are getting an increase when there is actually a decrease.

Let us examine the figures that are being applied. The Minister also applied the tax transfer agreement. That simply moved percentage points of the income tax from the federal Government to provincial governments. The same tax is applicable to the people of each province. Instead of the federal Government collecting the money the provincial government does so; then it is provincial money and not federal. Yet the Bill continually refers to the money being collected under a transfer agreement. If the federal Government wanted to use that figure as part of its contribution, then why did it transfer the percentage points in the first place? There is no reason for it, but once it has transferred the percentage points it becomes provincial money and the federal Government should not try to make people believe it is part and parcel of the program.

The Bill reduces the cash going to the provinces. Throughout the Minister's speech I do not think the word "reduction" was used once but the word "increase" was frequently used. That is very misleading.

The Bill applies different growth rates to education taxes for 1983-84 and limits the amount for 1983-84. In other words, it is retroactive legislation. This is 1984 and it is limiting the grants for 1983-84.

Another thing that I do not like about the Bill is that it is a unilateral change, not a change negotiated with the provinces but a change forced on the provinces whether they like it or not. That is not the way Canadians are used to doing business.

It seems to me that there is about $100 million that should be going to the provinces for education. But where is that money going? We have received no explanation from members of the Government. Where is the money going and what is it being used for? I think people are entitled to know that. As a member of this Party mentioned just the other day, the total tax grab is about $380 million. In 1983 it was $118 million and in 1984 $260 million. That money is being taken away from a proper allocation to the provinces.

When the Minister mentioned the 6 per cent and the 5 per cent that he is now going to use, in effect he is saying that the Government is going to chisel the provinces out of more than 2 per cent under the former Act. Actually the increase should be over 8 per cent instead of 6 per cent and 5 per cent. In other words, the Government is again chiselling the provinces out of money that the former Act gave to them.

• (1140)

Something which has become very commonplace throughout the years during which I have been watching the present Government in action is the encouragement given to the provinces to expand programs, to introduce new programs. Then when they introduce them, the federal Government withdraws its support and leaves them up to the provinces to continue. It has done this in many cases. This is a bad way for the Government of Canada to operate. If the federal Government wants to inject itself into the educational facilities, then once it does that, it should stay there and not continuously change its plans and programs unilaterally as it has been doing.

This Bill not only reduces the amount of money to the provinces but will actually lower the quality of education in this country. I realize that that is a serious charge and I make it only after reflecting on it carefully and studying the Bill. It cannot help but lower the quality of education in Canada and let me tell the House why. The cost of education is not going down. It is going up. Salaries of teachers and professors are going up. These salaries have to go up; otherwise the teachers and professors would not be able to meet the cost of living because the cost of living is going up. The cost of equipment for our universities is going up. Almost every type of equipment purchased by our high schools and universities today costs more than it did three or four years ago and much more than it did in 1977. Books are costing our libraries more money today, excessively more, and they have to be purchased; but there are going to be fewer books purchased and consequently our students will have less access to the wisdom of the world.

What is very serious, as far as I am concerned, is the quality of education for the people generally. It is not right and proper today to provide education only for the rich of this country. Some of the highest positions in Canada today are held by many who were born into poor homes; some of them were in my classrooms in school. They hardly had enough to eat through the Depression years but their parents sacrificed and worked so they could get an education. They went out and found jobs and by dint of hard work they were able to get an education. Some of them today are holding the highest positions of reponsibility in this country, in our churches, our economic life and our political life. They were able to do that because they were able to get an education. However, those men and women, had they not secured that education, would be on our relief rolls today or standing in a bread line, as many young people are doing today.

I quote from a recent article in *Maclean's* magazine:

> In 1981, according to Statistics Canada, 3.5 million Canadians were living within its definition of poverty. In 1982 the number jumped to 4.1 million. The 1983 figure, which will not be available until Fall, will probably be roughly 4.4 million.

There are 4.4 million people living within the Government's own definition of poverty, and that is something of which no country can be proud. Yet when we reduce the amount of money for our universities and educational facilities, we will aggravate that figure. There is no way we can do other than aggravate it because, in the first place, more and more of our young people will not be able to go to university. I know what that means. I would have liked to be a doctor. When I was a young man I yearned to be a doctor. But I came from a family of 10. My father was a hard-working man but he could not find work in the Depression years. My brothers worked hard in the coal mines and by dint of sacrifice they managed to send me to normal school and to university for one year so I could teach school. That was all they could do. My father passed away, some of my brothers married and had responsibilities of their own, and I took on the responsibility, along with other brothers, of looking after our mother and younger members of the family. In my case, university was out of the question because of economics.

I went to school with scores of other young people who could not afford to go to university and so the contribution they could have made to this country was lost. They had great ability, much greater than some of the rich boys in our class, and much greater than even I thought of having, but they were denied their opportunity. Their potential was lost because they were unable to get to university, not because of a lack of ability but because of a lack of money. It should not be so hard for our young people to get into university.

The federal Government started a program of assisting post-secondary education but now it is going to withdraw to a degree and leave it up to the provinces. That will be hard enough on the rich provinces but it will be very tough indeed on the poorer provinces. That is not fair to young Canadians. We talk about a standard in this country that we want no Canadian to live under, but what will happen to the maritime provinces which have little resources compared to Alberta, British Columbia or Ontario? We are simply telling the young people in the maritime provinces that they are going to be handicapped for life because they cannot go to their own excellent universities. That is not right. This Bill is wrong in principle because it is denying our young people the right to an education.

I enjoyed the comments made by the Hon. Member for Beaches (Mr. Young) regarding the deaf and I could not help but think about the blind and the handicapped, those in wheel chairs and those who were born as slow learners, not stupid but slow learners. What are we going to do about these people? It takes extra money to teach the handicapped. I was proud one day to step into an office in the City of Calgary where I was greeted by a lady in a wheel chair. She had gone through university and was holding her own with everyone in that office. I felt glad to be a Canadian. But we are condemning people who are slow learners, who are blind, who are deaf, who are handicapped, to a life perhaps of poverty. Perhaps they will be part of the 4.4 million people below the poverty line which *Maclean's* magazine spoke about. That should not happen just because they were not born to parents who have a million dollars, although I do not begrudge these people their money. They probably earned it. But I certainly do not appreciate the fact that those who come from poor homes are going to be

condemned to poverty for all their lives because we deny them an education.

When I was just a kid I talked to a preacher from a foreign country. I was complaining about having to go to school. He said to me that I was a very lucky young man. I could learn to read and write. I could reach almost any apex I wanted to reach if I had the ability and worked hard enough. In the country where he was a missionary, very few boys and girls learned how to read and write. They would give their right arm just to be able to read. Yet here in this country, this rich country with all its resources, we are saying to our young people: "You are condemned to poverty because we will not provide the facilities for education. In fact, we are cutting them down". We are applying the "cube root". How can we face our young people and tell them we are going to help them get work and then refuse them access to education?

The Minister of Employment and Immigration (Mr. Roberts) has been advertising courses in newspapers, but when young people go to apply the employment office does not know anything about it. I was at a meeting in a place called Brogg Creek. Someone told me he was interested in improving his education and he saw this advertisement in the newspaper, which must have cost the Government a considerable amount of money, but when he went to the employment office they knew nothing about this program. I wrote to the Minister asking about this but have not yet received a reply. Maybe there is an explanation. However, we spend money advertising and building up the hopes of people. It is the same with programs under UIC. How many scores of those who want to cannot get into the training classes because the quotas are used up?

• (1150)

The Hon. Speaker is showing me one finger. That means I have one minute left. I had wanted to speak in detail about the native people of this country. In Gleichen there is a school called the Old Sun College. It is a wonderful college. It is fighting to get enough money to keep its head above water. It is a college that will give Indian boys and girls an opportunity to compete. In Drumheller there is the Votex Training school for the subnormal. I was in that school the other day. Eighteen people aged 12 or 13 up to 50 are learning to make things. I was proud of the fact that they are no longer on welfare, as they would have been. Now they are making toys, benches and tables. They can do it if we give them the opportunity. We have a tremendous country. We have tremendous resources and tremendous people. Let us make sure that every one of them has an opportunity to reach his or her greatest potential.

The Acting Speaker (Mr. Guilbault): Are there any questions or comments? Resuming debate, the Hon. Member for Carleton-Charlotte (Mr. McCain).

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, it would appear to me that the Government is very conscious of biblical obligations. It looks as if it were establishing in perpetuity a memorial to the statement: "To him that hath shall be given and from him that hath not it shall be taken away". That is exactly what we have in the Bill before this House at this moment in time.

I would first like to address in general the remarks made by the Member for Gloucester (Mr. Breau). He was the Chairman of the parliamentary task force in federal-provincial fiscal arrangements. In response to what he has said I would say that that task force made recommendations across the board which have been ignored and denied in section after section of this Bill. Any attempt to justify this Bill by any remarks of the former Chairman of that committee seems to me to abdicate the responsibility which he and I both have with respect to our province and to other provinces in a like position.

For instance, he has continued to follow the Government's policy of pulling blindfolds over the Canadian people in respect of the $190 million which appeared to be a windfall at one moment in time in Atlantic history. That $190 million which he has described in his remarks, the details of which I shall not go into, was as a result of, and has been repeatedly stated to be as a result of, a miscalculation of federal statistical authorities. As a result of that miscalculation the Atlantic provinces were short-changed in payment in the years concerned. The $190 million has not been advertised by the Government and its speakers as a statistical error at the federal level, but rather it has been trying to expand upon the great largess of the Government of Canada as it relates to the Atlantic provinces. That is misleading, inaccurate, inappropriate and inexcusable.

No matter how the Member for Gloucester wishes to dabble in extraneous statistical material to arrive at the conclusions which he expressed in his remarks, it just does not wash with reality. This Bill is contradictory to the total principle of federal assistance which has been necessary for those have-not provinces of Canada as described by Justice Emmett Hall in his study. The established programs financing was introduced as a block fund and the financial data are reported in this manner. The expenditures include all spending on health-related and post-secondary education programs as agreed to by a joint federal-provincial committee.

Federal contributions include the cash transfer of established programs financing plus federal contributions for health care received under the cost sharing arrangements. The established programs financing tax transfer is not reported as a federal contribution because these taxes are collected under provincial law. It is the provincial government and not the Government of Canada which takes responsibility for raising these revenues.

I would like to give you some statistics, Mr. Speaker, in respect to the impact of the block funding structure and the funding arrangements agreed to in 1977. Provincial expenditures on health care and post-secondary education in 1977 were $345.3 million in New Brunswick. In 1982-83 they reached $712.2 million. When the cost was $345.3 million the federal contribution was $123 million or 35 per cent. This escalated until eventually in 1979-80, under the agreement of 1977, the federal Government had reached a level of 41.1 per

cent of the cost of the cost-shared programs in New Brunswick. This was up not quite 6 per cent.

Since the new trend has taken place in federal budgeting and since we have decided that we are going to save money, the decline has amounted to exactly 12 per cent of provincial expenditures supplied by the federal Government. The total expenditures for the province have more than doubled, from $345 million to $712 million. The federal contribution has not quite doubled. It was $123.7 million and is now $207.6 million. At one point in time it was 41 per cent of the cost of those provincial expenditures. It is now 29.1 per cent. No matter how you cut this cake, when you cut 12 per cent of the expenditures of the province from federal allocations to the province you have dealt it a crippling financial blow.

This does not deal totally with post-secondary education as this Bill is supposed to, but that is only part of the pie. The first major federal-provincial cost-shared program was hospital services. This program, introduced in 1958, provided for the federal Government to cover about one-half of the cost of approved federal services with the provinces covering the other half. In the late 1960s the medicare program was introduced. Here again the federal Government agreed to cover on average—please note the phrase "on average"—half the costs of provincial medicare programs. The average implied that there should be recognition of those provinces with less economic capability than others.

I was a member of the provincial legislature of the Province of New Brunswick when hospitalization was introduced. At that time it was agreed that the federal Government should accept something in excess of 60 per cent of the total cost of hospitalization for the Province of New Brunswick. Likewise, when medicare came in the federal Government shared in excess of 50 per cent of the cost of that program. I guess the provinces were smarter than the feds; they estimated more accurately the needs of the provinces than the federal Government estimated its expenses for the programs which it had structured.

Having underestimated the cost of these programs, in Bill C-12 the federal Government is now trying to transfer to the provinces that are beleaguered by financial problems, as is the federal structure, more of that expense. Those provinces cannot afford that. While the suit can be cut to fit the cloth year after year, eventually some part of the financial body will be naked. That is what will happen if this Bill begins a perpetual trend in the fiscal responsibilities of the federal Government as they relate to the provinces.

• (1200)

The third major cost-shared program involved federal grants for post-secondary education. In 1967 the federal Government offered to pay the provinces 50 per cent of the operating costs of post-secondary educational institutions, or $15 per capita. New Brunwsick opted for the $15 per capita.

The original arrangement worked quite well through the 1960s but the problem began to emerge in the 1970s. The provinces were having difficulty coping with the rigid program and spending guidelines laid down by the federal Government. Those guidelines that were set by the federal Government displayed an effort to influence provincial politics by federal expenditure through the power of the purse. It is a betrayal of the relationships which should exist between the Parliament of Canada and the provinces.

The provinces were having difficulty coping with the rigid program and spending guidelines laid down by the federal Government which, in many cases, directed provincial spending to high-cost rather than less expensive program areas. The federal Government was concerned about the open-ended nature of its financial involvement in which it had to match provincial spending. However, the Government still wanted to guide how that spending should take place.

Beginning in 1972, the Government began to take steps to reduce its financial commitments when it placed a cap on its contributions for post-secondary education. The introduction of caps and ceilings was absolutely contrary to the intention of the original agreement.

In 1977, federal arrangements replaced federal conditional grants to the provinces in support of medicare, hospital services and post-secondary education with a new program called Established Programs Financing. Again, that worked favourably for the provinces until there was a 6 per cent increase in the share borne by the federal Government. The provinces out-foxed the federal Government because they knew more about their needs and anticipated requirements than the federal Government.

Once that plateau was reached the program at the federal level started to go downhill again. We cannot afford to let this happen. Once a standard in any social sphere is established, one must be very cognizant of the fact that someone will be embarrassed if that standard is cut. The intent was to embarrass the provinces and it is unacceptable for the Government of this day not to fulfil its responsibilities by backing away from the costs of a program which it prescribed.

The Established Programs Financing was set up. According to this program a single cash grant and a transfer of personal and corporate tax points replaced the cost-sharing arrangements under which the federal Government helped to finance medicare, hospital services and post-secondary education. With EPF, the federal contributions were no longer determined by the provincial program expenditures, as they were before. It was no longer the set percentage of provincial expenditures; they were tied to the rate of growth in Canada's economy. This gave the federal Government greater certainty about its financial commitments. Of equal importance, it placed upper limits on its financial obligations. This less attractive financial arrangement was made acceptable to the provinces because the federal Government assured them that EPF would give provincial governments more flexibility in program decisions.

I have sat in the House and listened to the Minister of National Health and Welfare (Miss Bégin) in particular, enraged in her ideology, demean the provinces about their expenditures in a contemptible way. Yet the intent of this

program was to get the finger out of the pie of provincial management. That was the understanding.

The provinces were asked to seek ways and means to gain more effective control of the expenditure of provincial and federal money. Let me quote the Prime Minister (Mr. Trudeau). He said:

(EPF) . . . suits the current and future imperative, namely fiscal restraint, in that provinces will have a greater incentive to implement what are admittedly difficult measures designed to restrain spending in these fields to reasonable levels.

That is a statement by the Prime Minister. This meant that the provinces were free to manage their own affairs without political or financial interference by the Government of Canada. They were able to govern themselves under their own circumstances. For the most part, the provinces favoured the move to EPF, although it was recognized that, particularly after EPF was phased in, provincial costs for medicare, hospital services and post-secondary education would grow more rapidly than federal contributions. The provinces recognized this from the beginning.

One of the key features of the EPF arrangement was that it was designed to produce long-term certainty for both the federal and provincial governments. The federal Government obtained certainty that no matter how much the provinces spent on these programs, its contributions would not exceed the growth in the national economy. The provinces obtained certainty that the federal Government would refrain from applying arbitrary caps and limits to its contributions, and so could plan accordingly.

This Bill is in absolute contradiction of the federal-provincial negotiations which were presumably carried on in good faith. In fact, limitations are now being imposed as a result of withdrawing funds from the field to which we were so committed and which the Prime Minister addressed in such a very positive fashion.

Established Programs Financing worked fairly well from 1977 to 1982. However, over that period and within the last year, the federal Government has done much to destroy the principles upon which EPF was based. It has launched counter-productive quarrels with the provinces and caused serious distrust between the provinces and the national Government.

Less than two years after it convinced the provinces to accept the EPF arrangement, the federal Government wanted to change its terms and thereby reduce EPF payments to the provinces. On this occasion the provinces successfully resisted those attempts but the federal Government responded by cutting other transfer programs and terminating discussions for a new block funding arrangement for social services. It terminated those discussions and applied other financial pressures.

In the 1981 federal Budget, the Government announced that it planned to cut over $5 billion from EPF funding over the period 1982 to 1987. This cut was implemented in the spring of 1982, contrary to the recommendations of all the provinces, the Economic Council of Canada and an all-Party parliamentary task force chaired by the Hon. Member for Gloucester from New Brunswick. In 1983, the Minister of Finance (Mr. Lalonde) announced that federal EPF contributions would be arbitrarily capped in so far as post-secondary education was concerned.

In view of the remarks made by the Hon. Member for Bow River (Mr. Taylor), we must consider the consequences of capping post-secondary education expenditures, especially at a time when virtually every Minister of the Crown is saying that the Government will promote more training. However, this legislation will ensure that it is not done at the post-secondary education level, since its financing will be capped. That is precisely what this legislation will do.

The Province of New Brunswick spent over $700 million on these programs in 1982-83, or approximately 29 per cent of its total Budget. Against this, the province received about $200 million from the federal Government for health care and post-secondary education.

Mr. Evans: I thought it was post-secondary education alone.

Mr. McCain: I challenge any Member of the House to look at the statistics in Atlantic Canada to determine how much money was spent on post-secondary education. I suggest that the Hon. Member for Ottawa Centre (Mr. Evans) will find they exceeded that. If the figures are distorted by the measurements made by the Member for Gloucester in his speech, the Member for Ottawa Centre has grounds for shaking his head; but when the distortions are removed, my statement will be unequivocally substantiated.

Mr. Speaker, I realize that my time is almost up. May I have unanimous consent for some extra time?

• (1210)

The Acting Speaker (Mr. Guilbault): Does the Hon. Member for Carleton-Charlotte (Mr. McCain) have unanimous consent to continue?

Some Hon. Members: Agreed.

Mr. McCain: Mr. Speaker, I thank the House for its generosity.

I mentioned once before, and this was contradicted also by the Hon. Member for Gloucester, that the Province of New Brunswick was labouring under the highest tax rate of virtually every province in Canada. Virtually, not all; Newfoundland is higher.

Mr. Evans: Try Quebec.

Mr. McCain: Yes, Quebec in some instances is higher, but not in all.

Mr. Evans: Sixty-five per cent.

Mr. McCain: That means a province which has 70 per cent plus or minus the national average income of this country has to impose nearly the highest taxes of any province in Canada to support post-secondary education and other policies in that province. The people of New Brunswick may not pay as many

dollars per capita as people do in Ontario, British Columbia, or in Ottawa Centre, but a bigger portion of their income is going in provincial taxes, no matter how you try to cut the pie. It is a bigger proportion. The burden on the people of New Brunswick is relatively heavier than in other provinces.

Let me come to the Province of Newfoundland. A Cabinet Minister in Newfoundland stated on television this morning that Newfoundland's average income was 52 per cent of the average national income. That means that in the Province of Newfoundland people are labouring even harder and sharing the widow's mite even more than the people in New Brunswick. These things are not recognized. If I had one reason to criticize the federal-provincial task force, it would be because the task force was made up in its total not with the Member for Bow River, who has provincial experience, not with the Premier of Prince Edward Island with his provincial experience, but it was made up of a group of people who had never participated in and were not, with all due respect, as familiar with the problems of provincial budgeting as were other Members of this House. No Party appointed a single Member to that committee with that background. I submit to you, Mr. Speaker, that the conclusions of the report, though very very firm and definite, were coloured by the lack of knowledge, experience and understanding of the difficulties which Atlantic Canada perceive, and which are real.

This Bill is in contradiction of Emmett Hall. It is in contradiction of the task force. It is in contradiction of the statements made by the Prime Minister of Canada when the EPF block funding program was brought in. I want to point out to you, Sir, that it is a ceiling on how much the federal Government will pay post-secondary education. Regrettably it is not the floor; there is a variable which makes it possible for an application of less than the six and five ratio of increment and expenditure, which is mentioned, but the little dog-eared section down there states that under certain statistical conditions we do not have to increase that payment even by 5 per cent. We might increase it by 2 per cent, 3 per cent, or 4 per cent on an annual basis. All this is contradictory to the means of the provinces of Canada, particularly Atlantic Canada.

I wish I had time to quote, but I will not abuse the unanimous consent I received. I refer Members of this House, including the sarcastic Member from Ottawa Centre, to Emmett Hall's statement about the need for additional federal help for post-secondary education rather than make cut-backs in the extension of federal grants for health, education, and welfare. His statement unequivocally says that if and when this happens there will be a reduction in the quality of services in an area of Canada which, even at the time of the Emmett Hall report, could not meet the standards of Canada. Instead of less, Mr. Justice Hall was recommending more.

Bill C-150 was in this House. It never reached second reading. In the interests of humanity, of education, and of the taxation incapabilities of Atlantic Canada, I pray that this Bill will never come to third reading and a vote in this House of Commons.

[*Translation*]

The Acting Speaker (Mr. Guilbault): Are there comments or questions concerning the speech of the Hon. Member?

[*English*]

Mr. Evans: Mr. Speaker, the Hon. Member for Carleton-Charlotte (Mr. McCain) referred to the "sarcastic Member for Ottawa Centre", apparently referring to myself.

Some Hon. Members: Hear, hear!

Mr. Evans: I was not at all being sarcastic when I asked questions of the Hon. Member across the floor. The Hon. Member for Gloucester (Mr. Breau) was Chairman of the task force which looked into federal-provincial fiscal arrangements. He came into this House not more than a week ago and in his speech indicated that the Province of New Brunswick is now receiving for post-secondary education funding 109 per cent of its total expenditures. That means the federal Government is not only paying the entire cost of post-secondary education in New Brunswick, it is paying 9 per cent more than the total cost.

How can the Hon. Member sit there and say that the federal Government should, without limit continue to send funds to the Province of New Brunswick for the express purpose of post-secondary education funding when the province is not spending the money we send it now for the purpose of post-secondary education? When will Members on that side of the House learn that you simply cannot push on a string?

Members on this side of the House, in the leadership campaign and from other parts of the Cabinet are talking about finding ways to improve post-secondary education and training, which may involve a more direct role for the federal Government in ensuring that the young people in this country receive the education being paid for by taxpayers' dollars. I support them 100 per cent, Mr. Speaker—

Mr. Blenkarn: Are you going to speak today?

Mr. Evans: —and it is time people on that side of the House started to take their responsibilities seriously.

Mr. Hnatyshyn: Why wait for spring? Do it now.

Mr. McCain: Mr. Speaker, may I draw to your attention that when the Hon. Member for Gloucester made his comments he included in arriving at that figure tuition fees paid by students—

Mr. Evans: Of course.

Mr. McCain: Wait a minute; that is not a provincial nor is it a federal expenditure. The Hon. Member for Gloucester included the grants made by private individuals through alumni funds and other grants in that expenditure. That is not what they are talking about because there is absolutely no relationship between what the province spends for education, the private grants to universities and the tuition fees paid by

students. That is an absolute and utter distortion of what we are talking about today.

Some Hon. Members: Hear, hear!

Mr. McCain: We are talking about the payment of taxpayers' dollars, not private dollars or tuition fees. So the Hon. Member should remove that figure. I challenge the Member for Ottawa Centre to say that of taxpayers' dollars New Brunswick is not spending its share.

Mr. Evans: Nonsense.

Mr. McCain: It is. The university structure education council got its increment in funds from the provinces of Atlantic Canada on an annual basis and they are well in proportion to or in excess of the moneys which are contributed by the Government of Canada.

Mr. Blenkarn: Mr. Speaker, obviously the Member for Ottawa Centre (Mr. Evans) wants to contribute to this debate. I certainly think he should. However, could the Hon. Member for Carleton-Charlotte (Mr. McCain) confirm that the effect of this Bill is to reduce the amount of cash the federal Government transferred to New Brunswick—amounting to $3.3 million in the year 1983-84, and another $7.4 million in the year 1984-85—by $10.7 million? Those figures are escalated forever. Could the Hon. Member tell us how he thinks a federal Government that is concerned about training, about the new technological age which we are entering, could conceivably take away from the Province of New Brunswick $10.7 million—not tax points or anything of that nature, not fluff—that is needed to finance the education of young people and indeed people who need retraining?

Mr. McCain: Mr. Speaker, the federal Government did not have a political profile in the block funding structure. Its effort to save between $5 billion and $6 billion on an annual basis projected was in order to obtain a political profile and to put money into post-secondary education and health care. The intention was to reduce the federal commitment and at the same time raise the profile of the politics of the contribution. New Brunswick, I may say in response to the Hon. Member, cannot afford a drop of $10.3 million in post-secondary moneys which are granted for two reasons. If we examine the student population in Atlantic Canada, we find that there are more people in college per capita than there are in other parts of the Dominion of Canada. This is because a great many people go from other parts of Canada to the Atlantic provinces for college education, at least to the bachelor level. This is fact.

• (1220)

At no time in the negotiations between the provinces and the federal Government was the federal Government ever prepared to accept the idea of a student per capita grant to Atlantic Canada, because it would federally distort the picture to the extent that it would be giving more money to Atlantic Canada, particularly to the Maritimes, than it would be to any other area of Canada for that purpose.

We cannot afford to lose $10.3 million. I say again that no matter how we wish to cut the pie, no matter how we wish to criticize the general stance of the Government in respect of EPF grants, we cannot get around the fact that in total—and for the moment let us not consider education—federal cost-sharing declined from 41.1 per cent ot 29.1 per cent, for a 12 per cent cut in the budget of the province as far as federal contributions are concerned. No matter what other arguments we may want to use, what other measures we may wish to apply or whatever justifications we may suggest for this Act, we have to justify cutting 12 per cent from costsharing programs.

Mr. Evans: Mr. Speaker, this Bill does not cut anything. It reduces the increase that will be transferred to the provinces.

Some Hon. Members: Oh, oh!

Mr. Evans: Let us get some basic arithmetic on the table. If the Province of New Brunswick spends $100 million—and let us use that just as a figure—on post-secondary education, and students and contributors in the form of donors, alumni and so on, as well as the federal Government, give the province $109 million to spend on post-secondary education, and if the province only spends $100 million of it on post-secondary education, how much does the province pay out of its coffers for post-secondary education? It would be minus $9 million. In other words, it has taken $9 million given to it by the federal Government, by the students in tuition or by contributors in the form of alumni and so on, for the purpose of post-secondary education and has used it for something else. Does that sound like the province is making a contribution to post-secondary education in the Province of New Brunswick? It sure doesn't to me.

Mr. McCain: That is utter nonsense. That is like asking the nation of Canada how much wood can a woodchuck chuck. It is just about the same. We are talking about federal and provincial tax dollars.

Mr. Evans: How many provincial tax dollars went into it? It was minus $9 million, that is how much it was.

Mr. Blenkarn: You could make a speech, John.

Mr. Evans: I have already spoken.

Mr. McCain: We are talking about what should have been a sacred and trustworthy commitment by the Government of Canada to cost-share programs up to a percentage level.

Mr. Taylor: Right on.

Mr. McCain: Any effort to try to draw in the tuition fees is ridiculous. It is a tax dollar deal at which we are looking. Not only does the Bill limit it to the six and five. If we look at it again, we will see that they do not have to honour either the six or five because there is a little codicil in there that the

Bureau of Statistics can reduce it if it wishes. They are putting on a ceiling, not a floor. As long as I speak on this subject matter I will not try to defend the Government. I will not try to mix fire with gasoline. I will talk about tax dollars paid and raised in the Province of New Brunswick, paid and raised by the federal Government and pooled for post-secondary education.

Mr. Evans: None was spent by the province.

Mr. McCain: Private contributions to universities, to scholarship funds and from tuitions have never been mentioned in any educational debate which I have ever heard, except in the fashion which the Hon. Member for Bow River might mention it—it is pretty heavy for students Canada-wide. That is the only relationship which tuition and private contributions have to this Bill. The Government should forget it and not try to blindfold the people of Canada with false information any longer. We cannot afford to lose $10.3 million, nor can any Atlantic province.

[*Translation*]

The Acting Speaker (Mr. Guilbault): Order, please! This brings us to the end of the question and comment period. Debate. The Chair recognizes the Hon. Member for Crowfoot (Mr. Malone).

[*English*]

Mr. Arnold Malone (Crowfoot): Mr. Speaker, the subject matter about which we are talking today is of extreme importance if for no other reason than the period of time in which we are living. We are in a period of time in which there is a greater need rather than a lesser need for education because the nature of the world in which we live is rapidly changing. Unlike the period of our forefathers and foremothers, we are in a situation today where there is an inconsistency.

Mr. Evans: Oh.

Mr. Malone: I note that the Hon. Member for Ottawa Centre (Mr. Evans) likes to give a speech when every other Member makes a speech, but does not have the courage to rise and do so when he ought to.

Mr. Evans: I have already spoken.

Mr. Malone: He likes to speak while others are making their comments. I invite him to rise in his place when I sit down and perhaps the Speaker will recognize him. Then we will have a chance to test whether or not he can participate for 20 minutes.

Mr. Friesen: They will not recognize him in the next election.

Mr. Evans: Do you want to bet?

Mr. Malone: We are talking about the need for more education and the need for the Hon. Member for Ottawa Centre to listen so that he might be further educated.

Mr. Evans: Not by you.

Mr. Malone: It is important to recognize that the period of change today is so rapid that no longer can grandfather teach grandson.

Ms. Mitchell: Or grandmother teach granddaughter.

Mr. Malone: As my good friend reminds me, or grandmother teach granddaughter. From year to year the nature of what we need to know changes rapidly, and change in education demands a much greater commitment to education.

There was a period of time in our history when I was but a young boy starting school and the local vernacular in that rural farming community was that one needed grade 9. Somewhere during the early periods of my schooling, I heard parents discussing around farm kitchen tables that grade 9 was not good enough any longer and that one needed grade 12. Unfortunately, about the time I reached that grade it should have been utopia but people were saying that it was no good any longer and that one needed university education.

We are into a new age today where there is no such concept as termination of education. One does not reach a certain level and say that is it for life. One does not train to become a doctor and say: "Now I am a doctor for life". At least, I do not want any medical treatment from a person who graduated ten years ago and that was the last he ever read about medicine. Today education is continuous and ongoing. There should be no end to it, even for our senior citizens. I have been thrilled in my constituency on many occasions when I witnessed persons over the age of 70 years who had less than a grade 12 education but through extension programs had the opportunity to attend university.

• (1230)

We are talking about an enormous range of importance. On the other hand, the Government of Canada is cutting back from the federal domain payments to the provinces for 1983-84 of $118 million and for 1984-85 an additional $260 million. What is important is that it establishes a new base by which the Government can say in future years that from that original platform it makes its calculations into the future. The federal Government, which established a program of block funding to the provinces, has taken the position of establishing a new lower base. We will either have a situation of poor education forever, a greater burden on the provinces or a greater burden on individuals.

This is the age of the microchip. It is an age where education ought to be continuous. In one country at least, Japan, the view is that education is continuous. We have entered into a Liberal age of slogans—the land is strong; the just society; six and five. They have not demonstrated to Canadians, certainly not to the two Opposition Parties, that there is six and five less need for education. I have seen no studies, research or material to indicate that we should spend $118 million less this year and $260 million next.

We are living in the age of the slogan. We have the slogan of six and five. This Government has bankrupted itself with PetroCan, Canadair, Mirabel and Pickering and other wasteful spending, and is now cutting out education. It is too simple to recognize and realize that education is an investment in the future. If you look at any advanced society, you see a society that is educated. Therefore, slogans such as the just society and six and five do not meet our needs.

We need an in-depth analysis of what our optimum education ought to be and at what levels we ought to expand. Had some commission made an in-depth study of that requirement, we could then accept the numbers more readily. Not only do we not have any research indicating what the levels of expenditure ought to be; we have unilateral action taken by the federal Government. The federal Government entered into an agreement with the ten provinces. It is unilaterally breaking that agreement. It is decreasing the amount of block funding. On the basis of that decrease, it tries through speeches by the Prime Minister (Mr. Trudeau) to pretend that we in this country will have participatory democracy and renewed federalism. How can you have renewed federalism when you have a dictatorial attitude on the part of one of the 11 partners, telling the other ten that it has decided they will get less and there is to be no discussion? There have been no federal-provincial discussions on this matter. The Minister in charge has not travelled about the country to determine what the burden on the provinces will be if the funds are decreased. The Government simply writes out new legislation saying the provinces will receive $118 million less next year and $260 million less the next. It presumes there will be some gratification because when speaking to the Bill the Minister said that less was more.

This is all part of the double-speak of the Government; silk cloth, smoke and mirrors, the magic show of felt hats and rabbits, trying to make less look like more. The Government says that 6 per cent is more than zero per cent, but fails to recognize that it is less than the traditional commitment. It describes it as more when in fact it turns out to be less. The Minister knows that the provinces are not happy. He has not had any agreement with the provinces with regard to this legislation.

More important is what this Bill does. It freezes the ratios into an inflexible straitjacket. We have before us a presumption that the calculations of the federal Government as laid before us today are accurate, that 50.5 per cent should go to hospital insurance, 17.4 per cent to medicare and 32.1 per cent to post-secondary education. If we could make the presumption that the federal Government was correct in those ratios, I challenge any Member on the Government side to stand and argue that they will be the correct ratios for Canada for all of our foreseeable future.

Is it not possible that somehow down the road there may be a breakthrough in preventive medicine and this will result in decreased costs? Therefore, we could shift our ratio to greater needs for education. Is it not possible with the advancement of the microchip that society might advance so quickly that, in order to get into the mainstream of whatever point the world is at at that time in history, the ratios may need to change?

In 1984 the federal Government would freeze forever a ratio system. It does that on the basis of the national average. That challenges the other presumption. Are we to presume that the ratio needs of Prince Edward Island are the same ratio needs of Alberta? Is Quebec to be presumed to have exactly the same needs in health as that of Saskatchewan?

I challenge one partner in this federation coming up with a set of numbers. It fails on two presumptions; first, in its future implications and, second, in its regional differences. We are in a situation where the amounts of money granted are such that we need to separate those ratios into at least having input on a continuing basis from each and all of the provinces. It was not the prerogative of the Government unilaterally to make the choices, to establish its brand, to claim its need.

In the past, the federal Government issued block funding for a number of social services. It is now running this magic show by us, changing the title of the Bill and breaking that block funding into prescribed measures. The more the feds prescribe, regulate, define and dictate how block funding is to be broken down and spent, the more they intrude into provincial jurisdiction.

The Government may feel comfortable in its heart and soul defining that block funding will not go as a block, but as all of the parts of the block. By the power of the dollar, it will become the administrator of the provinces. If it can control that block in all of its parts and define how each individual part is to be spent, it takes away the flexibility of the provinces to shift ratios toward health or away from education, regardless of whatever the individual provinces may feel is their need.

• (1240)

The federal Government today not only shortchanges education but damages federalism and provincial jurisdictions. It lords itself over the provinces as a powerful central Government which the country ought not to experience.

I do not speak against central governments or unitary governments simply as an automatic reflex. A unitary government may well be a satisfactory form of government in England, Belgium or Holland. However, it is not a satisfactory form of government in a country that is the second largest in the world, stretching from Vancouver Island to St. John's, Newfoundland, some four and a half thousand miles. This is a country that, by its very breadth ahd scope, requires regional input. When block funding is broken into all of its component parts and its spending is prescribed, the result is a federal Government which intrudes in a very direct way in what ought to be and is prescribed by our Constitution as being the jurisdiction of the provinces.

There are those two faults, the federalism concept and the fact that the Government tries to apply a national average to all parts of the country as if all needs were equal. The people who form the Liberal Government are trying to pretend to us that averaging is somehow a satisfactory way to go in terms of a Canadian objective. I will say through you, Sir, to a Liberal:

"If you had your head on a firebox and your feet on a block of ice, on average you would feel pretty good". I submit that Liberal members have not recognized the uniqueness of the north, the Atlantic provinces, the western prairie provinces or the West Coast. They have not recognized the different cultural milieux that exist in the big cities and various regions of the country.

To lower funding for post-secondary education is quite literally to lower our income expectations. It is no new fact to anyone in the House that those nations which have a lower standard of education have a lower standard of living. They not only have a lower standard of living in terms of dollars but they have a lower standard of living in terms of the soul of the person. Education provides us with an opportunity to discover our outer limits. It is a chance to find out who we are and what we can become. When we in a society like Canada deny a person, young or old, the opportunity to say yes to the challenges that come his or her way and the ability to say yes to an opportunity to grow and expand, we end up with restricted people with restricted souls. Education is the key that unlocks the universe. It is there for us to discover.

I dare any person to say yes to the challenges that come his or her way. People who say no to challenges, who say they cannot and do not dare to discover new things, live in a rut. A rut is simply a grave with both ends kicked out. Education opens up a new universe and allows us to bombard our own outer limits.

The federal Government's response to the age of the microchip is to say that it will cut back funds for education. I can tell you, Sir, that nothing could be more out of concert with the needs of our time. We are in an age today when the new information that comes to the fore year after year makes obsolete that which we were taught only a short time ago. In a time when there should be an enormous expansion of education, we find that the federal Government is cutting back by literally millions of dollars on its federal obligation.

I ask Members opposite how they justify that perspective when members of their Party are going around the country attesting to their leadership qualities and some of them are saying that there will be zero unemployment within five years. How can there be a zero unemployment rate without giving more funding to education? Surely a look at the world tells us that it is the educated nations which have the opportunities for more jobs. Education must first of all be broad-based. It cannot become elitist. It must not be something only for the privileged.

The Acting Speaker (Mr. Guilbault): Order, please. The Chair regrets to interrupt the Hon. Member but his time is up. We will now have a ten-minute question and comment period. Are there any questions?

We will resume debate.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, it seems incredible to me that we are spending so much time on this particular subject when it is so obvious that the Government should be looking at withdrawing the Bill or withdrawing the portion of the Bill which will affect post-secondary education across the country. This Bill amends the Federal-Provincial Fiscal Arrangements and Established Programs Financing Act. This amendment gives to that Act a new name but it is still the same old Act with only a few variations.

The main purpose of the Bill which is before us is to apply the six and five principle to post-secondary education transfers from the federal Government to provincial governments. The Bill has to some extent taken into consideration the federal-provincial fiscal arrangements task force report, though it has taken very little of that report into consideration. It has considered only those parts of that task force report which it thought would reduce the amount of cash it would have to pay out.

The Bill does follow one of the recommendations of the federal-provincial fiscal arrangements task force report by separating health care funding and secondary education funding from the other block funding. It provides also for a minimum of accountability. I say a minimum of accountability because it only requires that information on the manner in which transfer moneys are spent be tabled in the House. It does not particularly require that all of the transfer moneys which are to go to secondary education or health care be spent in that particular way.

We in the New Democratic Party thought that that amendment should have been incorporated into the Bill. However, the amendment which did pass was taken almost directly from the federal-provincial fiscal arrangements task force report and does require the kind of accountability by provincial governments which would require them to put before the House information about the manner in which the money was spent. In that case, some of the arguments which we heard this morning of the Hon. Member for Ottawa Centre (Mr. Evans) and the previous speaker who comes from New Brunswick should not have taken place. That kind of information would have been before the House.

• (1250)

I must go back to the real purpose of the Bill, Mr. Speaker. I do not understand why the Government would make a move like this at this particular time. The significance of the move itself is obvious; it will take approximately $378 million from post-secondary institutions across Canada in the next two years. Part of that reduction is retroactive; it is money that the institutions have already committed or have spent. What is probably more important is that the $260 million being taken from 1984-85 will establish a base for future payments to secondary education. Surely there has not been a reduction in the need for education. If anything, the need has been increased by the recession, the downturn in employment. People are looking for new ways to make a living and education can help them find new directions.

The amount of money the Bill establishes will govern the kind of education which post-secondary institutions are able to put before the people who need it so badly, the people without work. If we do not give the money to the institutions—I do not

speak only of universities but community colleges and technical institutions, which also come under the Bill—then people's ability to find a job will be affected.

The costs of education are increasing, therefore the funds provided by government must also increase. Reducing the money that the federal Government pays forces the institutions to cut back on existing programs and not create new ones which would provide the kind of education required to make people feel a little more secure in the future.

It is all a question of priorities. The Government has decided to save money in the area where it is easiest to do so, and that is the transfer of funds to the provinces for post-secondary education. If that money is cut off the effects will be felt this year, next year, the year after and for many years to come, but it could be done immediately without drastic effects. A few thousand students would not get into the programs they choose and for another few thousand the programs that would equip them for jobs in the future would not be available. This result will be felt three or five years from now.

For a long time the Government has been saying that its priority is employment and that it is going to spend millions of dollars to provide jobs for the youth of the country. Then almost in the same sentence it suggests the kind of restraint which would not allow youth to train for those jobs.

Training programs will be important for youth during the next few years. It is not as if the federal Government had accepted the idea that it does not have some responsibility in education—which many of the provinces would argue is the correct decision—that it does not have responsibility to provide training. Over the years the federal Government has accepted the responsibility and has made many incursions into the training field. That started with training for World War II. A lot of training was necessary at that time and the Government undertook it. After the war, with the huge development that took place after 1945 and in the early 1950s, the federal Government developed institutions and provided per capita grants for training which was directly related to the jobs that were available.

After the war we had to go to the European countries and even to South American countries to find people with the skills that we wanted and which were necessary to help us develop as a country. Because there was a great need for training at that time the federal Government took its responsibility and got into the training field. It did so through direct capital grants to help build the institutions that were necessary and through per capita grants for the number of students actually in training. It made changes and put the money where it was needed. Later it backed off that decision and instead of paying a per capita grant in 1977 moved to block funding which would allow it to operate on a formula. The basis of that formula was that it should be able to give the provinces and the federal Government some idea of the amount of money available for education in the next year or the year after. That was a base which everyone recognized.

What has happened is that the federal Government has changed the base and will not increase funding as it has in the past. It will reduce the base from that of two years ago, the percentage increase will be reduced and will not be that which was agreed upon. Instead of taking into consideration the need for training and the need for flexibility among people, the Government decided to reduce the amount of money available for education. That will make it less possible for our youth and older people looking for jobs to get the training they need.

It is easy to reduce the money paid to colleges and universities. It seems that in the process you are not making some kind of priority decision, but in the long run that is exactly what you are doing.

May I call it one o'clock, Mr. Speaker?

[*Translation*]

The Acting Speaker (Mr. Guilbault): Order, please! It being one o'clock, I do now leave the chair to return at 2 p.m.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

IMMIGRATION

FUNDING OF OTTAWA MULTICULTURAL WOMEN'S CENTRE

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, I am at a loss to understand the actions of the Department of the Minister of Employment and Immigration (Mr. Roberts) in deleting $45,000 from the funds of the Ottawa Multicultural Women's Centre. This money, Mr. Speaker, is needed to rehire badly needed co-ordinators for the Centre in order to maintain and improve programs to assist immigrant women in the important task of adjusting to the Canadian way of life. As is well known, Mr. Speaker, immigrant women do have special problems in this area and badly need this assistance.

To cut off a program which is needed and is proving successful, is another example of the total absence of common sense. Therefore, Mr. Speaker, I call upon the Minister of Employment and Immigration to reconsider this decision and restore the cutback to the Multicultural Women's Centre. Failing this, Mr. Speaker, I would ask the Minister of State for Multiculturalism (Mr. Collenette) to take a serious look at this problem with the view to filling in the possible void if no action is taken by the Deparment of Employment and Immigration.

[*Translation*]

EMPLOYMENT

ALLEGATIONS MADE BY QUEBEC MINISTER OF EMPLOYMENT

Mr. Gilles Marceau (Jonquière): Mr. Speaker, speaking before the National Assembly recently, Quebec's Minister of Employment referred to the pilot project designed to help able-bodied young people under 30 and stated that, if such a project is not really worthwhile, it is due to the federal yoke and that independence is the solution.

Mr. Speaker, that is a false and misleading allegation. Indeed, the Quebec Minister of Employment came to Ottawa to discuss this program with the Minister of National Health and Welfare (Miss Bégin). With enthusiasm, we accepted to share the costs of that program for which, incidentally, we will be paying $59 million over two years. This is in addition to the $924 million given to Quebec for 1983-84 under the shared cost social assistance program.

Mr. Speaker, it is utterly ridiculous to make the people of Quebec believe that, if they foot the bill by themselves it will cost them less than it does now when we are paying 50 per cent of the cost. If anyone is forcing Quebecers to carry a yoke, it has to be their provincial Government which is driving them towards independence against their will.

* * *

[*English*]

EXTERNAL AFFAIRS

U.S.S.R.—CONDEMNATION OF OFFICIAL'S PRAISE FOR DOWNING OF KOREAN AIRLINER

Mr. Dan McKenzie (Winnipeg-Assiniboia): Mr. Speaker, through their many barbaric acts the Communists have made clear their utter disrespect for human life. During the first 30 years of Soviet dictatorship, 83 million people were murdered. In Afghanistan, communist troops have slaughtered entire tribes and have gassed innocent civilians. And, of course, we can never forget, nor forgive, the downing of Korean Airlines Flight 007, in which 269 innocent passengers were thoughtlessly massacred by the Soviets.

These murders are only an example of their savagery. Their pride in their repulsive violence is even more indicative of their cruel nature. In the Soviet Union, Sunday, April 8, marked the official "Day of Anti-Aircraft Defences", hailing the downing of the Korean jetliner. A senior Soviet military official stated the destruction of the plane was a feat of arms comparable to the shooting down of the American U-2 spy plane in 1960.

For these reasons, we will never be able to disarm unilaterally, nor can we ever trust the murdering Communists in disarmament, or even disarmament negotiations.

[*Translation*]

MINORITY RIGHTS

ATTITUDE OF LEADER OF THE OPPOSITION TO FRENCH MINORITIES

Mr. Gaston Gourde (Parliamentary Secretary to Solicitor General of Canada): Mr. Speaker, the Leader of the Official Opposition (Mr. Mulroney) proves what we have been saying for months. His address in support of the linguistic minorities is nothing more than an attempt to put Canadians to sleep. His actions contradict his words. First, he has never denounced the anti-French Members for Winnipeg-Assiniboine (Mr. McKenzie)and for Simcoe South (Mr. Stewart). Second, he has never told the Manitoba Members who refused to be associated with the motion in support of francophones in that Province to toe the line. Third, far from throwing out dissenters, the Progressive Conservative Party rewards those who undermine the French fact in Canada. As we will find out at three o'clock, he stands behind the candidacy of Bud Sherman, a Manitoba Conservative who has been one of the most uncompromising opponents of the Pawley project. He has just given more important responsibilities to the Hon. Member for Winnipeg-Assiniboine as critic in the shadow Cabinet.

Mr. Speaker, like a Mafia leader who advocates-virtue, the Conservative Leader shamelessly lies to Canadians and, back home, anyone who lies is a liar.

* * *

[*English*]

VISIBLE MINORITIES

CALL FOR ACTION ON COMMITTEE RECOMMENDATIONS

Mr. Laverne Lewycky (Dauphin-Swan River): Mr. Speaker, the New Democrats call upon the Government to act quickly and positively upon the 80 recommendations listed in the parliamentary report, *Equality Now*. In recent public briefing sessions held by members of the Special Committee on the Participation of Visible Minorities in Canadian society, we often had comments raised about the injustices done to Chinese immigrants who had to pay head taxes of up to $500 per individual.

The first Chinese immigrants to Canada arrived in 1858. From 1885 to 1947, along with several other discriminatory measures imposed against them, they had to pay a head tax. Historical documents estimate that between 1886 and 1923 the federal Treasury was enriched by $22 million from the head tax levied only on Chinese immigrants.

We in the New Democratic Party call upon the Government to recognize this injustice and see that those who suffered in this disgusting manner are duly compensated.

In the report, *Equality Now*, considerable concern was expressed about the lack of advertising by the Government in the ethnic media and the visible minority media. Advertising is the life blood of the ethnic press. We urge the Government to

respond to these concerns instead of basically using the Main Street dailies to communicate with the various ethnic cultural groups.

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[*Translation*]

AGRICULTURE

MEETING WITH MEMBERS OF THE UPA

Mr. Rolland Dion (Portneuf): Mr. Speaker, UPA representatives met with several members from Quebec and the Minister of Agriculture this morning. The UPA representatives hailed from various areas in Quebec and the discussions dealt mostly with the disastrous spring of 1983.

Mr. Speaker, the Minister of Agriculture confirmed to the UPA representatives that he was willing to consider their requests for compensation for the losses they suffered provided these request are channelled through the Quebec Government as required by the rules of the game. In other words, the Minister is willing to consider the requests for compensation, but not under any condition. Requests must be made through the Quebec Minister of Agriculture, Mr. Garon, and I urge him to listen and to meet with the federal Minister of Agriculture as soon as possible to discuss this serious problem in Quebec.

[*English*]

PUBLIC SERVICE

TREATMENT OF FEMALE CANDIDATE BY COMPETITION BOARD

Mrs. Jennifer Cossitt (Leeds-Grenville): Mr. Speaker, despite the introduction last fall of another phase of the affirmative action program which was to ensure that discrimination against hiring women for middle and upper level positions within the Public Service would be abolished, the Government is still only paying lip service to recognizing and fully appreciating the abilities of Canadian women.

An example of how well this affirmative action program is working was vividly brought to my attention. A well qualified, competent woman was insulted and degraded during an interview for a rather unconventional job opportunity in the Public Service. She was told by a member of the interviewing board that she was only there as the token female candidate to satisfy Treasury Board's affirmative action post board scrutiny.

This woman knows she has the right to take her case to the Human Rights Commission, but will not do so for fear of jeopardizing any chance she has with future competitions for which she has applied. How many more women are there in this same position?

When confronted with this kind of neanderthal attitude toward hiring women, how can the women of this country believe they will be employed as a direct result of their ability and professionalism, and not because they are required to fulfil an insulting and degrading quantitative goal the Government opposite hopes will secure the feminist vote? Mr. Speaker, we in the Conservative Party know full well the meaning of affirmative action for women—that merit and not tokenism should be the only factor considered in the assessment of a woman's ability to fill a position. When will the Government opposite stop treating 52 per cent of Canadians like second class citizens and a minority?

• (1410)

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

* * *

[*Translation*]

AGRICULTURE

EXPRESSION OF THANKS TO MINISTER FOR MEETING WITH UPA DELEGATION

Mr. Michel Veillette (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, like my colleague for Portneuf (Mr. Dion) has just said, we had a meeting this morning with the Minister of Agriculture (Mr. Whelan). I would like to thank him for accepting to meet with the UPA delegates from the Saint-Maurice, Portneuf, Lac-Saint-Jean and Quebec City areas. This meeting was arranged with barely 24 hours' notice.

I should also thank the Parliamentary Secretary to the Minister of Agriculture, the Hon. Member for Brome-Missisquoi, as well as my colleagues from Berthier-Maskinongé-Lanaudière, Trois-Rivières, Portneuf, Roberval, Jonquière, Chicoutimi and Richelieu, who were willing to attend this meeting to listen to the demands voiced by farm producers from the Saint-Maurice area and other areas in Quebec.

Mr. Speaker, as mentioned by my colleague from Portneuf, the Minister accepted this morning to consider the claims submitted by the farmers and he also responded to the rumour which seems to be going around in Quebec to the effect that the provincial authorities are delaying its crop insurance payments because, according to them, the federal Government is also delaying payment of an amount of $18.5 million. True enough the federal Government is putting off payment of these $18.5 million, but it is also true that the Quebec Government has refused to meet the requirements to which the other Canadian provinces have agreed. In addition, when the Quebec Government says that, without these $18.5 million, they cannot afford to pay the producers, it is not true because the Quebec Government already has paid this amount—

Mr. Speaker: Order, please. The time allotted to the Hon. Member has expired. The Hon. Member for Joliette.

NATIONAL REVENUE

INCOME TAX RETURNS OF WORKERS RECEIVING GRATUITY INCOME

Hon. Roch La Salle (Joliette): Needless to say, Mr. Speaker, I also share the interest voiced by my colleagues concerning the importance of agriculture in Quebec. Still, I would urge my Quebec colleagues to consider the case of tip earners in Quebec. For the third time, Mr. Speaker, I am asking this Government to restore equity and justice for tip earners who are being forced to pay income tax on their total income. Under the circumstances, knowing that the Minister of Employment and Immigration is very busy—and I can understand that—I would suggest that it may have become necessary for him to delegate his authority to someone else who would look into this situation. I therefore invite and urge the Government to remedy that long-standing injustice. The Minister of National Revenue is aware of it. I asked him a few questions on that subject and he told me that it was not his responsibility, but that of the Minister of Finance. Whether from the Minister of Finance or from the Minister of Employment and Immigration, no solution is forthcoming, Mr. Speaker. That being the case, I draw this issue to the attention of my Quebec colleagues—I emphasize the fact that, unless changes are made to the provincial legislation, they may be victim of the injustice which has been tolerated by this Government for two years. I would hope that this time all Members of the House will agree with me and that the Minister will be as concerned about tip earners as he is about his own ambitions concerning—

Mr. Speaker: Order, please. The time of the Hon. Member has expired. The Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand).

* * *

[*English*]

EMPLOYMENT

CALL FOR COMMITMENT TO FULL EMPLOYMENT POLICY

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, it appears that the Conservatives are giving some attention to the report of the task force on employment opportunities. At their seminar last weekend at Mont Ste. Marie they proposed, among other things, that there be tax deductions for educational and training savings. That was recommendation No. 88 of the task force report. Most of the other reported proposals on employment training were likewise taken from the task force report.

While the Conservative action is welcome, I would be even more enthused if they and the Liberal leadership candidates supported recommendation No. 1, to implement a full employment policy, and recommendation No. 2, to establish an industrial strategy linked to employment and training policies.

Full employment is possible, Mr. Speaker, if there is a political will to achieve it. On the two occasions since World War II when Liberal Governments made the commitment, in 1945 and in 1964, unemployment was reduced to 3 per cent between 1946 and 1953, and to 3.8 per cent between 1965 and 1967. Mr. Speaker, let us have a six and five program for unemployment to reduce unemployment to 5 per cent by 1986.

* * *

HOUSE OF COMMONS

ACHIEVEMENT OF BARGAINING RIGHTS FOR EMPLOYEES

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I think it is important to comment on the fact that the House of Commons has just been invited to take another small step into the twentieth century. Members of Parliament will be aware that 15 years ago the parliamentary committee on employer-employee relations in the public service recommended that employees on Parliament Hill be granted bargaining rights similar to other public servants. Many Members will also be aware that Governments since that day have refused to grant those rights to the employees of Parliament. Unfortunately, it is not to the credit of Parliament that these rights are now becoming a reality.

Great credit, on the other hand, must be given to the Public Service Alliance and to the Canada Labour Relations Board. The Labour Relations Board has issued a ruling that employees of Parliament fall under the Canada Labour Code, as we have suggested they did for years, and that Parliament cannot prevent this by harking back to the centuries-old tradition of parliamentary privilege.

This is indeed a great day for the employees of Parliament who have now been granted the rights other Canadians have taken for granted. It is a great day for all Canadians when a black mark such as this, which has interfered with the rights of individuals to have representation through the democratic processes, will finally be eliminated.

ORAL QUESTION PERIOD

[*English*]

CROWN CORPORATIONS

DE HAVILLAND—DEPUTY MINISTERS' REPORT—RATIONALE FOR GOVERNMENT FUNDING

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, my question is for the Minister of Finance, in the absence of the Minister of State for Economic and Regional Development. I am sure the Minister is aware of *The Globe and Mail* article of today reporting on a February 2 meeting of 12 Deputy Ministers. A report of this meeting was prepared for the Minister of State for Economic Developement on the future of de Havilland.

The key statement in this report is that the time to make a decision on whether to keep going on the Dash-8 program—which is the key program for de Havilland—was last month, earlier this year when the extra $240 million was put into the program.

In other words, Mr. Speaker, the Government hid from Members of Parliament the crucial nature of the decision to put that $240 million into the company. Why did the Government cover up on this report? Why did the Government keep that information from Members of Parliament when the House was asked to approve that amount of money?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, there was no attempt to keep information from Members of Parliament. Senator Austin, the Minister responsible for CDIC, had planned to release this report on Friday of this week, I believe. It was done in anticipation by some other means. However, he does intend to answer questions in the other place. He does intend to meet the press on the subject later this afternoon. I will attempt either to answer or take notice of any questions. I have not read the report myself yet. I am sure Senator Austin will make himself available to the Hon. Member if he wants to ask some specific questions.

Mr. Wilson: Mr. Speaker, it is this type of misrepresentations that occurred in December of 1982, and it happened earlier this year. The information was not put in front of Members of Parliament at the time that they were asked to make the decision on spending that additional $240 million.

DEPUTY MINISTER'S FINDINGS

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, I would like to make three references to that report. The first is that benefits flowing to the Canadian economy, which, while substantial, are "not sufficient to offset the cost of government support" under their market assumptions. The second reference is, the company "will not become commercially viable" for another 10 years at least. The third reference is: "in the absence of a further analysis of such considerations, approval is premature".

Would the Prime Minister tell the House why Members of Parliament were asked to proceed to approve that amount of money without having this information available? Why the coverup?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I repeat that there was no coverup, nor was there any attempt to conceal that information. The amounts discussed in the committee, some $240 million, I believe, were to pay past debts. That money would have had to have been paid whether the company went into receivership or not. There was no misrepresentation as to those amounts.

As to the commercial viability of de Havilland, Mr. Speaker, my understanding is that there has been no attempt to pretend that de Havilland will be commercially viable in the next few years. That has been stated publicly by the Minister. It is something known to the committee members, as opposed to Canadair where the Minister has argued that that was a commercially viable operation as of now with the restructuring and the debt refinancing. The de Havilland decision was made by the Government in the knowledge that there would be no profit from that corporation over the next several years, but the Government made a decision to keep it operating in order to maintain the expertise, know-how, and technology in Canada. There are no hidden facts on that.

• (1420)

Mr. Wilson: The Prime Minister is not going to get away with that one. This is the first time that it has been indicated that this company will not make money for 10 more years. If people went back 10 years and heard anyone say that the Government would have a deficit of $30 billion at this time, they would laugh. Those are the sorts of figures we are dealing with when trying to understand what is behind the Government's motives.

TIMING OF REPORT'S RELEASE

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, there are many people whose jobs and businesses depend on the viability of de Havilland. Will the Prime Minister explain why this information was not given to us at the time, and why Members of Parliament were asked to make a decision two months ago under false pretences? Would he explain why this report was not made available at that time, or why it is being rushed into the public sector now just because of a *Globe and Mail* report?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Hon. Member is repeating himself. Much of that question was asked in the first question. I repeat that the $240 million which was in the Supplementary Estimates was given in order to pay past debts. That is an amount that would have been necessary even if we had not decided to keep de Havilland alive. The Hon. Member seems to say that had he known that de Havilland was not immediately commercially viable—

Mr. Wilson: You knew something we didn't know.

Mr. Trudeau: Would the Hon. Member listen to my answer? If he wants to ask the questions, the least he can do is have the courtesy to listen to the answers. Now he is asking for a supplementary, Mr. Speaker. Let us hear the supplementary, but will the Hon. Member please listen to my answer?

Mr. Speaker: The Hon. Member has had two supplementaries. The Chair is trying to recognize as many Members as possible. The Hon. Member for Saskatoon West.

THE ADMINISTRATION

GOVERNMENT POLICY—STATEMENTS MADE BY MINISTERS SEEKING LIBERAL LEADERSHIP

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, my question is addressed to the Prime Minister who, I am sure, at lunchtime today had an opportunity to discuss with some of the Cabinet Ministers who are seeking the leadership of the Liberal Party some of his thoughts with respect to their statements across Canada. Those statements, which were going off in all directions, were basically opposed to the fundamental cornerstone policies of the Government, such as the National Energy Policy, Employment Policy, universality of social programs, lotteries, and Crown corporation policies. That is just part of the list of areas where members of his Cabinet are attacking the fundamental principles for which his Government stands.

Has the Prime Minister in fact set down guidelines for Cabinet Ministers seeking leadership, about their public pronouncements on government policy and, if not, has he asked for the resignation of these people so that they can speak freely and not contradict the policy of his Government?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I stated my view on that yesterday in the House of Commons. Perhaps the Hon. Member would refer to *Hansard*.

Mr. Hnatyshyn: I think the Prime Minister must have thought his answer inadequate because he felt he had to have lunch today, and it is obvious that he is suffering from dyspepsia after that experience.

SOURCES OF FUNDING FOR MINISTERS' LEADERSHIP CAMPAIGNS

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, the Prime Minister's Minister of Indian Affairs and Northern Development said of the Minister of State for Economic and Regional Development that the policies being put forward by the latter Minister "strike at the heart of our economic recovery program". How can the Prime Minister tolerate the activities of his Ministers, going off in all directions with respect to the policies they are putting forward, which are in contradiction to the policies put forward by the Prime Minister as head of the Government?

Second, one of his own guidelines that he has promulgated with respect to the activities of his ministry and his Ministers deals with gifts and provides that:

> Ministers shall disclose in the Public Registry any personal gift or other benefit of a value exceeding two hundred dollars which they receive from any person not connected with them by blood relationship . . .

In light of that, is he insisting that all donations to Cabinet Ministers who are seeking the leadership have to be disclosed and published in the Public Registry, so that all Canadians can see the sources of their donations for their leadership campaigns?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, first I want to tell the Hon. Member that I have lunch most every day, and today was no different. It had nothing to do with the answers that I gave in the House yesterday.

The second point is that I am grateful for the Hon. Member's concern about policy positions in this Party, and I think that somehow he is taking—

Mr. McGrath: Government.

Mr. Trudeau —the Government's policies, and I will take to heart his sympathy for views held over here and for my position. I do not really feel as exercised about it as he seems to be. Perhaps he should be more concerned about policies or lack thereof on his own side, and spend less time looking at the policies put forward here.

As I said yesterday, we have people who are hoping to become Prime Minister of this country and I think that they are perfectly justified in telling the people how they will govern this country. If that means stating new policies or new points of view, I see nothing but commendation to give to them.

I would hope that after the Mont Ste Marie caucus meeting his Party would learn to state policies for the future. However, since they came back from Mont Ste. Marie they have only been concerned with Liberal policies. Why do they not state some of their own?

With respect to gifts, I think everyone must be smiling about the concern about gifts on our side. I know that the Liberal Federation is planning to enunciate some guidelines as to candidates for the leadership and the receipt of gifts, but it did not happen on their side. Why does the Hon. Member not ask his seat mate—

Mr. Nielsen: They were not Cabinet Ministers.

Mr. Trudeau: I know, but they are presuming they never will be.

Mr. Nielsen: They are, over there.

Mr. Trudeau: We have a Leader of the Opposition who has been laying some claim to becoming Prime Minister, but we do not know what money he received. We do not know what money the giant corporations have given him. Maybe we should hear about it.

Mr. Mulroney: What about your swimming pool?

Mr. Trudeau: I seem to have unnerved the Leader of the Opposition who is now talking about the swimming pool. I would like him to ask a question about the swimming pool and I will gladly answer it.

Some Hon. Members: Hear, hear!

Oral Questions

CROWN CORPORATIONS

DE HAVILLAND—REASONS FOR ADVANCING PUBLIC FUNDING

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I would like to welcome the Prime Minister back from his combination lunch and judo session. I wish to ask him a question about this Crown corporation bail-out. After all, this is the second billion dollar bail-out in approximately two months. People who really care about workable Crown corporations like Saskatchewan Potash and the hydro corporations of the provinces really wonder what is happening.

Does the Prime Minister subscribe to what his Minister of Regional and Economic Dvelopment told *The Toronto Star* in an interview this weekend, that the Minister did not like the rich uncle syndrome of these Crown corporations? If the Minister of State for Economic and Regional Development did not like the rich uncle syndrome, why has the Government, of which both the Prime Minister and the Minister are a part, advanced this money to de Havilland of Toronto without a real plan for making money in the Crown corporation in the future?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, may I ask the Hon. Member to elaborate on the rich uncle syndrome? I did not follow the implication of that question.

Mr. Waddell: Perhaps he can ask his Minister, who appears to be against giving money to Crown corporations but voted in Cabinet to give money to this corporation.

• (1430)

SIZE OF CORPORATION'S WORK FORCE—GOVERNMENT POLICY

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I want to ask the Prime Minister a supplementary question about this report on exactly what is going to happen with de Havilland. The report in *The Globe and Mail* said the Deputy Ministers had considered a number of cost-cutting measures, which included a substantial reduction in de Havilland's work force. Is the Government's policy that it is going to grant $250 million, as well as some other tax credits, and at the same time lay off workers in de Havilland?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, either we let de Havilland go under or we do not. If we let it go under there will obviously be a major lay-off of workers. If we do not let it go under, if we make the judgment, as we have, that in spite of the fact that it will not be making profits, as we can see in the next few years, if we think it useful to keep it alive, to keep the technology in Canada, to keep those highly skilled workers employed in Canada rather than letting them go to the United States, then the Hon. Member will be on the Government's side and say that indeed we must keep it alive and that we must have a plan for the future, which the Senator responsible for CDIC and de Havilland explained to the parliamentary committee, and which he is prepared to talk about again today when the report is released. But the Hon. Member must make up his mind. On the one hand, he cannot complain about some workers losing their jobs, and then argue that they should have all lost their jobs because we should cut loose from de Havilland.

Mr. Waddell: Mr. Speaker, with respect to those jobs, these are pretty expensive jobs.

GOVERNMENT'S POSITION

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I want to ask the Prime Minister, since I cannot ask his Minister, who is like the Crown corporation—he is not accountable to this House, he is not in this House, and so I cannot ask Senator Austin—has there been an advance of money to this corporation at the same time there is a plan to cut jobs in the corporation? Which is it? Is the Government going to continue the jobs in the corporation with a gameplan for the future profitability of the corporation? Or is the Government going to give money away and take jobs away, and not even plan for making any money from the corporation in the future? Which is it?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I cannot believe the Hon. Member is either sincere or reflective in asking that question. Surely if he wants de Havilland to be kept alive and to keep that technology in the country, he is justified in asking for a plan for the future. I have answered the Hon. Member that that plan is there; it has been shown and it has been discussed with Members of Parliament in the committee. But when he says some workers are going to be fired, Mr. Speaker, I imagine that if the company is going to be profitable there will have to be constant rearrangements. And if it means hiring some people and firing others, it is not something the Government will oversee on a day-to-day basis.

What the Government does, and what Members of Parliament will want to do, is make sure that the options are all explored and we attempt to make the corporation profitable as soon as possible. But there is a recognition on the part of the Government that it will not be profitable in the immediate future. Therefore, the choice remains for all of us, Conservatives as well as New Democrats and Liberals—do we keep it alive with moneys from the public purse, or do we let it go under right away and let all the workers lose their jobs and all that technology leave the country? The Hon. Member is not in the position to make up his mind because he wants to argue both sides of the question.

Some Hon. Members: Hear, hear!

* * *

LABOUR CONDITIONS

SIZE OF LABOUR FORCE—STATEMENT MADE BY MINISTER OF EMPLOYMENT AND IMMIGRATION

Hon. James A. McGrath (St. John's East): Mr. Speaker, my question is for the Minister of Employment and Immigration, who had to be dragged back into the House by the Prime Minister. The Minister of Employment and Immigration last

Friday in Calgary, when the unemployment statistics were brought down, said:

> The economic recovery is drawing more people into the labour force, causing an increase in the number of people looking for work and inflating the unemployment rate—

He was saying that, Mr. Speaker, at a time when Statistics Canada figures showed that the labour force participation rate had declined by two points from that of December, over the three month period. During that same three month period, unemployment had gone up consistently. Either the Minister was misled, or he was deliberately misleading the Canadian people. The Minister owes it to this House and the unemployed of this country to own up with the truth.

Some Hon. Members: Hear, hear!

Hon. John Roberts (Minister of Employment and Immigration): No, Mr. Speaker, if the Hon. Member had the care and concern to look at the matter dispassionately he would see that over the past year the reason for the high levels of unemployment which we have in this country, and which we all regret, is not that we have been failing to create jobs in the Canadian economy, because we have been creating jobs at a very high rate compared to almost every other developed country. The reason for those high unemployment figures is because we have, in comparison to almost all other countries the extremely high entry into the labour force, coming from the young people entering the labour force for the first time, and women entering or re-entering the labour force. If he were to get off his rather pompous and sanctimonious high hat and look accurately at the figures, then he would be able to say that with some truthfulness.

Mr. McGrath: Mr. Speaker, when it comes to pomposity, the Minister takes second place to no one.

Some Hon. Members: Hear, hear!

Mr. McGrath: If the Minister would get off his pompous horse and get himself back into this House and address the problems of the unemployed—that is his responsibility—we would all be better off.

USE OF UNEMPLOYMENT INSURANCE FUNDS TO RETRAIN WORKERS

Hon. James A. McGrath (St. John's East): Mr. Speaker, I have a supplementary question for the Minister of Employment and Immigration. How can he reconcile the fact—

An Hon. Member: What about Schefferville?

Mr. McGrath: —that the labour force participation rate went from 64.5 per cent in December to 64.3 per cent in March? During that same period unemployment was going up.

While I am on my feet, Mr. Speaker, let me also ask the same Minister, who said in Calgary that unemployment insurance should be channelled into retraining as opposed to maintenance income—the Minister is responsible for UI—why does he not do that? Why does he not do it now instead of talking about it?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, unfortunately increasing the decibel range of the Hon. Member's question does nothing to increase either its accuracy or its perception. The fact of the matter is that if he wants to look at the statistics over the last year he will see that my comments are accurate about entry into the labour force.

He asks with great pomposity and great vigour: "why are we not using unemployment insurance now to provide training for people?" The answer is, of course, that we are. That is exactly what Section 38 and Section 39 of the Unemployment Insurance Act now permit.

Mr. McGrath: That is not what you said in Calgary.

Mr. Roberts: That is what we are doing to the extent of something like $1 billion a year. Once again the Hon. Member has shown his profound lack of knowledge of what the facts of the situation are.

Some Hon. Members: Hear, hear!

* * *

INDIAN AFFAIRS

TRIBAL COUNCIL FUNDS DONATED TO MINISTER'S LEADERSHIP CAMPAIGN

Mr. John McDermid (Brampton-Georgetown): Mr. Speaker, my question is for the Prime Minister. Yesterday he gave a commitment to me and to Members of the House of Commons that he would investigate the situation regarding the Minister of Indian Affairs and Northern Development receiving funds from Indian Bands and Tribal Councils throughout this country, which the Minister yesterday admitted receiving. Has the Prime Minister completed that investigation? Would he report his findings to the House?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, I did ask people in the Privy Council Office who are concerned with conflict of interest guidelines. Their finding is that none of these funds which were given to the campaign fund of the Minister were provided from public moneys. They were given by a private corporation—

Mr. McDermid: That is outrageous.

Mr. Munro (Hamilton East): You keep quiet, you asshole.

Some Hon. Members: Oh, oh!

Mr. Trudeau: They were given by a private corporation which is owned and managed by the natives, and which operates various commercial enterprises like restaurants and other such operations.

MINISTER'S POSITION

Mr. John McDermid (Brampton-Georgetown): Mr. Speaker, does the Prime Minister feel that it is morally correct for a Minister of Indian Affairs, who, as late as yesterday in Winnipeg, said that Indian people suffer the highest infant mortality rate, have the greatest poverty in the country—

Mr. LeBlanc: You demagogue.

Mr. McDermid: Never mind.

Some Hon. Members: Oh, oh!

Mr. McDermid: —that have the highest suicide rate in this country, that need a half billion dollars in funds to eradicate their problems—that he is morally bankrupt in accepting money from these people for his own leadership campaign? It is sleazy. He is a morally bankrupt minister.

Mr. Cook: Government funds, too.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I know of no guidelines that would only authorize white people or rich people to give money to political purposes.

Some Hon. Members: Hear, hear!

Mr. Trudeau: And if the Hon. Member disagrees with that, I think the implications of the Hon. Member's question is that somehow native people should not be involved in the political process.

Mr. McDermid: Not at all.

• (1440)

Mr. Trudeau: The Hon. Member says, "Not at all." He should know that native people, those who live on reserves in particular, have some benefits from the Government of Canada, of a tax nature and others. Is he saying that they should not engage in commercial interests? Is he saying that if they do they should not be free as directors of that commercial interest to give money to political parties? I think that is an untenable position. Should we return again to the Tory leadership campaign when we know that giant corporations have given money to prospective leaders of the Party and eventually, as they think, of the Government, without even revealing the source of these funds?

Mr. McDermid: Will he reveal the source of all his?

Mr. Trudeau: He wants to attack some 6,000 or 7,000 Ojibways. I think that is tremendous hypocrisy.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Speaker: The Hon. Member for Oshawa.

Mr. Nielsen: Mr. Speaker, I have a supplementary question for the Prime Minister.

Mr. Speaker: The Chair has recognized the Hon. Member for Oshawa and will recognize the Hon. Member for Yukon subsequently.

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EXTERNAL AFFAIRS

NICARAGUA—MINING OF HARBOURS—REQUEST FOR CONDEMNATION OF UNITED STATES ACTIONS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister. It concerns the participation of a United States agency in the mining of harbours in Nicaragua. In the past the Prime Minister has rightly expressed deep concern about superpower involvement in military affairs in this region. Yesterday the Speaker of the United States House of Representatives said the following of this action:

It is clear that it is legally indefensible.

Will the Prime Minister condemn this activity and point out that it completely undermines efforts to achieve peace in the region?

Hon. Gerald Regan (Minister for International Trade): Mr. Speaker, the Canadian Government is indeed concerned about these attacks which appear to represent a further escalation of the conflict between Nicaragua and the forces opposed to the current regime. Our concern about this issue has been conveyed to the United States Government. Any action to resolve the problems in this area must be taken within the context of the Contadora initiative. We support the rule of law, and we believe that the rule of international law should apply in relation to these matters.

CANADIAN POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I want to ask my supplementary question of the Prime Minister. In his peace initiative he closely identified with peace in the regions of the world, not simply with concern about nuclear weapons as such. Given the expression of deep concern about superpower involvement, given the reality that one ship recently damaged by mines in Nicaraguan waters was a ship of the Soviet Union and that if this should happen again we could have a direct superpower confrontation, will the Prime Minister join the Government of Great Britain—I say to my Tory friends on the right, the Conservative Government of Great Britain—and condemn this activity by the United States in that region?

Hon. Gerald Regan (Minister for International Trade): Mr. Speaker, the Secretary of State for External Affairs, who is currently in the Central American area, expressed Canada's concern, particularly that the requirements of international law be observed. I want to point out again that Canada is a country which has consistently opposed the use of military force and has taken the position that international law should

be followed by all countries. I point out in relation to the support of the rule of law, the example that Canada—

Mr. Nielsen: Next page, turn the page.

Mr. Regan: —having a disagreement on the underwater boundary with the United States, is abiding by the decision which will be taken by the International Court at the Hague. This is consistent with Canada's approach to these matters. We again reiterate and have conveyed our position that military violence should not be involved and that the rule of law internationally should be adhered to.

Mr. Broadbent: I will try a third time to direct my question to the Prime Minister, who is always very good in lofty generalizations about peace but very short in making very specific criticism when criticism is warranted.

Some Hon. Members: Hear, hear!

REFERENCE OF ISSUE TO WORLD COURT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question concerns the reference of this matter to the World Court at The Hague. The United States has already indicated, in clear violation of its own traditions, to which indication many other Americans have already objected, that it has no intention of abiding by a World Court decision. I ask the Prime Minister again to lend some credibility to his own expressed concern about the rule of law, in this case international law. Will he directly intervene and at least request the United States Government to accept the decision of the World Court on this important matter?

Hon. Gerald Regan (Minister for International Trade): Mr. Speaker, again I say to the Hon. Member—

Mr. Crosbie: Where is the peacemaker?

Mr. Regan: —that our concern has been expressed to the United States Government in relation to this matter. It is our belief that military action will not bring lasting peace in Central America.

Mr. Speaker: A short supplementary to this question. The Hon. Member for Victoria.

PREPAREDNESS OF CANADIAN MINESWEEPERS

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, just yesterday the same subject was raised by the Hon. Member for New Westminster-Coquitlam who asked the Prime Minister to send a minesweeper down to assist her friends in Nicaragua. I would like to ask the Minister of National Defence how many minesweepers the Canadian navy has which are ready to go to sea today and sweep mines.

Hon. J.-J. Blais (Minister of National Defence): Mr. Speaker, the Hon. Member very well knows the answer to that question.

Some Hon. Members: Oh, oh!

Mr. Mulroney: The answer is none.

Mr. Kempling: A big zero.

* * *

[*Translation*]

THE ARTS

OSCAR NIGHT IN LOS ANGELES

Mr. Robert Gourd (Parliamentary Secretary to Minister of State (Multiculturalism)): Mr. Speaker, my question is for the Minister of Communications. While the Opposition is doing all of its best to undermine Government policies, no one seems to have noticed the international event which took place yesterday and the fact that Canada won not one, but two Oscars. As I know quite well that the production which won the first Oscar for the National Film Board falls well within his jurisdiction, I would like to ask the Minister of Communications what role the Canadian Government did play in connection with the film for which Canada won its second Oscar last night?

Hon. Francis Fox (Minister of Communications): Mr. Speaker, first, I believe that all the Members of this House will want to join me in offering our most sincere and warmest congratulations to the two National Film Board producers, Adam Symanski and Cynthia Scott, for their wonderful film *Flamenco at 5:15* which won an Oscar last night.

[*English*]

I think all Hon. Members of the House would join with me in extending our most sincere congratulations to Janice L. Platt and Atlantis Films of Toronto who produced the film *Boys and Girls* for the CBC, as an independent production unit.

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CROWN CORPORATIONS

PETRO-CANADA—GOVERNMENT POLICY ON GAZOLINE RETAIL OUTLETS

Mr. Brian Mulroney (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of State for Economic and Regional Development. As a Minister of the Crown, does the Minister believe that Crown owned gasoline retail outlets should be sold to the private sector?

Hon. Donald J. Johnston (Minister of State for Economic and Regional Development and Minister of State for Science and Technology): Well—

Mr. Speaker: There is a well established rule of the House—

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: That is economic development.

Mr. Speaker: —that Ministers may be asked questions in respect of their ministerial responsibility. Is the Minister responsible for Petro-Canada?

Some Hon. Members: Economic development.

Mr. Speaker: Such a question should be directed in terms of a Minister's ministerial responsibility.

Some Hon. Members: Shame.

Mr. Speaker: I regret to have to do this, but either we have rules or we do not have rules.

Mr. Hnatyshyn: That is within the rules, Mr. Speaker.

Mr. Speaker: Would you care to address a question to the Prime Minister?

Mr. Mulroney: Mr. Speaker, may I say with respect that inasmuch as the Government has always contended that energy is a prime motor of its economic development plans, and that the Hon. gentleman is the Minister of State for Economic Development, it seems to me that the question is indeed entirely appropriate.

Some Hon. Members: Hear, hear!

Mr. Mulroney: And inasmuch as it has been clearly established that the Minister, for whom I have some respect, has clearly repudiated policy which he had been defending for four years, then there is someting wrong with the motor, apart from the Government.

• (1450)

Mr. Speaker: Order. The Leader of the Opposition can direct his question to the Prime Minister as the Leader of the Government.

Mr. Mulroney: Mr. Speaker, I will ask the Minister of Energy, Mines and Resources. It is difficult to find anyone responsible over there.

Some Hon. Members: Hear, hear!

Mr. Mulroney: I know I am being very presumptuous in assuming that this Minister will give an answer. But inasmuch as he has already given one to the press, I will ask him, as a Minister of the Crown, if it is the Government's policy in the area for which he is specifically responsible, that Crown assets such as retail gasoline outlets should be disposed of immediately to the private sector?

[*Translation*]

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Mr. Speaker, the answer is no.

[*English*]

IMPACT OF ACTIVITIES OF CROWN CORPORATIONS ON GOVERNMENT POLICY

Mr. Speaker: The Right Hon. Member for Yellowhead on a supplementary.

Some Hon. Members: We want Joe! We want Joe!

Mr. Speaker: Order. The Right Hon. Member for Yellowhead has the floor.

Right Hon. Joe Clark (Yellowhead): The candidates opposite will note that no one on their side wants them.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): Mr. Speaker, let me ask the Minister of State for Economic and Regional Development whether it is among the responsibilities of his Department to assess the impact on federal economic development policy of the activities of federal Crown corporations?

Hon. Donald J. Johnston (Minister of State for Economic and Regional Development and Minister of State for Science and Technology): Indeed it is, Mr. Speaker. Let me say, as part of that, that good management of taxpayers' assets has always been a policy of this Government, and I hope will always be a policy of all Governments. Good management suggests that assets should be well managed. That means in some instances in economic development policy that I believe certain assets can be disposed of and the funds invested in other areas of priority. We all know there are financial constraints that afflict all Governments. I do not believe that if I take the position that any particular asset acquired during the last four years by this Government, or by a Crown corporation, should never be sold, that the principle of Cabinet solidarity deals with that kind of issue in any manner whatsoever.

Mr. Speaker: Supplementary. The Right Hon. Member for Yellowhead.

MINISTER'S POSITION ON SALE OF SERVICE STATIONS

Right Hon. Joe Clark (Yellowhead): Mr. Speaker, having established the generality of that question and his responsibility for Crown corporations in general, is it the position of the Minister that the Crown corporation, Petro-Canada, should, in the interests of Canadian economic development, sell its service stations? Is that the position of the Minister?

Mr. Speaker: Order. I have already ruled that the Minister responsible for a specific Crown corporation can be asked questions in respect of his ministerial responsibility. I believe the Right Hon. Member has made his point. The Hon. Leader—

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please. The Hon. Leader of the Opposition.

POLICY INQUIRY

Mr. Brian Mulroney (Leader of the Opposition): Mr. Speaker, of course they do not want to sell the service stations. They are going to be working there after the election—

Some Hon. Members: Hear, hear!

Mr. Mulroney: —if they take advantage of our manpower retraining program.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order. The Leader of the Opposition was rising to ask a question. The Hon. Member has been recognized to ask a question.

Mr. Mulroney: Inasmuch as the Prime Minister referred earlier to his consultations with Privy Councillors with regard to conflict of interest guidelines, and it seems that we have heard conflict between the Minister of Energy and the Minister of State for Economic Development, will the Prime Minister, in light of these seriously contradicting responses with regard to a policy that goes to the heart of the action he has proposed for four years, inform the House whether that which appears to be a major breach of Cabinet solidarity to the rest of the country is consistent with the view that he has been holding? Also, who speaks for the Government on such a fundamental policy?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, on matters of energy, apart from myself the Minister of Energy speaks for the Government. He will continue to speak for the Government on energy matters as long as he holds that portfolio.

Mr. Hnatyshyn: Oops!

Mr. Trudeau: And even after.

Some Hon. Members: Oh, oh!

Mr. Trudeau: After someone else is sworn in as Prime Minister it will be up to that Prime Minister to decide what the policy is as regards energy and other matters, and up to the Minister he will name as Minister of Energy.

* * *

HEALTH

LICENSING OF FOREIGN TRAINED PHYSICIANS

Mr. Jesse P. Flis (Parkdale-High Park): Mr. Speaker, my question is for the Minister of National Health and Welfare. As the Minister is already aware, there is a serious problem in our country in obtaining intern or residency training positions for foreign trained physicians who came to Canada as refugees, to qualify them for a licence to practise medicine in Canada. From a letter I received from the Canadian Medical Association, the problem appears to be caused by the fact that "the provincial Governments have been restricting and reducing the amount of money and the number—"

Mr. Speaker: Order. Will the Hon. Member please ask his question?

Mr. Flis: Yes, Mr. Speaker. This is creating problems, even for the graduates of Canadian medical schools. Will the Minister assure this House that she will negotiate with the provinces as soon as possible to alleviate this problem, especially when Canadians in remote areas of Canada are begging for qualified doctors?

Hon. Monique Bégin (Minister of National Health and Welfare): Mr. Speaker, I can confirm that the problem which exists is under provincial jurisdiction because it is part of manpower utilization. The licensing, training, and other components are provincial. We could undertake to have this put on the agenda of the next federal-provincial meeting, either of the Deputy Ministers or of the Ministers of Health.

However sympathetic we are to the problem of trained qualified doctors who cannot practise in Canada where we need them, in northern parts of Canada in particular, it remains that the general context is one of a country with too many doctors. We have opened our doors to refugees of different origins, and Polish doctors in particular are now practising all sorts of trades that do not have anything to do with their training. It is a waste of competence. We could undertake to place this on the next agenda of federal-provincial Health Ministers or Deputy Ministers.

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FARM CREDIT CORPORATION

INTEREST RATES FOR LONG-TERM LOANS

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, my question is for the Minister of Agriculture who handles Farm Credit Corporation policy. An increase was announced today in the rates of Farm Credit Corporation loans from the November rate of 13 per cent for long-term loans, to 15 per cent. This is putting a lot of pressure on the existence of the Farm Credit Corporation since interest rates on loans through banks and credit unions are considerably lower for three and five-year terms.

● (1500)

Given the problems farmers are facing when trying to get financing this year, I wonder if the Minister could tell us what he is going to do about farmers whose 4 per cent rebate has now run out? What is he going to do for the farmers who are facing financial difficulty? Is he going to continue that program? What happens to farmers whose eligibility has been dropped? Will they now be allowed to go broke?

Point of Order—Mr. Hnatyshyn

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the Hon. Member asks me what I am going to do. He knows what we have done in the past to help farmers. We have assisted farmers more than any other nation in the world by providing low interest rates for those in difficulty.

Many of these farmers who are producing such things as beef and pork have not been able to make a payment on those low interest rate loans that were given for two years. We are reviewing that situation. If we can possibly save those people, we will.

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POINTS OF ORDER

MR. HNATYSHYN—QUESTIONS CONCERNING ACTIVITIES OF CROWN CORPORATIONS

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, at the conclusion of Question Period, I wish to address two points of order. I think these points of order are important to the ability of the Official Opposition to question the Government properly and effectively with respect to its policies.

My first point of order, Mr. Speaker, deals with your interim observations with respect to the questioning of the Minister of State for Economic Development (Mr. Johnston) about a particular Crown corporation. I believe that two elements must be considered before we make any definitive decision about the ability of Members to address questions of an economic nature to the Minister of State for Economic Development. It may be that these questions related to a specific Crown corporation policy but you will have to understand, Mr. Speaker, that the Minister responsible for that Crown corporation is in the other place. The Minister responsible for the CIDC is in fact the person who would have prime responsibility for that Crown corporation. When asking direct questions relating to the administration of the Crown corporation, we are precluded from asking the Minister who has direct responsibility.

I would like to point out that on that basis alone, we should be given some reasonable latitude to deal with Ministers with economic portfolios who, I think it would be fair to say, have the responsibility of supervising and directing the activities of Crown corporations. Indeed, referring to Petro-Canada by way of example, it is a matter that is well known and has been stated by the Government that Petro-Canada is an instrument of government policy. It is a window on the industry but it is primarily an instrument of government policy. The Government has indicated to us over and over again that this Crown corporation in particular was, as my Leader has said, one of the engines of economic activity in our country.

I do not believe it is reasonable to attempt to restrict us when directing legitimate questions about the policy of the Government to the Minister who has specific responsibility for economic development. I believe it is reasonable for members of the Official Opposition to ask those kinds of questions.

There is another point of order which I would like to raise with you, Mr. Speaker. I do not want to waste the time of the House—

Mr. Speaker: May I comment on the Hon. Member's first point of order. The rule is quite clear. Questions may be directed to a Minister in respect of ministerial responsibility. This has been well established by precedent.

In this particular instance, questions were permitted to be asked of the Minister of State for Economic Development which were of a general nature and related to policy. Questions relating to a specific Crown corporation which is clearly not the Minister's responsibility were not permitted to be directed to him. The question asked was a very specific one relating to administrative responsibility for a named Crown corporation. Where the Minister responsible is in the other place, a question can be directed to the Prime Minister (Mr. Trudeau) or, in this case, to the Minister of Energy, Mines and Resources (Mr. Chrétien) who again has a direct involvement in the policy in that particular field.

Mr. Hnatyshyn: No, Sir.

Mr. Speaker: It was the decision of the Chair that a question cannot be directed to a Minister who cleary does not have administrative responsibility for a specific Crown corporation.

Mr. Hnatyshyn: Mr. Speaker, I think you will find that the Minister of Energy, Mines and Resources (Mr. Chrétien) has no responsibility for Petro-Canada at all. He does have the responsibility for energy matters but the fact of the matter is that the responsibility for that Crown corporation was removed and put in the hands of the Minister responsible for CIDC.

MR. HNATYSHYN—QUESTIONS ASKED BY PARLIAMENTARY SECRETARIES

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, my second point of order relates to a practice of the House which I think has been well established by your predecessors, Madam Speaker Sauvé and Mr. Speaker Jerome. The practice was very simple and it was that Parliamentary Secretaries were not recognized for the purposes of asking questions of the Ministry. That precedent is well established and is one which has been followed without exception over the course of my parliamentary career.

Today, the Parliamentary Secretary to the Minister of State for Multiculturalism (Mr. Gourd) directed a question to the Minister of Communications (Mr. Fox). Indeed, it was a reasonable question and dealt with the Academy Awards as they related to Canada. The question was a soft one and I am not objecting to its substance. However, the precedent is quite clear that Parliamentary Secretaries, in view of the fact that they carry some responsibility for answering on behalf of the

Ministry, have no place in Question Period, which should be reserved for Opposition and—

Mr. Speaker: The Hon. Member has a valid point.

MR. DEANS—ALLEGED REFERENCE BY MR. REGAN TO OFFICIAL DOCUMENT DURING QUESTION PERIOD

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I rise on a point of order. I regret that the Minister for International Trade (Mr. Regan) has left the House but I feel it is important to raise the matter now in order that you may consider it, Mr. Speaker.

You are aware, Sir, that on page 115 of Beauchesne, Citation 327(1) reads as follows:

A Minister of the Crown is not at liberty to read or quote from a despatch or other state paper not before the House, unless he be prepared to lay it upon the Table.

Citation 327(5) reads as follows:

To be cited, a document must be quoted or specifically used to influence debate.

You will know, Sir, that during the Question Period my Leader asked the Prime Minister (Mr. Trudeau) a question with regard to some actions that were being undertaken in Central America. The Prime Minister yielded to the Minister for International Trade for the purposes of answering. In the process of answering the first question asked, the Minister for International Trade made a direct reference to, and I believe cited from, a document which he claimed was a communication between the Government of Canada and the Government of the United States with regard to this very important matter.

I would ask you, Sir, carefully to review the record in *Hansard* to determine whether my understanding of what was said at the time is correct. If I am correct and the Minister did in fact make reference to and use that particular document in an effort to influence the proceedings at that particular point in time, I would ask that the Minister be required, as per the generally accepted practice not only in this House of Commons but in the House of Commons at Westminster, to table the document that he used to influence the conduct of the proceedings.

Mr. Speaker: The Chair will take note of the observations of the Hon. Member and will consider them.

MR. HNATYSHYN—QUESTIONS ASKED BY PARLIAMENTARY SECRETARIES

Mr. Maurice A. Dionne (Northumberland-Miramichi): Mr. Speaker, I rise on the same point of order raised by the Hon. House Leader of the Official Opposition which dealt with Parliamentary Secretaries asking questions in the House. You commented very briefly, Mr. Speaker, that he had a valid point. I would like to argue for a moment that it is a valid point only in a very limited sense.

While it is true that Mr. Speaker Jerome did not allow Parliamentary Secretaries to ask questions, it has always been my belief that Mr. Speaker Jerome was wrong in making such a blanket ruling because a Parliamentary Secretary has a very limited responsibility to the House and a very limited influence on Cabinet Ministers. In fact, that responsibility and influence pertains only to the particular Minister to whom he is Parliamentary Secretary.

It is my contention, Sir, that it is not proper to deny the right of a Parliamentary Secretary to ask questions of other Ministers. It should be taken for granted that he or she would not ask questions of the Minister to which the Parliamentary Secretary is assigned. However, to prevent a Parliamentary Secretary from asking questions of other Ministers of the Crown to whom he has no attachment and for whom he bears no responsibility whatsoever is, in my opinion, denying that Parliamentary Secretary a right which is provided to every other Hon. Member of the House except Ministers of the Crown.

• (1510)

I can see no justification for denying to a Parliamentary Secretary the right to ask a question pertaining to his constituency or to Government policy matters for which he bears no responsibility whatsoever.

Mr. Speaker: I have heard the Hon. Member's representation and the Chair, of course, will be guided by precedent.

PRIVILEGE

MR. MUNRO (HAMILTON EAST)—REFERENCE BY MR. McDERMID TO INDIAN PEOPLE

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Mr. Speaker, I rise on a question of personal privilege with reference to the remarks made by the Hon. Member for Brampton-Georgetown (Mr. McDermid). I listened carefully to his remarks. They were not only insulting remarks with reference to myself, but what I found even more disgusting were the demeaning references to the Indian people. The Hon. Member talked about them in the context of "these" people. He went on to suggest that it is okay for, I guess, unions and corporations, Mr. Speaker, and non-natives to contribute to the political process, but if it is an Indian corporation, somehow its contribution should be rejected because it is representative of "these" people.

He went on then, Mr. Speaker, to make a value judgment as to how "these" people should spend their own money—

Mr. Nielsen: Where is the privilege?

Mr. Munro (Hamilton East): —that non-native contributions are okay, but not the native people's contributions. This whole case by the Hon. Member is symbolic of the demeaning and disgusting paternalism which has been so—

Mr. Speaker: Order.

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: You have gone too far.

Mr. Speaker: Order, please. Will the Hon. Minister please state how his privilege is affected? He appears to the Chair to be engaging in debate.

Mr. Munro (Hamilton East): Mr. Speaker, I am hoping to prove, by the disgusting arguments and implicit insults to the Indian people themselves—

Some Hon. Members: Come on!

Mr. McDermid: You know better.

Mr. Munro (Hamilton East): —on grounds so baseless, how baseless are his slurs on my character.

Some Hon. Members: Oh, oh!

Mr. Munro (Hamilton East): Well, let me just say that, as I understand it, Mr. Speaker, the Hon. Member, and Hon. Members of the Official Opposition, espouse the cause of self-government for the Indian people yet when they make judicious choice as to how they will participate in the political process—

Mr. Hnatyshyn: He would substitute his own judgment.

Some Hon. Members: Sit down!

Mr. Speaker: Order. I can understand the emotion with which the Minister speaks. However, again the Chair must be very precise, and I would invite the Minister to state how his privilege is affected.

Mr. Munro (Hamilton East): I am only suggesting, Mr. Speaker, that when one makes such disgusting insinuations and personal remarks it is an insult to this House and to the integrity of all Hon. Members and should be rebutted. All I can indicate, because of the baselessness of the remarks, and for which there was no justification, is that if there is anyone who symbolizes sort of a poverty in terms of any presence of any decency, it is the immoral and disgusting behaviour of the Hon. Member for Brampton-Georgetown.

Mr. Speaker: Order. I have the honour to inform the House that the petition presented—

Some Hon. Members: Oh, oh!

An Hon. Member: There are other seats in this House, too.

Mr. McDermid: Mr. Speaker—

Mr. Speaker: Will the Hon. Member for Brampton-Georgetown (Mr. McDermid) please be seated when I am on my feet.

The Chair has listened to the remarks of the Minister and in the opinion of the Chair there is no case of privilege established. If the Hon. Member for Brampton-Georgetown wants to engage in further debate, and I can understand his desire—

Some Hon. Members: Oh, oh!

Miss MacDonald: It is not debate, Sir, it is rebuttal.

Mr. Speaker: The Chair is trying with considerable difficulty to determine whether or not the privileges of the Minister have been breached, and it has determined that the Minister has not made a case of privilege. On what grounds does the Hon. Member for Brampton-Georgetown seek to be recognized?

Mr. McDermid: Mr. Speaker, I have a new question of privilege. The Minister just made the statement in the House that I had made certain remarks, which I did not make at all. In fact, his own Leader, the Prime Minister of Canada, made the remarks, not me. I wish he would withdraw exactly what he said because it was the Prime Minister—

Mr. Speaker: Order. In the opinion of the Chair, this is debate—in the opinion of the Chair.

* * *

PETITION

MR. RIIS—TELEPHONES FOR HEARING IMPAIRED

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Kamloops-Shuswap (Mr. Riis) on Monday, April 9, 1984, does not meet the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

SENATE REFORM

TABLING OF GOVERNMENT RESPONSE TO REPORT OF SPECIAL JOINT COMMITTEE

Hon. Mark MacGuigan (Minister of Justice): Mr. Speaker, pursuant to Standing Order 46(2), I would like to table copies in both official languages of the Government's response to the report of the Special Joint Committee on Senate Reform.

* * *

PETITION

MR. DOMM—NUCLEAR DISARMAMENT

Mr. Bill Domm (Peterborough): Mr. Speaker, I have the honour today to table a petition on behalf of the 325 members of St. John's Baptist Parish, who are constituents of mine in the federal riding of Peterborough, regarding the very serious question of world peace and nuclear disarmament. Their petition is an urgent plea for increased dialogue and discussion on this most important question in order to facilitate an end to the nuclear arms race.

BLUE WATER BRIDGE AUTHORITY ACT

AMENDMENT TO INCREASE BRIDGE AUTHORITY MEMBERSHIP

Hon. Bud Cullen (Sarnia-Lambton) moved for leave to introduce Bill C-233, an Act to amend the Blue Water Bridge Authority Act.

Some Hon. Members: Explain.

Mr. Cullen: Mr. Speaker, when the Blue Water Bridge Committee was established it was assumed there would be an American and Canadian presence. As it turns out, the American Government has decided to absorb all of the costs of operating the Blue Water Bridge on its side. What we are simply asking for is to increase the membership of the Blue Water Bridge Committee from four to five. In that way it will be composed of an odd number and the Chairman can remain independent.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 483, 486, 708 and 718.

[*Text*]

LEPREAU II PROJECT

Question No. 483—**Mr. Howie:**

Did the Government authorize Atomic Energy of Canada Limited to spend up to $10 million to initiate preliminary studies to determine the economic viability of the Lepreau II project and, if so, on what date will a schedule for the calling of tenders for the study be established?

Mr. Leonard Hopkins (Parliamentary Secretary to Minister of Energy, Mines and Resources): Yes, the federal Government authorized AECL to spend up to $10 million to initiate preliminary studies to determine the economic viability of the Lepreau II project. Because of the nature of the studies (nuclear design activities and power sales marketing), they are being conducted by Maritime Nuclear, an organization established in Fredericton, New Brunswick for this purpose and staffed jointly by AECL and the New Brunswick Electric Power Commission. The studies will not be put out for tender.

DRIE—PAYMENTS TO NON-PROFIT ORGANIZATIONS

Question No. 486—**Mr. Howie:**

1. In the current fiscal year, did the Department of Regional Industrial Expansion make any payments to non-profit organizations to promote economic co-operation and development and, if so, in what amount?

2. Were any payments made to any such organization in the Province of New Brunswick and, if so, what are the names of the organizations and what amount was paid to each?

Order Paper Questions

Hon. Ed Lumley (Minister of Regional Industrial Expansion): 1. For the fiscal year 1983-84, a total amount of $6,989,381 was spent under Vote 10 of the Department's Main Estimates.

2. Yes.

Organization	Amount
CADMI Microelectronic/Microélectronique Inc.	$ 100,000
The Canadian Institute for Research on Regional Development	$1,000,000
Atlantic Provinces Economic Council	$ 100,000

EXEMPT STAFF—MINISTER OF COMMUNICATIONS

Question No. 708—**Mr. Hnatyshyn:**

1. Are any exempt staff employed by the Minister of Communications and, if so, what are their (a) titles (b) positions (c) names?

2. Do any of the staff mentioned in part I receive income, financial assistance or other benefits related to their employment from sources other than the ministerial budget and, if so (a) which members (b) what are the details of the income, financial assistance or other benefits?

Hon. Francis Fox (Minister of Communications): 1. The Minister of Communications currently employs six exempt staff as shown hereunder:

(a) & (b)	(c)
Executive Assistant	Jean-François Thibault
Special Assistant	Jean Bertrand
Special Assistant	Gilles Cloutier
Special Assistant	Johanne Duval
Special Assistant	Ewald R. Petershofer
Special Assistant (Policy Advisor)	Sandra Macdonald

2. No.

EXEMPT STAFF—MINISTRY OF STATE FOR SCIENCE AND TECHNOLOGY

Question No. 718—**Mr. Hnatyshyn:**

1. Are any exempt staff employed by the Ministry of State for Science and Technology and, if so, what are their (a) titles (b) positions (c) names?

2. Do any of the staff mentioned in part I receive income, financial assistance or other benefits related to their employment from sources other than the ministerial budget and, if so (a) which members (b) what are the details of the income, financial assistance or other benefits?

Mr. Rolland Dion (Parliamentary Secretary to Minister of Economic and Regional Development and Minister of State for Science and Technology): 1. No. 2. Not applicable.

[*English*]

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

Mr. Speaker: The questions as enumerated by the Parliamentary Secretary have been answered. Is it the pleasure of

the House that the remaining questions shall be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND ESTABLISHED PROGRAMS FINANCING ACT, 1977

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. MacLaren (for Mr. Lalonde) that Bill C-12, an Act to amend the Federal-Provincial Fiscal Arrangements and Established Programs Financing Act, 1977, be read the third time and do pass.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I was commenting before lunch on the priorities of this Government as far as education is concerned. Basically, the point which we have been trying to get across to the Government in suggesting that it withdraw either the six and five clause from this Bill, or the Bill entirely, is that it recognize the effect its action is having on the educational system in the country.

● (1520)

It is easy to reduce the amount of money that is being given to colleges and universities. However, what is the effect of not having the funds available? How does it affect universities in the country? The youth are probably the most dependent upon post-secondary institutions—the technical schools, universities and other institutions—of education. They are going to be unable to get the kind of training they think is going to be necessary. It is going to affect the kind of medical research that is going on. It is going to affect the development programs of the country which are so important to Canada. It is going to affect research in agriculture. In the case of agriculture, Mr. Speaker, we need 100 new researchers for the next two years to replace those that are leaving the service and to bring the service up to standard.

All of these are the effects of the Bill that is before the House. It indicates a kind of short-sightedness, Mr. Speaker, which we are getting used to with the Government. However, we would expect that in this particular area the Government might have taken a second look.

What happens if we do not have funds to finance educational institutions? If we do have those funds available we are able to build a flexible work force which can fill the jobs which will become available during the next few years. Everyone knows and accepts the fact that almost all of the people in the major industries will have to be retrained in the next few years. If we have the funds we can guarantee that there will be a work force in the future that can fill the jobs that are available. People will also have the opportunity to expand their horizons. We have programs of continuing education and retirement education. You can name almost to no end the kind of programs that can be put forward if the money is available. Instead of that, the Government is reducing the amount of money that will be spent on post-secondary education or transferred to the provinces to be passed on.

What happens when funds from the provinces are not available for education? In that case we will have many less skilled workers available. We will have less people available to teach at universities. We will be forced to go overseas or south of the border for instructors at universities. If the cycle that took place in the 1950s and 1960s repeats itself, by 1990 we will be looking overseas for skilled labourers to fill the jobs available in Canada.

Right now we spend almost $1 billion per month on unemployment insurance payments. Part of the reason for that is that we do not have jobs. When we do not have the money to invest in education, it affects the whole standard of education across the country. The Government is inflicting an on-again-off-again restraint program on the educational system. We are never really certain what funds are going to be available next year. That makes it impossible to start programs because it is not known whether they will be completed.

Many other countries use the opportunity which comes from unemployment to upgrade the standard of skill of their workers. Sweden, for instance, has a very good system. It gives at least 4 per cent or 5 per cent of its unemployed people the training they need. We must realize, Mr. Speaker, that money spent for education is wisely spent. If we continue to spend it we will be making an investment in the future and guaranteeing a good future for many more people. It is not a waste of taxpayers' money. It is an investment which can train a whole new generation of Canadians. Undue restraint is a waste, Mr. Speaker. It reduces the opportunity for people to fulfil their potential.

Mr. Deputy Speaker: Order. Questions or comments? The Hon. Member for Kingston and the Islands (Miss MacDonald).

Miss MacDonald: Mr. Speaker, I have been listening to the remarks of the Hon. Member. I have great concern about this subject. One of the things that bothers me is that not only are we seeing moneys reduced from what they otherwise would have been, but we are seeing this practice extended into the future. I would like to have the Hon. Member's comments with regard to the projection for 1984-85. It is bad enough that funds are being taken out of this current fiscal year that would otherwise have been transferred to the provinces. However, that is also being projected forward so that next year there will be some $260 million less sent to the provinces for post-secondary education than otherwise would have been the case. This is happening at a time of crisis in the university situation.

I would like to ask the Hon. Member for his comments on whether that $260 million should at least be set to one side. The Government is going ahead with the current year, but surely it could consider the 5 per cent limitation it is putting on the next fiscal year and decide not to take that decision at the present time. The Government could let that part of the Bill go and change its mind about that. How could the Hon. Member react to that suggestion?

Mr. Hovdebo: Mr. Speaker, I appreciate the Member's question. As the Member has mentioned, we recognize that the present reduction of $118 million is for the past year. The universities and post-secondary institutions are already missing that money because they had planned on spending it. Anything the government could do to replace that money or guarantee to provide the $260 million for 1984-85 would be very helpful. Of greater danger is the fact that we are projecting this base for later years. Therefore, we will be reducing the total amount of money that will be spent relative to what we are spending now. From past experience we know that by 1990 we will be looking overseas for people that we should be training now. If we do not get the money back very quickly we can expect that to happen and there is not very much we can do about it.

Mr. Deputy Speaker: There being no further questions or comments the House will proceed to debate. The Hon. Member for Calgary West (Mr. Hawkes).

• (1530)

[*Translation*]

Mr. Jim Hawkes (Calgary West): Mr. Speaker, for the first time since I have been elected to the House of Commons, I wish to make a speech in French today. It is a special occasion for me after the many lessons I took in that language.

Last weekend, the caucus of the Progressive Conservative Party had a challenging debate on technology. At the end of that debate, we issued a press release. In that release, we mentioned that the Progressive Conservative study group on labour technological reconversion and recycling had concluded that Canada does not have the tools required to come to grips with tomorrow's technological challenges with respect to training and recycling. According to the members of the study group, the problems of the last decade stemmed in part from the fact that the Government's investments in human resources fell short of the mark. That is the major problem in our country. I repeat the last sentence: the Government's investments in human resources fell short of the mark. It is a serious problem, and the subject under consideration today is along the same line, since we are talking about the country's human resources in secondary schools. The Government intends to cut down its investments in that sector and I think that, in this day and age, it does not augur well for Canada.

Mr. Speaker, it is also stated in the release that, unless there is a significant increase in resources earmarked for training, we will end up with far too few workers with the skills required to meet the future needs of the labour market. Therefore, the study group urged the Progressive Conservative Party to make major changes in current policies and programs so that workers will have better opportunities to improve themselves. Our young people need more challenging opportunities to better themselves, but in the present context, Mr. Speaker, the same thing applies to adults because they are the ones who ought to attend secondary level courses lest they be left behind in this rapidly changing world. All Canadians have a stake in this issue.

On that occasion, the Leader of the Official Opposition (Mr. Mulroney) said that the recommendations contained in the report would make training and recycling more readily accessible to those who need them, while at the same time providing for a better mix of private and public funds to achieve our goals with respect to training. I am referring to the release, Mr. Speaker, but the report itself contains 24 very important recommendations for the country.

We came to the conclusion that Canada is facing five major problems. We said that the first one is the need to make industry and labour more aware of the opportunities offered by new technology. The second problem is the urgency of redefining national policies with a view to promoting increased productivity in the public and private sectors. The third one is the need to upgrade and speed up our methods of gathering, processing and circulating statistics related to the labour market. The fourth and most important problem in my opinion is the need to increase financial and human investments in the field of education, to extend the training programs available in the private sector, to update the existing public educational facilities, to upgrade the teaching profession, and to look for new ways to provide the necessary training. There are many concepts to deal with in the area of education. Each and everyone in the public sector needs funding, and this is very important in today's debate. The fifth problem is the need to promote co-operation between governments, industry and labour.

Mr. Speaker, the Progressive Conservative Party has suggested that for the well-being of all Canadians our national policies must be changed in five major areas. The first thing would be to change the taxation system so as to promote investments in the field of education by encouraging individuals and businesses to invest in the development of human resources.

The second change would be to provide better opportunities for welfare recipients to take part in programs which would help them acquire new skills for the future.

Mr. Speaker, the third change would be to increase the role played by the private sector, by businesses and non-profit organizations alike, in providing training services.

The fourth change would be to develop policies to promote the acquisition of new skills and their use to manufacture new products, and to make this approach the cornerstone of an

industrial strategy directed toward the future. The fifth change would be to revamp some of the systems and institutions in our society in order to promote co-operation and reduce the conflicts between governments, labour and industry. These are the five major concepts related to policy changes in Canada. These are major concepts developed to solve major problems. In each case, they are very important concepts related to education in Canada.

● (1540)

Mr. Speaker, we have made 24 specific major recommendations. The first one is to provide financial assistance to people undergoing training. Among the types of assistance which could be available would be financial support provided by the employers and the Government. There would be various ways to provide this support, but the Task Force has suggested the following:

(i) All persons eligible under public assistance programs (including unemployment insurance, social welfare or Workmen's Compensation Board benefits) should be allowed to take training courses while receiving benefits, even under programs that are not sponsored by the Government. These programs should also be changed to establish clearly that the major purpose is to develop human potential first and foremost. They must therefore last as long as necessary to allow the trainees to acquire the skills which will make them less likely to find themselves in need of financial assistance in the future. It would be important to invest in the area of human resources.

(ii) The people concerned must be encouraged to invest in their own development. There would be many ways of making this easier for them:

(a) By authorizing the development of tax-free savings plans which could be used for educational purposes. If we provide tax savings for people who put money aside to buy a house, we should develop a similar investment plan for them to improve their skills. It would be the same as for housing plans.

(b) Tuition fees should be deductible from income, whatever its source. Education is an investment for the individual, and the Income Tax Act should be amended accordingly.

(c) Many individuals who are greatly in need of training have very little money and often hardly any assets.

For them to be able to invest in their own training, a sort of loan system would have to be set up. These loans would have to be guaranteed if they came from the private sector. The current student loan program could be considerably extended for this purpose. On the other hand, we could consider establishing an education mortgage plan, guaranteed or insured by the private sector.

It is suggested in paragraph (*d*) that the Unemployment Insurance Act should be thoroughly amended to emphasize employment instead of unemployment. Benefits should be paid to the people who are really trying to fit in the labour market, to develop their skills, increase their mobility, obtain the necessary counselling and training, if they lack the knowledge and experience they need to compete on the labour market. Amounts paid for unemployment insurance purposes should be considered not as expenses, but rather as tax credits aimed at compensating for current inequalities. People who have contributed to the scheme for long periods of time without ever applying for unemployment insurance benefits should be entitled to longer eligibility periods for re-training purposes.

Paragraph (*e*) states that the Income Tax Act should be amended to encourage employers willing to do so, to offer financial assistance to their employees who wish to seek full time or part time training. All relevant expenses should be considered as tax deductible items. Moreover, they should receive tax credits to compensate their costs.

Mr. Speaker, I think that the public school system needs teachers to teach adults: it is very important for the future. Today, we are dealing with a bill calling for the reduction of the amounts paid for secondary education. It is quite the opposite of what we propose. In my opinion, Mr. Speaker, Bill C-12 is very bad for this country.

In our report, Mr. Speaker, we deal with illiteracy, but its Section C is very relevant to this debate. We refer to extended educational opportunities. These are major policies for this country.

The first recommendation in this section is as follows: A new government should immediately commit itself to encouraging the purchase of the most sophisticated school material, by contributing a subsidy equal to any investment.

Mr. Deputy Speaker: Order, please! I regret to interrupt the Hon. Member, but the time allotted to him has expired. Questions or comments. Debate. The Chair recognizes the Hon. Member for Surrey-White Rock-North Delta (Mr. Friesen).

● (1550)

[*English*]

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, it is not my custom to speak very often on debates of high finance or intricate economic measures. It is not my field of expertise. I do not pretend to be an expert on it. However, I have had a dozen years of experience in post-secondary education, so I have an interest in what is going on in this debate.

The first point I would like to make is that the debate in which we are now involved is probably the most eloquent statement we could make against the kind of regime we are experiencing in federal-provincial involvement in higher education. It is the experience of all of us that we represent communities and agencies in our constituencies which depend upon government grants for their existence as a way of life. That in itself is an excruciating experience for these agencies. They are dependent upon the whim or the caprice of the funding agency whether it be municipal, provincial or federal.

For any worth-while organization to have to predict the caprice of a funding body is a tortuous experience for it regardless of how well intentioned is the funding agency or the organization depending upon the grant.

Second, it points to the wisdom of our founding fathers that the federal Government has its area of major occupation and attention, that the provincial governments have theirs and that under the BNA Act the provinces are responsible for education because they are the most intensely affected by it and can most precisely represent their needs. There is a great deal of wisdom in that. However, some decades ago we moved into a new regime whereby we initiated federal-provincial transfer payments. The provinces under that agreement, because those transfer payments appeared to be very attractive and met the immediate need of all governments for funding, agreed with the new regime or the new system. It seems to me that it is an unfair balance because under the federal area of responsibility, there is a disproportionate amount of power when it comes to granting systems. The federal Government has taxation abilities which provincial and municipal governments do not have. Therefore, it has a capital pool which it can use to manipulate and manage its programs. Also it has the capacity to print money. Fortunately, there has been a tapering off in that activity recently, but it has the capacity to inflate the currency and, therefore, do an injury all the way down the line.

We have a situation where the federal Government can design a package and introduce it, as it did two decades ago, a package which is very attractive to the provinces in the funding of the medical and educational services and which the provinces like, particularly the have-not provinces which have a real need for funding if they are to maintain a level of medical or educational services that is equivalent to that in other provinces. It becomes very attractive and they go for the bait, but once they are hooked, they are hooked. Once they have taken some grants and get into a five-year program of funding, as this kind of legislation provides, what do they do at the end of five years if they decide it does not meet their needs? By that time a dependency has been created. It creates a dependency which, after a while, becomes unattractive as much as it becomes necessary to the provinces or to the institutions within the provinces. The provinces within their areas of jurisdiction are capable of retaliation or at least try to counterbalance what is going on in the federal Government. They are jealous of its powers.

The federal Government has begun to take an interest in education in the provinces over the past several decades and takes a very paternalistic view of the provinces when it says, "Obviously you cannot handle it; we will give you a hand". The provinces realize that constitutionally education is their prerogative. It is their right to design educational packages to meet the needs of their people. Therefore, they want to guard that power and that jurisdiction as carefully as possible, but they feel the squeeze because while they have fairly extensive taxation powers, they are not the same as those of the federal Government.

We are facing what many of us on this side of the House warned the Government about in 1977 when it decided to become involved in block funding. Originally the agreement with the provinces was that there would be an understanding on how the money would be spent. For some curious reason in 1977 the Government decided that it would move to a new system of grants—block funding. It was to give the money holus-bolus to the provinces and let them administer it. We on this side of the House said that we did not think it was a very good idea.

Mr. Kristiansen: But you voted for it.

Mr. Friesen: We argued against it. Were you here?

Mr. Kristiansen: I looked at the record yesterday.

Mr. Deputy Speaker: Order. An opportunity will be provided later for questions and comments.

Mr. Friesen: Take your turn.

Mr. Kristiansen: I will.

Mr. Friesen: We argued and warned the Government at the time that block funding could lead to the kind of situation we face today. I see the Hon. Member for Vancouver East (Ms. Mitchell) laughing. She laughs very easily.

Ms. Mitchell: That is right, you are quite funny.

Mr. Friesen: Perhaps she will find the humour later on. Now we face a situation where block funding needs some accountability. I am glad to say that the Government has accepted our amendment which called for strict accounting on the part of provincial governments of the funding given to them by the federal Government.

When I was involved in college administration years ago, I attended a deans' conference in Vancouver. One of the departmental representatives described what had happened under a previous administration within the Province of British Columbia in the early days of student loans. At that time the federal Government would grant money to the provinces and add to it approximately a 5 per cent administration fee. The province turned the job of administering the student loans over to the universities. It made them do the work, but it got the 5 per cent. In this case the Province of British Columbia made 5 per cent on the entire operation. It made universities bear the cost of administering the loans, but it kept the 5 per cent. Those are reasons why there has to be an accounting for all of this funding.

• (1600)

Third, there are the post-secondary institutions. The institution has limited opportunity for funds. All it can do is to raise its funds by tuition fees, endowments, trusts, private gifts or government grants, really not a very wide range of opportunities. It is at this point that the universities are most vulnerable because they have very narrow opportunities.

The real dilemma for the post-secondary institution is in the need to maintain academic independence and preserve that academic independence and at the same time, the temptation to cater to the sources of money. What does the university do if, on one hand, it has to maintain its independence and, on the other hand, it is financially dependent? That is the dilemma.

Can the universities spend as they wish? Can they carry on with very expensive programs such as tenure for their professorial staff? Can they engage in certain kinds of academic pursuits and research projects, which may be flashy and interesting and have a lot of public awareness and, therefore, be public relations benefit? Can they do that and still maintain their funding and academic independence?

The real protection lies in the sense of honour that exists in the university, that it will conduct itself as it ought to as an academic institution, or the fear that, if it does not carry on the wishes of the granting body such as the provincial government, it will lose its funding. This is the major problem for the institutions. That is faced both in education and in health. Universities and medical agencies, because they have a unique relationship with the public, can engage in programs that are, on the one hand, very expensive and, on the other hand, have a very narrow consumption and limited clientele. How do you control an independent agency that can spend independently and still depend on the taxpayers for money? That is a problem.

We all want good health services. We do not know whether the equipment that a medical service wants to buy is necessary. We cannot make that judgement. Since we want the best health care, that agency can and will spend the money, and we have to pay. We have no capacity to make a judgement on that.

In many cases the same is true within the university community. How does the general public know whether the programs in which the universities engage themselves are really justified programs? Here you have the independence of the university allowing itself to spend, and the taxpayer, by way of the federal or provincial governments, having to pick up the tab. That is a problem that we face. We face these problems of pressure and we are going to be on collision course.

The ones who really pay are the young people. If there is intransigence, if we are on a collision course, if there is a block-headed attitude on the part of the various levels of government, the result will be that the young people who need the education will pay. They will not get the kind of training they need. The tragedy lies in the fact that we are now on the threshold of a new era of demands for technological training. There will be new jobs and new opportunities for leisure in the future.

We have to prepare our people for both the jobs and the down time. We want a quality of life for both areas. We want a quality of life for job training. We also want our people to be able to spend their time creatively when they are not in the workforce, when they are at leisure, when they are on vacation. If we do not give them the kind of cultural tools and broad interest in life to develop expansive minds in order that they can enter into all of life, we will rob them blind.

A constituent wrote to me and asked me to make the proposal in Parliament that the Minister of Finance (Mr. Lalonde) change the regulations for those attending school. There are families all over Canada with children who would like to go to university but cannot afford it. I presented this proposal to the Minister of Finance about a week ago. There are children of majority age who would like to go to school. They cannot afford it. Their parents would like to help them. Because they cannot deduct the tuition fees as a tax deductible expense, it is an extra burden on the parents who should no longer be accountable and responsible for that educational training.

On the one hand we have students who would like to go to school. They are unemployed. They have time to go, but cannot afford it. We have parents who would like to help but cannot afford to help. They certainly are not responsible for that any longer. Some help could be given by the Government. For the next two or three years while we are in recession, the parents should be allowed to deduct the tuition expenses of their majority-age children as a tax deductible benefit. That seems to be an eminently sensible amendment that the Minister of Finance could bring forward. I have here a letter from a constituent who is attending Vancouver Community College, Langara Campus. It says in part:

> —I request that you raise the issue of student accessibility in the Province of British Columbia in the House of Commons, that you demand a full accounting of the federal transfer funds that are meant to be spent on education, and further that you urge all Members of Parliament to join forces in guaranteeing that all Canadians have an inalienable right to seek the finest education available.

I am glad to say to my constituent and Members of the House that I compliment the Government for accepting our amendment that requires governments to accept that kind of accountability so that when transfer payments are made to the provinces, we on the federal side will have that kind of accountability. For my colleague from the New Democratic Party who is chuckling behind the curtain, I will read the amendment:

> The Secretary of State shall cause to be laid before each House of Parliament, not later than the fifth sitting day of that House after the 31st day of January next following the end of each fiscal year that begins on March 31, 1984, a report on

● (1610)

> (a) cash contributions and total equalized tax transfers in respect of the post-secondary education financing program applicable to each province;
>
> (b) expenditures by each province on post-secondary education;
>
> (c) any other federal programs of support to or involvement in post-secondary education;
>
> (d) the relationship between such federal contributions, transfers and programs and Canada's educational and economic goals; and
>
> (e) the results of any consultations by or on behalf of the Secretary of State with the Council of Ministers of Education, Canada relating to the definition of national purposes to be served by post-secondary education and the means by which the governments of Canada and the provinces will achieve those purposes.
>
> (2) Every report laid before Parliament under subsection (1) shall be referred for review to such standing committee of the House of Commons, of the Senate or of both Houses of Parliament as is designated by Parliament for that purpose.

That is the amendment that our Party has made on behalf of the people across Canada. I compliment the Government for accepting that amendment so that we can have a full accounting by the provinces for the way in which moneys which are transferred to those provinces are spent.

Mr. Baker: Mr. Speaker, I would like to direct a question to the hon. gentleman who just spoke. I must say that I admire the hon. gentleman for being so honest in his statements to the House.

How does the Hon. Member think the provincial governments will react to the position of his Party that they must now become accountable for the block funding to which he referred? How will they react to, as he put it, strict accountability for use of the money? Usually his Party accuses the Liberal Government of using strong-arm tactics and of not treating the provinces fairly.

The hon. gentleman has just enunciated the position of his own Party which is that somehow and somewhere there is a mistrust of provincial governments regarding the manner in which they spend money. Is this an indication of what his party would do to these provincial governments, most of them Tory Governments, which the hon. gentleman claims, and perhaps rightly so, are not spending properly the money which was designated to go to education or health care? Is he indicating that since they are not doing so, they should now be accountable to the people of Canada?

Mr. Friesen: Mr. Speaker, I would first remind the Hon. Member that I did not refer to any Tory Governments. If he listened carefully, as I am sure he did, he would know that I did refer to the province from which I come, but I did not refer to any Tory Governments. I think he will acknowledge that.

Second, while Hon. Members on that side of the House may not have the same hope as I do, they do have the sense of the reality that by the time this legislation comes into full force, a different government will be in office and there will be a radical change in attitude *vis-à-vis* federal-provincial relations. Many of the problems we face today are not created by legislative disagreements or disagreements regarding areas of jurisdiction or accountability. They are attitudinal problems. When a new government is in office representing the nation, there will be a new attitude in federal-provincial relations.

I can tell my friend, the Hon. Member for Gander-Twillingate (Mr. Baker), that at that time there will be no pejorative overtones when our federal Ministers go to the provinces to settle disagreements. Surely we must be mature enough federally to get over all the pejorative overtones to which sadly, we have become accustomed in our federal-provincial relations until now. We can recognize that mature federal and provincial jurisdictions can have areas of honest disagreement without resorting to paternalism, name calling or strong-arming.

I would like to tell my hon. friend that calling for accountability of the provinces to the federal Government is no different from the provinces calling for accountability of the municipalities. Provincial governments make grants to municipalities and other agencies within the provinces and they understand that when they grant money to other jurisdictions within the provinces, they have a right to know how that money is being spent. They are not calling those agencies dishonest but they are calling them to account. They are simply asking them how the money was spent. That is what bothers me about my friend's question. As soon as we ask for accountability, members of the Government want to turn it into something pejorative. It is not an accusatory request but simply a logical question of competent accounting.

Sometimes people make mistakes, a mistake is not necessarily a crime. If a provincial Government has misspent some money in the eyes of the federal Government, that is not criminal, but it does call for an accounting. I see nothing wrong with that.

Mr. Kristiansen: Mr. Speaker, I would like to make a comment followed by a question. My friend, the Hon. Member for Surrey-White Rock-North Delta (Mr. Friesen), seemed to suffer from what I would think could correctly be called a lapse of memory. He implied that he and his colleagues in the Conservative Party disagreed with the Government when the Federal-Provincial Fiscal Arrangements and Established Programs Financing Act, which was then known as Bill C-37, came before the House on February 24, and March 23, 1977. However, if they did in fact disagree with the Government, I would like to know why it is that on both second reading of that Bill, as recorded on pages 3397 and 3398 of *Hansard*, and on third and final reading of the Bill, as recorded on page 4275 of *Hansard*, only members of the NDP are listed as having voted against the Bill. That would certainly suggest to me and, I think, to most Canadians that in spite of some reservations, and surely we all have doubts from time to time, the Conservative Party was clearly on the record as having full confidence, faith and trust that the provincial administrations would in fact honour the spirit of that legislation.

Having refreshed his memory, I would like to ask the Hon. Member if he would now acknowledge that he and his colleagues did in fact vote, along with the Government and against the wishes of the NDP, in favour of the *carte blanche* given to the provinces to do whatever they wished with the moneys forwarded to them under the provisions of that Act. He would see that, as recorded in *Hansard*, his name appears along with those of the rest of his Conservative colleagues.

I would also like to take this opportunity to ask why it was that, in answer to the letter from a constituent which he read a while ago, the Hon. Member seemed to believe that the fact that he, his Party, our Party and the Government all agreed that we should have an annual report telling us whether the provinces were obeying the spirit of the legislation or not, answered the question. How does he consider that simply the fact that we are going to watch what happens in the future, no matter how bad it is—and certainly the situation today is very bad particularly in the Province of British Columbia—will help address the question asked by his constituent?

His constituent asked him what he was going to do to ensure that the funds the federal Government provides to the provinces for the purposes of post-secondary education are in fact

used for those purposes. If he does agree that that is the proper course of action, why then, along with 181 of his colleagues, both Conservative and Liberal, did he vote against the NDP amendment which would have answered that request.

• (1620)

Mr. Deputy Speaker: Order. The Hon. Member took up so much time that there is only one minute left for the response.

Mr. Friesen: Well, Mr. Speaker, that is typical of that Hon. Member. First of all, I do not apologize for forgetting something in some instances. I am quite capable of doing that, although I do not attribute that to this particular occasion. Second, I agree on the record of the vote. The two Hon. Members of the New Democratic Party who were here at that time voted against it. I have no apology to make because we voted for the legislation even though we disagreed with a certain part of it. It seems to me that the New Democratic Party at certain times wants to see everything in black and white, that if you are against one thing you should vote against the whole measure. If you support something, you support it holus-bolus. I do not know how those Hon. Members can come to that conclusion.

Third, I would point out, in response to his question regarding my constituent's letter, that perhaps his centralist view of Canada is that if you grant funds to a province, you must walk along with every agent of the province to see how they are spending it. Perhaps the Hon. Member likes that kind of police network in terms of how the money is spent. That may be his mentality, but I prefer to operate on a basis of trust as long as we can. We can ask for accountability, and if it is not there, then we can do something about it. But we begin with trust, and I believe that is a much better way.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for New Westminster-Coquitlam (Ms. Jewett)—Space weaponry—Anti-satellite weapons (a) Canadian position. (b) Request that Canada refuse to test anti-satellite weapons; the Hon. Member for Kindersley-Lloydminster (Mr. McKnight)—Crown corporations—Conflict of interest inquiry; the Hon. Member for Halifax West (Mr. Crosby)—Public Service (a) Reported acceptance of directorship by former Privy Council official (b) Conflict of interest guidelines.

GOVERNMENT ORDERS

[*English*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND ESTABLISHED PROGRAMS FINANCING ACT, 1977

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. MacLaren (for Mr. Lalonde) that Bill C-12, an Act to amend the Federal-Provincial Fiscal Arrangements and Established Programs Financing Act, 1977, be read the third time and do pass.

Mr. Sid Parker (Kootenay East-Revelstoke): Mr. Speaker, I am pleased to participate also in the debate on Bill C-12, an Act to amend the Federal-Provincial Fiscal Arrangements and Established Programs Financing Act, 1977. In my Province of British Columbia, Mr. Speaker, a lower emphasis is placed on universities than in any other province. Over the last ten years, spending in this area has fallen from 10 per cent to 3.5 per cent of the provincial budget. In this context the federal Government is pushing through a Bill which will retroactively limit to six and five federal contributions earmarked for post-secondary education. I can just imagine the glee with which the Government of British Columbia will point its finger at the federal Government with regard to the cutbacks in education in the province. However, the fact remains that there are serious problems in the Province of British Columbia and that that right wing conservative Government—and that is what it is—has struck out in these areas.

There has been a massive outcry against the closing of the David Thompson University Centre in Nelson, British Columbia, My colleague, the Hon. Member for Kootenay West (Mr. Kristiansen), has explained very accurately many of the implications of this move on our area of the country.

There is a further implication which I would like to spend some time discussing. That is the fate of the East Kootenay Community College. This college is a young institution and the only post-secondary educational institute in the East Kootenays. It was built because it was recognized in more progressive times that educating our young people is a laudable pursuit and also an investment with a substantial payback.

We have seen the outright attack on the David Thompson University Centre in Nelson, British Columbia, and I think it is appropriate at this time that we should identify what this Party has tried to do with respect to the implementation of funds from the federal and provincial Governments. The New Democratic Party placed an amendment which read in part that any such cash contributions for hospital insurance, medical care programs and post-secondary education programs should be expended in the provinces for the purposes of those programs only. And, Mr. Speaker, although the Conservative Party had brought forward a substitute amendment which it feels is satisfactory, we feel that this is the only way in which we can ensure that that money is going to be spent for education so that there is equality in education in British

Columbia, Alberta, and right across Canada. We are not going to get this with the kind of frivolous amendment put forward by the Conservative and Liberal Parties.

Naturally, we must support this provision as second best, but the amendment put forward by the Hon. Member for New Westminster-Coquitlam (Ms. Jewett) would have addressed the problem in a very serious way and ensured that the moneys would only be spent in these areas.

We saw in the early 1950s when the Bennett Government, that right-wing conservative Government, brought forward a program of 3 per cent sales tax. That was supposed to help pay our medical and hospital costs in the Province of British Columbia. Not only has it been increased from 3 per cent to 5 per cent and as high as 7 per cent, they are now bringing in another tax of 8 per cent over and above that in our taxation system. That is the kind of policy which the right-wing conservative governments right across Canada are bringing about.

We heard the Hon. Member for Bow River (Mr. Taylor) talk about his concern for education. Alberta has literally billions of dollars in the Heritage Fund. If it is really concerned about education, why does it not step out to the front and show us some programs for the blind, the elderly and the handicapped such as the Hon. Member for Beaches (Mr. Young) spoke about?

A headline in one of the newspapers in British Columbia reads, "Students demand school before coal". An amount of $2.5 billion of federal-provincial money was poured into the northeast development of the coal fields in order to provide coal which we already have in the Kootenays and which we could have shipped to other countries. But $2.5 billion was spent in northeast British Columbia, and therefore 1,250 miners in southeastern British Columbia were laid off during peak times. That is not good enough. If we are going to make investments, let us make investments for the future of our country. Let us make an investment in our youth so that they are able to go to universities. What did the Minister for the Province of British Columbia say about the theme of northeast coal versus higher education? He said that more money for schooling would have to be borrowed. One of the students said, yes, the Government should borrow for education, pointing out it is doing exactly that for its other projects.

We must prepare ourselves for the realities of the 21st century. What happens in our post-secondary institutions, our vocational and technical schools, colleges and universities has never been more important. At a time when we should be investing more private and public money in training and education, what are we doing? Countries such as Sweden, Japan, West Germany, and Austria are investing more and more of their private and public money in post-secondary education and training. But if you look around the world you will find one country which stands out, in a sense, for cutting back on post-secondary education, and that is Canada. If that is not a step toward committing not only economic but social suicide, I do not know what it is.

It is reported, Mr. Speaker, that one of the most pressing and long-term problems which we in my riding will have to face is whether the East Kootenay Community College can continue to operate the satellite campuses which are considerably more expensive. Similar programs would have to be located at Cranbrook. I put it to the Liberal Government and its Tory friends that if this Bill is passed, satellite campuses operated in Kimberley, Golden, Creston and Invermere might have to be shut down. People in these communities are going to hear about it and the Tory and Liberal candidates are going to have a hell of a time defending their Parties' records on this matter. In the field of art and culture it is important that these community colleges be able to reach out to people in these rural areas to give them the opportunity to expand on their skills and programs.

• (1630)

There is another local issue which relates to this Bill. In Cranbrook we have a very innovative Energy Action Centre. This particular centre is well established. Its reputation is excellent. For a number of years the centre has provided many educational campaigns with respect to energy saving. The funding for the centre from the Department of Energy has ended. It was hoped that the program being offered at the Energy Action centre would be incorporated into the curriculum at East Kootenay College. The idea was well received. What better way to ensure the continuation of valuable community resources than by hooking up the centre with the community college? In fact this is the whole idea behind the flexibility of the curriculum of community colleges. The idea has been scuttled by the East Kootenay Community College board of directors for fear of funding cuts emanating out of Victoria and implicit in this Bill.

The Hon. Member for Beaches spoke about the needs of the handicapped, the underprivileged and the blind. In the Province of British Columbia the right wing conservative Government has cut one of the basic programs which was starting to recognize the needs of the blind. The Ministry of Education withdrew a $50,000 contract from the Crane Library at UBC to provide talking books for blind students. Shame on that right wing Government that, without any heart or feeling, decides not to carry on with such programs!

It is imperative, Mr. Speaker, that we have some form of mechanism in place to ensure that when federal moneys are made available to the provinces for post-secondary education, medicare or anything else, there are guarantees that the moneys are used in those areas. Sixteen of the seventeen Conservative Members of Parliament from British Columbia stood up in the House and voted against guarantees that those moneys be used for post-secondary education only. I can only say that people of British Columbia had better take a very serious look at what these Conservative Members are doing. We have a serious enough problem in British Columbia with that provincial Government without adding insult to injury on the federal-provincial scene.

I would like to speak a little bit more about what is happening with the David Thompson University Centre in Nelson, British Columbia. My colleague from Kootenay West,

whose riding adjoins mine, has explained the ramifications of the shut-down of that university. The ramifications can have very serious effects on the funding that is made available to the East Kootenay Community College and the inability to accommodate the people of that area.

I would like to mention some of the good work that went on there. In Rossland they started a program especially for young women to enable them to learn to operate heavy machinery in the mining areas. It qualified them for employment in the coal fields near Sparwood. These kinds of programs were needed and were starting to take place. However, the province of British Columbia has turned its back on them. Young students coming out of high schools and wanting to attend UBC or Simon Fraser University are going to find that tuition fees and costs are so high that they will not have the same opportunities as people living in the urban areas. This is wrong, Mr. Speaker. It is outright discrimination by a Government that does not recognize its responsibilities. Unless the federal Government and this federal House ensures that there are some guarantees that the money will be spent on various programs, we are not going to have a universal education system across Canada. We are going to have a block of provinces deciding their own priorities for education. That is not good enough. People in all provinces should have the same opportunities. No province should have the right to use that money for something else because of economic hardship.

That is what this debate is all about, Mr. Speaker. We cannot accept that. We are opposed to what is happening here and what has already happened to British Columbia. This program is retroactive to March of 1983. Can you imagine what is going to happen to the educational system in B.C. when this Bill is passed? I welcome the opportunity to get on the election platform in British Columbia and debate this subject with the Conservatives as well as with the Liberals. They should be ashamed of themselves. In a country as rich in resources as ours is we should not be debating whether our youth are going to have an opportunity to have equal education across Canada. Mr. Speaker, this is not good enough. When I hear the rhetoric coming from the Conservative Party it almost makes me sick. It almost makes me sick to sit here and hear about their grandiose plans when I know full well what they are doing in each province. What they are doing in British Columbia should not happen anywhere in the field of education. If there was an ounce of gumption in these Members of Parliament they would be holding a task force on education in British Columbia and coming back here and demanding some rights, instead of going out to look at the procedures of the income tax department. Did their task force come back and say that CP Rail should pay all of its deficits? No way will they touch that.

We have a very serious problem in the field of education, Mr. Speaker. This Bill is not going to answer that problem. I for one am very opposed to, and not very proud of, what is happening with regard to this piece of legislation.

Mr. Deputy Speaker: Order. Questions or comments? The Hon. Member for Kootenay West (Mr. Kristiansen).

Mr. Kristiansen: Mr. Speaker, I would first of all like to thank my colleague from Kootenay East-Revelstoke (Mr. Parker) for joining with me and some of my other colleagues in bringing to the attention of the House once again the victimization of the region which I represent and of its institution by our conservative provincial Government in Victoria.

Mr. Blenkarn: Is it Conservative?

Mr. Kristiansen: It most certainly is conservative, my friend. There is a fair smattering of Liberals in that Government, but it is most certainly conservative. In fact, my opponent in the last federal election had a good big Social Credit lawn sign up last year, but, unfortunately for him, his address showed right behind it.

● (1640)

The Constitution of Canada deals with the question of jurisdiction over education. I believe the phrase is "education in and for the province". This means that the jurisdiction for public education generally falls clearly within the provinces.

However, with respect to university and post-secondary education, the line is much less clear. According to my information, no province has ever taken the federal Government to court on an issue remotely concerning the definition of responsibility for university and post-secondary education.

Why then does the Member for Kootenay East-Revelstoke think that 16 out of 17 Conservative Members from British Columbia voted together with the Liberals on April 4 to stop the NDP amendment, which would have started us on the road toward an answer by demanding accountability for the money which the taxpayers of this country spend?

Mr. Parker: I thank the Hon. Member for Kootenay West for his question. This is exactly the problem. The fact is that the Conservatives introduced a substitute amendment in order to save face. Their amendment provides for some type of review at a later time with no responsibility remaining with the provinces. They are out to protect themselves provincially.

Mr. Kristiansen: Would they do that?

Mr. Parker: Definitely they are out to protect themselves and their own governments in their provincial seats.

Mr. Blenkarn: Why did you support the amendment, then?

Mr. Parker: To answer the Hon. Member for Mississauga South (Mr. Blenkarn), who asked why we supported the amendment, the fact is that we had an amendment. But we are better off having something rather than nothing. Why did they not support ours? I heard the Member for Surrey-White Rock-North Delta (Mr. Friesen) say that he has a letter in which there is a request for guarantees that this money would be used for this purpose. However, we see that he came up with this watered down solution instead of answering his constituents by telling them that his Party supports our amendment. I suppose I should read the amendment again because evidently they do not know it. The NDP amendment

read in part, "that any such cash contribution for hospital insurance, medical care programs and post-secondary education programs shall be expended by the provinces for the purposes of those programs only". If the Conservatives had supported that amendment, I suggest we would have been able to devise a mechanism to review post-secondary education.

Mr. Kristiansen: Mr. Speaker, is my colleague saying that while all Parties in the House agree that we should watch and be aware of what is happening so that it is on the record and, in view of how the Liberals and Conservatives voted together on the Act in 1977 and how they voted against the NDP amendment on April 4 of this year, it is clear that only the NDP wants to make something happen to correct the situation? Is that what the Hon. Member is saying? That is how I understood it.

Mr. Parker: Mr. Speaker, that is exactly what I am saying. The Conservative and Liberal Parties have conspired to protect each other. The federal Liberals are co-operating with the provincial Conservative Parties across Canada in hiding behind their cut-backs so as not to give a true picture of what is happening with federal fiscal arrangements. That is exactly what is happening and we will not stand for it.

The Acting Speaker (Mr. Herbert): Any further questions or comments? If not, the Hon. Member for Edmonton West on debate.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I suspect that during the past ten minutes we have had inflicted upon us a type of 11 per cent Amos and Andy performance on matters that are really irrelevant to this particular Bill. The previous speakers were dealing with a local issue, which undoubtedly is very important to the people involved, but one might think that the Hon. Members from the Kootenays were playing prairie politics as far as this particular Bill is concerned.

This Bill is an extension of a philosophy which was imposed upon Parliament by a Liberal administration since 1977 and which has zapped the medical care programs in many provinces and placed the post-secondary educational budgets of a number of the provinces in grave difficulty. If the Hon. Members from the Kootenays think that their regions are particularly hard hit, I suggest that they should get their noses above the ground to see some of the other areas of the country that are equally affected by the suppression or limitation of educational institutions whose benefits to the community are marginal when compared to the cost of keeping them.

During boom times people are quite prepared to tolerate these additional expenses, but it is different when a budget must be slashed and costs must be cut. Those Hon. Members are the underwriters of the philosophy that if one borrows, begs or steals enough money to throw at a problem, it will go away. the Liberals have had the same philosophy in the last few years.

This Act has passed the second reading stage. No amendments may be put, other than a time consuming amendment to return the Bill to committee for the examination of a certain clause. We cannot even give it a six-month hoist. I believe I share the views not only of Canadian educational commentators but of those from abroad who have examined the current state of Canada's educational system. Quite frankly, I believe we suffer from over diversification. The Constitution provides that education shall be a provincial matter and goes so far as to provide a council of educational ministers. This council will not even let a Minister of the Government of Canada attend its conferences as an observor at the same table, even though the federal Government spends almost $7 billion a year on education in various forms.

When one considers education through the Armed Services, the payments that are made according to this Act and through other means, such as through the Secretary of State, these education oriented moneys mount up. However, the Government of Canada has no more to say about it in the national determination than does any one of the provinces. Consequently, we see the provincial authorities taking different approaches and adopting some rather odd standards. These policies stem either from tradition or from the current fashion, but there is no national goal for education. My colleagues in the New Democratic Party as well as other colleagues talk about the changing requirements of our educational standards, that these must fit in to prepare people not for today's requirements in industry, but five years, 15 years or 25 years down the line. It is notorious that the Canadian workforce, be it clerical, supportive, administrative or in various trades, is ill-equipped to meet the exacting standards of a competitive world. We stand there in many instances merely wringing our collective hands about what might be done, about what ought to have been done, instead of thinking about what we are going to do about it now. This particular Bill is a clear example.

• (1650)

I do not know what I can call the attitude here in Canada with regard to education. We have universities that maintain different levels of qualifications. We have different professional bodies that maintain the idea that the wheel was invented in their particular jurisdiction and that they must pass on it. We have trades-testing bodies in the various Departments of Labour in each of the provinces which must sit and examine each worker coming from another province to validate that person's work ticket. In French I would say:

[*Translation*]

—it sounds like the Tower of Babel!

[*English*]

—because you get these conflicts. But we get the same conflicts in school. Has anyone ever tried to transfer a post-secondary student from one of the western provinces into Quebec or Ontario? We will leave alone the PQ nonsense about language and so forth. That will go away—

[*Translation*]

—and as soon as possible, because this is another one of the complexities of the Canadian system. In any case, Mr. Speak-

er, we must create this atmosphere of co-operation between the Provinces, that have jurisdiction over educational matters under the Constitution, and the federal Government, that has a basic interest in providing a national purpose or philosophy for the educational system in Canada. The federal Government will have to come to terms with the Provinces. Then, it might be possible to eliminate some of the problems which this Bill will actually emphasize.

I do not like this Bill at all because it imposes increasing restrictions on the funds to which the Provinces are entitled. It is as if the federal Government owned all incomes in Canada as of right. We know that this is not true. The federal Government acts as a collecting agent and then distributes the money among the Provinces in accordance with a formula accepted by the governments concerned.

[*English*]

You know about these unilateral changing of agreements. It happened in 1977 and again now. The provinces have not been consulted and we are telling the provinces what they can do with their own money under the agreements and outside the agreements. But that is the arrogance of this over-centralized Government. It has been as clear as spring water as we go along that this is merely—if I may mix my metaphores—another slice of salami off that sausage, and before long we will see the Government of Canada laying claim to all revenues. In philosophy it does in the tax department, or shall we say the tax policy department of the Department of Finance—and I invite my hon. friend, the Parliamentary Secretary to examine it.

The basic theory under the Government's tax equity policy is a buck is a buck is a buck, and as soon as a dollar is earned, whether by an individual or a corporation, the Government of Canada is entitled to a certain percentage, and it wants it now. Whether the Government is entitled to it all is another question. It must share taxes with the provinces for which the Government collects a part. Some of the provinces collect all their own corporate taxes, and Quebec collects its own income tax, but not entirely. What had been a good practice in the past is now degenerating, again because of the over-centralized philosophy of the Government of Canada. Those provinces that feel strong enough to break away when they cannot get an agreement, some form of co-operation, naturally will pull out. And the reaction of federal Cabinet Ministers? Well, they fashion a new noose, put it on tighter, thanks to a supine majority that refuses to examine the implications of the law and what they are doing to their own provinces. I do not doubt for one moment that one of the reasons we have not experienced it as they have in the Province of Quebec is the attitude of the Quebec Members in this House who work against the interests of that province in supporting the Government without a word or a murmur of protest against policies which are contrary to what should be the best regional interests in the country.

We have the same thing here. The Canada Health Act is the other half. It imposes stringent limitations on the provinces where the provinces have the right under the Constitution to the administration of Canada's health services. But what does the federal Government do? It says: "You cannot do that." If the Government of Canada feels that it has insufficient power and the provinces have the right, along with their health care delivery people, to give the people of a particular region the best possible health care services, and the Government of Canada comes along and says—

Mr. Orlikow: You voted for the Act.

Mr. Lambert: That may be so. The House decided, but I personally may not agree with all of the philosophy. I reserve that right, and the Hon. Member for Winnipeg North (Mr. Orlikow)—

• (1700)

The Acting Speaker (Mr. Herbert): Order, please, I hate to interrupt the Hon. Member.

[*Translation*]

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

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*Translation*]

The Acting Speaker (Mr. Herbert): Shall all orders and items in preceding item No. 64 under Public Bills, Notices of Motions and Notices of Motions (Papers) stand by unanimous consent?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Herbert): Agreed.

* * *

[*English*]

SOCIAL AFFAIRS

ADVISABILITY OF EXAMINING MEASURES TO PREVENT MARRIAGE BREAKDOWN

Hon. J. Robert Howie (York-Sunbury) moved:

That the Standing Committee on Health, Welfare and Social Affairs be empowered to examine and enquire into the incidence and effect of marriage breakdown, its social and economic implications, its effect on government programs and policies, and, in particular, without limiting the generality of the foregoing, to recommend measures to prevent marriage breakdown and strengthen the institution of the family, and for such other measures in the same matter as the committee may consider desirable.

He said: Mr. Speaker, once upon a time young Canadians entertaining thoughts of marriage dreamed of the proverbial

little white house surrounded by a picket fence and beautiful children, but as Bob Dylan said, "The times they are a-changing". The times have changed and so has marriage. This March, Statistics Canada told us that 40 per cent of Canadian marriages now end in divorce, and for young Canadians under the age 25 years, the shattering news is that nearly one of every two marriages ends in breakdown.

There are many lessons we can learn from the erosion of marriage and the human tragedies that are represented by the cold statistics. Eminent social philosophers like Erich Fromm point to the enhanced influence of material and commercial values in our culture, and suggest that they have begun to permeate our most intimate social relationships. Christopher Lasch sees the media fostering desire for novelty and instant satisfaction as a form of societal neurosis which undermines commitment at every level. Today, individuals no longer find it necessary to enter into a marriage to be sexually active, to have a social life or even to have children. As a corollary, many people no longer find it necessary to remain in an unsatisfactory marriage to achieve these same goals.

The strongest support for the institution of marriage, the family, and its preservation has traditionally been the church. To a considerable and regrettable extent, the influence of the church has diminished and, by the same token, a sacramental and covenantal view of marriage has diminished along with it and been succeeded by a more secular notion, with more marriages performed outside the church and more couple entering marriage with equally high ideals but without the guidance of the church or marital counselling.

The women's movement of the 1960s and the 1970s which stressed individual rights and human potential has often been scapegoated for some of the profound status changes in roles within the family. Critics point to the fact that in 1948 only 26 per cent of married women with school-aged children worked outside the home, while in March of 1976, 54 per cent worked outside the home, most of them full time. However, this ignores the economic facts of life, which in many cases mean that if junior is to have a good time, proper clothing, be well nourished and educated, both partners are required, not always by choice, to enter the world of work. Pursuit of separate careers has been a divisive force in some marriages, but in other cases where partners work at helping each other develop as persons, adjustments have been made and successful marriages have resulted.

Out of the upheaval and turmoil of changing times in the last two decades, it is becoming apparent that the role of the housewife and mother deserves special recognition and a new respect. Changes have taken place in marital property laws and pressure is finally mounting for long overdue improvements in tax and pension legislation as well as a measure of economic independence.

Clearly marriages between partners who regard each other as equals and work toward helping each other develop as persons is a positive attitude prevalent in successful marriages, particularly where the roles of the partners are determined by themselves before the knot is tied instead of by an unwritten code based upon what others before them have done.

While the technological revolution that has reawakened the reindustrialization of America has produced greater mobility and greater economic vistas for men, it has also presented an economic independence for women that has paralleled the attainment of greater sexual freedom. Effective birth control, acceptance of child-free marriages and marriage-free child raising have greatly altered expectations concerning possible life options. The very wealth of possibilities has introduced enormous challenges to traditional assumptions concerning marriage and family values. Spouses who find themselves taking opposite sides on value-related issues face great potential turmoil.

Many teenagers make the greatest decision of their lives, the decision to marry, with very little or no education in healthful living, interpersonal relationships or marriage itself. Lacking income stability and a mature sense of direction and goals, many teenage couples find themselves saddled with responsibilities and obligations for which they are not ready. Those who enter into marriage in the flush of romance without sufficient time to establish ties of genuine friendship and to ensure mutual values, expectations, habits, needs and goals, are particularly vulnerable to marital stresses. Often what was thought of as love vanishes quickly and resentment over having lost freedom or been denied a normal courtship, coupled with economic and social pressures, may contribute to marital tension and ultimately precipitate divorce action. In such cases the proximity of support of family and friends is often crucial in determining whether the marriage is able to survive and grow. Geographic mobility, often for advancement, has also removed partners in faltering marriages from the stabilizing influence of friends, parents and relatives to new communities and new stresses.

While it may be true that in temperamental terms opposites attract and that marital compativility is ideally complementary rather than merely supplementary, statistics tell us that extreme dissimilarities and background generally make for high-risk marriages. Attitudes, interests, habits and expectations are largely determined by background influences of family, culture, religion, education and social class. Even when those influences seem to have been rejected, they frequently re-emerge in later years. A person who enters marriage with someone of profoundly different orientation, secretly hoping that his or her spouse will change, is very often disappointed. On the other hand, couples who share strong goals and a mutual commitment in spiritual and moral values have statistically a much longer likelihood of marital success. Loving the same things would seem to be a positive goal.

A frequently cited cause of marriage breakdown is the feeling of dominance or control which one partner allegedly exercises over the other, such as the refusal to see each other as true partners. Women have complained that their husbands feel threatened by any expression of desire for personal growth such as working, taking educational courses, handling money or deciding when or where to spend the family vacation. On

the other hand, men speak of feeling used or maniputaled by their wives' very dependency, being rules by weakness or in other instances of being undermined challenged or demeaned by suspicions. In many instances, these are illustrations of a lack of communication both before as well as after marriage, a failure to recognize character or personality faults in a mistaken belief that they could be changed. This same failure to communicate often prevents couples from profiting from potentially helpful intervention such as marriage counselling or therapy. Divorce petitions are often interspersed with allegations of suspicion, lack of interest, low self esteem, feelings of inadequacy and sexual dissatisfaction. These problems, like career immersion by one or both partners, are normally consistent with dissatisfaction at other levels and generally poor communications in all areas of marriage. As one petitioner put it, he had five years of marriage and three years of hell before the marriage was dissolved by divorce decree.

● (1710)

Clearly we must accept the inevitability of marriage breakdown as a social evil and work to decrease its incidence. Through education we must help people discover a vision of what marriage might be and develop an overall multifaceted program to foster and help the marriage relationship. This, however, is not as easy as it seems. In our western culture, we think of education in intellectual terms, that is the transmission of ideas or objective knowledge often removed from the experience from which it first came. In other words, we do not think of education in terms of values, feelings, visions and dreams, and yet it is in this broader sense of education that we might help young people make the greatest decision of their lives for which today many of them are eminently unprepared.

What do we have to do? First, we have to find a way to help people discover how to develop normal healthy relationships, and then find ways to help them have realistic expectations of a healthy marriage relationship. That means that we will have to develop some sort of personal values educational program so that people can fit their expectations in marriage to what they really want out of life.

Solid family life is important to society. If it is not there, society pays the price financially. There are no accurate measurements in dollar terms in the cost to employers, to the individuals involved or to taxpayers through social support programs, but with nearly one marriage in two going down the tubes, the figure would be mind-boggling. Clearly, our society would benefit greatly even if we did some seed things now to reduce the incidence of unhappy marriages. Recognition of the social value of a family in placing great value on the art of successful parenting is a major step in elevating the status of a family. While attempting to do something on its own, government and the media should discover what is being done to preserve good marriages and support fragile ones, support what is being done well and promote what is being done well.

A lot of what is being done is being done by our churches, but as society becomes more secularized, a large body of people are not able to avail themselves of these opportunities, and they, too, have a right to a happy marriage. Therefore, the Government and the media should publicize and attempt to encourage programs to support happy marriages within community organizations like university adult education programs, night school programs and programs put on by voluntary organizations. It is important that we do what we can to ensure that support for marriages is universally available. It is socially and financially to the advantage of Canada and Canadians to do everything possible to promote the dignity of marriage and happy families.

When marriage breaks down, the dignity of marriage is not served by trivializing divorce. On the other hand, the present adversarial style of divorce proceedings demeans marriage as well. It is no answer to merely redefine marriage so that it means nothing, like a non-binding commitment or, on the other hand, to enforce legal continuation of that which is already dead at the core. We need new constructive efforts to support marriage and the family in all its forms.

I have attempted to indicate a direction in which we can move to strengthen marriage and the Canadian family, which is the bedrock of our nation. There are other directions. There are programs and there are policies that can and must be developed. It is important that thinking Canadians from every walk of life put their heads together and collectively do the very best we can to strengthen and support the Canadian family.

That is why I proposed this vehicle in the motion now before the House. Whether my views or better ones are adopted is really not important. What is important is that we address the greatest social problem facing Canada today and provide the best solutions that we as Canadians working together can develop.

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, we have before us a motion that the Standing Committee on Health, Welfare and Social Affairs be empowered to examine and inquire into the incidence and effect of marriage breakdown, its social and economic implications, its effect on government programs and policies, and, to recommend measures to prevent marriage breakdown and strengthen the institution of the family.

I welcome the motion before us today. It addresses an extremely important problem. It is very timely that we should be discussing it at the same time as the Divorce Act is before the House. We are all acutely aware of the problem of the increasing divorce rate in Canada.

It is very clear that one of the effects on government programs and policies of family and marriage breakdown is the enormous cost that is put upon the state. As a result of families breaking down, there are two households, which cost more than one. We know the large number of maintenance orders which are not paid. There is a need for families to go on welfare. There are increased costs because of income tax deductions when maintenance and alimony are paid. There are increased costs to the state in social services, counselling and

all of the intervention services to support people in need whose marriage is breaking down.

I want to look at the social and economic conditions that have probably contributed a great deal to the increase in marriage breakdown. We are in a period of recession. We like to think we are coming out of it, but we certainly have very high unemployment. This causes enormous strains for the family. There are reports from social workers of increased child abuse, wife beating and alcoholism as a result of people being out of work.

Work is extremely important to people, apart from the fact that it puts a pay cheque into the family income. It has a lot of psychological and social significance. People receive fulfilment through work. They find work interesting. People have social connections through work. It is an integral part of life. When people in the prime of life are denied that opportunity, it causes crises in families. It is unfortunate that people in the prime of life are denied work. It is unfortunate that people under stress take it out on those who are close to them and weaker than they are. For that reason, we have to look at very long-term solutions. It is not just counselling that will help people through a crisis, although we certainly need counselling.

Until we have full employment or something close to it, there will be people in crisis, and that will put a strain on marriage and the family. If we really want to put people first, we must have policies designed for full employment. That means a number of changes, which obviously I do not have time to go into now. My Party stresses them in terms of a long-term industrial strategy which puts people first and provides jobs. Jobs are important for dignity and self-fulfilment.

I welcome the role of the church in indicating the importance of jobs for people and full enjoyment of life. I am pleased to see that in the Catholic Bishops' statement and the Pope's recent encyclical on labour.

If we are not able to provide jobs for everybody, the state has a very important role to play in providing a safety net to see that those who are not able to work at a particular time and lose their jobs are not absolutely destitute, that they have unemployment insurance and, of course, once the unemployment insurance runs out, that they can turn to welfare. My Party advocates strengthening the other programs that we have such as support programs for the family, namely universal family allowance and the child tax credit, so that families have the economic means to care for children. Children are expensive, and family allowance has obviously not kept up with the cost. The child tax credit is an important reform and we would like to see it raised and paid on a regular basis so that families would have the economic supports that they need. Of course, these economic supports are part of the entire functioning of a family, and when these supports are lacking, there is stress in the family which can result in family breakdown.

• (1720)

A proposal which I would like to stress as being an important support to the family would be the shorter work week for parents of young children. I think it would be desirable for both parents to have the option of working shorter hours so that they could care for their young children themselves. My Party, of course, supports daycare programs. We think these programs are very important and often provide a very rich experience for children. These programs can be defended not only as a way of looking after children but as a way of providing education and cultural enrichment to children at a very young age. I would also like to stress that for many parents the preferable option is to look after their children themselves. If there were a shorter work week as a matter of right for parents of young children, that option could be exercised.

Of course, the state has an obligation to provide counselling services and crisis services in times of family breakdown to see if there can be a reconciliation. There is the possibility of teaching parenting skills that can improve the functioning of families.

As we are discussing marriage breakdown, Mr. Speaker, I would like to point out that it is important to understand that much of the burden of running a family and looking after the children is still borne by Canada's wives and mothers. Women put in a longer work week when both the paid work in the workforce and the unpaid work in the home are calculated. This, of course, puts an enormous strain on working mothers. Many mothers do need to work, and staying at home is not an option which is open to them. Women are putting in very, very long hours carrying the double burden of paid and unpaid work.

There are no adequate child care support services or daycare centres, and I must say as well that so far, Canadian husbands are still not performing their share of the unpaid work at home. I think that this matter must be raised as being one of the stresses that occurs in the family situation. In too many families, the father is a very distant disciplinarian in time of crisis and the provider of treats. He is not present nearly as often as the mother.

It has often been said that men need to be liberated from their sex roles as much as women do and that men have been too unexpressive, distant and that they have been part of the workforce and not part of the family unit. I expect that many men, if they were more closely involved with their children and did put in those hours of child care, would not only be relieving their wives of much of this heavy burden but would find as well that it is a very pleasurable experience. They would know their children better, their children would know them better and it would be a good experience both for the children and the father.

Rigid sex-role stereotyping harms men as much as it harms women and children. It is not simply a question of money and who pays for things, but a question of how people live, learn and use all of their talents. We would certainly like to see more child care talents developed in Canadian men.

There are a number of practical things that can be done by the state in times of crisis or family breakdown. We have seen indications that the state is beginning to provide various kinds

of counselling services, particularly in the realm of conflict resolution. Part of the problem of sexual stereotyping is that men are not supposed to be expressive but are supposed to be strong, silent types. When conflicts arise, they do not know how to express themselves in any other way than through violence. Thus there is the unhappy and shocking statistic that one in 10 Canadian wives is beaten by her husband in any given year. The experts tell us that one way of addressing this problem is to help people learn how to express their difficulties and conflicts in non-violent ways. We could promote programs which teach conflict resolution through negotiation and compromise without resorting to violence.

One proposal for dealing with the increasing rate of marriage breakdown is to make marriage itself more difficult to enter into. This is one of the proposals made by the Catholic bishops in their opposition to the divorce Bill which is before us. It is not our business to deal with the requirements for marriage as those fall under provincial jurisdiction. We can note, however, that it is very easy to be married very quickly, and we can only wish that it were otherwise.

I think one thing that the Standing Committee on Health, Welfare and Social Affairs could do would be to look into the situation of marriage counselling before marriage. Some churches are making it obligatory for couples to take marriage counselling before they are married in the church. There are plenty of examples of such counselling, and studies could be done to see if required marriage counselling before marriage has any beneficial effect. We could see if this makes for lasting marriages and prevents marriage breakdown. If so, the provincial governments, which are more directly involved in this, would have some idea of what to do. Perhaps they would then require marital counselling before marriage. That would certainly be something to consider if compulsory marriage counselling had very good results. If it did not, we could try other things.

I have heard very good things about marriage counselling programs. Obviously, anecdotal evidence is not sufficient. Simply an opinion here and there does not count. These programs should be properly and comprehensively studied. That is something which could be commissioned by a committee and something which our own National Health and Welfare Department could do.

I do not know that a comprehensive study in the sense of gathering more statistical information on marital breakdown needs to be done. I think we know that the statistics are very troubling. I do not think we need to have the statistics recited at any great length. However, I think we should be looking at the innovative programs which are being tried to improve the situation. We could encourage evaluation studies to see which of these programs are successful and which are not. We could promote further innovation and we could ensure that there is adequate evaluation so that we know where we stand. I have already mentioned that happening in the case of marriage counselling before marriage. It would be something to consider for conflict resolution projects which support the resolution of conflict without violence and with negotiation. There are a great many parenting skills programs around the country. Let us evaluate them and see if they help keep families together. That is certainly a very proper function for a federal Department to perform.

Further, I think that we as a Parliament need to be addressing measures to combine family and work responsibilities so that people can participate in both. We live in a certain time and we are not going to go back to a time in which women will not want to work. I think those times are past us. We are going to need adequate measures to combine family and work responsibilities in a reasonable way so that there will not be excessive stresses on the family. We know what the problem is. We need policies to address the problem in a way that suits the times in which we live.

It is primarily the children who suffer as a result of family breakdown. Some experts have spoken about the right of children to stability and to have the marriage of their parents last so that their childhood home will last. It is very difficult to talk in those terms because even if we acknowledge at an abstract level that that right exists, how can we ensure that it exists in reality? Clearly, we can never guarantee such a right. It is a moral concept and perhaps a very good guiding concept, but it is not one we can immediately realize. It seems to me that, rather than talking in those abstract terms, what we should be doing is addressing the economic context, the stresses which are put on the family as a result of unemployment. We should begin to improve the practical and support measures for the family, which we have begun to provide in our society, the safety net we already have partially in place. These are the kinds of contributions we can make as parliamentarians to the support of the most important institution, the family.

• (1730)

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I am pleased to have the opportunity of addressing the House today on the motion of the Hon. Member for York-Sunbury (Mr. Howie) to have the problem of marriage breakdown referred to the Standing Committee on Health, Welfare and Social Affairs. The Hon. Member proposes to study the institution of the family in Canadian society and the role of government in assisting families. He is expressing the view that the institution of the family is in trouble in Canadian society and that we have to find ways of preventing these problems.

Let me first say that I fully share the Hon. Member's interest in the effects of marriage breakdown on family life and on the children in our society. I would like to take this opportunity, however, to express my views on the continuing strength and importance of family life and the ways in which government programs assist the family. We are all aware that Canadian families are changing. I do not believe, however, that this is a completely negative phenomenon. The changes we see in Canadian families should not be interpreted as signalling the demise of the institution of the family in Canada. It is more the case that change is simply giving birth

to new types of families and family units. The changes in Canadian families are due to many things, of which marital breakdown or divorce is only one element. There are also other factors, such as the postponement of the decision to have children by couples until their late twenties or thirties and the increasing participation of women in the labour force. All these factors are changing the patterns and demands of family life.

The importance of families to Canadians, however, continues to be very strong, as I can illustrate through some basic demographic data from the most recent census. The 1981 census tells us that over 80 per cent of the Canadian population continues to live in a family unit. In actual numbers there were over 6.3 million family units, out of over 8 million private households. Such figures lead me to think that the concept of the family is as strong today in Canadian society as it has ever been. Of course, the composition of these family units is not the same as it has been in the past. In the past we have always thought of the family as being composed of a husband, a wife and dependent children. Today, only one-half of the family units, roughly 3.5 million families, are these traditional families.

The definition of a family is now also normally thought of as including childless couples and single parents with children. The increase in the number of childless couples reflects the personal choices many couples now have in family planning. Couples may be career oriented and may wish to avoid or postpone childbirth for this reason. Many are also elderly couples whose children have grown and left home. With respect to single parent families, the changes have also been equally dramatic. The larger number of single parent families is due to marital separation or divorce. However, others are also formed through widowhood or as a result of births to unmarried mothers. We know that over 80 per cent of these single parent families are led by women.

I would also like to devote some attention to the topic of the "reconstituted" family. The reconstituted family results when previously divorced persons remarry and form new family units. It reflects the fact that as many as 75 per cent of divorced people remarry. This statistic in itself suggests that marriage remains popular even with those who have had a negative experience in a previous marriage. The reconstituted family effectively re-combines broken families into new units. They may bring together the children of one parent with new brothers and sisters from the new marriage. They obviously make a statement about the validity of marriage and family life, which we should not ignore. They also are likely to face a whole new set of problems with respect to child-rearing and responsibilities and adjustment of family members.

All these family types are different from the traditional nuclear family. But they are important in that they indicate that the institution of family remains very strong in Canadian society. The family unit, whether one has a single parent or remarried parents, remains very much the center and source of social, economic, and all other support for its members. Furthermore, I think we should fully expect that this diversity in family patterns will continue. Lifestyles and attitudes are continually undergoing change in our society, and I believe families will adapt to these new challenges.

It is true that some of today's families are more likely to have special circumstances or problems. The single parent family, for example, is very likely to be headed by a woman who may lack job skills sufficient to support her family for extended periods of time. Similarly, even when there are two parents in the family, it is now more likely that the mother may work, so that outside child care arrangements have to be made. Today's families are more flexible than we would have expected of a family unit twenty years ago. And, due to these circumstances, they have special needs and demands for government services.

I would like to turn now to how the government has in fact provided many of these needed services and programs. I think the government has been very responsive and has shown its awareness and concern for families and changing situations in many ways. To illustrate, I can draw on a number of government programs which show support and commitment to the family. The basis of federal support to families has existed since the mid 1940's. I am referring here to the family allowance program which provides monthly benefits to families with dependent children up to age 18.

Family allowances are a universal program which provides a regular monthly payment of $29.95 per child to all families maintaining and caring for children, regardless of the income or employment status of the parents. In 1984, it provides an annual benefit of $359 per child. The allowances are a taxable benefit, and are taxed according to our progressive personal income tax system. After taxes, they provide highest benefits to low-income families and lowest benefits to high income families. Some 3.5 million families receive these benefits on behalf of their children at a cost of $2.4 billion dollars each year.

Since 1979, the federal Government has also provided the child tax credit which delivers additional assistance to low and middle income families to help them meet the costs of raising children. The child tax credit is income-tested on the basis of family income. In addition, it is a refundable credit, and so either reduces the taxpayer's tax liability or, in cases where the family's income is too low to have any tax liability, it provides a direct cash payment. For the 1983 tax year, a benefit of up to $343 dollars per child is available to families with incomes that are less than $26,330.

In essence, these two programs are the cornerstones of the federal government's direct support for families. Taken together, the family allowance and child tax credit programs currently provide maximum annual cash benefits of over $700 per child to eligible low income families which dependent children. This is a substantial benefit and clearly shows the Government's commitment to the principle of the family in Canada. The family allowance and child tax credit are normally delivered directly to mothers, and in this way are particularly beneficial to single parent, low-income families. Other programs such as the child tax exemption in the tax system,

and a deduction for child care expenses, are also designed to provide financial assistance to families.

Ever since the personal income tax system was introduced in 1917 some adjustment to the tax base has been allowed for the presence of dependent children. The exemption is currently $710 for a child under 18. Since this exemption provides higher benefits to those with highest incomes and no benefits to those with no taxable income, its value was de-indexed beginning in the 1984 tax year. Thus it will remain at $710 per child in the future.

The freezing of this exemption was one of a number of changes to the child benefits system which have been made over the last few years in order to improve the targeting of the child benefits system to families with low and moderate incomes.

Many women now participate in the paid labour force while maintaining their responsibilities for family and children at home. Women represent over 40 per cent of the workforce and their participation rates continue to rise. The existence of two earners is seen to be quite normal and important in today's families. Further, the result of this situation in which more women work outside the home is being felt in growing demands for related services such as child care and maternity benefits.

To assist working parents, the Income Tax Act allows a deduction for child care expenses for children under age 15. This deduction was first introduced in 1972, at a value of $500. Since then, however, progressive changes in the value and eligibility criteria for this deduction have taken place. These changes respond directly to the changing family structures and thus to the changing needs of families. Until 1983, the deduction had to be claimed by the working mother, except in special circumstances such as those in which the couple was legally separated, divorced, or the mother was infirm. In the 1983 Budget, the eligibility requirements were changed so that the lower income spouse is now required to claim the deduction, except under special circumstances. In this way, the deduction no longer discriminates between men and women. At the same time, the maximum value of the deduction was increased to $2,000 per child or two-thirds of earned income.

● (1740)

These changes respond to the increasing cost and use of child care. They ease the burden of child care expenses for families in which both parents work. In addition, the deduction is often particularly important for single parents who must work and support children.

I believe these changes demonstrate very well how government programs have recognized and accommodated the changing needs of families in Canada, both socially and economically. These programs are only part, however, of the network of programs which the Government effectively provides in response to the needs of Canadian families.

I would like to note a couple of other programs such as maternity benefits under the Unemployment Insurance Program and CEIC's Training Allowance Program both of which assist women and family in the labour force.

The Unemployment Insurance Act provides 15 weeks of paid maternity leave to eligible women who take time off work around the time of child birth. After a two-week waiting period, this program provides a paid benefit of 60 per cent of weekly insurable earnings, up to the maximum insurable earnings. In 1984, the maximum insurable earnings are set at $425, so UI maternity benefits will provide up to $255 per week for up to 15 weeks. Last year, there were about 121,000 allowable claims for UI maternity benefits at a cost of about $345 million.

As the Members of this House will recall, there were also certain changes in the Unemployment Insurance Act, which were passed last year and which came into effect at the beginning of 1984. These changes were designed to make it easier for mothers to take advantage of UI maternity benefits.

For example, the legislative changes eliminated the "magic 10" rule. This rule required that a woman must have worked at least 10 weeks around the time of conception. It was judged to be unfair to some women who may have had a long work history but could not satisfy the 10 week rule. Also, a change was made allowing maternity benefits to be paid at any time in the initial benefit period. Previously, maternity benefits had to be claimed only during the first 15 weeks of a claim period. This change eliminated an inconsistency in the treatment of sickness and maternity benefits and made the provision of benefits more flexible. The new legislation also removed Section 46, which prevented women, who did not qualify for maternity benfits, from drawing regular UI benefits around the time of birth. Taken together, these changes significantly enhance the income protection provided to mothers by UI maternity benefits around the time of childbirth. In addition, changes were made to extend benefits to adopting parents. Under the new legislation, benefits are payable to either a father or a mother who takes time off work to meet responsibilities after the adoption of a child.

Finally, I would like to comment on how the National Training Act affects women and provides for their participation in the labour market. Under the National Training Program women are encouraged to train for non-traditional occupations, as well as other institutional and industrial training courses. Under the program, women who cannot get unemployment insurance benefits while on training, receive a training allowance for personal and dependant care expenses. The dependant care allowance is of considerable benefit to those women who are the sole supporters of their families, such as single parents who need financial help for child care while they are undertaking training. The rates paid under the Training Allowance Program were also increased last September. Again, this program demonstrates the flexibility and commitment of government programs in meeting the needs of women and families in the labour market.

In conclusion I would like to say that I believe the Government has demonstrated its awareness of the changing problems of families in Canada and provides a full network of programs

which are responsive to the social and economic needs of families. I know that the institution of the family is still strong in Canada, and I am sure that through its normal daily activities and programs the Government will continue to show its commitment and concern for the basic family structure in Canada.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I would like to begin by complimenting the Member for York-Sunbury (Mr. Howie) for bringing this topic to the floor of the Chamber. Members may recall that the Member for York-Sunbury previously brought to the attention of this Chamber, through the Private Member's route, the issue of spousal battering. That motion received endorsation from this Chamber and subsequently went to the Standing Committee on Health and Welfare and Social Affairs. It resulted in a report, which is having impact on Canadian society and which is making the world a better place. Surely, Mr. Speaker, that exemplifies the highest traditions of this Chamber. It exemplifies what this Chamber should be all about.

I am curious about what we are going to find out 10 or 12 minutes from now. I am wondering whether the Liberal Government is willing to let this reference go to the Health and Welfare and Social Affairs Committee, or whether some member of the Liberal Party of Canada is going to stand up and speak through the hour of adjournment at six o'clock, thus effectively denying other Members of this Chamber the opportunity to examine the institution of the family and its place in Canadian society. Are they going to stop us from exercising what is in the minds of Canadians when they vote for us to come to this Chamber? They would like to know that the Parliament of Canada examines situations which should be examined. I think it is time for a committee of Parliament to begin to look at the family and to draw some conclusions about whether it is in good or bad shape, whether it has changed dramatically, and what we need to do to strengthen the atmosphere in which children can grow, develop and prosper.

It was after World War II that an agency of the Government, the Central Mortgage and Housing Corporation, provided a great amount of money to Canadians to get mortgages to build homes. At that particular time that Crown corporation decided that much of that mortgage money should go to homes which met certain criteria. One of the criterion they decided was important to Canadian homes of the future was the provision of a dining room. The architectural consequence of that, Mr. Speaker, was small kitchens. It took what had been a large facility in the home and divided it into two spaces; one called the dining room and the other called the kitchen.

Standing in this Chamber close to 40 years later I recognize that we have a great deal more marriage breakdown in Canada than we had some 40 years ago. I ask myself, as a social scientist, whether that policy decision by Central Mortgage and Housing is at least in part responsible for the breakdown of the family. I can certainly remember my own childhood. The kitchen was a large room and all the kids were around the kitchen table doing homework in the evening. Mom and Dad were there, perhaps reading a book, perhaps listening to the radio. We did not have television in those days. The family was together. When it was cold outside, the family members were interacting together, getting to know each other and being supportive of each other.

• (1750)

An agency of the Government essentially decreed that this type of facility will not exist in Canadian homes in the future. This is done through lending policies and mortgage policies.

In speaking to this motion, I recall some questions that I have asked the Government in the past. I pointed out to Members of the House that if any one of them chose to get a divorce today and sign an agreement giving half of their income in support payments to their spouse, while continuing to live common law with that some spouse, they could save in excess of $2,000 in federal income tax. Is that a public policy direction that the Government has deliberately chosen? In economic terms it is a public policy which allows anyone who goes through the court procedure to have a formal marriage breakdown so as to have the tax system give them $200 a month in disposable income.

The former Minister of Finance, who is a bachelor, stood in the Chamber and told us in his Budget that every adult Canadian would be entitled to a piece of property that would be free of capital gains tax upon disposal except if he or she is married. That entitlement would be one-half on such a piece of property for married adult Canadians. This policy was formulated in the life of this Parliament. Is that a conscious public policy choice that was made by Cabinet Ministers and Members opposite? Are we getting signals from the Government that the traditional family shall be penalized in tax law and that the new forms of family structure will benefit from tax law?

I believe I am old enough to remember when a great many of my friends were in living arrangements that included grandparents, their children and grandchildren within the home. That does not happen very often any longer. Rather, public policy makes it economically better for all concerned to have the various parts of that extended family living in different places. The money that is available to Government is used to encourage a situation where senior citizens do not live with their children and grandchildren any longer. Is that a deliberate public policy choice by the Government? Is it a good choice?

The clearest demonstration of a fact that has bothered me during the life of this Parliament is that for over four years any significant Act affecting families that has been discussed in this Parliament has been under the responsibility of the Minister of Finance (Mr. Lalonde) and has been discussed by the Standing Committee on Finance along with other tax matters such as customs, excise tax and income tax. We have turned the Finance Committee of this Chamber into the primary screening body for social policy, particularly as that policy affects families. I suggest we have done a disservice to Canadian society and to families by doing that.

Marriage Breakdown

Earlier today, the only government Member to speak on this motion for referral of the issue of families to the standing comittee was the Parliamentary Secretary to the Minister of Finance (Mr. Ferguson). It was a Finance Minister's speech. It did not deal with the heart of the issue, which is, in the first instance, a definition of what constitutes a family. What is a family in Canadian society and how does public policy impact on that family? Are we, as legislators, responsible for the change in family patterns that we are experiencing as a result of our taxation and other policies? Are we doing an adequate job in meeting the needs of the people living in those different family patterns?

I defy any Member in this Chamber to stand up and indicate that he has enough knowledge and has had enough time to examine those issues in order to reach conclusions. We can reach conclusions based on our own biases and ideologies, but I suggest that the issue is more complex. We could all benefit by knowing more about this issue. If the eight members of the Government sitting on the opposite side were simply to stay seated for the next three minutes, the subject matter of the Canadian family could go to the Committee on Health, Welfare and Social Affairs. That committee could work hard to study the issue of the Canadian family and decide whether something needs to be done. It may conclude that little or nothing should be done, or it may decide that much needs to be done. One Member, by standing in the House in the next two minutes, can decide for the whole country that the issue is not worth studying. I hope that no Member will do that, because a study of this issue is long overdue. The Minister of National Health and Welfare (Miss Bégin) is sitting in the front row. A signal from her to her colleagues to remain seated will allow the House to discuss the issue of the family and the impact of public policy on it. I hope Hon. Members will stay in their place and allow that to happen.

Mr. Robert Bockstael (Parliamentary Secretary to Secretary of State): Mr. Speaker, I think the Hon. Member for York-Sunbury (Mr. Howie) has raised an important subject which interests many of the Members of the House and the Government and I am pleased to be able to speak on this motion. The social and economic implications of marriage breakdown can be severe for many families, and I appreciate this opportunity to present my views on how families and government programs cope with these problems.

I am particularly concerned with the income problems that divorce causes for many families. For many women, divorce brings about a significant decline in the standard of living they can expect and increases the risk of poverty. This Government has always been concerned with Canadians in poverty and hardship and is committed to helping those Canadians who need help the most. I want to focus my remarks today on how the Government helps those who are most in need.

For many families, the departure, death or disability of its primary wage earner represent the greatest threat to its economic security. In the case of divorce, the departure of the major breadwinner can leave the spouse and dependent children, and particularly a spouse who has not worked outside the home, at considerable risk with respect to future income and economic hardship. I would like to speak briefly about these problems for divorced families and then return to the point of how these families currently get help and attention from government programs.

• (1800)

The Acting Speaker (Mr. Herbert): Order, please, I regret to interrupt the Hon. Member.

[*Translation*]

Private Members' hour has now expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

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

[*English*]

SPACE WEAPONRY—ANTI-SATELLITE WEAPONS—CANADIAN POSITION. (B) REQUEST THAT CANADA REFUSE TO TEST ANTI-SATELLITE WEAPONS

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, on Tuesday, April 3, I asked the Prime Minister (Mr. Trudeau) to press for a ban on anti-satellite and other space weapons. I also asked that Canada not participate in any way in the testing or development of anti-satellite or other "Star Wars" weapons or technologies. The Prime Minister did not answer my question. He said he would tell me some time about the Government's distinction between high and low altitude anti-satellite weapons. He did not address my question about anti-satellite weapons in general and space weapons in general. Not only was the Prime Minister's answer insufficient, it was also misleading.

At the present time neither the United States nor the Soviet Union possesses the capacity to pose a significant threat to the other's satellites. But developments are taking place for the first steps in this new-generation leap in the arms race and nuclear war fighting abilities. The Soviet Union has conducted 20 tests for anti-satellite weapons. Eleven of those tests have failed. Furthermore, the A-Sat is launched on an SS9 sized ICBM which has limited mobility and easy verification. In short, at the present state of development there is not yet a Soviet threat to deterrence or arms control.

The United States is now, this year, preparing to test its new generation anti-satellite known as the Prototype Miniature Air Launched System, PMALS. This small rocket will be launched from a high flying F-15 fighter aicraft. The Arms

Control Association in Washington, D.C. says this new weapon:

—will constitute a significant improvement over the existing Soviet A-Sat.

Writing for the Association, John Pike of the Federation of American Scientists also says:

Because of its small size, the PMALS will pose potentially insurmountable verification problems.

As we know, Mr. Speaker, the ability to verify the nature, number and location of weapons is the basis for any hope of nuclear arms control and limitation.

Ineffective Soviet tests have taken place. The United States, only this week encouraged by President Reagan's report to Congress, is proceeding with the tests of its own anti-satellite weapons, this new generation of weapons. Deployment and the threat of use have not yet taken place, but the time to act, the window of opportunity, is now.

That is why the Prime Minister is so misleading in calling for an artificial differentiation between high and low altitude anti-satellite weapons. All anti-satellite weapons should be banned, and they should be banned now before there are any such weapons deployed at any altitude.

Grave problems would arise if Canada were to work toward and help achieve a ban on only one level, or altitude, of anti-satellite weapons. The two superpowers would be permitted, indeed encouraged, to proceed with the development and deployment of a new generation of weapons for nuclear war fighting in space at some supposed "low" altitude already conceded by the Prime Minister. The technological developments that we do not want for any purpose would take place. Testing would take place. Deployment would take place, and it would be difficult, if not impossible, to assess and verify the flexibility and potential purpose of such weapons. Who could guarantee that weapons allowed for "low" altitude would not be used for "high" altitude? Who could control how the technology could be used once developed?

In his division of the universe into high and low altitudes, how would the Prime Minister address the problem of the majority of Soviet satellites that are presently in eliptical orbits around the earth which bring them into very close proximity to earth as well as the farther reaches of space?

It is understandable that the Prime Minister was advised in preparing his peace initiative proposals to draw this false distinction, hoping to appease Washington and gain the ear of the White House for his peace initiative. He chose not to take on the Reagan fast-action plans for these weapons, and chose instead to propose a ban on something further down the road, so-called "high altitude" anti-satellite weapons. This might have been a useful negotiating tactic to interest the Americans in his own proposals for arms control and better East-West relations. However, as the Prime Minister knows, the Reagan Administration did not accept his peace initiative proposals. And the Prime Minister knows that what might have been an acceptable negotiating position for his peace initiative should not be the Canadian Government policy on the general question of anti-satellite weapons and the militarization of space, at any altitude. There should be a ban on these weapons and a treaty to create such a ban.

● (1805)

The Soviet Union has placed before the United Nations what Canadian experts in arms control describe as "a perfectly acceptable treaty" to ban such weapons. The Soviet Union has offered to destroy its anti-satellite developments to date. Canada should pressure the United States to respond in a positive and constructive way to this opening proposal.

The Union of Concerned Scientists in the United States has reported that verification of such a treaty is possible. Only the Reagan administration is dismissing the possibility of verification and a treaty. The Reagan administration is precluding negotiations before they can begin, instead of negotiating to come to a verification agreement.

The Prime Minister should commit Canada to promoting a complete ban on anti-satellite and space-based weapons. The Prime Minister should certainly make it clear that Canada will not agree to take part in any way in the development and testing of such anti-satellite and space weapons. Finally, he should cease making this artificial differentiation between low and high altitudes.

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, during the Second United Nations Special Session on Disarmament in 1982, the Prime Minister (Mr. Trudeau) drew attention to the urgency of coming to grips with the development of new weaponry for use in outer space. He noted how quickly in today's world science fiction had become reality and how inadequate the Treaty on Principles Governing the Activities of States in the Exploration and Use of Outer Space had become. There were loopholes in the Treaty which risked being highly destabilizing. He had in mind particularly anti-satellite weapons or anti-missile laser systems. As he pointed out then, "we cannot wait much longer if we are to be successful in foreclosing the prospect of space wars". He therefore proposed that an early start be made on a treaty to prohibit the development, testing and deployment of all weapons for use in outer space.

In the Committee on Disarmament in Geneva, now called the Conference on Disarmament, we have been working for the establishment of a working group to discuss outer space issues, including an anti-satellite treaty. We were close to reaching an agreement on setting up such a body at the 1983 session of the Conference on Disarmament, but the Soviet Union required time to refer the matter to Moscow. So far during the current session of the CD no agreement has been reached on this working group.

It is not surprising, in light of what I have already said, that in developing his initiative the Prime Minister focused on the question of outer space, and particularly anti-satellite weapons. We were aware that for some years the Soviet Union had been testing an anti-satellite system directed at low-flying satellites. By the beginning of this year the U.S.A. had also tested a comparable system. Neither superpower, however, has

yet developed an anti-satellite system for high altitudes. It was our belief that an agreement not to do so was therefore still possible.

As part of his initiative, the Prime Minister proposed a ban on the testing and deployment of those anti-satellite systems designed to operate at high altitudes where the race has not yet begun. It was our view that such systems, by attacking global communications satellites which are located in high altitudes and which are of critical importance for crisis management, could be particularly destabilizing. It would leave an adversary blind and mute at the very moment when stability demands awareness and response. We are continuing our consultations with our NATO allies on this proposal.

Outer space is a subject to which we have been devoted and are continuing to devote a great deal of attention. Our whole approach to this question is governed by our concern about the possible militarization of outer space and its destabilizing effect on superpower relationships.

CROWN CORPORATIONS—CONFLICT OF INTEREST INQUIRY

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, I wish to take part in the Adjournment Debate this evening as a result of a question I directed to the Minister of Transport (Mr. Axworthy) on March 28 following a planted question by a member on the Government side. I asked him what intentions he may have with respect to the disposition of the Northern Transportation Company. To my surprise the Minister replied that the Government was to privatize this Crown corporation.

Also I asked at that time whether there was any reason for me to suspect that this undue haste in the privatization of the Northern Transportation Company came about as a result of an inquiry started by the United States air force over the use of a piece of United States military equipment by the Northern Transportation Company, this Crown corporation. The answer the Minister gave me was that that was not true, that the reason the Government chose at this time to privatize Northern Transportation Corporation was based upon a change of economic circumstances.

● (1810)

I draw to the attention of the House the December 31, 1982 Consolidated Statement and Financial Position of NTCL. The current assets were $26,269,000, current liabilities of $9,860,000, leaving retained earnings assets in the company of some $16 million. Therefore, the Minister's explanation that it was based on a change of economic circumstances is suspect.

On January 10, 1984, the chairman of Northern Transportation Company Limited, Mr. Montpetit, met with representatives of the United States Air Force and the United States Government to discuss the use of the ARD-31. In questioning Mr. Montpetit, there was no mention to the United States Air Force at that time that there would be any privatization of the Northern Transportation Company. That was on January 10.

On February 21 Mr. Montpetit and Mr. Cameron were before the Standing Committee on Transport. They were questioned as to the use of the ARD-31 and the relationship of that Crown corporation to the United States Air Force and, indeed, the Government of the United States on the use of United States military equipment. At that time Mr. Montpetit explained that over the past number of years they had made money using the ARD-31, but he did not explain it very fully. He said that in three years they lost money. We asked how the company managed to be on the profit side in five years. He replied that in the first two years they broke even, in the next two years they made money and in the last year they lost money. According to Mr. Montpetit, they lost money in the last three years.

That led us to delve a little deeper into the operation of the ARD-31 and the Northern Transportation Company. By charging rates of up to $40,000 a day, which is not unusual for the use of a floating drydock, and not being flexible in the changing of those rates, the year that Mr. Montpetit said they lost money happened to be a year when they had no business, when they were unrealistic in their charges. The companies they had serviced prior refused to bid on business for their ships. At the same time, one of those companies, Arctic Transportation Company, felt that this Crown corporation was so inflexible that it brought in its own floating drydock to service its ships.

Consider the dates of the February 21 meeting of the standing committee and the January 10 meeting with Mr. Montpetit and the United States Air Force. I find it strange that Mr. Montpetit said that the relationship between this corporation and the United States Air Force was most cordial. He was very defensive when I asked whether there were some negotiations taking place between Northern Transportation Company and the United States Air Force for the purchase of the ARD-31. He said they were negotiating to purchase it and he believed they were to purchase the vessel in the very near future. They were operating at that time as an ongoing company.

It is strange with all this good relationship and the forthrightness with which this Crown corporation treated the United States Government, that a letter was sent by Congresswoman Pat Schroeder to the Hon. Verne Orr, Secretary of the Air Force, Attention: Legislative Liaison (Major Wayne Christine), Pentagon, Washington, listing some 12 questions which the United States Air Force wanted answered regarding the operation of the ARD-31.

● (1815)

That brings us to February 21, 1984, at which time there was no indication from the Chairman of the Board and the Chief Executive Officer during an entire sitting of the Standing Committee on Transport that the business was going to be privatized. However, from February 21 to March 28, a rush occurred, after an inquiry by the United States Air Force. There was even a suggestion by the United States Air Force that it would like to have the Adjutant-General take a look at the operation of this vessel and the Canadian Crown corporation with which it has contracts.

At that time, the company began to proceed with undue haste. It was indicated that the company would be privatized and disposed of as quickly as possible. As a matter of fact, I would not be at all surprised if directions have been sent that it should be disposed of within a month and a half, within perhaps six weeks. My colleague, the Hon. Member for Wetaskiwin (Mr. Schellenberger), says that it is to be six weeks. The Minister has sent directions to the President of NTCL that he is to be ready to sell that company within six weeks.

There is now undue haste, Mr. Speaker. There should be a full public inquiry into the operation of the ARD-31 before that money which legally belongs to the people of Canada is transferred into private hands.

[*Translation*]

Mrs. Éva Côté (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I am pleased to take this opportunity to answer the Hon. Member's question about the taking over of the Northern Transportation Company Ltd. by a private concern.

In the question he asked on May 28 last, the Hon. Member suggested that there was some relation between the Government's decision to privatize Northern Transportation Company Ltd. and some concerns about the use of military equipment in the United States and conflicts of interests in which officials of the company might be involved. I would like to repeat the statement by the Minister of Transport (Mr. Axworthy) that there was no relation between our decision and the Hon. Member's allegations. The decision to hand over the Northern Transportation Company Ltd. to private interests was taken after due consideration of several factors. As the Minister has mentioned, the company no longer needs to belong to the Crown to reach Government objectives. The decision has been taken because the Government is satisfied that the company will continue to provide Northerners with efficient, trustworthy and affordable services.

Some time ago, the board of directors had suggested to the Government that privatization should be considered on the basis of economic change and commercial opportunities through diversification. In addition, the Government wants to give northern natives a chance to develop their own resourcefulness.

The Northern Transportation Company Ltd. is important to the natives because it supplies the communities. The Canadian Government hopes the northern population will acquire a sense of belonging through active involvement in that company.

I should like to add a few comments in connection with the Hon. Member's concerns about the activities of the company. With respect to the use of American military equipment, I would like to reassure him that the company keeps close contacts with the military authorities in the United States who do not object to Northern Transportation using their military equipment. Relations between the company and the United States Air Force have been and remain excellent.

On the other hand, I am surprised that the Hon. Member raises the question of a possible conflict of interests involving company officials. As he knows, the matter was discussed at length at a sitting of the Standing Committee on Transport on February 21, 1984. The Hon. Member for Wetaskiwin (Mr. Schellenberger) directed several questions to the chairman of the Board and he seemed quite happy with the answers which he received; I would like once again to quote one of his colleagues, the Hon. Member for Western Arctic (Mr. Nickerson) who was interviewed by *The Hub of Hay River* newspaper, as reported in the newspaper on March 7:

[*English*]

"Some of my colleagues are engaging in a bit of a witch hunt, and I personally do not approve."

[*Translation*]

I would therefore suggest the Hon. Member should seek advice from his colleagues before making such statements.

[*English*]

PUBLIC SERVICE—REPORTED ACCEPTANCE OF DIRECTORSHIP BY FORMER PRIVY COUNCIL OFFICIAL. (B) CONFLICT OF INTEREST GUIDELINES

Mr. Howard Crosby (Halifax West): Mr. Speaker, on April 2, 1984 I questioned the Prime Minister (Mr. Trudeau) with respect to the announcement that one Michael J. L. Kirby had accepted an appointment to the Board of Directors of National Sea Products Ltd. It was my contention, Mr. Speaker, that Mr. Kirby's acceptance of such an appointment would be a violation of the conflict of interest guidelines for persons appointed to the Public Service.

• (1820)

Let me say for the record, Mr. Speaker, that Mr. Kirby is now a member of the other place with a designation of "South Shore". My concern and complaint relates to his capacity as a former public official, indeed an officer of the Privy Council. It was in that capacity that I raised my question and indicated my concern.

The proof of and the justification for my intervention is in the fact that a few days later, on April 5, 1984, Mr. Kirby announced that he had withdrawn from the process by which he would have been appointed to the Board of Directors of National Sea Products. Indeed, I take it that both the Prime Minister and Mr. Kirby would be prepared to admit that there was a potential violation, if not an actual violation, of the guidelines respecting conflict of interest.

My concern, as I rise in the House today, is not so much with the attitude of Mr. Kirby or the Prime Minister, but with the comments of the newspaper which originally reported the proposed appointment of Mr. Kirby to the Board of Directors of National Sea Products, that is the Halifax *Chronicle-Herald*. On April 7, 1984, the editorial writer for that newspaper indicated that National Sea Products in its desire to find the best possible people to serve on its Board of Directors had selected Mr. Kirby, but his withdrawal and, in the words of the

article, the activity of his "quick-draw detractors" was not in the public interest. I would like to tell the editorial writers of *The Chronicle-Herald,* and the people of Canada, that I totally disagree with that position.

There is one thing the public demand from those in public office, whether the office be appointive or elective; that is honesty. By "honesty" I do not mean fair dealing in all transactions, but the avoidance of any suspicion that persons are not being fair in dealing with the duties and responsibilities placed upon them. The very purpose of conflict of interest rules is to avoid both the actual improper activity that might be perpetrated by holders of public office and, more importantly, even the suspicion of bad conduct on their part.

There is no question, Mr. Speaker, that the violation, or potential violation, was clear under the existing guidelines. One of the provisions of the guidelines states that an office holder must not, within the relevant time period, accept appointment to the board of directors of a commercial corporation which has as a matter of course a special relationship with the department or agency with which he was last employed.

There is no question that Mr. Kirby had a special relationship with National Sea Products Limited. In fact, the very newspaper which raised this matter contains a detailed report on the signing of an agreement between the Government of Canada, the Province of Nova Scotia, National Sea Products Limited and other parties interested in the restructuring of the Atlantic fishery. Mr. Kirby had been appointed specifically by the Minister of State for Economic and Regional Development Mr. Johnston to head the negotiating committee for the federal Government, not in his previous public office as secretary to the cabinet for federal-provincial relations. According to the Montreal *Gazette* he held a position as Deputy Clerk of the Privy Council. In addition, he himself said he held the position of Deputy Minister of Fisheries. Here was a person who held various kinds of public offices, clearly an officer in the public domain charged with the responsibility for dealing not only with the restructuring of the Atlantic fishery but the direct dealings with National Sea Products Limited and other companies connected with the Atlantic fisheries. For that person to then offer his services directly to the same company, National Sea Products Limited, in its commercial activities, is a violation of the worst kind.

● (1825)

That is exactly the kind of activity the guidelines are designed to prevent. They are intended to prevent public servants from going into commercial activity in the private sector and utilizing, or appearing to utilize, or risking the possibility that they will utilize, the information that has come to them in their public capacity as officers of the Government of Canada.

If that were not enough, Mr. Speaker, the same person, as I said, holds a position in the Senate. The provisions of the Senate and House of Commons Act are even clearer than the guidelines that would apply to them as public servants. Section 22(1) of that Act says:

> No person, who is a member of the Senate, shall directly or indirectly, knowingly or wilfully be a party to or be concerned in any contract under which the public money of Canada is to be paid.

The whole point of the exercise of restructuring the Atlantic fisheries was to provide public funds for the companies engaged in the Atlantic fisheries. National Sea Products Limited would be the beneficiary of millions of dollars of public funds. Mr. Kirby was ready to deal with them in his private capacity. I have said that honesty is the most important element expected of public officers, public servants and elected politicians. We must do everything we can to protect the public from any possible dishonesty or any indication of dishonesty.

Recently Bruce MacDonald was taken away from Revenue Canada as the Deputy Minister. How would you like it if he went to work for H and R Block and told the citizens of Canada that he was now prepared to prepare their tax returns knowing all he had learned in Revenue Canada? Mr. Speaker, the editorial comment is nonsense, not acceptable—

The Acting Speaker (Mr. Herbert): Order please. I regret to interrupt the Hon. Member, but his time has expired.

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, in response to an allegation of conflict of interest raised by the Hon. Member for Halifax West (Mr. Crosby) on April 2, the Prime Minister (Mr. Trudeau) agreed to take notice of the question and to seek the facts. I am glad to have this occasion to lay the facts of this case before Hon. Members of the House. I particularly appreciate having the opportunity to correct the misguided notions and misguided statements just made by the Hon. Member for Halifax West.

It is a fact, Mr. Speaker, that Michael Kirby is not on the Board of Directors of National Sea Products Limited and that he never was on that Board. As a consequence, there is absolutely no basis to the allegation that Mr. Kirby is in a conflict of interest situation. The allegation is hypothetical and conjectural and is not founded in fact. The Hon. Member is taking a partisan approach by attacking the reputation of a respected Canadian who is committed to the economic revitilization of the Atlantic fisheries. Mr. Kirby is a man of established abilities and experience who has worked very hard to help bring about the successful restructuring of the Atlantic fisheries.

It is a touch of irony, Mr. Speaker, that the very newspaper which raised the matter of Mr. Kirby's nomination should, in a subsequent editorial, praise Mr. Kirby. I would like to quote from *The Halifax Chronicle Herald* of April 7, 1984, from which my friend from Halifax West also quoted. It said:

> It is a sad thing for the fisheries that he cannot answer—

Mr. Speaker, this is terribly important:

> —positively a request by the company that he became a member of the Board, although it is a mark of his integrity that he considered the issue and withdrew.

The point is, Mr. Speaker, that he was offered a position on the Board by the company. The Hon. Member for Halifax West implied that Mr. Kirby offered his services to National

Sea Products. That is totally false. National Sea Products offered Mr. Kirby a place on the Board. Mr. Kirby considered and withdrew. He did the honourable thing. I wish I could say the same thing for the Hon. Member who raised the issue in the House.

[*Translation*]

The Acting Speaker (Mr. Herbert): The motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at 2 p.m.

At 6.30 p.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, April 11, 1984

The House met at 2 p.m.

• (1405)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

VISIBLE MINORITIES

RIGHTS OF JAPANESE CANADIANS INTERNED DURING WORLD WAR II

Hon. Jim Fleming (York West): Mr. Speaker, I rise today to express my concern that something must be done to recognize formally the injustice suffered by Canadians of Japanese origin during World War II. I do it in the context of a Government which, over its current term, has made historic and exceptional moves to guarantee human rights and fight prejudice. We have the inclusion in our new Charter of Rights of fundamental laws basic to a nation like our own, built upon diversity. The Charter forbids discrimination on the basis of race, national, or ethnic origin.

This Government has for the first time added social responsibility and equity to its primary policy objectives in multiculturalism. It has established a race relations unit. It has added millions of dollars for new programs to fight racism. It has, with opposition Party concurrence, sponsored the first ever Canadian parliamentary inquiry into the problems faced by our visible minorities.

Having served as Minister of Multiculturalism when these and other first time initiatives on racial equity took place, I think it will be most regrettable if the Cabinet does not formally recognize the appalling consequences, fear, and hysteria brought to thousands of good and committed Canadians. It is not only for the sake of a single community, but by focusing on a tragedy and injustice of major proportions we can indicate to all that we can redress the wrongs of earlier times, especially when many of those who suffered are still here today, living with their nightmarish memories. A formal admission; the public dedication of some lasting symbol is surely the least we can provide. Otherwise a living shadow lies across the path of hope this Government has set.

INDUSTRY

SUPPORT FOR FOOTWEAR IMPORT QUOTAS

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, on October 19, 1983, the Canadian footwear industry, because of high import penetration, rightly asked for the extension of global quotas for five years so as to permit the industry to obtain 50 per cent of the domestic market. The Canadian footwear industry is still waiting for a reply from the Government. In the meantime, Mr. Speaker, because no decision has yet been taken, many more jobs that could have been created have not materialized.

Footwear imports do not benefit the consumer. Imported shoes may cost less to make than an equivalent domestic product, but when one examines the situation as I have, they sell for the same price on the retail market.

Imports, Mr. Speaker, mean fewer jobs for Canadians. For every 2,500 pair of shoes imported, one Canadian job is lost. Last year 56 million pairs of shoes were imported into Canada, which means that Canada has exported 22,000 jobs.

Does it make sense, Mr. Speaker, to export thousands of permanent footwear industry jobs to countries such as Brazil, Korea, Taiwan, and others, which do not even allow imports of Canadian shoes?

Therefore, I call upon the Government to do everything possible, and to do the right thing regarding the Canadian footwear industry, by agreeing to its request for the extension of global quotas so that thousands of additional badly needed jobs can be created as soon as possible.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

REQUEST THAT GOVERNMENT AID SAWMILL INDUSTRY

Mr. Henri Tousignant (Témiscamingue): Mr. Speaker, we are all aware of the existing conditions in the sawmill industry in Canada. The production capacity is increasing more quickly than the marketing opportunities.

Considering that many companies are now applying for federal grants in order to modernize or build plants, the Government must review those applications very carefully so as not to favour some at the expense of others.

However, care should also be taken not to lapse into an excessive and short-sighted protectionism, systematically sup-

pressing within that industry a healthy competition which exists in other areas.

There is in my riding, Mr. Speaker, a remote village with almost no means of livelihood. The people there have decided to take charge, invest a good share of their welfare allowances and join forces with a responsible partner.

The decision of the Department of Regional Economic Development is a long time coming. I hope that the Government will consider that request not on the basis of the interests of cigar-smoking fat cats who haunt the boardrooms of giant multinationals, but on the basis of rationale and equity for people who will not let themselves go to pot and be eaten away by social welfare.

* * *

• (1410)

[*English*]

AGRICULTURE

INPUT COSTS OF FARMERS—CRITICISM OF GOVERNMENT POLICIES

Mr. Arnold Malone (Crowfoot): Mr. Speaker, Canada's food producers are travelling down the road toward dire straits. Farm bankruptcies have increased by 290 per cent in the past five years. Net farm income as a ratio of gross income has declined continuously from 1965. Farm operating expenses have increased 115 per cent between 1976 and 1982. They are projected to increase another 110 per cent by 1986, while farm commodity prices decline.

It is against that background that the federal Government refuses to pay farmers nearly $1 billion of their own money in the Western Grain Stabilization Fund. It is in light of these devastating economic facts that Governments have caused farm fuels to be taxed 75 per cent more than production costs. It is against these hard economic realities that the federal Government has now increased the long-term interest rates of the Farm Credit Corporation to a devastating 15 per cent. Farmers everywhere know the impact of these facts.

Today I appeal to urban Canada to rise up in anger against the federal Government. Your food security is threatened, and you are dangerously close to losing your world price advantage on low-cost foods. All Canadians must hear the message. The business of food production is seriously threatened.

* * *

[*Translation*]

FISHERIES

ATTITUDE OF QUEBEC MINISTER

Mr. André Maltais (Manicouagan): Mr. Speaker, I should like to call the attention of the House to a situation concerning the fisheries on Quebec's Middle and Lower North Shore. Last year, the Minister of Fisheries and Oceans announced that the federal government would invest $30 million in that area, and now the whole operation has stopped because the Quebec Minister of Agriculture, Fisheries and Food is preventing fishermen's committees from acquiring a site near the wharves where they could build processing plants or install an ice-house.

Mr. Speaker, I feel that it is important for the Quebec Minister to trust the fishermen from Middle and Lower North Shore, more specifically that part of the mainland between Kegaska and Blanc-Sablon facing Anticosti Island as far as Newfoundland in view of the forthcoming fishing season. Mr. Speaker, the Quebec Minister of Fisheries can certainly wait, but the fishing season will not, and the Canadian Saltfish Corporation would like to make sure that fishing facilities are available before entering into contract agreements with the various fishermen's associations of the Middle and Lower North Shore.

I therefore urge the Quebec minister without further delay to meet the requirements of the Middle and Lower North Shore fishermen.

* * *

[*English*]

HUMAN RIGHTS

U.S.S.R.—PLIGHT OF ANDREI SAKHAROV

Mr. David Orlikow (Winnipeg North): Mr. Speaker, Andrei Sakharov is a prominent Soviet physicist and well-known human rights activist who for years has been a respected critic of the violation of human rights in his native country, and has criticized the Soviet Union in respect of its stand on foreign relations and the immigration of some of its people. For this role Mr. Sakharov has been punished severely by the Soviet Government. He is now forced to live under constant surveillance in a remote and isolated area of the Soviet Union. He has been repeatedly refused permission to travel, and permission to receive hospital treatment for heart and kidney diseases.

Mr. Sakharov's wife, Elena Bonner, is currently in a state of badly deteriorating health and requires medical treatment for an eye ailment which is not available to her in the Soviet Union. Up to this point she has also been refused permission to travel outside the Soviet Union to receive treatment for her ailments.

Given Mr. Sakharov's stature as a crusader for the expansion of human rights in the Soviet Union, and the serious condition in which he and his wife find themselves as a direct result of their beliefs, I urge the Canadian Government to make an appeal on behalf of the Sakharovs to the Soviet Government asking that humanity be shown, that Mrs. Bonner be permitted to seek medical attention outside the Soviet Union, and that Mr. Sakharov be permitted hospital treatment. Also I would like to ask other Hon. Members of the

House concerned with and supportive of the brave campaign the Sakharovs have waged, to appeal to the Soviet Government to show some compassion in this case.

* * *

MULTICULTURALISM

ETHNIC COMMUNITIES URGED TO SUPPORT BILINGUALISM

Mr. Bill Yurko (Edmonton East): Mr. Speaker, because of my ethnic background multiculturalism has been one of my top priorities for the last 15 years as an elected provincial and federal Member. During those 15 years multiculturalism has gained considerable provincial and federal prominence, with inclusion in the new Canadian Constitution. Permit me to state again in this Assembly what I said in my constitutional speech on March 10, 1981. I said:

> The extension of duality promotes and enhances our diversity. Oneness would accelerate homogenization and rapidly destroy our diversity, as it has with our neighbour to the South. The melting pot process would prevail with oneness. Multiculturalism lives because duality is alive. It is duality which promotes and enhances our diversity. Bilingualism kindles the desire for, and extension of, multiculturalism. It is the very essence of bilingualism and multiculturalism which provides diversity and gives us an exciting national fabric which makes for a new nationhood, even though some ferment must be endured.

• (1415)

All ethnic Canadians, and particularly those in Manitoba, should weigh seriously their support for duality and multiculturalism and their inter-relationship.

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

ORAL QUESTION PERIOD

[*English*]

NATIONAL REVENUE

DEPARTMENT'S TRAINING FILM FOR AUDITORS—REQUEST FOR WITHDRAWAL

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Mr. Speaker, I have a question for the Minister of National Revenue. Members of Parliament have now had the opportunity to see the film that is used in training his auditors, the film which counsels his auditors to trap, mislead, catch taxpayers off guard, and how to manipulate taxpayers. Will the Minister order that film scrapped immediately?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Yesterday, Mr. Speaker, the committee had an opportunity to discuss the nature of that film. It is unfortunate that the Hon. Member did not grasp the meaning of explanations on the true nature of the film. It is used to train a specific group of

auditors and serves as a basis of discussion. I also indicated to the committee that an internal group within the Department is now making a review of all the training aids we use. I will receive a report from that committee in a few weeks.

[*English*]

FOREWORD TO FILM—"FISHING EXPEDITION" STATEMENT

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Mr. Speaker, the Minister says that film is targeted only to a certain group. Is he aware of the introductory film which is shown to auditors, which contains his former Deputy Minister saying this to the auditors:

> Though it concerns audit of a large corporation, the basic procedures for obtaining access to a taxpayers' records and documents should be pretty much the same regardless of the size of the business.

How does the Minister justify his statement with what Mr. MacDonald, his former Deputy Minister, has said? If the Minister has seen the film, does he agree with the statement in the film that auditors should treat every audit as if it were a fishing expedition? Does he agree that taxpayers should be manipulated and the Department should attempt to trap taxpayers in the way that is demonstrated in that film?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, this is not the first time that the House is given an opportunity to see that the Hon. Member himself is a professional manipulator. Since he seems to enjoy manipulating public opinion, he sees everything just as he wants things to be manipulated. This film does not show auditors how to manipulate people, it is designed to train auditors. It has been used to train only those auditors who deal with yearly business operations of at least $500 million.

The Hon. Member himself is a manipulator and he distorts reality in the same way as he would like others to do.

[*English*]

Mr. Beatty: Mr. Speaker, I will stand my reputation up against the Minister's any day of the week.

Some Hon. Members: Hear, hear!

Mr. Beatty: If Canadians have the truth on this issue, it has come from this side of the House, not like the half truths and evasions that have come from the other side.

Some Hon. Members: Hear, hear!

DEPARMENT'S POWERS

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): One thing that the Minister will know that the film does do accurately is to portray the fact that the breadth of power of the Department is so broad that taxpayers are not given the rights that accused criminals are given. In view of that fact, is the Minister prepared to exercise his ministerial responsibility to seek amendments to his Act to constrain the powers of his

Department so that they are consistent with basic civil liberties, and to ensure that ordinary taxpayers in Canada at least have the same rights that would be given to people charged with serious offences?

• (1420)

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, those are the exact words and principles that I repeated to my Deputy Minister when he assumed his responsibilities last week. Yesterday, the Hon. Member was able to see for himself to what extent the Department of National Revenue respects those principles which we kept reasserting throughout the proceedings all day yesterday before the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Speaker, no wonder the Hon. Member does not understand anything! See him! Sly-looking, always turning around to seek the advice of his colleagues!

When it comes to reputation, I make my own! I do not feel the need to build it up through half-truths and misleading allegations.

[*English*]

FILM'S MESSAGE

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, my question is also directed to the Minister of National Revenue and deals with the film in which the message is, unlike that in the United States and the United Kingdom, is that the taxpayer is not to be trusted, the taxpayer is guilty until proven innocent, and that heavy-handed inquisitorial methods are to be used on the average taxpayer. Since this message is just the contrary to the direction given by the Minister to his Deputy Minister in a recent letter, will the Minister not now agree to withdraw this odious film from the training program?

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I would withdraw the film if its message were along the line of thought just expressed by the Hon. Member, but that is not the message.

[*English*]

REQUEST THAT MINISTER REVIEW TRAINING TECHNIQUES

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, I would simply like to point out to the Minister that, if he has seen the film, obviously he does not understand the implications of this very disturbing auditor training technique. For example, a taxpayer who questions the auditor's demands in the film is referred to as a nut. In light of the fact that the film contains the message: "Audits are not based on trust" of the taxpayer, I would like to know if the Minister will review all of the training techniques within his Department to ensure that these repulsive messages are not included in any other technique quite part from this film.

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): In a previous answer, Mr. Speaker, I indicated to the Hon. Member that all training aids within the Department are under review. I should like to point out to him as well that his quotation—taken out of context—must be linked to the dynamism of the film. Secondly, the Hon. Member must keep in mind the fact that the film is used during discussions among auditors who are expected to share their enlightening experiences so as to improve their technique and their approach to make top-notch audits. The Hon. Member forgets to say that, at the beginning of the film—and his colleague noted that earlier—my former Deputy Minister points out that tact and diplomacy are the best approach to any kind of audit. That, Mr. Speaker, is the basic message of the film!

* * *

[*English*]

EXTERNAL AFFAIRS

NICARAGUA—MINING OF PORTS—ROLE OF UNITED STATES OF AMERICA

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Prime Minister who has been nominated for the Nobel Peace Prize for his work on issues leading to world peace.

Some Hon. Members: Hear, hear!

Mr. Fulton: He is well known for his international remarks on the Soviet invasion of Afghanistan, and on the topic of nuclear armaments and disarmament. I would ask the Prime Minister if he would not agree that the approval given in February by the President of the United States to the CIA to mine ports in Nicaragua is an intolerable act of international terrorism, and is an act of war which in reality is no different from the Soviet invasion of Afghanistan. Would the Prime Minister, in responding to that question, not agree that he would expect the world community to respond in a similar way in support of Canada if terrorists mined the port of Montreal or Vancouver?

Hon. Gerald Regan (Minister for International Trade): Mr. Speaker, in relation to the question of the Hon. Member, Canada has taken the position that it is a definite breach of international law for mines to be placed outside ports of countries which are at peace and where hostilities are not occurring. We believe that the placing of mines in the situation in Nicaragua does constitute an illegal international act. It is not clear who is responsible for the placing of those mines.

• (1425)

An Hon. Member: Baloney.

Mr. Regan: Canada has expressed its concern about this matter. It is clearly our position that it is an internationally illegal action.

Our position in general in Central America is well known. We abhor the use of violence and the intervention of outside power. At the present time the Secretary of State for External Affairs is in the Central American region. He has spoken on this subject as recently as this morning. Canada's position will continue to be that of disapproving of acts of violence and those who encourage violence in the area.

PRIME MINISTER'S POSITION

Mr. Jim Fulton (Skeena): Mr. Speaker, my supplementary question is for the Prime Minister. I know he can hear, and I know he is listening. Yesterday Great Britain publicly condemned the mining of Nicaragua's ports. France has publicly offered minesweepers to go in and clean up the American mines put in the ports. Last night, in one of their strongest condemnations of this century, the United States Senate voted 84 to 12, opposing any further mining or any acts related to mining. Even Senator Barry Goldwater thinks the U.S. President is off the deep end.

These acts of terrorism conducted by the Reagan administration deserve the full condemnation of the Prime Minister and this House. Rather than sitting there silently and tacitly approving of these acts, would the Prime Minister at least tell the House what he thinks of this kind of international terrorism against a sister country in the Americas?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not know why the Hon. Member suggests that I tacitly approve these acts. The Acting Secretary of State has answered on behalf of the Government. He obviously answered the questions the way I would have answered them. I do not know why the Hon. Member assumes I have the intention of condoning the mining in any way. The Minister has quite clearly condemned the mining. He has said that we have no evidence. The Hon. Member seems to have some that the President gave orders to the CIA in February. It would be interesting to find the source of this fact. We are trying to ascertain who is responsible for this act of terrorism which has been and will be condemned by us.

As the Minister said, the Secretary of State will be returning from the area at the end of this week. If we can ascertain that the acts are coming specifically from the U.S. administration, we will condemn them, as we have condemned the use of arms in the area by the United States and by Cuba. We have been very forceful in condemning the use of arms in that area by both sides. I think that is the difference between us and the NDP who want to condemn the Americans but not those who are supplying Soviet arms.

Mr. Speaker: Final Supplementary. The Hon. Member for Skeena.

MINISTER'S DESCRIPTION OF MINE LAYING

Mr. Jim Fulton (Skeena): Mr. Speaker, if the Prime Minister would take some time to follow these issues he would know that the U.S. Senate was informed last night that the President gave authorization to the CIA in writing to go ahead and mine those ports in Nicaragua. I am sure the Prime Minister is aware that yesterday, while in Nicaragua, his own hand-chosen Minister of External Affairs described the mining of the ports by the CIA as a "tension element". Perhaps the Prime Minister might decide to make the Minister of External Affairs the minister of sports. That sounds to me more like the description of a twisted jock strap than of the kinds of problems that there are going on in Central America right now. I would like to hear—

Mr. Speaker: Will the Member ask his question? It is his second supplementary.

Mr. Fulton: I would like to hear the Prime Minister's view about the issue of Georges Bank which is before the International World Court. The Government of Nicaragua took the invasion matters before the International World Court—

Mr. Speaker: The Hon. Member has not asked a supplementary question. The Chair will recognize the Hon. Member for York North.

Some Hon. Members: Hear, hear!

* * *

NATIONAL REVENUE

REQUEST FOR AMENDMENT OF TAX LEGISLATION

Mr. John Gamble (York North): Mr. Speaker, my question is for the Minister of National Revenue.

Mr. Fulton: Mr. Speaker, I would like a response from the Prime Minister on that.

Mr. Gamble: I, too, had an opportunity to witness the Revenue Canada training film which I felt was suitable as a training program for combat troops prior to a military engagement—

Mr. Fulton: Just because the Prime Minister is a coward, are you going to let him sit there?

Mr. Gamble: —in this case the enemy being the Canadian taxpayer.

● (1430)

One of the issues in the film which I had already drawn to the attention of the Minister on March 22 last—and in this case it is proudly proclaimed—is the absence of any right against self-incrimination specifically referred to in Section 231 of the Act, which is dealt with extensively in that film. Let me now ask the Minister, as I asked him on March 22—at which time he will recall he gave me an absolutely non

sequitur response—in light of the revelations which are made in that film is the Minister prepared to recommend to his colleagues in Cabinet that Section 231 be amended to delete any provisions which would oblige the taxpayers of Canada to incriminate themselves under oath in the way in which the Section now provides?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I disagree totally with the Hon. Member's perception and indeed with his comprehension of the film. I invite him to go back to the discussion we had before the Standing Committee yesterday and to make an honest effort to understand firstly, the nature of the film, and secondly, the use that is to be made of it.

With respect to the powers contained in the Income Tax Act, especially in Section 231, the Hon. Member must remember that they arise from the very nature of our taxation system, which is based on self-assessment by the taxpayers themselves. This system is exceedingly demanding on the taxpayer since he is essentially responsible for making a comprehensive report of his income, assessing the taxes owed by him, and finally paying them. I think that if the Hon. Member subscribes to the basics of the system, he must also recognize that certain powers must be provided for in the Act to guarantee the soundness of the system.

[*English*]

Mr. Gamble: Mr. Speaker, if the Minister does not like my interpretation of that film, why does he not show it on national television and let the people of Canada decide for themselves?

PROVISION OF OFFICE SPACE AND PHOTOCOPYING SERVICES TO TAX ASSESSORS

Mr. John Gamble (York North): The Minister knows full well, Mr. Speaker, that the rules against self-incrimination are those which exist in other nations which have self-assessing principles. I want to ask him about one other very misleading provision of that film, and it relates—

Mr. Speaker: Will the Hon. Member ask his question, please?

Mr. Gamble: I am asking the question, Mr. Speaker. There is a provision in that film relating to an obligation of the taxpayer to provide office space for assessors, and copying machines which they can use for the purpose of making copies of materials. Can the Minister tell this House, and all Canadians, where does it say in the Income Tax Act that taxpayers are obliged to provide office space for assessors and where it says they are obliged to provide free photocopying services?

An Hon. Member: And filing cabinets?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, the Hon. Member is following the Conservative Party philosophy very closely which consists in completely distorting and misinterpreting the facts. The film is used to train a very specific group of auditors who deal with cases relating to an amoung of at least $500 million. That is not the average taxpayer, Mr. Speaker.

[*English*]

TRANSFER OF MINISTERIAL AUTHORITY TO DEPUTY MINISTER

Hon. John A. Fraser (Vancouver South): Mr. Speaker, my question is directed to the Minister of National Revenue. Yesterday the Minister, while conceding that he was not interfered with by any legal constraints within the Act in administering his Department, did concede that he had signed certain documents transferring some of his ministerial authority to his Deputy Minister. Would the Minister tell us what authority he transferred?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I have not reconsidered this whole issue since yesterday. There are certain provisions relating to the transfer of authority to deputy ministers which are applied in the normal way. I have kept certain powers and delegated others.

[*English*]

Mr. Speaker: The Hon. Leader of the Opposition.

Mr. Mulroney: Mr. Speaker, this is a most astonishing thing. No wonder the Department is in chaos. The Minister has just admitted that he is not sure that he signed a piece of paper giving away his responsibility. That is why it is in such chaos.

In light of this, and on a different matter, may I go to the Prime Minister? Grain freight rates have increased—

Some Hon. Members: Order.

Mr. Ouellet: Order.

Some Hon. Members: Speaker.

Mr. Mulroney: I am allowed to go.

Mr. Hnatyshyn: They don't want to hear it.

Mr. Speaker: The Chair is trying to recognize supplementary questions, and the Chair was under the understanding that the Hon. Leader was asking a question supplementary to that of the Hon. Member for Vancouver South. The Chair has observed a certain order in those matters and is trying hard to be fair. It is normally the turn of the New Democratic Party. The Chair will then come back to the Hon. Leader of the Opposition for his turn.

The Hon. Member for Kootenay East-Revelstoke.

Mr. Parker: Mr. Speaker my question is directed to the—

Mr. Speaker: Order. the Hon. Member for Vancouver South on a supplementary.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

REQUEST THAT MINISTER TABLE DOCUMENTS TRANSFERRING AUTHORITY

Hon. John A. Fraser (Vancouver South): Mr. Speaker, my supplementary question is directed to the Minister of National Revenue, who does not seem to know what he signed. Yesterday in high dudgeon at the tactics of this Party, he said that only a few days before he had written to the Leader of the Opposition saying that our objectives are the same with respect to reform of the problems. But he said this: "Criticism—"

Mr. Speaker: Order. Will the Hon. Member ask his supplementary?

Mr. Fraser: I certainly shall, Mr. Speaker. The Minister said that "Criticism must be balanced, well considered, well documented and knowledgeable." In view of the fact that the Minister says that criticism should be knowledgeable, will the Minister table the documents transferring authority which he admits he signed? And will he table those documents immediately so we have some idea at least of what the Minister did?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): As a Member of the Privy Council and as a former Member of a Cabinet, the Hon. Member should be aware of the conditions under which transfers of ministerial authority occur within a department. Mr. Speaker, I certainly would not want him to impute motives as his colleague did. I have requested information on the nature of these documents and the policy concerning them, and as soon as it is available, I shall be in a position to answer the Hon. Member's question.

* * *

[*English*]

REGIONAL DEVELOPMENT

LINGAN-PHELEN COAL MINE PROJECT IN NOVA SCOTIA

Mr. Sid Parker (Kootenay East-Revelstoke): Mr. Speaker, my question is directed to the Minister responsible for regional and industrial expansion. It arises from the tragic fire at Devco's No. 26 colliery in Cape Breton. As the Minister knows, one man is dead and 1,400 people are out of work because of the fire. The Leader of the New Democratic Party in Nova Scotia sent a telegram to the Minister yesterday calling on the Government to speed up development of the Lingan-Phelen coal mine, a move which would provide jobs and spare these people severe economic hardship.

We are not asking for anything new. We are asking the Minister to assist in getting on with the development and getting these people back to work. Will the Minister take immediate steps to assist these people and get them back to work?

Hon. Ed Lumley (Minister of Regional Industrial Expansion): Mr. Speaker, I have already received representations, for example, from the Hon. Member for Cape Breton-East Richmond as well as from the Leader of the Opposition and the Premier of Nova Scotia, and several other Members, who want us to fast-track a decision with respect to the opening of a new mine. My officials have been working since Friday with the Devco officials to bring this information to my attention. It is hoped that we can make a decision with respect to the new mine as soon as possible.

LACK OF EMPLOYMENT

Mr. Sid Parker (Kootenay East-Revelstoke): Mr. Speaker, it is very important. Markets are at stake. There is 24 per cent unemployment in this area. An additional 1,400 people are out of work and there are other areas where they could go to work. Will the Minister tell us now when he will be able to get these people back to work?

Hon. Ed Lumley (Minister of Regional Industrial Expansion): Mr. Speaker, I believe I answered that in my first response. We have been working on this thing for the last couple of months. It will cost a minimum of a quarter of a billion dollars to open up a new mine. Prior to the fire we have been working for the last two or three weeks extensively with respect to new capital projects for Devco. Hopefully we can make a decision as soon as we get all the necessary information as soon as possible.

Mr. Speaker: The Hon. Leader of the Opposition.

* * *

● (1440)

AGRICULTURE

FEDERAL SALES TAX ON FARM FUEL

Mr. Brian Mulroney (Leader of the Opposition): Thank you for your courtesy, Mr. Speaker. My question is for the Prime Minister. Grain freight rates have already increased 18 per cent since the Crow legislation came into effect less than five months ago. They are projected to be up more than 400 per cent by the end of the decade. As the Prime Minister knows, western agricultural costs are projected to increase by another 31 per cent within the next two and a half years.

Given the enormous burden on the farmer and fisherman of the high cost of fuel, will the Prime Minister advise if, prior to his departure, the Government will give consideration to removing the 9 per cent federal sales tax on diesel fuel and gasoline used by farmers and fishermen? It would be of vital

importance as a job creation component, and would be most appreciated by those charged with the responsibility of producing food in Canada.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, naturally the suggestion made by the Leader of the Opposition which he asked me to give consideration to, will receive that consideration from me. I cannot give an answer, of course, without looking into the cost of such relief. I am sure the Hon. Leader of the Opposition would not have asked this question if he did not have the exact figures, and perhaps he could tell me by how much the deficit would be increased if we were to give this tax relief?

Mr. Mulroney: I would be delighted to; he is badly in need of it. I want to tell the Prime Minister how dismayed I am that any time there is a request on behalf of farmers or fishermen there is a price tag—

Some Hon. Members: Order.

Mr. Mulroney: —or condition attached to it by this Government. Western agriculture is where the biggest productivity gains have taken place in 15 years and it should be rewarded, not penalized.

Some Hon. Members: Hear, hear!

COST OF REMOVING TAX

Mr. Brian Mulroney (Leader of the Opposition): Mr. Speaker, the cost is in the neighbourhood of $250 million a year. However, as the Government of Saskatchewan proved by removing that tax provincially, it need not add to the deficit because it is a tremendous impetus for growth. That is what we want. The Saskatchewan experience is there for the Government to examine and I urge the Prime Minister—I take encouragement from his attitude—that, prior to his departure, he will at least once do something good for western agriculture.

Mr. Lapointe (Beauce): What about Quebec, Mulroney?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am thankful to the Leader of the Opposition for educating me, as he says.

Mr. Mulroney: Any time.

Mr. Trudeau: He asked me a question of a statistical nature. He would know, if he is educated himself, that under the rules I cannot be expected to know the cost of every tax cut that he would propose to benefit all and sundry. I have told him that I will take notice of this question. I am at the present time trying to find out by how much the Leader of the Opposition would increase the deficit, not only to help the western grain farmers but also the fishermen, the Department of National Defence where he wants to increase spending, and also in the area of medicare where he wants to give more money to the provinces.

I will gladly add this quarter of a billion dollars a year to the deficit that the Hon. Leader of the Opposition is already increasing, but then I might come back and ask him how he can argue from the other side of his mouth that the Government should be cutting the deficit.

Some Hon. Members: Hear, hear!

Mr. Mulroney: No matter how hard any profligate bunch of people tried, they could never exceed the record of profligacy of this Government in terms of deficits.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Mulroney: I hear the yelling. I tell you, that is confirmation of a pretty simple fact: hell hath no fury like a person spurned, or a Grit about whom someone has told the truth. However, I take encouragement from the Prime Minister's observation.

REQUEST THAT PRIME MINISTER EXAMINE ISSUE

Mr. Brian Mulroney (Leader of the Opposition): Mr. Speaker, may I in fairness construe this—

Mr. Speaker: Will the Hon. Leader of the Opposition ask a question, please?

Mr. Mulroney: Mr. Speaker, may I take it as a commitment by the Prime Minister to examine this vital question on behalf of farmers and fishermen, and advise the House at the earliest possible moment that it is, hopefully, his intention to proceed in this vital area?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I did undertake to examine the question. He does realize that cutting taxes is a budgetary matter and it would have been more in order if he had raised this in the budget debate which terminated not so long ago.

Some Hon. Members: We did.

Mr. Hnatyshyn: You probably did not hear it.

Mr. Trudeau: I did hear, Mr. Speaker. I heard them over there accusing the Minister of Finance of having too high a deficit. But ever since I have heard proposals for increased spending from the Opposition. I would examine the question, but I must say I would listen with more sympathy if the Hon. Member had not been so injurious in phrasing his question.

He has asked what we did for the West. If he looks at the grain sales over the period which I have been in office, he will see that they have reached ever-increasing highs.

Mr. Epp: You said: "Why should I sell your wheat?"

Mr. Trudeau: Mr. Speaker, from the words he used, the Leader of the Opposition seems to take the attitude that any bunch of fools could govern better than we can.

Some Hon. Members: Hear, hear!

Mr. Trudeau: They are laughing, Mr. Speaker. It is on that basis that they seek to be elected; they are, Mr. Speaker.

Mr. Foster: Right on.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

EMPLOYMENT

ALLEGED POLICY OF PROGRESSIVE CONSERVATIVE PARTY

Mr. David Berger (Laurier): Mr. Speaker, my question is directed to the Hon. Minister of Employment and Immigration.

[*English*]

Seeing that the Leader of the Opposition is so interested in truth, deficits, and profligacy, he might be interested in listening to this question.

[*Translation*]

The Minister of Employment and Immigration is aware that following a study which lasted many months, the Progressive Conservative Party released a professional training policy which did not "address" several major issues. This policy was described today by a Montreal editor as inconsistent, confusing, and without any indication as to who would foot the bill for this policy without increasing the deficit, let alone implement it.

[*English*]

My question to the Minister is this: In a recent report a national advisory panel made certain recommendations about educational leave, about which the Tories did not say a word.

Mr. Speaker: I invite the Hon. Member to ask his question.

Mr. Berger: Mr. Speaker, when will the Government be acting on these recommendations?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, I cannot help but comment that with respect to the proposals of the Conservative Party which my colleague referred to, I have to say there are some good proposals in their document, as well as some startling proposals. The good ones are the ones we already have in operation; the startling ones are the ones which are regressive.

In response to the Hon. Member's question about the Skill Development Leave task force, the report has been made to me as well as the National Advisory Panel report. I have already discussed the issues raised by that report with my provincial counterparts in our meeting in Saint John, New Brunswick. They agreed with me about the urgency of our continued discussion of those proposals, and we intend to have a conference between the federal Government and my provincial counterparts as soon as possible. We hope to arrange that in June, but it may not now take place until July. However, the conference has already been scheduled because we believe joint action is required by the Governments involved to respond to the recommendation made by that very valuable task force.

* * *

THE ADMINISTRATION

USE OF GOVERNMENT TRANSPORT—RULES APPLICABLE TO MINISTERS IN LIBERAL LEADERSHIP CAMPAIGN

Hon. Allan Lawrence (Durham-Northumberland): Mr. Speaker, my question is for the Prime Minister. Yesterday, presumably, the Prime Minister discussed with some of his Ministers certain questions of propriety relating to government-paid transportation and government-paid individuals being used for partisan political purposes. Could he indicate to the House what restrictions, if any, he has sugested to leadership candidates respecting the use in their campaigns of public servants, ministerial staff, consultants, and others who are on the public payroll?

● (1450)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I did meet with some of the leadership candidates yesterday, and I plan to meet with the others in the next couple of days. We did essentially review the rules which apply in that area and I was satisfied to see that they were well understood by all the candiates with whom I talked.

They are well known rules. They have been stated in the House before. In essence they indicate that any flight that is strictly or essentially for partisan political purposes should not be taken at public expense. There are cases where Ministers will have to use government aircraft when they are essentially discharging governmental duties ad Ministers.

Mr. Lawrence: Of course the Prime Minister has neglected to mention the second part of the question relating to ministerial staff, consultants, public officials and others on the governmental payroll.

MINISTER OF JUSTICE'S CAMPAIGN MANAGER

Hon. Allan Lawrence (Durham-Northumberland): Mr. Speaker, press reports indicate that the campaign manager for the Minister of Justice's leadership campaign is one Jim McDonald who can be reached, now, in the Minister's own governmental ministerial office, and who is on a daily personal financial retainer being paid out of public funds. Has the Prime Minister made sure that that gentleman, among many more whom we could mention, has been given the choice of either doing one job or the other, but not both?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the rules concerning use of aircraft are a repetition of the rules which already exist. It is the same in the case of the ministerial

exempt staff or, indeed, any staff. It is clear that any departmental staff should not be used in any political activity of any nature.

As to exempt staff, they are political by their nature. It is normal that they will discharge political functions for that Minister, as a Minister, and his constituency. It would be normal that they continue to do that. It would be like the exempt staff of the Leader of the Opposition which discharges essentially political activities. But of course there should be no active involvement of such staff in the leadership campaign in an overwhelming way, or any other important way, without that staff either resigning or asking for a leave of absence.

* * *

CANADIAN PACIFIC RAILWAY

ISSUANCE OF LAY-OFF NOTICES TO WORKERS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question is directed to the Minister of Transport. He will remember that during the long debate in connection with amending the Crowsnest Pass agreements he argued repeatedly that passage of the bill would lead to the employment of hundreds and thousands of more workers by the railways and associated companies. In the last couple of weeks CPR has reassigned work in Montreal, Toronto, and Winnipeg, so that at least 57 workers in the diesel shop, wheel shop, and powerhouse have been given their lay-off notices in the last couple of days, and at least 16 workers in the car shop have been given their lay-off notices.

Would the Minister explain to Members of the House and to the laid-off railway workers why the CPR is laying off workers, when the railway and the Minister promised so many times that we would have a greatly expanded workforce rather than less people working?

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, I think it is important to point out to the Hon. Member that what we talked about in terms of a major economic expansion is indeed taking place. The railways have committed, in 1984 alone, over $1.4 billion of new purchases and expenditures. This spring we will be initiating perhaps the largest single public works project in North America when the tenders are finally awarded for the Beaver Tunnel.

In Manitoba alone there is the application of a new $14 million diesel shop, the development of a new telecommunications system, and there is double tracking taking place on some 750 kilometres of track. In other words, I could spend all afternoon talking about the number of initiatives and projects that have been launched as a result of the act that the railways are now trying to improve substantially their capacity for moving the natural resources of western Canada. What we stated in the House is in fact coming true.

Mr. Orlikow: I would have thought that the Minister, who has a reputation of being progressive, would agree with me and other reasonable people that a large profitable corporation like the CPR could keep people working with very small effort because they will be expanding their facilities greatly in the next few months.

CONTRACTING PRACTICES—EFFECT ON RAILWAY EMPLOYEES

Mr. David Orlikow (Winnipeg North): Both the CPR and CNR have, in recent years, been contracting out more work because they say it is more efficient. It means that union members, railway workers who negotiated pay rates which are fair and decent, are being replaced by non union workers at a substantially lower wage. Would the Minister take up with the railways this whole question of contracting out and what it means to the large number of people who have worked for the railways for years and who are now going to be laid off?

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, it so happens that I will be meeting with the representatives of CP Rail this afternoon to talk about a number of matters related to the operation of the grain expansion program. I will ask the questions that the Hon. Member has presented.

I want to point out that it is important to recognize that one of the objectives under the new Bill is to improve the efficiency and productivity of our transportation system to allow us to ship our grain to markets at a lower cost so that we can stay internationally competitive. We will be in a very tough competitive world of which transportation is a major component.

In terms of the adjustments that companies must make between workers, we have spoken to them about making sure that those adjustments are made in a tolerant and proper way. I do not think that the Hon. Member would want us in any way to impede the ability of the railways to provide a more productive system, because that would then rebound upon the ability of grain farmers in western Canada to sell their products.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF HIS EXCELLENCY GENERAL PREM TINSULANONDA, PRIME MINISTER OF THE KINGDOM OF THAILAND

Mr. Speaker: May I call the attention of the House to the presence in our gallery of a delegation from the Kingdom of Thailand, led by the Prime Minister, His Excellency, General Prem Tinsulanonda.

Some Hon. Members: Hear, hear!

* * *

CANADA PENSION PLAN

ELIGIBILITY OF MARRIED WOMEN

Mrs. Ursula Appolloni (York South-Weston): Mr. Speaker, in the absence of the Minister of Finance my question is

directed to the Prime Minister. Since the Leader of the Opposition has today apparently proposed an increase in the federal deficit on behalf of the farmers of Canada, would the Prime Minister accept the same proposal as a basis upon which to permit farmers' wives and wives of all other Canadian households to contribute to the Canada Pension Plan and thus help solve the problem of needy elderly women?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I think that question illustrates the unthinking character of the Leader of the Opposition's question.

Mr. Hnatyshyn: Come on, Pierre!

Mr. Trudeau: He thinks of the farmers but forgets half the Canadian population.

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: You're hurting on that issue and you know it. Just answer the question.

Mr. Mazankowski: We got him.

Mr. Trudeau: I am not surprised to see such anger on the other side. We know how vulnerable they are in that particular area, and they know how proactive the Government has been. I will discuss the Hon. Member's suggestion with the Minister of National Health and Welfare and attempt to supply her with an answer.

* * *

AUTOMOTIVE INDUSTRY

NEGOTIATIONS ON JAPANESE PARTICIPATION IN CANADIAN INDUSTRY

Mr. Bill Kempling (Burlington): Mr. Speaker, my question is directed to the Minister of Regional and Industrial Expansion. On several occasions the Minister has made reference to negotiations he is having with Japanese manufacturers and investors regarding their participation in the manufacture of automobiles or component parts in Canada. Will the Minister advise the House on the progress he has made with these discussions, or are his statements mere rhetoric meant to cloud the discussions on quotas with Japanese automobile manufacturers and government officials?

Hon. Ed Lumley (Minister of Regional Industrial Expansion): Mr. Speaker, I am sure the Hon. Member, who is a businessman, would not want me to divulge in the House the details of the negotiations that are taking place with individual companies. I would hope that we would have some positive announcements in a very short period of time with respect to these negotiations on investment, not only from foreign automotive companies but also North American automobile companies. I think it is important to note that at the present time there are on my desk about $2 billion of potential investments in the automotive industry in the Province of

Ontario. I would think that the Hon. Member would consider that positive.

• (1500)

PROPOSAL TO ESTABLISH AUTOMOTIVE COUNCIL

Mr. Bill Kempling (Burlington): Mr. Speaker, I have a supplementary question for the Minister of Regional Industrial Expansion. Can the Minister advise if we now have in place an accurate statistical gathering system so that we can know the true figures on production and imports under the auto pact? When will we see the first annual report on the Canadian automobile industry? When is the Minister planning to establish the Automotive Council that he has suggested he would establish?

Hon. Ed Lumley (Minister of Regional Industrial Expansion): Mr. Speaker, I am planning to give a speech tomorrow to the auto parts industry, and the Automotive Council will be announced at that time.

* * *

POINTS OF ORDER

MR. McDERMID—UNPARLIAMENTARY LANGUAGE

Mr. John McDermid (Brampton-Georgetown): Mr. Speaker, I rise on two points of order regarding unparliamentary references made in this House of Commons yesterday. I understand it is a courtesy in the House of Commons if the individual who made the unparliamentary remarks is not in the House that we postpone the point of order until he is present. Is that correct, Mr. Speaker?

Mr. Speaker: Would the Hon. Member state his point of order. I think I know what he is talking about, but I think he should state his point of order.

Some Hon. Members: Oh, oh!

Mr. McDermid: I am sure you do, Mr. Speaker.

The first point of order concerns remarks made by the Minister of Indian Affairs and Northern Development. A famous Nova Scotia writer once said:

For when a man is wrong, and won't admit it, he gets angry.

Yesterday, here in this Chamber, during the exchange I had with the Prime Minister, the Minister of Indian Affairs and Northern Development displayed, for all to hear, his eloquent command of the English language when he requested that I keep quiet, and then made a very uncomplimentary observation. Now a learned man—

Mr. Speaker: Order, please. With regard to the Hon. Member's observation, the Speaker has had a chance to check the "blues". Obviously an unparliamentary term was used. There is no question that at the appropriate time the Chair is prepared to ask the Hon. Minister to withdraw such an unparliamentary reference.

Point of Order—Mr. McDermid

Mr. McDermid: Mr. Speaker, I would like a chance to put on the record my disgust at what went on yesterday in this House of Commons.

Mr. Speaker: The Hon. Member is engaging at this point in argument. On the point of order with regard to the unparliamentary language, the Chair has no problem coming to a decision. The Hon. Member says he has two points of order. Will he please state his second?

MR. McDERMID—ALLEGED UNPARLIAMENTARY LANGUAGE

Mr. John McDermid (Brampton-Georgetown): Mr. Speaker, my second point of order also refers to unparliamentary references made to me by the Minister of Public Works during my supplementary question to the Prime Minister. The Minister of Public Works referred to me as "demagogue". This remark was ruled unparliamentary on June 16, 1963. Obviously, Mr. Speaker, my questions yesterday struck a nerve and the Government was reduced to name-calling. I would request that you ask for and receive the unequivocal withdrawal of this remark which is found on page 2,900 of *Hansard* for April 10, 1984, made by the Minister of Public Works.

Mr. Speaker: The Chair will take note of it. The Chair has one observation to make with regard to the matter. The use of unparliamentary language is a function of the context and the Chair is delighted to have the Hon. Member cite with approval the practices in 1963 in this House because I am sure in many respects they were an improvement over what we are following at the present time.

Mr. Hnatyshyn: That is a reflection on the House.

Hon. Roméo LeBlanc (Minister of Public Works): Mr. Speaker, I have sat here for a number of years and I thought the term I used was rather a mild one compared to what I have seen published. But I am told it is unparliamentary.

An Hon. Member: You would have full understanding of the meaning of that word.

[*Translation*]

Mr. LeBlanc: To make sure that I am really saying what I mean I shall use a language of which I have a better command, as the Hon. Member seems to suggest. Having read the exchange in question, I am surprised that the Hon. Member raised this issue, for I found it as embarrassing to read today as it was to hear yesterday.

If the expression "demagogue" is deemed unparliamentary, I apologize to the House; having said that, however, I suggest that this exchange is far from being representative of what exchanges in the House ought to be.

[*English*]

Mr. Speaker: The Hon. Minister has indicated his apologies to the House for the use of the language. I hope that settles the incident.

An Hon. Member: He is his usual gracious self.

PETITION

MR. DOMM—NUCLEAR DISARMAMENT

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Peterborough (Mr. Domm) on Tuesday, April 10, 1984, meets the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

PUBLIC ACCOUNTS

SECOND REPORT OF STANDING COMMITTEE ON PUBLIC ACCOUNTS

Mr. Doug Lewis (Simcoe North): Mr. Speaker, I have the honour to present the second report of the Standing Committee on Public Accounts to which, pursuant to Standing Order 69(13), the Committee requests a comprehensive response.

* * *

PETITIONS

MR. MAYER—ALLEGED MISUSE OF DEAD CATTLE FOR BAIT—SPREAD OF DISEASE—COMPENSATION TO OWNER

Mr. Charles Mayer (Portage-Marquette): Mr. Speaker, the petition of the undersigned in the constituency of Portage-Marquette who now avail themselves of their ancient and undoubted right thus to present a grievance common to your petitioners in the certain assurance that your Hon. House will therefore provide a remedy.

The petition points out that the federal authorities mishandled in a negligent way the situation involving the cattle of one of my constituents in Rossburn, Manitoba, and that he should be compensated immediately for the inconvenience caused as well as the loss of income that he suffered as a result of inaction by the federal Government. And that pertaining to the tuberculosis in Mr. Randy Checkowski's cattle, we feel that the federal Government should pressure the provincial government to stop the practice of using unfit bear bait, namely, dead livestock of the domestic type.

Wherefore we, the undersigned, our petitioners, humbly pray and call upon Parliament to recommend to the Government of Canada that steps be taken to control the threat of disease spreading to neighbouring herds and that proper compensation under the Animal Disease and Protection Act be granted to Mr. Checkowski.

MR. JELINEK—INSTALLATION OF SAFETY MEASURES AT RAILWAY CROSSINGS

Mr. Otto Jelinek (Halton): Mr. Speaker, following the tragic death of six teenagers at the railway crossing in Milton,

Ontario, where it appears that insufficient safety precautions may have caused this sad loss of life, I would like to take this opportunity to present to this House a petition signed by 2,765 residents of Halton supporting the request made to the Canadian Transport Commission by the Town of Milton and the Region of Halton recommending the installation of safety measures at railway crossings in the Halton County, specifically the Derry Road crossing in Milton where not only this tragic accident took place on March 30, 1984, but previous accidents took the lives of Canadians at that same crossing without any action being taken by the CTC.

MR. DOMM—OPPOSITION TO NO-FAULT DIVORCE LEGISLATION

Mr. Bill Domm (Peterborough): Mr. Speaker, I am pleased to present the attached petition from the Church of the Open Bible in Peterborough, Ontario, which states that we the undersigned oppose any legislation or action permitting no-fault divorce, no-court divorce, or any other means of making divorce quick and easy.

MR. CULLEN—REINSTATEMENT OF CAPITAL PUNISHMENT

Hon. Bud Cullen (Sarnia-Lambton): Mr. Speaker, I have the honour to present a petition of the undersigned residents of the City of Sarnia who humbly showeth that the recent murder of two young Sarnia girls is a sad example of the violence that is prevalent and that this petition was brought about by a longstanding desire to curb violence in Canadian society. In the opinion of the undersigned capital punishment is a deterrent and wherefore the undersigned, your petitioners, humbly pray and call upon Parliament to enact legislation reinstating capital punishment. As in duty bound your petitioners will ever pray.

* * *

BANK ACT

MEASURE TO AMEND

Hon. Roy MacLaren (Minister of State (Finance)) moved for leave to introduce Bill C-30 to amend the Bank Act.

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

* * *

• (1510)

BUSINESS OF THE HOUSE

Mr. Evans: Mr. Speaker, I rise at this time to make a clarification of the order of business for tomorrow. Yesterday the House Leader, the President of the Privy Council, referred to Bill C-24 as being the order of government business. At this time I would like to clarify for the House that tomorrow we will be resuming debate on Bill C-12 and that Bill C-14 will be the back-up Bill. Apart from that, all other business for coming days will be as stated by the Hon. President of the Privy Council.

Mr. Hnatyshyn: Mr. Speaker, I appreciate the Parliamentary Secretary giving me prior notice of the intention to change the order of business with respect to business for tomorrow. In elucidating what will be the business, would the Parliamentary Secretary tell me what will be the second back-up Bill in the event that deliberations on Bill C-12 and on Bill C-14 are finished tomorrow? Is there any other item of business as a back-up Bill?

Mr. Evans: Mr. Speaker, my information is that in addition to Bill C-12 we will have Bill C-14 as the back up. I will find out what will be the second back-up Bill and will inform the Hon. Member.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 423, 473, 573, 575 and 628.

[*Text*]

CMHC—ASSISTED RENTAL PROGRAM

Question No. 423—**Mr. St. Germain:**

1. How many housing projects did Canada Mortgage and Housing Corporation originally assist under the Assistance Rental Program?

2. How many of these housing projects were terminated under this program because there was a violation of the original agreement signed with the representative contractors?

3. How many of these projects did CMHC, or other Crown corporations, take over as a result of the termination of the assistance program originally contracted for?

Hon. Roméo LeBlanc (Minister of Public Works): I am informed by Canada Mortgage and Housing Corporation as follows:

1. Two thousand, two hundred and eighty-seven.

2. CMHC acquired 220 projects as a result of borrower default, which constitutes a breach of the agreement. In addition, 26 accounts have been terminated because the projects were sold without CMHC approval. This is also a breach of the agreement.

3. None known. The assistance was normally terminated as a result of borrower default and such termination is therefore an effect of default rather than a cause.

REVENUE COLLECTED FROM CAPITAL GAINS TAX

Question No. 473—**Mr. Howie:**

In the fiscal year ending March 31, 1983 what was the total revenue collected from capital gains tax?

Order Paper Questions

Hon. Roy MacLaren (Minister of State (Finance)): There is no capital gains tax per se. Rather, under the personal income tax system one-half of total capital gains or losses are included in the calculation of income for taxation at normal personal tax rates. Effective October 1, 1983, the tax on the inflationary portion of capital gains earned on moneys invested in an Indexed Security Investment Plan (ISIP) was eliminated. Under the corporate tax system one-half of the excess of capital gains over losses accrued since 1971 and realized on the disposition of certain properties is included in income and taxed at normal tax rates. Although accurate data on both total personal and total corporate income tax revenues are available, the portion directly attributable to net capital gains can only be estimated. On the basis of the latest available published information for the 1981 taxation year, total federal and provincial revenues from the taxation of capital gains are estimated to be $1.6 billion.

DEVCO BOARD OF DIRECTORS

Question No. 573—**Mr. Howie:**

What are the (a) names (b) positions of the persons who occupy positions on the Executive and Board of Directors of the Cape Breton Development Corporation and, in each case, what amount was he/she paid in respect of that position in the fiscal year ended March 31, 1983?

Hon. Ed Lumley (Minister of Regional Industrial Expansion): The reply for the Cape Breton Development Corporation (Devco) is as follows:

(a) Name	(b) Position
Executive Board:	
Mr. John L. Dodge	Vice-President, Industrial Development
Mr. John J. Gillman	Vice-President, Project Development
Mr. A. Roy MacLean	Vice-President, Corporate Planning
Mr. Bruce R. McDade	Senior Vice-President and Corporate Secretary
Mr. D. S. Rankin	President and Chief Executive Officer
Mr. Douglas Shield	Senior Vice-President, Coal Mining and Distribution
Mr. Graham Skerrett	Vice-President—Treasurer
Mr. Carl Turner	Vice-President, Human Resources
Board of Directors:	
Dr. John F. Burke	Director
Mr. D. S. Rankin	Acting Chairman of Board Meetings

Compensation. See the report on Governor in Council appointees tabled in the House of Commons on November 17, 1983. Compensation for all other positions not listed in the report is regarded as proprietary information to the Cape Breton Development Corporation.

CFDC—BOARD OF DIRECTORS

Question No. 575—**Mr. Howie:**

What are the (a) names (b) positions of the persons who occupy positions on the Executive and Board of Directors of the Canadian Film Development Corporation and, in each case, what amount was he/she paid in respect of that position in the fiscal year ended March 31, 1983?

Hon. Francis Fox (Minister of Communications): I am informed by the Canadian Film Development Corporation as follows:

Name	Position	Salary Scale	$225 daily Fees	Expenses
Mr. André Lamy	Executive Director	GIC-7 ($63,070 to $74,200)		
Mr. Claude Bruneau	Member of the Board		$1,575 (7 days)	$ 690.52
Mr. David Leighton	Member of the Board		$1,575 (7 days)	$ 518.25
Mr. Claude Morin	Member of the Board		$2,475 (11 days)	$ 1,650.40
Mr. James Domville	Member of the Board		—	$ 549.61
Mrs. Muriel Sherrin	Member of the Board		$ 675 (3 days)	$ 930.20
Mr. David Silcox	Chairman of the Board		83 days at $325 plus a $200 adjustment: $27,175	$17,118.29

SMALL BUSINESS CONSULTATIVE COMMITTEE

Question No. 628—**Mr. Mazankowski:**

1. Is there a Small Business Consultative Committee and, if so, what (a) are its terms of reference (b) is the (i) name (ii) background or expertise (iii) term of appointment of each member (c) remuneration, such as salary or travel expenses (i) do the members receive (ii) did the members receive to date (d) other funding, if any, is provided by the government?

2. During the fiscal year 1982-83, did the committee meet and, if so (a) how often (b) how often is it required to meet (c) what matters did it consider (d) what reports and/or recommendations were published?

Hon. David Smith (Minister of State (Small Businesses and Tourism)): 1. Yes. (a) Its terms of reference state that the committee will advise and assist the Minister of State (Small Businesses and Tourism) in his role as advocate by providing a forum for obtaining widespread and direct participation of entrepreneurs and professionals serving small businesses on existing and proposed government policies and programs for entrepreneurs. It also provides advice on the effect of developments in the marketplace and the need for government action to assist small businesses.

(b) (i) Name	(ii) Occupation
Mr. Claude Arcand	Director, Harricana Métal Inc.
Mr. Peter Benedict	President, Safety Offshore Sources
Mr. Jim Bennett	Executive Director, Legislative Affairs, Canadian Independent Business
Mr. Gordon Chambers	President and Chief Executive Officer, Chambers Olson Ltd.
Mr. William Crossin	President, Merle Norman Cosmetics
Mr. George Fells	President, SB Capital Corporation
Mr. Ronald Fenwick	Vice-President, CIBC Mortgage Corporation
Mr. Nicholas Fodor	President, Electrovert
Mr. Geoffrey Hale	Vice-President, Policy and Government Relations, Canadian Organization of Small Business
Mr. Ronnie Hemming	Vice-President, Outcrop Ltd.
Mr. Art Howard	General Manager, Day and Ross Transport
Mr. Richard Irlam	Flett Motors Ltd.
Prof. Raymond Kao	Ryerson Polytechnical Institute
Mr. Peter King	Retaurateur
Prof. Claude LeBon	Dean, Faculty of Science of Administration, Laval University

Mr. Cameron Millikin	Consultant
Mr. Richard Pearce	President, Canadian Air Compressor Ltd.
Mr. Peter Petropoulos	Barrister and Solicitor
Mrs. Rita Rolland	Manager, Tourism Industry Association of Manitoba
Mr. Clem Roles	President, Smith-Roles Ltd.
Mr. Jim Scopick	Senior Vice-President, Federal Business Development Bank
Mr. Ken Wilson	Vice-President, Royal Bank of Canada

(iii) Approximately one year.

(c) (i) Remuneration: nil, salary: nil, travel expenses: members are reimbursed for travel expenses. (ii) See below.

(d) No other direct funding is provided; however, certain secretariat costs, such as office supplies, stationery, etc., are covered by the Department of Regional Industrial Expansion.

2. Yes. (a) Five times, sub-committees seven times. (b) Six times per year or at the call of the Chairman. (c) The Small Business Financing Review; the role of the Federal Business Development Bank; Small Business and Economic Development; Tax Policy; Trade; Small Businesses Loans Act. (d) None.

Travel Expenses

September, 1982 to December 31, 1983

Mr. Claude Arcand:	$3,084
Mr. Peter Benedict:	Ø
Mr. Jim Bennett:	Ø
Mr. Gordon Chambers:	Ø
Mr. William Crossin:	1,685
Mr. George Fells:	2,537
Mr. Ronald Fenwick:	Ø
Mr. Nicholas Fodor:	1,393
Mr. Geoffrey Hale:	3,007
Mr. Ronnie Hemming:	Ø
Mr. Art Howard:	4,727
Mr. Richard Irlam:	Ø
Prof. Raymond Kao:	Ø
Mr. Peter King:	7,452
Prof. Claude LeBon:	3,591
Mr. Cameron Millikin:	Ø
Mr. Richard Pearce:	Ø
Mr. Peter Petropoulos:	Ø
Mrs. Rita Rolland:	Ø
Mr. Clem Roles:	7,468
Mr. Jim Scopick:	Ø
Mr. Ken Wilson:	Ø

[*English*]

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

Mr. Stevens: Mr. Speaker, does the Parliamentary Secretary have any credible reason for questions Nos. 101, 102, 104 and 105, dealing with the trippings of the Prime Minister around the world, the expenses entailed in those trips and to what extent Canadian taxpayers are expected to pick up those costs, not being answered?

Mr. Evans: Mr. Speaker, I will look into the matter for the Hon. Member and see whether I can find what would be the reason for any delay in ansering those questions. However, I can assure the Hon. Member that the Government is doing everything possible to answer these questions as expeditiously as possible.

Mr. Hnathyshyn: Before June 16.

Mr. McKenzie: Mr. Speaker, I wonder whether the Parliamentary Secretary would also check out the following questions. First, question No. 2 was originally placed on the Order Paper on October 24, 1983. It reads:

Does the Minister of Transport have a private parking stall at the Winnipeg International Airport?

I think Canadian taxpayers are entitled to know the cost of equipping this stall and how many employees are required to look after it for the Minister of Transport.

I also originally placed a question on the Order Paper on October 17, 1983 asking for the total amount budgeted for the Saanich renewal program of the Public Works Federal Identity Program. Almost a year ago I placed question No. 11 on the Order Paper, on May 24, 1983, asking the following:

What is the salary of the (a) President and Chief Executive Officer . . . of the Canada Post Corporation?

I also included a series of other executives in Canada Post and have asked for their salary ranges. I feel this is an exceptionally long period of time for this type of question to be on the Order Paper.

If you can believe this, Mr. Speaker, I also have a question which I originally placed on the Order Paper in November 1981. There is no excuse for this question being on the Order Paper for this length of time. It reads:

Could the Minister of Supply and Services and the Minister of Industry—

Mr. Speaker: The Hon. Member does not need to repeat every question, if he could name the question and give a general indication of it.

Mr. McKenzie: Mr. Speaker, it is question No. 13. I want to know why three separate Ministers took three separate Jet-Stars to Winnipeg to fly in Liberal campaign workers to work in the last provincial election in Manitoba.

Mr. Evans: I will look into all those questions, but I think the last question to which the Hon. Member referred was also asked in the House of Commons at that time and explanations were given. If the Hon. Member will do his research, he will find that salary ranges for Crown corporation heads are a matter of public record.

Mr. McKenzie: Say that in the answer, then.

Mr. Stevens: Mr. Speaker, in reply to my point of order, the Parliamentary Secretary used the words that the Government was answering my four questions as expeditiously as possible. This may well be a matter which will have to take up time in Parliament. Questions asked about trips approximately three years ago, questions which have been on the Order Paper for three years—

Mr. Speaker: With all due respect to the Hon. Member, a question relating to a specific question on the Order Paper certainly is in order at this point. However, the Hon. Member should not engage in debate in general terms regarding the

policy applicable to answering questions. If the Hon. Member has a further specific question regarding a question on the Order Paper, the Chair would entertain his question. If not, I invite him to resume whatever action he considers appropriate at another stage in the proceedings.

Mr. Stevens: Mr. Speaker, I rise on a point of order. I simply wanted to continue on my point of order which I originally raised with the Parliamentary Secretary to indicate—

Mr. Speaker: The Hon. Member has made his point with regard to the delay in the answering of questions. I believe that having made his point, that is his point. Does he have another point?

Mr. Stevens: Yes.

Mr. Speaker: I hope the Hon. Member really has another point. I will recognize him.

Mr. Stevens: Thank you, Mr. Speaker. Having heard the reply of the Parliamentary Secretary that the Government was acting expeditiously, I am pointing out that the Prime Minister may well be gone from this Chamber in a couple of months and that we need the answers—

Mr. Speaker: The Hon. Member is not making a point of order in any respect, and he knows that. The Parliamentary Secretary has answered the questions. Does he have any further point of order? The Parliamentary Secretary to President of the Privy Council.

Mr. Evans: Mr. Speaker, I just want to assure you and the House that the Government is doing everything possible to answer these questions. However, if the Hon. Member would refer to Beauchesne's he will find that the Government is under no obligation to answer those questions, so it is not a point of order.

Mr. Speaker: We are not into debate at this point. Hon. Members have made inquiries about specific questions and the Parliamentary Secretary has undertaken to try to provide answers.

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

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

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

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

Some Hon. Members: Agreed.

• (1520)

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 62—INTEREST RATES FOR FARM CREDIT

Mr. Vic Althouse (Humboldt-Lake Centre) moved:

That this House condemns the Government for abandoning farmers who are having problems with credit costs and falling commodity prices as demonstrated

(1) by the higher interest rates and shortened terms imposed on Farm Credit Corporation loans;

(2) by the Government's lack of support for the agribond concept thereby denying farmers access to funds at lower costs; and

(3) by the failure of the Government to renew the 4 per cent interest rebate program offered by the Farm Credit Corporation to farmers in financial distress.

He said: Mr. Speaker, what we have before us today is a problem that is approaching crisis conditions for farmers across Canada. Yesterday the Minister of Agriculture, (Mr. Whelan), who is in charge of the Farm Credit Corporation, announced new credit terms and time periods for loans under the Farm Credit Corporation. It was a real shock to farmers who were expecting some relief from interest rates and an expansion of Farm Credit Corporation to meet the needs of many farmers who now have to refinance and re-group in order to meet this year's financing requirements to seed one more crop.

Yesterday the Minister proposed to increase the interest rate in existence before Christmas of 13 per cent to a long-term rate of 15 per cent. He gave us five sets of terms, five-year, ten-year and 20-year. The five-year term is at 14 per cent. Five-year term loans of some banks can be obtained for 13.25 per cent. At some credit unions the same loans can be obtained at 12.75 per cent. The larger loans just will not be acceptable for the needs of farmers at this moment.

Moving on quickly to the second point in the overall discussion of the motion before us before I begin to explain how I believe we got to where we are, and to propose some longer-term and shorter-term solutions, if we can believe what the Minister was saying in the House, in committee and on the hustings, the Government was to bring in some some sort of agri-bond program in the Budget brought down in February. There was no agri-bond announcement then, simply an announcement to submit the idea for further study. The Budget has been down for seven or eight years and so far no committee has been struck to do that job.

The third item for which we are condemning the Government today relates to the matter of farmers who two years ago

were determined to have been in financial distress. The Minister, through FCC, initiated a special program to help farmers facing financial disaster. He proposed to rebate them 4 per cent of the cost of their loans, bringing down most of their loans to 12.75 per cent, close to 13 per cent. That program has run out. Several thousand farmers in that category now face bankruptcy and there has been no action on the part of the Government to deal with that problem.

I want to take a few moments to go back over the record of farm financing. As a sideline, we will be looking at the record of this Government and this Minister because that is one of the recurring themes throughout the period I will be covering. I want to give some idea of the numbers involved in farm credit and farm financing. I have chosen the years 1971 and 1981 so that we can get a handle on the changes that have occurred in agriculture over that time period. I regret that I cannot use numbers more current than 1981, but they are the latest numbers that we are able to get that are not just estimates.

Let us go back to 1971 and look at the amount of credit outstanding at that time. I have here a market commentary on the cost of farm inputs and finance put out by Agriculture Canada in 1983. The most up to date figures there show that in 1971 the total credit extended was $4.6 billion. By 1981, the amount of farm credit outstanding to farmers was $18.4 billion, an increase of just over four times within that decade. When you look at farm incomes within that period, there are some very revealing figures. Most people familiar with agriculture know that 1971 was a disastrous year for most commodities produced in Canada. Farmers had suffered a series of poor markets and net incomes were extremely low at that time. They got back to normal in 1974. For the first time in some years, net farm income in Canada was at $3.5 billion.

According to the estimates produced by Agriculture Canada at the Outlook Conference, ten years later, 1984 would show a net farm income in the neighbourhood of $3.5 billion. A decade has passed and net farm incomes stuck at that level. In between there were a couple of blips when it went to almost $4 billion and a few times when it dropped below $3.5 billion, down to $3.2 billion. Incomes have been extremely stable for Canadian farmers, but what would the dollar buy in that same period? There was a deterioration in the buying power of the Canadian agricultural dollar in that period of time. The 1974 dollar would buy almost two and one-half times as much as the 1984 dollar.

In real terms, farm incomes have been more than cut in half. No small wonder farmers have turned to the only source of funds they can find, debt. That is why the debt load increased four times from 1971 to 1981. If we had more up to date statistics, I am sure they would show that the debt load would have increased almost that much again between 1981 and the current year.

The effects on the farming community are fairly clearcut. I simply refer to some of the problems that the extra debt and the increase in interest rates have brought about. I refer to a recent brief sent to most Members of this House by the Canadian Federation of Agriculture. They say that in 1971, 17.9 per cent of Farm Credit Corporation repayments due were in arrears. It will be recalled that 1971 ranks as one of the poorest years for Canadian farmers, almost ranking with the 1931-32 period.

What do we find in 1983? The repayments due to Farm Credit Corporation were 17.5 per cent, almost the same. There is a striking parallel between the poorest year in living memory and our recent experience.

There were a couple of interesting differences between 1971 and 1981 that the Canadian Federation of Agriculture was quick to point out. These should be on the record to show that to some extent the current crop of farmers are worse off than those who suffered through the 1971 period. The percentage of interest costs on returns to capital in self-employed and unpaid family labour in 1971 was 18 per cent. In 1982 that percentage had doubled to 36 per cent. Another way of expressing it is that a 3 per cent on total farmers' equity in 1971 represented 52 per cent of his net income. In other words, for half of his income he was living on his investment equity.

• (1530)

In 1982, the return on the farmer's investment equity represented 91 per cent of his net income. This means that that poor man earned very little after paying for labour, management and so on. He is simply living off of the equity he has in his farm.

Another way to put it is that of total farm capital, the interest bill in 1971 would have eaten up 82 per cent of the returns to capital in self-employed and unpaid family labour. What really hurts is that by 1982, that figure rose to 140 per cent of the farmer's income. That amount went to paid and unpaid family labour. It is small wonder that farmers are going broke. Operations are costing them 50 cents for every dollar of net income they once earned.

A heavy burden has been placed on Canadian farmers. This burden shows up when looking at the bankruptcy statistics. Raw data is available, but if we call the 1979 bankruptcy index 100—and there were many bankruptcies in 1979—in 1984, the same index would be 620. In a mere five years, farm bankruptcies have increased by 6.2 times.

We can dig those numbers out of the statistics but statistics are slow to respond to current affairs. Statistics are always two or three years behind the times as you know, Mr. Speaker. By looking at the statistics we can see the problems that have developed. But we do not need those statistics to illustrate what we see when we go to the farming communities. We only need look around the farming communities to see that farmers are in trouble, particularly the younger farmers who have started up in the last 10 or 12 years and those farmers who have expanded in an attempt to include the next generation.

This effect can be seen even in western Canada where the agricultural recession did not hit as hard. When land was for sale in the past, it was taken off the listings within a week or two. However, most of the small newspapers in my riding have advertised lands for sale throughout the winter. Apparently, those lands will still be for sale in the spring. People are not

interested in buying land from farmers who want to unload their farms. People who are facing debts greater than they think they can manage are attempting to sell out but cannot find buyers.

What has the Minister's response been to that need? The interest rates have risen. When I and other members of my caucus tour the farming communities, we meet far more farmers who are complaining of credit problems than we did in previous years. We hear from fertilizer and fuel dealers who, last year, extended credit to farmers and have not yet collected the money owed them. Those dealers must make a decision, as must the farmers, about going on for another year.

We sometimes hear of fairly large farm operators who are no longer dealing for their fuel and fertilizer needs with their local community dealers because their credit is no longer good. They are shopping further afield with the hope that the size of their business needs will attract a supplier from communities 30, 40 or 50 miles away. In that way they can receive credit for one more year, with the hope that the prices of grain or livestock will rise so they will be able to pay their debts.

A crisis is occurring and government Members have not addressed that particular set of problems. Increasing the interest rate does not meet the needs of farmers. The whole attitude to the Farm Credit Corporation seems to have changed over the last decade. The Farm Credit Corporation was once the means of providing long-term credit to agriculture so that land could change hands from one generation to another. At the urging of the Minister responsible, the FCC has deliberately pulled itself back from that long-term market to make room for the banks. That was stated policy during the debate on the Bank Act. What the Government had in mind was even urged by the Official Opposition.

The only role that seems to be left open to the FCC is that of a financer of last resort. When all else fails, when private banking institutions will not provide any more funds to a farmer, he goes to the Farm Credit Corporation to try to consolidate his debts and get a longer term on his loan with a fixed rate of interest. The Minister, by increasing the interest rates of the FCC, has effectively taken away that option. The only option left for a great many of these farmers now is nothing short of going bankrupt or, in many cases, attempting unsuccessfully to sell their assets and try to find some other form of livelihood.

We know that the basic problem is one of farm income. We know that there has been no general recognition of longer-term programs that would keep farmers from getting into this mess. We know that there has been very little attention paid to improving the market so that farmers can recover a larger proportion of their costs from the marketplace. We know that there are no stabilization programs to respond quickly when incomes drop. We know that these things must be addressed in the House. However, we know that the solutions to those problems are medium and long-term solutions and, as John Maynard Keynes was fond of saying in the 1930s, in the long run, we are all dead. That, Mr. Speaker, will happen to several thousand operators in the country because of the inability of this Government and the previous Government to create a long-term and a medium-term policy.

We are left with only one source of hope for these people, and that is an immediate short-term policy to provide adequate amounts of farm credit, guaranteed prices and interest rates that are low enough to allow a farmer to get out of the mess in which he has found himself. However, this will not happen as long as the current attitude persists.

We in the NDP have presented an outline for an agri-bond program. We proposed that that would be a way of maintaining an increasing amount of money within the agricultural sector. We think that agriculture is still a growth sector which can provide a great deal of spin-off growth to the rest of the economy. We are concerned about the fact that the official agriculture spokesman for the Conservative Party, the Hon. Member for Portage-Marquette (Mr. Mayer), has been quite vocal in the press and has said that he does not think the agri-bond system will work. He has been quoted as saying that it may do more harm than good, particularly given the impact of such a program on land values. I regret that that is the attitude which has been taken. I hope that is not the reason the committee on agri-bonds has been delayed. I hope, Mr. Speaker, that this House—

• (1540)

The Acting Speaker (Mr. Guilbault): Order, please. The Chair regrets to interrupt the hon. gentleman, but his speaking time is up. At this time in our proceeding a 10-minute period is allowed for questions or comments on the subject of the Hon. Member's remarks. The Hon. Member for Portage-Marquette (Mr. Mayer).

Mr. Mayer: Mr. Speaker, I would like to make a comment on the last statement made by the Member who just concluded speaking. He has been in politics, and has been around for a while. I am sure he does not believe everything he reads in the press. I think I am familiar with the quotes he is using. I am quoted entirely out of context and the meaning is totally wrong. This Party is on record as supporting agri-bonds and its concept for over 10 years. In fact, one of the first people to raise the issue in the House was the Hon. Member for Wetaskiwin (Mr. Schellenberger). I read some of the comments he made in the House before I had a chance to meet him and sit with him in the House.

Our position as a Party on agri-bonds is exactly as it is on the record in the House and elsewhere. We have also said that there are some concerns with the agri-bonds; when we do provide some long-term stable interest rates to farmers, we do not want that advantage to simply be recapitalized back into the value of the land. We recognize that there are some concerns.

The Government has the power to put agri-bonds into operation as a result of a Bill that was passed in the House well over a year ago. If agri-bonds were allowed, they would be of great assistance to Canadian agriculture at a time when it is sorely in need of some assistance and direction. Sadly, there

has not been a lot of direction from the Government, Mr. Speaker. I hope that allays the concerns of the Member for Humboldt-Lake Centre (Mr. Althouse). This Party, and specifically myself, are totally in support of the concept of agri-bonds.

Mr. Althouse: Mr. Speaker, I am pleased that the Member has attempted to clarify his position. I simply point out that the report occurred on February 2, 1984 in *The Manitoba Co-Operator*. On March 13 there was the same kind of quotation in *Town and Country* magazine. In neither of those magazines did I see a letter pointing out the error of the report. I am glad the Member has attempted to clarify the position. I hope that those newspapers will report it accordingly.

Mr. Mayer: Mr. Speaker, I hope that by my comments I have done more than attempt to clarify it. I think the article he referred to was written by Mr. Richard Gibbons. I have never met Mr. Gibbons or given him an interview on this matter. To my knowledge we have never had any discussion on agri-bonds or on any other similar concept. I do not know where he gets his information.

The Acting Speaker (Mr. Guilbault): For debate, the Hon. Minister of Agriculture (Mr. Whelan).

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I would like to make one comment about *The Manitoba Co-Operator*. I am written about at length at times in that magazine. I do not think I have ever been contacted by the reporter either. Some of the things he says are very inaccurate. Sometimes we do write letters to *The Manitoba Co-Operator* correcting them. I find it difficult to be criticised by a paper that maintains it is a supporter of farmers when some of the criticism is so unfair.

I would like to make it very clear that we all realize that we cannot finance people out of economic problems. There seems to be an idea that you can finance them out of their difficulty by lending them more money. In many instances the reason they are in difficulty is because of the way money was lent to them in the first place by other lending institutions. The Hon. Member for Humboldt-Lake Centre (Mr. Althouse) neglected to point out that if you check the financial statements of some of the farmers who are in arrears you will find they have been in economic trouble for as many as seven or eight years. Some of them have not been able to make payments on their loans for four years. Then these operations are put up for sale.

What can we do with farms in that position? Let us look at what we did last year. The Farm Credit Corporation loaned $750 million to people in Canada. Around 60 per cent of that went to the banks to refinance these people. Before last year I believe 18 per cent was the most that went to other lending institutions. We gave the banks approximately $500 million that they could have lent back to the agricultural community, but they did not.

Let us remember that the farmers have some say about what they get for their products. The poultry farmers produce broilers, eggs and turkeys. The dairy farmers produce industrial dairy products and fluid milk. The farmers in some provinces contract their crops for food processing. In the Province of Ontario there have been marketing boards for those commodities for 40 years. The day they sign the contract they know what they are going to receive for about 30 different commodities if they deliver a high quality product. In that agreement you get crop insurance and other things which are taken out of the contract. They do not have to advance any money at that time for those things. We must consider what these people do to help themselves.

I am going to try to be as quick as I can, Mr. Speaker. I am delighted to respond to the Member for Humboldt-Lake Centre. This gives me a chance to review the actions the Government has taken to help farmers and the Canadian agri-food industry in short term as well as in building a solid foundation for the future. I would like to make it clear to the Members that there are a lot of farmers in financial difficulty. I understand that. The figures show this. However, percentage-wise they are in less difficulty than small and big business in Canada. That means that in total they are probably a little bit better off.

Last year net farm income dropped by 2 percentage points after suffering a 9 per cent drop in 1982. This year we are hoping for an increase in net farm income of 5 per cent or 6 per cent. Even with that improvement we will continue to have about 5 per cent of Canadian farmers in serious financial difficulty and another 5 per cent to 10 per cent in some degree of difficulty. Some of the farmers will not make it. No Minister of Agriculture and no politician can guarantee that every farmer will stay in business. We cannot do that for any business person in Canada.

However, what I and the Government can and have done is to provide farmers with safety nets to cushion the falls in production and market prices and to help cope with the most severe aspects of the cost-price squeeze through emergency financial assistance programs. We have also provided ladders to help farmers improve their incomes through research and development programs, market assistance and so on. In total my Department will spend more than $1.2 billion this year.

I have a breakdown by province of my Department's expenditures. I ask the permission of the House to table these with my comments as I will not go over them at this time. These figures do not include the spending in the national capital area which benefits the agri-food industry across the great country of Canada.

As I said, the spending of my Department will amount to about $1.2 billion this year. Other federal departments also contribute to strengthening Canadian agriculture. Transport Canada spends about $700 million. When you add this all up, the federal Government is spending about $2.1 billion a year on agriculture. In addition, in the last fiscal year the provinces spent about $1.2 billion on agriculture. That is a grand total of about $3.3 billion between the two levels of government. That does not include the lending of money by the Farm Credit

Corporation which amounted to $750 million last year and will rise to as much as $825 million this year.

In short, Mr. Speaker, we are talking about a very substantial contribution to Canadian agriculture. For the Member for Humboldt-Lake Centre to suggest we have abandoned the farmers is absurd. Let us look at some of the special programs we have initiated to help hard-pressed farmers in recent years.

In the June 1982 Budget we provided $200 million for the Farm Credit Corporation to administer a special lending program at rates 4 per cent below the prevailing rate.

I see some people from the CFA sitting in the gallery.

• (1550)

It is interesting how rapidly the requests change from $200 million to $1 billion, this type of thing. The requests are not very consistent in what they ask for, either. However, we did provide what we said we would. We provided $200 million extra.

The April, 1983 Budget provided a further $100 million in funds for that same special program, providing a special lending program of rates four point below the prevailing rate. Previous to this, Mr. Speaker, in 1981, the Budget provided for $45 million for debt refinancing by farmers with an interest rate of 5 percentage points for the first two years of the loan.

A lot of farmers use the small business bond with the special interest rate, which was approximately half of the current rate of interest at that time, providing low interest loans to qualifying farmers. I know a lot of people are aware of what that amounted to and what it did.

The Farm Credit Corporation in April 1982-1983 provided $145 million, I repeat, from its regular funds at a special reduced rate of interest. I am sure Hon. Members know that even though a lot of people received that reduced interest rate, it all depended on what production entity they were in. If they were producing for this open and free market system, which so many people talk about, hogs and beef or potatoes, and refused to get into any other crop and some kind of a marketing system where they have some say in the market, but depended on everyone else to look after them, they were the ones in the most financial difficulty.

The other farmers I mentioned, Mr. Speaker, who had some say in the marketplace, they are not the ones going broke. They are not the ones who are applying for the big loans either, because they can go to the banks and other lending institutions and get loans right away. Even if they only have a low equity in their operation, they know in time they can pay that off, whereas if you go with high equity into one of these other production entities like potatoes, red meat, pork or beef, there are statistics which show it disappears, because the sick marketplace is not giving you a return. The market is not being fair with you at all.

Further to the accusation that we have not done anything, the most recent Budget in February contained several items of benefit to the farming community, including the generous treatment of capital gains for retiring farmers. That is why we have again done some checking on farms which are advertised for sale, because these farmers will be able to have $250,000 tax free, if they are selling. A lot of them are waiting for that change in the legislation.

Further to the accusation that the Government has abandoned farmers, let us look at some of the regular programs of my Department, and some of our new initiatives. I mentioned that my Department is now spending just over $1.2 billion a year. I will give you a breakdown by major activity. Our research department is spending $237 million in the current fiscal year. You read so much lately about how we are cutting back on research. That is up by $35 million from the previous year. I would say it is significantly up. Our research program represents well over half of the agri-food research done in Canada. The private sector should be doing much more than it is. But some people in the private sector and in the other Parties, especially the Conservative Party, keep saying we should spend more public funds on research. I agree, but I hope they are saying the same thing to the food processing industry, the grocery products manufacturers, and so on, who do not even spend .1 per cent of their gross national product on research.

I should mention that our capital improvement program for the research branch over the coming ten years is close to $500 million. There is a false impression that we have reduced our spending on research. I hope these figures have cleared that up.

Our regional development program, which includes things like record of performance testing, as well as the sub-agreements and development programs we have in provinces and regions, amounts to about $55 million per year.

We have changed the Farm Credit Corporation to make it more realistic. For instance, the Chairman of the Farm Credit Corporation was a grain and beef farmer in Saskatchewan before he came here. Réal Lambert from Quebec is a dairy farmer. Claude Palmer from Prince Edward Island is a potato farmer. Irene Perlich from Alberta has a cow-calf operation and an auction mart. She knows agriculture. From Ontario we have a former bank manager of the Imperial Bank of Commerce. Doctor Trant is from the Stabilization Board and Paul Babey is from Alberta. So you can see, Mr. Speaker, that the Farm Credit Corporation represents people from all over Canada. It can be identified as truly an organization which understands Canadian farmers. These people will have a much better understanding of what is going on.

We are spending $215 million this year on regulation and inspection. This service is to help maintain quality and hence the premium attached to Canadian agri-food products.

Let us look at some of the safety nets provided by my Department's Farm Income Services Branch. We have been spending an average of about $350 million a year on stabilization payments for named and designated commodities in recent years. I was pleased to announce, as I am sure all Hon. Members are aware, the agreement we have reached in tri-party legislation for a new red meat stabilization plan. This should not only provide an improved level of support for

participating farmers but also help to reduce the disparities which exist between provinces. We offered them an even better program in 1977 and they turned it down. Even farm organizations turned it down, saying it would be too rich and would cause all kinds of problems. Some of them have short memories.

With respect to the Western Grain Stabilization Plan, like the red meat program, the Speech from the Throne mentioned that the Western Grain Stabilization Plan would be improved, and I hope we will be able to make an announcement in that regard in the very near future. Coming up with a new formula has not been an easy task because, despite the individual problems that many western farmers are experiencing, their overall grain receipts last year, $6.15 billion, was second only to the record set in 1981 of $6.2 billion. Commodity prices were lower and costs were higher, but the sheer volume of sales, 36.7 million metric tonnes of grain kept the overall net income figure above the trigger level. So there was no payment.

A few other figures help to put the western grain stabilization issue into perspective. Since the program began in 1976, farmers have contributed just under $350 million to it. The federal Government contributed nearly $700 million and it has paid $204 million in interest on the funds. Last year alone the Government paid about $130 million into the fund. The total producer and government payments into the fund amount ot $1.25 billion, and when you subtract the pay-outs of $368 million, you are left with the current fund balance of $885 million. That is where it stood at the end of 1983. We are talking about a lot of money, Mr. Speaker.

With respect to crop insurance, let us not forget that the federal Government is contributing around $150 million a year towards this excellent co-operative program. We pay 50 per cent of the premiums, the producers pay the other 50 per cent, and the provinces administer the program, and if it is any good they try to take 95 per cent of the credit for it. Saskatchewan thought it was so good that it appointed a minister just to be in charge of crop insurance, looking after the producers' money and the money which the federal Government contributes to that plan, amounting to about $56 million a year. For instance, when you add up the interest free advance payments, and all of these other things, it amounts to nearly $900 million for the three prairie provinces.

Taking Saskatchewan alone, with interest free advance payments, both under the Wheat Board and the other program we have, and the money put into the Farm Credit Corporation, the actual expenditure on agriculture in Saskatchewan is nearly $500 million in one year. The Province of Saskatchewan, knowing full well its main industry is agriculture, spends about $86 million on agriculture. Last year our actual expenditure was some $130 million. That is one of the greatest provinces for agriculture production. But, again, the province shows that it does not think agriculture is so important, and I can show you in other provinces, Mr. Speaker, that things are the same.

• (1600)

We also guarantee farm improvement loans; more than $200 million a year under the program so that farmers can buy equipment. But, $500 million interest free, that is nothing; that is what the Members say. Well, those are programs we put into effect for all crops, not just those under the Canadian Wheat Board.

The Crowsnest Pass freight rates have been talked about, Mr. Speaker. They have an effect on farm income, especially prairie farm income, as everyone knows. Everyone talks about the rise in the cost of shipping grain, but few people mention that under the Western Grain Stabilization Act there have been reductions of about 75 per cent in the cost of shipping canola oil and meal, linseed oil and meal, sunflower seeds and oil, mustard see, triticale, dehydrated alfalfa and special crops. The rate has gone from a high of over $42 a ton to the current low of $7 or $8 per ton to ship that product to ports of export. But you never hear about that; all you hear about is the increase in costs. The Leader of the Opposition (Mr. Mulroney) spoke today about this tremendous increase in costs. Well, the farmers producing those products will save about $34 a ton if it is passed on to them by the trade.

Another thing that I do not hear the Government getting much credit for is providing credit needed to sell grain on today's world market. You would think the Government was not even involved in that. The Hon. Member for Elgin (Mr. Wise), who was the Minister of Agriculture in a previous Government, knows. He had to sit and listen to how the Government had to guarantee the sales. That amounts to billions of dollars, and some of those sales are pretty risky. But if the Government did not do that those sales would not be made.

The Hon. Member for Humboldt-Lake Centre (Mr. Althouse) seems to think that we are oblivious to what is going on around us and in other countries. We cannot do that and we know it. They were attacking the Farm Credit Corporation interest rates. Well, they must not forget that no other lending institution is giving the same long-term rates, regardless of what the Members say. We have done a study on this and I challenge the Hon. Member to find the kind of long-term interest rates we provide in any other lending institution.

We know farmers are backing off from buying. We are still working very hard on the agri-bond sector and some of the other things which are so important. But I repeat: You cannot finance all the farmers out of the economic problems they are in.

The Acting Speaker (Mr. Guilbault): A ten-minute question period is now provided.

Mr. Wise: Mr. Speaker, I had a very busy schedule this afternoon and a number of important meetings. I cancelled the meetings so I would have a chance to be here to listen to the Minister of Agriculture (Mr. Whelan) respond to the motion before us today. In view of the very serious economic conditions many Canadian farmers are facing, I was certain that he

would utilize this opportunity to make some policy announcements and provide encouragement, to the effect that some additional dollars had been found to help those farmers who are locked into loans with interest rates in the neighbourhood of 16.75 per cent, and indeed those who qualify for the 4 per cent interest rate program.

The Minister has been telling us and the industry over the last six or eight months that he was about to announce some special program. We have seen some press reports recently that the Minister of Finance (Mr. Lalonde) has provided the Minister with the authority, I believe it was under Bill C-88, to borrow an additional $75 million. I believe there is a special fund in the neighbourhood of $275 million this year as compared to $200 million last year.

Let me simply ask the Minister if any portion of that money that the FCC will borrow from the private sector will be set aside to assist the people who are locked in at the 16.75 per cent interest rate level, and those who have qualified for the 4 per cent rebate? The special farm assistance program is now expiring on many of those loans and they are having to revert to the 16.75 per cent.

Mr. Whelan: Mr. Speaker, I am sure the Hon. Member knows that these loans vary from 15 per cent to 16.75 per cent. We are working on a program, and I wish I was able to announce it today because we want to do even better than the announcement I made the other day concerning 14 per cent for five years as we can borrow money on the long term market at a better interest rate for five years then we can for 10 or 20. We do not know what is going to happen in the private money market, but we are also working on programs which will amortize loans to farmers.

I am sure the Hon. Member is aware that in some instances farmers have been unable to make a payment even with the reduced interest rate. If we gave some of them the money free they would not even make a good living for themselves. Some farmers are suggesting that we take over the farm. That is not much different than giving them the money free. They say, put them under an operational management plan. Then, in three to five years, if they were in a financially sound condition, they would be given an opportunity to buy the farm back from us. I am getting a lot of letters from farmers in Manitoba suggesting this very thing. They cannot make their payments, they are three or four years in arrears, and please do something to let them continue on with their family farms.

I do not know what we are going to come up with, Mr. Speaker. As I said yesterday in the House, the opposition Members concern is great, but it is no greater than mine regarding what we can do to save these people and keep them in production, because they are generally good producers. Some of them have been farming all their lives. Some are new farmers. There is every kind of farmer you can think of, every age bracket, and a lot of them are young people who have maybe over-capitalized or over-spent.

Some of the farmers say to me, when I make a speech about how we might assist them, and I am sure the other Members hear this, do not help them because they got in that trouble themselves. In some instances this may be true, but we will need all these food producers for the future because the biggest challenge we face is food production.

Mr. Mazankowski: Mr. Speaker, for some reason or other I sense the Minister has lost his resolve to go to bat for the farmers who are in serious difficulty. It is a crisis situation. Look at the record since his Government was returned to office. In 1979 there were some 125 farm bankruptcies recorded; in 1983 it was roughly 500. Those are the official statistics and they do not tell the whole story. In the first two months of this year farm bankruptcies were up 110 per cent in western Canada. The Minister seems to lay the blame on the managerial abilities of producers. The fact is that in most cases these producers are in trouble because of things beyond their control—high interest rates, high input costs; fuel prices have doubled under this Government's National Energy Program since 1980. All of these things put together have increased input costs by roughly 35 percent, while commodity prices are roughly at the 1972 and 1973 level.

The Minister can certainly offer more relief than simply the kind of flim-flam he gave us here today. I know that he said during the last election campaign that he did not believe that the producers of food should have an onerous tax regime on fuels used for farm production. Is he still of the same opinion? What will he do about facilitating and moving forward our motion, which has now been referred to the Standing Committee on Finance, Trade and Economic Affairs, to do away with the 9 per cent federal sales tax on fuel used for the production of food?

● (1610)

Mr. Whelan: First, I want to say that the province the Hon. Member comes from, which is a very rich province, I believe has five loan programs for farmers. A lot of them find themselves in real great financial difficulty.

Mr. Mazankowski: Do not talk about Alberta. You have a national responsibility. Do not weasel out of it.

Mr. Whelan: It is a giant responsibility and that is why his province has been involved in these lending programs. They have made loans to a lot of people to whom, they now admit, they should not have loaned money at preferred interest rates. Those loan programs are still in effect in Alberta. Some of them are coming to us now asking the Farm Credit Corporation to take over their loans, loans from the Alberta Treasury Bank, for example. That great free enterprise province has a bank which it owns itself. I must say that it did provide some services to the farmers.

When the Member talks about the energy program, it would even be worse than it is if we did everything that the Province of Alberta wanted. It wanted world prices for oil and wanted us to pay even higher prices for the energy.

Mr. Mazankowski: You charge world prices.

Mr. Whelan: I tried to get away from the fact that it had nothing to do with energy prices. It has a lot to do with energy prices.

I agree with the Hon. Member on one point. There should not be any fuel tax on any food production entity.

Mr. Mazankowski: What are you going to do about it?

Mr. Whelan: There should not be any fuel tax on any food production entity in Canada. I still say that, and still fight for that belief. But let us not be so unfair as to say that the total increase in energy cost is our fault, because the provinces that have the energy are the ones that created the main increase in the price for farmers in Canada as far as that goes. They were demanding what the OPEC countries had said was a realistic price, that they should have the same thing.

Mr. Bloomfield: Mr. Speaker, with regard to the stabilization plan and the red meat industry, I understand that four provinces are on side with that program. Could the Minister tell us when they hope to have the program in place, and how hopeful he is of the other provinces coming on side?

The Acting Speaker (Mr. Guilbault): The Hon. Minister has approximately one minute in which to answer.

Mr. Whelan: Mr. Speaker, I will be as brief as I can. We proposed a plan in 1977. They said they did not want that plan and told me almost two years ago that if I did not come forward with a plan they would come forward with one. They did not come forward with a plan last July. We worked with them to try to develop a plan. I do not know how many will accept the plan that we now have, but we are going ahead with the legislation. We will be presenting it to the provincial ministers, hopefully for signature, at their meeting in July.

They said that there were four provinces on side, which amounted to some 90 per cent of the red meat production in Canada. Now we find that maybe those four are not in full agreement. However, the producers across the land are in much greater agreement than are the provincial ministers or provincial governments are.

The Acting Speaker (Mr. Guilbault): Resuming debate.

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, it is a pleasure to enter into the debate on the motion which was put forward by the Hon. Member for Humboldt-Lake Centre (Mr. Althouse). When I read the motion, I suspected that the Member had found on his desk a copy of the ten-point agricultural program we proposed over a year ago and decided to put a few of our points into his motion. He has finally come on side respect to our agri-bond concept. It is good to see that the New Democratic Party is finally supporting that position.

The Hon. Member says that he is concerned about agriculture. We wish he had had the same concern when we were debating the Crow legislation, that Bill of great importance to western Canada. I will talk about that issue since it has increased the cost to western Farmers this year.

Before discussing that issue, I want to deal with some of the points raised by the Minister of Agriculture (Mr. Whelan) a few moments ago. The most important fact about farmers, who are in a high risk business, is that they are price takers, not price setters. They require positive indicators that show the markets will be there for them, that prices will be reasonable and their input costs will not be there for them, that prices will be reasonable and their input costs will not go out of line. The indication they have received form the Government during the last year and a half is that it has given up on them. The Minister of Agriculture is incapable of getting the concurrence from the national Cabinet that will allow him to assist the farmers in distress areas across the country.

The Minister is quick to point out that farmers who are involved in supply management are not in as great distress. He is correct. The reason they are not in as much distress is that they are producing for an internal market that is controlled and, therefore, allows them to set the price. However, I remember when the Minister recently chastised the American farmers for limiting control of production on grain. Is he now suggesting to grain farmers today that they limit the production of grain in this country? Is that a solution to the desperate plight that many of those farmers find themselves in? Since the Minister recently said that this was unChristian, I wonder whether he is talking out of both sides of his mouth on this question.

The Minister talks about the Agricultural Stabilization Act. The Government must pay out $350 million under the Agricultural Stabilization Act because farm prices for those farm products are less than the five-year average. That is a horrendous fact and something about which I would not want to brag.

I happen to have the statistics that were provided by the Canadian Federation of Agriculture. It shows that farmers are receiving the same realized net income this year as they were in 1971. I remember 1971 very well, because that was the year we were selling barley in western Canada at three bushels for $1. It was the most depressed time in agricultural history since the 1930s. Farmers are experiencing the same depression today, because the realized net income this year is the same as it was in 1971.

Input costs have gone through the roof. Interest rates, as the motion points out, are a huge cost to farmers, plus the fact that the prices that farmers receive for their livestock, grains and other commodities they produce are not sufficient to meet the increased costs of production. Farmers simply cannot tolerate another period of high interest rates. Presently, the average farm carries a substantially greater proportion of debt than it did 10 or 20 years ago. Today, Canadian farmers are carrying $20 billion worth of debt, so that even an increase of one per cent in interest rates would put them in a distressed position.

When interest rates went up to 22 per cent two years ago, farmers began to live on their equity. At the same time, as land prices dropped and machinery prices went down because no one was buying, their equity decreased. Many farmers are

now incapable of obtaining sufficient capital to put their crops in this year. This brings up another point. There was a time 20 years when most farmers had built up sufficient savings to be able to finance a crop from their bank accounts, in case of disaster. Today, most farmers borrow their money in order to plant their crops. If they lose a crop they are in serious trouble. Sure, we have farm insurance which should assist them, but it is generally not enough to keep them in business to give them the costs that are attached.

● (1620)

Farm Credit has put forward some very interesting statistics. The Minister says, and I think I quote him correctly, that ten per cent of the farmers are in financial difficulty and 5 per cent to 10 per cent are in some degree of difficulty. The statistics of the Farm Credit Corporation have just been put before the Agricultural Committee. They show that there were 86 Farm Credit foreclosures last year.

Then we have the statistics that are more revealing. The Minister says that farmers are doing better than other businesses. Farmers are experiencing less bankruptcies than both small and big businesses. But the difficult part and the reason you cannot relate the two is that many people are in and out of small and large businesses over their lifetimes. Very few businesses are family businesses that have continued for generation after generation.

In the case of agriculture that does not happen. A son generally takes over from a father who has taken over from his father. There is pride in continuing the family farm. When you push out a generation of farmers, you are not just pushing out one individual, you are pushing out a whole family that has built a farm over decades and generations. When we lose 86 people, we lose 86 people generally with a tremendous amount of farm experience.

As far as businesses are concerned, in most cases people are in and out of businesses. I know it is hard to lose a small business. Our family went through that. But it is not the same as if one were to lose the family farm. My grandfather came to this country, cut the trees, and began planting. That is part of my family. And so we hear 86 farmers are out. It does not seem like a lot but that tells a lot. Here is the more interesting statistics. Two hundred and sixty-six farmers who had a Farm Credit loans voluntarily went out of business. They did not wait until the sheriff came and seized their assets. They said with pride that they could not make it anymore. As the Hon. Member for Vegreville (Mr. Mazankowski) said, it was not because of their management, but because of outside forces, such as high costs of fuel, interest rates, fertilizer et cetera, together with low commodity prices. This is what put them out of business. With pride, they said, "We will shut down and get out before we lose everything". They did it voluntarily.

But here is another statistic that concerns me. As of January 1, 1984, 14,265 Farm Credit accounts were in arrears. That means farmers are having difficulty paying their bills this year. The Minister and that Government cannot get their act together to get the Western Grain Stabilization Bill passed. They cannot get their act together to get the advanced payments legislation passed through this House. We have said we would pass both Bills quickly. They have not been able to move on Farm Credit interest rates. I remember when we went to camp we had a song we called, "announcements, announcements". This activity happened at the beginning of each day. The Minister keeps telling farmers—we get the press releases, they come shuffling through our office—that he is going to announce, as he just said, some great thing for interest rates for farmers. The Minister is going to announce something on stabilization for red meats, that the Government will soon have a Bill on western grain stabilization to assist farmers. While the Minister is saying he is going to do something for farmers, every day another one bites the dust. That announcement will not do the Minister the good of a hill of beans. It will not do him any good at all.

What farmers are looking for is an indicator that this Minister will act quickly, because they are putting crops in the ground this spring. They are having to buy new cattle for their feed lots. They are having to keep their livelihood together and they are not getting the indicators that are essential to deciding whether to continue in production and continue to fight to hang on until something happens with commodity prices. Those are serious statistics.

If you say that Farm Credit lends approximately just under half the money in Canada to farmers, it means you have to double that to get the exact figures. If you look at the number of losses the Farm Credit Corporation has had, probably the statistics show there are less arrears and less bankruptcies than the banks experience. In actuality things are probably worse than that. A serious situation exists.

What happened yesterday? What indicator did we have to the farmers that this Government was concerned about one of their chief costs, namely interest rates? We had a press release that said interest rates were going up 1 per cent; not that interest rates were going to remain stable, not an announcement that would indicate the Government is concerned about farmers.

What about this new red meat proposal the Minister has just waved in front of us? We do not even know what it is. Do we hear that the Government is ready to act on it? No, Mr. Speaker, The indicator we have is that interest rates are going up 1 per cent. What does that say to a farm community?

The Hon. Member for Bruce Grey (Mr. Gurbin) brought forward a motion which was passed in this House. It passed in this House because all Members are concerned about this problem. The Hon. Member for Vegreville brought forward a motion on farm fuels. It was passed in this House during Private Members' Hour. This was a private members motion that said that all Members in this House are concerned about farmers. Members want these motions to go to the finance committee to be dealt with because there might be something here to assist farmers. But what does the Liberal majority in the finance committee do? They said "We can't deal with this. We must have a study. We have to hire a person in the Library

of Parliament to do a study. We hope we will have it ready some time in May".

Mr. Mazankowski: Shame.

Mr. Schellenberger: After most farmers have put their crops in the ground, the Government might find some time to study this proposal that has been put forward. Not that the Government would act on it immediately because there is a serious problem in this country, or that we should sit day and night until we come up with a solution. No, that does not happen, Mr. Speaker. We hear that the Government does not have the time and it needs a further study.

It frustrates me as a Member representing farmers who I see selling their land, putting their land up for sale, or going bankrupt every day. Farmers are asking me what they ought to do. Other Members have put the horrendous statistics on the record about what is happening. Bankruptcies were up 300 per cent in Alberta between January and February this year over last year. There were 480 bankruptcies across Canada in 1983.

I want to talk a little bit about the motion put forward by the Hon. Member for Humbolt-Lake Centre which says that farmers are in difficulty. I want to talk about what his Party suggested we do when the Crow Bill was put forward. Western farmers have serious difficulties because of interest rates, because of the costs of fertilizer sprays, seed, machinery and so forth. What is added to that this year is an increased freight bill because of the Crow legislation. The Hon. Member who put forward this motion today had a lot to say about the Crow. He is the deputy critic for transport in the New Democratic Party and he only managed to attend 68 per cent of the meetings. The Hon. Member for Regina West (Mr. Benjamin), who was the critic, managed to attend 61 of the 66 meetings. What about Members on this side? The Hon. Member for Vegreville who was heading our committee never missed one meeting. He attended all the meetings.

Mr. Althouse: What about Winnipeg?

Mr. Mazankowski: Check the record.

Mr. Schellenberger: Members from each of the provinces who represented our Party, the main representatives from Manitoba, Saskatchewan, and Alberta all attended 63 out of 66 meetings. That showed their concern for the western farmer. We changed that Bill substantially even though it was put forward in a manner not acceptable to this Party.

• (1630)

The more serious situation was that the Hon. Member put forward a motion which would amend the safety net. He was very concerned about farm costs. His motion was rather lengthy and concerned the shippers' share limitation. It was similar to the original motion moved by the Minister of Transport, with which I will deal in a minute. However, it had one basic difference, that it would put the price ratio limit per calendar year at 3 per cent.

If that motion had been passed, farmers this year would have been paying more for transportation than they are under the Government's Bill. It exposed producers to a substantial increase in freight rates. Under the NDP plan, their rates could have risen to $6 per tonne before the safety net limit was reached.

The safety net in the Crow legislation is all that farmers have as protection that their freight rates will not rise above what they can afford in transportation costs. If the six-grain limit of the Government which is now in effect remains without change, it could very well prohibit the shipping of barley, oats and rye by 1990 from western Canada to ports because it would cost more than the cost of production. The Hon. Member for Humboldt-Lake Centre never addressed that. He just addressed the levels. If he was as concerned about farmers in Saskatchewan as I am about the ones in Alberta, he would know that the six-grain level has to be addressed because it is unfair to coarse grain producers. If costs continue as they are and world prices do not escalate, they will be unable to ship their grains.

The Minister responsible for the Canadian Wheat Board made a wonderful announcement for farmers! He said that farmers in western Canada had to expect a lower initial price from the Wheat Board this year for their production. That is another indicator of which the Government is proud.

An Hon. Member: You are kidding.

Mr. Schellenberger: No, that was the announcement. Just as farmers were prepared to put seed in the ground, the Government came forward in an attempt to prepare them for the problem and said that their initial prices this year will be less than they were last year. These are the indicators which the Government puts forward to farmers across the nation. They are unacceptable. They will not deal with the distressing situation faced by farmers today. The Government should burn the midnight oil. The Minister should have a distressed look on his face because of the difficulties faced by farmers today and he is the Minister responsible in a national sense for that.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Guilbault): Are there any questions or comments relating to the Hon. Member's remarks? The Hon. Member for Humboldt-Lake Centre (Mr. Althouse).

Mr. Althouse: Mr. Speaker, I think the record should be corrected. The latter part of the speech of the Hon. Member for Wetaskiwin (Mr. Schellenberger) did not deal specifically with farm credit, but the Hon. Member became a little carried away with some of his interpretations of what had gone on in the Crow debate. Since it was allowed in the earlier part of his speech, Mr. Speaker, I hope you will permit me to make a short response.

The Hon. Member continues to misinterpret a very clear motion which we put forward concerning the rates that farm-

ers would pay under the Crow Bill. Our proposal was that the Crow rate was and should continue to be an average of $4.89 per tonne and that the safety net clause, which was extremely clear and which everyone understood except the Hon. Member for Wetaskiwin and two or three of his confreres, included the provision that the percentage of freight to the price of grain could never go beyond a certain percentage.

Mr. Mazankowski: What percentage?

Mr. Althouse: I think at the moment it was 6 per cent. That would have provided protection when grain prices dropped. As grain prices dropped, that safety net would have had the effect, had the Hon. Member done the mathematics and understood the motion, of pulling the actual freight rate down from $1.89 on average per tonne instead of providing the tremendous increase which he interpreted. People outside the committee and people in the press understood it. Only a few Hon. Members in the House pretended not to be able to understand it.

Mr. Schellenberger: Mr. Speaker, the Hon. Member puts forward a pretty weak defence of his plan. If he had followed the leadership of my Party, he would have put forward a much simpler plan to freeze rates at the Crow level for farmers until the review process.

We have made the calculations very carefully. If his amendment had been in place, this year the safety net would not have been triggered until the $6 per tonne level had been reached. That is a little better than the Government's proposal which was $8 per tonne, but it certainly was not as good as ours. If our suggestion to freeze rate increases had been accepted, farmers would have been in tremendous shape this year and would not be facing increased freight costs when they cannot afford them.

Mr. Mazankowski: Mr. Speaker, I think the Hon. Member for Humboldt-Lake Centre (Mr. Althouse) helped to make the point which the Hon. Member for Wetaskiwin (Mr. Schellenberger) was making. The fact of the matter is that freight rate costs were equal to 2.5 per cent of the weighted average of grains sold. He said that they were asking for a safety net of 6 per cent, so it is very obvious that those who claimed to stand in defence of the Crow really, by the presentation of their amendment, contributed to the dismantlement of the Crow.

I would like to ask my colleague a question. I know that he and his family are engaged in a farming operation.

Mr. Althouse: You cannot read, Don.

Mr. Mazankowski: I can certainly understand your line of logic.

Mr. Althouse: It was a frozen rate.

Mr. Mazankowski: Mr. Speaker, he is stumbling over his own words. I cannot help it.

As I was saying, my colleague is engaged in a family farm operation. Could he explain to the House, on the basis of his experience in his own operation, the impact of high interest rates, high input costs and low commodity prices, over which he as an individual manager—I hapen to know that he is a good manager because he keeps an accurate set of books—has no control?

Mr. Schellenberger: Mr. Speaker, I hate to put this on the record. After farming for years, this year, as a result of interest rate costs, input costs and two years of relative drought in my area, we will have to cut the number of acres we seed in half just for the farming operation to stay alive. We have done everything according to the best research available. Even with two managing my family farm, we are incapable of continuing to farm the number of acres we have farmed in the past.

This is not unusual in our area. Almost all farmers in my region, given the situation and the climate in which they have been farming, are incapable of finding sufficient cash to put their crop in the ground this year. Ten per cent of them have been unable to pay the fuel bills for last year. The situation is serious. They are looking for an indication of some hope in the future, given reasonable weather conditions, that they will be able to continue to survive and to farm.

● (1640)

[*Translation*]

Mr. Marcel Dionne (Chicoutimi): Mr. Speaker, I have been listening carefully to the remarks made about the farming community by Members on the other side of the House. I am a little ill at ease to hear the many criticisms against the Government, especially that it is being unfair to farmers, who forever find themselves in a bad predicament. I am embarrassed for Canadian agricultural producers, and I think it must be said that their productivity is almost second to none. It is not true to say that Canada's farming community is in the doldrums and badly treated.

That is why I take this opportunity to tell the House about the many constructive measures the Government has been implementing for years on behalf of farmers, through the Farm Credit Corporation. Mr. Speaker, I cannot deny that the agricultural sector does experience serious difficulties, but the situation is not quite as desperate as some people would have us believe. The Canadian Government has given unfailing support to those Canadian farmers who have been hardest hit by the economic recession. This support is not just a fleeting trend since it dates back to 1929 when the Government established the Canadian Farm Loan Board to help farmers who were unable to secure the long-term credit they needed. The Board and its successor, the Farm Credit Corporation, have now been filling the void for 55 years. Just so Hon. Members will have an idea of the amount of money invested in agriculture by the Farm Credit Corporation, I point out that is has some 79,300 loans outstanding for a total investment of $4.7 billion right now.

Any way one looks at it, Mr. Speaker, that is a significant contribution to the economic well-being of Canadian farmers. During the year ended March 31, 1984, the Farm Credit Corporation authorized 5,736 loans under its regular credit program and the special agricultural financial assistance program, almost $758 million all told. That is $141 million more than the previous year. Mr. Speaker, it is a shame to claim that nothing is being done to meet the needs of Canadians farmers, and I wonder indeed what Hon. Members opposite would do.

Just recently, the Government approved a budget which increases to about $825 million the funds available through the Farm Credit Corporation for loans to Canada's farmers in 1984-85.

Pursuant to its terms of reference, the FCC helps young people and newcomers to farming, those whose equity falls short of the requirements of commercial lending institutions. The Farm Credit Corporation plays a key role. Neophyte farmers and owners of small farming operations in full expansion are much more vulnerable than long-time farmers. Since their assets are limited, they need quite a bit of capital to start and maintain profitable operations. That is why they must be able to borrow at preferential rates which commercial lenders cannot offer them.

The Acting Speaker (Mr. Guilbault): I regret to interrupt the Hon. Member, but we have reached the end of the questions and comments period.

The Hon. Member for Chicoutimi on a question of privilege.

Mr. Dionne (Chicoutimi): I thought we were continuing the debate.

The Acting Speaker (Mr. Guilbault): Debate.

[*English*]

The Chair thought we were in question period. If the Hon. Member is debating, he may continue, provided no other Member has a question.

[*Translation*]

Mr. Dionne (Chicoutimi): Mr. Speaker, I am sorry if I have misinterpreted what you said earlier, but I shall continue.

In the Canadian labour force, the only people genuinely able and willing to become farm producers are farmers' sons and daughters. They are the only ones who have the required knowledge and any practical experience in agriculture.

We must therefore encourage the transfer of farming operations to their generation if we want to keep these human resources in the field of agriculture and maintain or increase the productivity of the farming industry.

The only way this can happen is to offer these people reasonable interest rates and favourable credit terms, and this the commercial financial institutions do not normally do. In addition, a family farm is usually transferred on a step by step basis. The son or the daughter generally buy the operation step by step while they obtain the funds and the experience required, and eventually take over the whole business. As the land itself is the basic requirement for most farm producers, newcomers usually need credit to purchase land. Farm real estate represents an average of nearly 80 per cent of total investment requirements in agriculture. Credit requirements for land purchases are therefore very high. Even though parents generally want to help a son or a daughter take over their farm, they must recover the accumulated assets in the farm if they want to be in a position to retire or divide their property equitably between all the members of their family. Even young farmers who are getting started with the help of their family will therefore need credit at conditions not generally offered by the commercial sector.

This is what the Farm Credit Corporation is offering them. At the present time, it is offering farm operators loans of a maximum of $350,000 or $600,000, depending on whether the operation includes one or more eligible applicants. The loan limits of the Farm Credit Corporation have been increased twice during the last three years to meet the needs of farmers more adequately.

In view of the special financing requirements of farm operations, the federal Government has offered them, through the Farm Credit Corporation, long term farm credit programs on terms which are not generally available neither to them nor to small businesses, so as to promote farm production. Such terms include mortgages at interest rates frozen for five, ten and twenty years, repayment periods of up to thirty years, flexible repayment schedules, a recovery policy which takes into account temporary financial difficulties and the cyclical nature of farm income, loans of up to 100 per cent of the assets stated as security, as well as a financial advice and consultation service for farmers.

Mr. Speaker, I believe that these new initiatives come at a time when producers need them the most, and I understand that these innovations were introduced by our Minister and the Farm Credit Corporation.

The FCC puts loads of energy into its consultation services program because farmers need to have a sound understanding of financial management in order to succeed. It provides counselling at the preliminary stage, when the loan is approved and at various stages afterwards. While financial counselling is available to all farmers, the Corporation takes special care of new borrowers or other borrowers in need or those who ask for assistance. Its counselling is aimed at helping farmers to run their financial operations and eventually achieve their personal and economic goals.

Borrowers from the Farm Credit Corporation who need counselling are generally those with small assets or large debts, with a developing operation, without experience, with a high-risk business or financial problems. The Corporation's credit counsellor provides borrowers with the assistance they need to

start a bookkeeping system, to interpret and analyze financial data, so that they can identify and solve problems as soon as they crop up.

• (1650)

Normally, borrowers also get involved in the program for two or three years. This is generally long enough for them to learn to manage their financial affairs efficiently. As of March 31, 1984, 4,800 FCC borrowers were involved in the consultation services program, which accounts for 30 per cent of all FCC borrowers.

In addition to offering this credit program, the FCC is co-operating with federal agencies and departments, provincial governments and private financial institutions in meeting the special needs of farmers. For several years, it has been co-operating with certain provinces, namely, Quebec, New Brunswick, Nova Scotia and Alberta, by sharing the costs of their interest rate subsidization programs. The FCC intensified its efforts in this area in 1982-83 by participating in the Saskatchewan farm purchase program as a financing agency.

Last year, the FCC also signed an agreement with the Province of Ontario to act as lender for the new farmers assistance program.

The FCC lends to farmers who represent high risks for the private sector. A survey carried out by the Corporation has indicated that the average Canadian farm had net assets of 85 per cent. On the other hand, those farmers who obtained a regular loan from the Canadian Farm Corporation had net assets of nearly 50 per cent during the last five years. The average net assets of farmers who obtained a loan under the special Farm Financial Assistance Program were even lower, namely 35 per cent during the 1983-84 fiscal year and 40 per cent the previous year.

The loan-to-equity ratio is also indicative of the risks taken. As the Farm Credit Corporation was authorized in 1975-76 to lend up to 100 per cent of the value of the property offered as equity the loan-to-security ratio is increasing. The Farm Credit Corporation has granted a greater proportion of its loans to farmers who offer less equity than in the past. This tendency to lend to farmers with lower net assets and a higher loan-to-equity ratio results from the fact that the Corporation is lending to younger farmers with limited resources and also from the difficult economic situation.

The special Farm Financial Assistance Program was re-introduced in the Budget of June 1982.

Loans to farmers under 35 continue to account for the larger part of the funds loaned by the Corporation making up 62 per cent of the total. Most of these farmers own little land and have few personal assets. Whether they want to get into farming or to extend their operations, these younger farmers must borrow large amounts for longer periods. Many of them, especially those who must consolidate their debts, cannot offer additional equity, which means an even higher loan-to-equity ratio.

As Hon. Members are certainly aware, the Farm Credit Corporation has administered the special financial assistance program for agriculture ever since it was implemented in November 1981. Under this program, farmers facing financial disaster have access for two years to a rebate on their loans to the Farm Credit Corporation. Parliament has allocated funds to the Farm Credit Corporation to cover the rebate on these special loans. When the program was set up in November 1981, the Government had allocated to it a total of $50 million, including $5 million to cover the 5 per cent interest rebate which was its key-element. The funds so earmarked were spent very quickly, and the program expired on March 31, 1982. This time, the new program allowed for a 4 per cent interest rebate. Moreover, a budget of $200 million was allocated to this program, with some $16 million earmarked for interest rebates. This program was extended again in the April 1983 budget. Then the Government came up with an additional $100 million. Between November 1981 and March 31, 1984, the Farm Credit Corporation has spent over $341.1 million on this program, and over 2,200 Canadian farmers have received or are still receiving benefits under this program. When the Government implemented this program, it expected an economic recovery within the next two years during which the rebate program would apply. We are aware that the recovery in agriculture has been slow. The Government is currently looking into a possible extension of the rebate period and other means to help farmers in financial distress. As the minister has indicated, a decision is forthcoming.

I should emphasize, Mr. Speaker, that the role of the Farm Credit Corporation is not to provide mortgage loans to all farmers, but only to high risk ones. The Farm Credit Corporation has not been established to discharge banks from their responsibilities or to provide credit to commercial farms. At the end of the seventies, at a time when the agricultural economy was at its best, commercial lenders asked for a larger share of that market. In spite of a slowdown in the farming sector, I expect that they will continue to lend to farmers.

The Government follows very closely the trend of the long-term farm credit market. It is looking into various options which would allow it to provide funds to the Farm Credit Corporation. The latter, on the other hand, is now considering the means of lowering the rates on those high-interest loans. The Government's commitment to agriculture is unequivocal and we are trying our best to give a new impetus to the industry while it is still emerging from the recession. I would like to remind Hon. Members that the Farm Credit Corporation is one of the few lending institutions to have a repayment policy based on the cyclical nature of farm revenues. As long as any undertaking stands a fair chance of pulling itself out of a precarious financial situation, the FCC will be there to help. The federal Government supports the agricultural sector

through credit programs to help farmers maintain prosperous operations. Through the Farm Credit Corporation's long- and medium-term mortgage loan programs guaranteed under the Farm Improvement Loans Act, the federal Government makes sure that Canada's agriculture ranks among the most efficient and most productive sectors of the Canadian economy.

Mr. Speaker, that is the message I wanted to convey today on behalf of the Canadian Government and the Farm Credit Corporation in answer to Hon. Members who keep saying that nothing has been done for the farming community. The truth is that the Farm Credit Corporation may just be the organization which on many occasions in the past two years has been prepared to come to the rescue of financially threatened agricultural operations. Mr. Speaker, that is why many laws were passed to help the most needy through every kind of low-interest program which kept those farmers active and productive.

More legislation is forthcoming to help farmers who are still experiencing hardship. I might say again that the Government and the private sector ought to share this role to support the farming community, particularly when it is going through hard times.

[*English*]

Mr. Deputy Speaker: Questions or comments? Debate.

● (1700)

Mr. Murray Cardiff (Huron-Bruce): Mr. Speaker, I am glad to have the opportunity to join in this debate today to share the concerns of many of my colleagues about what we are debating today and to talk about the insensitivity and disregard of the Government for the agricultural sector of the country. This is not a very nice subject to have to talk about. The fact that we must remind the Government of its responsibility to an industry which overall employs about 18 per cent of the labour force, represents about 40 per cent of Canada's economy, accounts for 10 per cent of our exports, and generates $7 for every $1 spent, is, simply put, appalling.

While the Government appears to be willing to provide money, incentives such as rebates, tax credits and so on in large amounts to so many other sectors, it is completely unwilling to respond in a positive way to the demands of agriculture. When a positive step is taken, it is generally only as a result of years of complaint from the farmers themselves and from this side of the House. The Government appears to be unwilling to take the initiative to place agriculture high enough on its list of priorities. This is the root of the problem.

The biggest crisis is the unavailability of affordable credit. Interest rates now appear to be on the rise again; we are seeing that every day. We have just come out of a period of very high interest rates. They were as high as 21.24 per cent in August of 1981 and even higher for some first mortgages. According to the Conference Board of Canada, continuing high levels of interest rates are going to be one of the major factors in a projected slow down in the economy. This is occurring at a time when farmers can least afford an increase in the rates of credit. Unlike other sectors, agriculture is still hurting from the recent recession. Last year farm bankruptcies were up 16 per cent from 1982; they rose from 410 to 488. Ontario let the nation with a total of 165 declared bankruptcies. There were probably as many or even more, undeclared bankruptcies. Prairie farm failures doubled last year. By the end of February this year farm bankruptcies were up 58 per cent over the same period last year.

The main point that must be made, Mr. Speaker, is that farmers are still hurting very badly. They have not seen this recovery of which the Liberals boast. A very well respected financial constultant was quoted recently in the *London Free Press* as saying that many farmers continue to suffer the painful hangover of recession. Some may never get over it. If interest rates rise now many will be forced into the red and off the farm. He estimates about 40 per cent of farmers are in financial difficulty. If banks and governments keep hiding their heads in the sand, no solution is possible for farmers.

The outlook for farmers is not good, Mr. Speaker. Debt loads carried by agriculture will soon reach $20 billion. Farm input costs are high and have increased at a much higher rate than prices which farmers receive for their products. Many inputs which farmers have to buy are paid for on credit in anticipation of future harvests. With high levels of credit, high costs become almost unbearable. In most cases they become so unbearable that a farmer is forced into bankruptcy or into selling the farm at a reduced price.

Let us look for a minute at the cost of interest rates on the purchase of a used tractor. You cannot buy much of a tractor for $25,000. Anyone who knows anything about agriculture knows that is a very small tractor. Very often we are faced with prices of tractors anywhere from $45,000, $55,000 or $60,000 to $90,000 or $100,000. Many farmers require that size of a tractor, but we will use a $25,000 tractor as an example.

A $25,000 tractor purchased on a five-year credit would cost $31,860 in total at 10 per cent interest. At 15 per cent interest it would cost $35,700. At 20 per cent that $25,000 tractor would cost almost $40,000. I am not saying for a moment that farmers are the only ones who have this sort of problem. I am saying that farmers are often ignored in this country, especially by the Government which does not seem to realize the enormous costs which go into maintaining a farm to produce food for Canadians and for export.

At this point in time, after the cumulative effects of recession, inflation and high interest rates, as well as low commodity prices, there are 14,000 Farm Credit Corporation loans in arrears, or 18 per cent of all Farm Credit Corporation loans. I am saying that farmers already face a serious situation and they cannot afford higher interest rates and further insensitivity by the Government to their situation.

So what happens? Over the past few weeks we have watched as the Government continues to neglect the agricultural sector. Instead of responding to the situation and trying to implement serious policies which can take some of the burden off

individual farmers, the Government turned it back on the very people who provide the food which feeds the nation.

On Monday we heard that the Farm Credit Corporation is restructuring its loan policy, apparently to make it more flexible. How can the Government claim that the program will be more flexible when it has, at the same time, increased the interest rate on Farm Credit Corporation loans from 13 per cent to between 14 per cent and 15 per cent? When the Minister of Agriculture (Mr. Whelan) says that the new policy will give farmers more choice, maybe he means that they are now being given the choice of either paying high rates to the Farm Credit Corporation or going elsewhere for lower rates, such as to banks. Agriculture has a difficult time supporting interest rates of even 13 per cent at this time. We kept hoping that we could continue even if rates were going to be at the 13 per cent level. We hoped that commodity prices and world markets would change so that we could support those rates. However, that does not seem to be the case. An increase is very disturbing.

For a five-years term loan farmers can pay 14 per cent to the Farm Credit Corporation or they can pay 14 per cent to one of the major banks. The rates are just about the same right now. In some cases bank rates are as low as 13.5 per cent for beginning farmers. How can the Government justify charging the same, and in some cases higher, rates than the banks when the Farm Credit Corporation's very purpose is supposed to be to give farmers a break?

The Minister claimed that one reason for this increase was recent increases in domestic and international rates and increases in the level of anticipated loan losses for the past year. We know, Mr. Speaker, the budget deficit is high, we know that. The Government claims that it wants to reduce the deficit. So what does it do? It cuts the area of agriculture just where it is most needed.

We on this side of the House, Mr. Speaker, are in support of decreasing government expenditure in order to decrease the deficit. However, priorities must be established. There is a lot of wasted spending undertaken by the Government. Why can they not recognize the importance of agriculture not only to farmers themselves but to the Canadian economy in general? Why is Canadair more important than agriculture? Why are incentives to the energy sector a higher priority than incentives to the agricultural sector? How can the Government continue blatantly to ignore farmers by disregarding the effects which high interest rates will have on them?

The Government's complete lack of concern in this area again indicates that it really does not care that our agricultural base needs government assistance if it is going to recover from the last few years of hardship. Agriculture is the key to national prosperity but the Government has forgotten this. It has forgotten that for any nation to prosper new wealth must be created. Only agriculture and other primary sectors create new wealth. Not only do farmers create new wealth, but they play an important role in stimulating the economy through spending. Agriculture must be given the priority which it deserves in the Government's programs for the future.

In the past year the Farm Credit Corporation interest rate rebate program has been a very positive measure which has been of great help to farmers in financial distress. However, the program expired, which means that at least 1,245 farmers will again pay 16.75 per cent interest rates on their loans, if not higher. Both in this House and in many committee meetings we have asked the Minister of Agriculture to renew the 4 per cent interest rebate program offered by the Farm Credit Corporation to farmers in financial distress, and time after time our request is either ignored or brushed off. The fact that it was not even so much as mentioned in the Budget of February 15 seems to indicate to me that the Government has no intention of having anything to do with the extension of this program. So one really helpful program that the Government has implemented in the past is gone now with no hope of its reappearing.

• (1710)

The major stress of our Party, then, is to insist that the agricultural sector be provided with low and stable interest rates. We believe in providing the means by which farmers can continue to farm without being crippled by high interest rates and high costs of production, while at the same time being forced to survive with decreasing farm income.

Aside from the extension of the FCC rebate program, we have asked for the implementation of agribonds. Agribonds have been a long-standing policy of this Party, and the concept of abribonds has been endorsed by the Canadian Federation of Agriculture. We believe that agribonds, which would provide the FCC with the ability to raise money at lower than alternative market rates, would provide a continuing availability of capital to be directed towards agriculture. This would guarantee farmers that there would be capital coming their way even if the Government's Budget cannot provide them with financial relief.

There were moments, Mr. Speaker, when we actually believed that the agribond would come into being. It was tabled in this House by one of my colleagues, the Hon. Member for Bruce-Grey (Mr. Gurbin), and was not simply ignored as usual; it was referred to the Committee on Finance, Trade and Economic Affairs. Well, we were fooled again, Mr. Speaker. We should have known that any move in a positive direction was simply an illusion. Not only did the committee refuse to refer the matter to a sub-committee—and it was because the majority of Liberals refused and not because we were inflexible—but they effectively delayed the matter by requesting that a library researcher prepare a study. The study will not be ready until May 1 and meanwhile we have many studies on the matter which are very complete.

As we all know in this House, when the matter returns from the Finance Committee we can be sure that it will not be examined very quickly because of the full schedule of that committee. The leadership convention will arrive and Parliament will likely be prorogued, and if not, we will arrive at summer recess and the House will prorogue in the fall for an election; so agribonds will again die on the Order Paper just

like so many things before it. They will die in the same way Bill C-653, the Farm Creditors Arrangement Act, died and we will have to bring the matter up again. In the meantime, the legislation could be passed if a sub-committee was created. But again the Government has indicated its lack of interest in the agricultural sector.

We have seen so often in the past that a low priority is placed on agriculture by this Government and we are right now watching history repeat itself. Hon. Members opposite do not care about agriculture any more now than they have in past decades.

To conclude, Mr. Speaker, we in this Party are often accused of having no policy. Well, we are discussing our policy today. The Government is well aware of our policy because we have been discussing these and other issues for many years. The problem is that the Government will not listen to our policies and implement them to the benefit not only of farmers but of the Canadian consumer who buys the products of farmers' labour. This is why we are cynical about the Government, especially with regard to agriculture. We have been driven to a strong sense of cynicism about what the future brings as a direct result of our observation of the way in which this Government abandons its responsibilities, particularly with regards to farmers.

We have alternatives, Mr. Speaker, simply because we care. We have not forgotten that it was farmers who built this country and made it strong. We know that things can be better for farmers with a series of measures, most importantly the maintenance of affordable credit for farmers. In part, this means that the Government must take responsibility for the economy in order to keep interest rates in general at affordable rates. We are not sure that the Government can do that either. It must, Mr. Speaker, look carefully at these issues, and more importantly at its own priorities, because farmers cannot bear a repeat of the last few years so soon. If farmers are in trouble, we are all in very serious trouble.

I have always maintained—I am sure many of my colleagues will agree—that if we have a strong agricultural base, we will have a very viable country. We know that farmers are great spenders. If they receive even an expectation of a good crop and a reasonable price, they will usually purchase machinery and in so doing stimulate the economy. I say everything starts with the soil in this country. If we can give some direction and offer of hope to these farmers who are producing the fine food, not only for us but for people in many parts of the world, I think we have a duty and obligation to do so in order to ensure we have a strong and viable agriculture industry.

Mr. Deputy Speaker: Order. Questions or comments?

Mr. Peterson: Mr. Speaker, I believe a lot of what the Hon. Member for Huron-Bruce (Mr. Cardiff) has said is basic to this country. I particularly agree with his strong statement that if we have a healthy agricultural sector in Canada we have the makings of a very strong base for our entire economy. I just wanted to stand up and tell him that I believe what he said is excellent and should be repeated. I also want to say that he is a person who has a great deal of credibility because of the work he has done in this House and on behalf of his constituents.

I certainly do not agree with all the Hon. Member's rhetoric to the extent that Liberal Members on this side do not care about farmers. However, if we can get away from political partisanship here, I believe that working constructively together we have to follow his line, which is to ensure that the farmers in this country do have a strong economic base for carrying on their activities. We look forward to continuing the constructive dialogue on the positive ways in which these types of things can be achieved.

I would also like to say that I know the Hon. Member is aware of the fact that it is really not true that the Government has done nothing for the farmers in this country. I am sure he will admit that. Even in his area, for example, CIDA, the Canadian International Development Agency, purchases an incredible number of edible beans for shipment to Third World countries. We have a foreign aid package which is among the best in the world in terms of food aid and which does directly help the farmers.

I have one question for the Hon. Member. He referred in the opening of his speech to a newspaper called the *London Free Press*. Is that the scurrilous Tory rag which is owned by Peter White?

Mr. McCain: You are like the cow that kicked the pail of milk over, are you not?

Mr. Cardiff: Mr. Speaker, I have no idea who owns the *London Free Press*. However, I thank the Hon. Member for Willowdale (Mr. Peterson) for his comments. I do not know if it is appropriate to ask him to be my campaign manager in the upcoming election or not!

Mr. Munro (Esquimalt-Saanich): He will not have anything else to do!

Mr. Cardiff: Well, I do not know. That could be a possibility.

The Hon. Member touched on many subjects, such as CIDA and foreign aid, and I believe we must congratulate our farmers in this country for producing this food. And yes, I do support the positions taken in the purchase of food, and not only white beans, because as the Hon. Member knows full well, there are many other commodities across this country which the food aid program purchases and sends to countries in distress or in need. As the Hon. Member said, if we work together we can do many of these things. I am sure that if there was an offer of co-operation, he would find a lot more co-operation coming from this side, such as on the agri-bond issue. That is an issue we would have liked to deal with very quickly. Perhaps the Hon. Member could encourage some of his colleagues to help us get that matter back to the Standing Committee on Finance, Trade and Economic Affairs much faster.

Mr. Deputy Speaker: Are there any further comments or questions? Debate.

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I should point out to my colleague across the floor that the previous Parliamentary Secretary to the Minister of Finance moved in this House on February 7 that the agri-bond issue be sent to the Finance Committee for study. I seconded the motion. The fact remains that the other items before the committee dragged on to the point where we had a first meeting on this last Thursday. However, I am somewhat disappointed in that we had to ask the researcher from the Finance Committee to bring forward a background paper on this issue because there are several variations which were put forward, generally that lenders would obtain a tax benefit for interest on eligible funds loaned. It was also suggested that the tax benefit be restructured as a credit rather than an exemption to improve the fairness of the measure. And, of course, this applies to eligible funds that we have loaned to farmers at presumably lower than market rates.

There are other areas which I know Hon. Members of Parliament, and particularly members of the Finance Committee, will want to look at in depth. The reason is that this is a tax measure which is important to the future financing of the agricultural industry. But no lending program is going to cure all the problems of the industry in Canada.

• (1720)

When we look at farm cash receipts of a few years ago, as well as the total investment, they increased from $24 billion in 1971 to $132 billion in 1982; a tremendous increase. During the same period production costs have increased sharply from $2.9 billion in 1971 to $12.8 billion in 1982. They are up again this year. Total farm credit increased from $2.2 billion in 1970 to $10.3 billion in 1981, dropping slightly in 1982. With greater amounts of credit being extended each year, total farm debt increased from $4.4 billion in 1970 to $20.2 billion in 1982. The debt-equity ratio in 1972 compared to 1982 deteriorated slightly and I expect it will deteriorate further as we get the figures in for 1983 and 1984. In 1983 total cash receipts amounted to $18.8 billion, and expenses to $15.5 billion, leaving a net income of about $3.6 billion. In 1984, realized net farm income is expected to increase to $3.9 billion, or about 6 per cent.

Today the Hon. Member for Wetaskiwin (Mr. Schellenberger) stated that farmers are price takers, not price setters. I want to remind the Opposition that we have marketing legislation in Canada which will allow farm groups to organize so that they can set their own prices. This is available at both federal and provincial government levels. Those producers who have chosen to use this legislation have been able to pass on their increased costs and ride out the variables of input costs much better than those who have not taken advantage of it.

If we are to look at farming as a business, then we must have a counterbalance in the system to enable our farmers to obtain a reasonable return on their investment; a return for management and risk, a return which will allow them to live a life commensurate with that of the rest of society. They can take advantage of the provisions of the Budget of February 15 which will allow them to invest in RRSPs. They can defer the payment of capital gains tax.

Let us look at that in its total context. If a man had an operation that was worth $120,000 when capital gains tax first came in, and it increased to $360,000 in 1984, he would have a capital gain of $240,000, half of which is taxable. He could invest the other $120,000 in RRSPs. This has been a tremendous step forward for Canadian farmers and has been well accepted, certainly by the Canadian federation of Agriculture and other commodity groups.

I quite realize that opposition members today have not said much about improving cash flow in the farming sector and changing the position of farmers from that of price takers to that of price setters. Can they explain just what the price determination factor is in the futures market? Is it based on rumours which can set off speculative trading? Does it sometimes reflect the buying power of a few large multinational grain companies? This exemplifies the need for a countervailing force in the system. Canadian farmers have legislation which enables them to receive a domestic price for wheat and an export price. I fully realize that with the prices of the last few years the difference has not been significant, but the precedent has been set.

The Minister of Agriculture (Mr. Whelan) has reached an agreement with four of his provincial counterparts to proceed with the tripartite stabilization program to provide a measure of relief to some of our producers. But I maintain that we cannot stop there. We have to continue to seek out better mechanisms to ensure that the cash flow of our farmers is such that they can pay off their borrowings. They cannot borrow their way out of trouble. There has to be a cash flow and a system which ensures a return so they can expand their operation and take advantage of our position in export markets.

Look at what is happening in the European Common Market with their accumulated surpluses. We should encourage our producers to re-examine legislation at provincial and federal levels to ensure the cash flow of the efficient Canadian producer is maintained. The Minister is presently in his office meeting with the Deputy Minister of Agriculture from Thailand. They are seeking opportunities through Canadian technology to enhance their own operations. But I think Canadian farmers have a tremendous opportunity available to them.

The Leader of the Opposition (Mr. Mulroney) today asked a question regarding the tax on farm fuels. He gave a figure of about $250 million as the saving to farmers. This amounts to 1 per cent of farm input costs for 1983. Therefore, no one program will resolve the financial hardships we have in the Canadian agricultural industry at the present time. I maintain that we have to look at a series of programs which will not only provide for long-term stability, but also a series of programs which will allow them an adequate return on their investment, management and risk.

Mr. Deputy Speaker: Questions or comments? Debate.

● (1730)

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, the figures that have been tossed around this afternoon have sort of made one wonder what is the relative position of the farmer with respect to income on his equity invested. The Federation of Agriculture has provided us with some figures today. I would like to point out that in 1982 the net income of farmers was $3.696 billion. That net income arose from an equity position of the farmers of $111.853 billion. If you relate the net income of the farmer to his equity, you find that the farmer has made about 3.5 per cent on his equity.

If, on the other hand, you relate the farmer to any other form of business, you find the farmer on average has a very high percentage of his investment, relatively speaking, in land which is not depreciable. If the equity position of the farmer were totally depreciable, as many businesses are nearly totally depreciable, there would not be a net income for the farming community at all.

I think it is interesting to note also from these figures that from 1971 to 1984 there was an increment of income for the farmer in real dollars of $76 million. But there were 316,770 farmers which means the real increase in income of the farmer in that 14-year period was 250 real dollars per farmer.

When any Minister of the Crown can stand in this House and say that he has done well by agriculture, as he presided as Minister in 13 of those 14 years, I wonder what he would consider is a bad job. What would be a bad job in his estimation? I would like to point out to you, Mr. Speaker, that from 1971 to 1982 the indebtedness of farmers went up, according to my hasty calculations, something over 700 per cent. That is so the farmer can make an increment of income of 250 real dollars. If we carry that a little further, we find the interest load is up 700 per cent. If you go a little further, you will find that the net realized income for a self-employed farmer for man-years, not counting the free labour of the family on the farm, has increased by 25 per cent. The farmer has had a 25 per cent increase, with free labour, in net income but he has had a 700 per cent increase in interest and he has had maybe a 750 per cent increase in his indebtedness.

I want to tell you, Sir, that when you get an increment in terms of 700 per cent versus 3.5 per cent you are not very solid and your industry is in very very shaky shape. I want to tell you also that in the general structure of regulated industries, such as the public utilities of Canada, you are allowed something in the nature of 15 per cent return on your equity. You are also allowed, if you are an operator of a public utility, an increment on an annual basis which will approach that return of 15 per cent on your equity, and the farmer is getting 3.5 per cent.

Maybe farmers are as prosperous and as well off as the Minister stated they were today, but they are not as well off as the public utilities by any stretch of the imagination, and they are totally regulated by the governments of this land. If, and I want to emphasize this, the farmer could depreciate as much of his percentage of property which he has invested as Canada public utilities, it would be an interesting economic problem to study and I think you would find that he would then show a net loss. That is not very good.

I know, Mr. Speaker, that you are as interested as I am in the health of certain aspects of the agricultural industry, particularly potatoes. I want to ask the Minister why he has not at this time addressed the application of the Province of New Brunswick for price stabilization for the 1982-83 crop year. There was a point in time when there was reason for delay in consideration of that application. That reason has now gone by. The farmers have now planted a second crop since that crop was harvested and it is high time that that application for price stabilization is given favourable consideration by the Government in the generous terms which the industry requires and which you and I both, I am sure, Sir, want to see for our farmers. The application has been on the desk for quite some time and it has not been considered.

During the remarks of the Minister today he suggested that certain areas of agriculture should organize. I am going to ask him to address the same problem that I have asked him to address every time he has thrown that piece of slop across the floor. When he gets a task force to investigate the possibilities of supply management and price control in a product which is so variable in its annual yield that we have shortages and surpluses, perhaps he could get that task force to address also the vital necessity of international trade, whether it be maple syrup, white beans, apples, potatoes, carrots and onions. International trade is a vital part of the production of virtually all of the fruits and vegetables of the Dominion of Canada and if we can address the means by which we can retain our international markets, while at the same time introducing supply and price management, then I would be very happy.

This is a problem that has been addressed by agricultural organizations but they have not come up with the answer. I want it to be addressed in such a way that we do not upset our trade patterns. The Government on the one hand is preaching free trade for Canada in the world, but on the other hand it is asking for supply management and price controls on fruits and vegetables—if we are going to get price stabilization for any of those products anywhere in Canada.

This does not make sense, Mr. Speaker. By doing that we are breaking the GATT rules and regulations to which we have subscribed. We will be putting up trade barriers on other items because, in retribution for our violation of our agreement, they will certainly seek a price. It is not a simple thing. We did close our doors to international trade, except by permit in the poultry and egg industry. That did not make us any friends. We have closed the doors in the dairy industry. In these instances we have got away with supply management and price control. But if we expand this, the international price in trade will be more than Canada can bear. We have to realize that and the Minister of Agriculture (Mr. Whelan) has to realize it.

I do not like to be scorned by the Minister, Mr. Speaker. I do not like my people to be scorned by him either. But that is

precisely what he is doing. Because there is no supply management, he says we should not get price stabilization, although the Act entitled fruit and vegetable growers—organised or unorganised, it does not specify—to an element of assistance which approaches cost of production on a near automatic basis. That is what we have been denied.

I challenge the Minister as he was earlier challenged, I believe by the Hon. Member for Wetaskiwin (Mr. Schellenberger), on the basis of how can we on the one hand criticize the United States for constraining production and on the other hand proffer the idea that there should be supply management and price control in any agricultural product? It sort of looks to me as though we are standing in a glass house hurling stones, which is not a very good process to follow. The input costs have not become the proper factor to establish a base price for any assistance which would be given. This has been proven in western stabilization and in the approach of the Department of Agriculture to the fruit and vegetable side of our farm business. For instance, the fact that some costs such as interest rates have gone up as much as 700 per cent has not been taken into account, and whatever yearly average price the Minister may take does not necessarily approach the stock loss requirements that price stabilization has historically provided.

● (1740)

However, I hope that the Minister will soon address this problem and on behalf of the farmers of my constituency I hope he will address the removal of some of the tax on farm fuels. It involves a huge amount of money in our constituencies and it is a problem that must be addressed.

We must redefine what a farmer is for tax purposes. For example, a farmer may have had the misfortune to have a five-year loss. He might have to seek extra income to stay on his farm and retain his investment. There is no way that someone who has probably never turned a furrow in his life and has no conception of the inner thoughts of a man who is trying to farm should be able to assess and tax him as a part-time or hobby farmer. These cases must be assessed on individual facts and cannot be covered by blanket guidelines or the judgment of one person.

I see that Members from both sides of the House are in fact interested in agriculture. We must address this issue in a unified fashion in order to alleviate the difficulties in which our farmers presently find themselves. Indeed, they should be treated like small businessmen. When a small businessman takes outside employment it does not affect his income. He is taxed on his total net income and his business is not anticipated as being non-profit. The accumulation of his income is taxable, as it should be with so many of our farmers.

I could name a farmer in your constituency, Mr. Speaker, who certainly needs that kind of attention because he has been taxed unmercifully as a result of unknowledgeable people assessing him for what they thought he was rather than what he did in the community.

This is not a political question; it is a matter of discussing right and wrong, fairness and equity. This issue needs the support of the people to your right, Mr, Speaker, as well as the pleas from people to your left.

Today the Minister said that the tripartite principle of red meat programs was totally accepted by the producers. I talked to a producer from New Brunswick who does not accept the principle of the proposed formula as he understood it. In Atlantic Canada we are paying $50 per tonne more for corn or western barley or wheat. He tells me that if a farmer in our area must pay that much more for his grain than a farmer in another area of Canada, and if Atlantic Canada is to retain any segment of the red meat industry, then that program must be formulated in such a way that it will trigger a payment at a particular percentage of cost in a particular province or region. Until that problem is addressed, Atlantic Canada red meat producers are very concerned that they may be left out in the cold. They are not ready to support any tripartite Bill which may come to the House of Commons.

The Minister is absent while this subject matter is being discussed. I submit that that is disrespectful. While I accept the fact that all Members of Parliament have responsibilities, in view of the Minister's bragging I think he should at least be able to brag that he is in the House on days when subject matters concerning his ministry are discussed. He is not here today and I do not believe he was here when this subject was discussed previously. He should be here in view of the magnitude of interest in this subject that has been shown by farmers.

When the Minister introduces more legislation on any subject matter, I ask him to consider the representations made by the farmers of Canada on a regional basis, as they must be if the program is to be universally accepted. There is great room for improvement. A 3.5 per cent return on equity for a farmer with only a fraction of his investment being depreciable is not good enough. A 15 per cent return, such as it is for a public utility, is more likely to provide the profit which is needed. That is government approved. Let us address this as a real problem and not play games or brag any more. Let us produce.

Mr. Deputy Speaker: Questions and comments? Debate.

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, I was hoping to have a little more time in this important debate on agriculture to share with the House some very exciting new technology that has been developed at the Agriculture Canada research station at Kapuskasing. I wanted to describe to the House the work that has been done in the development of forage fed grade A-beef.

I believe Agriculture Canada has recognized in its agri-food strategy that there is a growing importance for the role of agriculture in northern Canada. The work that has been done at Kapuskasing and Thunder Bay has made a very significant contribution to this strategy.

However, in developing this theme and sharing it with the House, I am cognizant of the tradition of the House of Commons that the political Party that presented the motion for debate is also the Party that should close the debate. Therefore, I will postpone to another day my opportunity to share this exciting new development with Hon. Members and

at this time I would like to yield the floor to the NDP so that they can close today's debate.

Mr. Deputy Speaker: Are there questions or comments? Debate.

Mr. Terry Sargeant (Selkirk-Interlake): Mr. Speaker, when the Hon. Member for Cochrane-Superior (Mr. Penner) said that he was going to share an exciting new development with us, my friend from Humboldt-Lake Centre (Mr. Althouse) was hoping that he was going to announce to the House that the research centre he was speaking of had developed a tree that grows money! I am sure many farmers would find something like that very attractive.

Mr. Penner: It is better than that. You can't eat money.

Mr. Sargeant: With respect to the motion and the concerns of the Farm Credit Corporation, I received a phone call yesterday morning from one of my constituents who just heard the happy news that the Farm Credit Corporation had increased its interest rates again from 13 per cent to 14 per cent, 14 and ⅝ths per cent and 15 per cent. Of course, I say he was happy somewhat facetiously. He was not happy at all. Indeed, toward the end of our brief conversation he was asking what he had to do to make the Government notice the fact that farmers could not afford any more increases in their interest rates at this time.

He concluded by asking if it is necessary for him to drive his tractor from Manitoba to Ottawa and then do something with it that I cannot say in the House since it would be unparliamentary. But it is an example of how frustrated many farmers have become with the increasing costs of operating a farm, the decreasing returns and the increasing difficulties they are facing in trying to simply stay alive.

I am fairly familiar with this person who phoned me. He is a good farmer who has quite good land and modern equipment. He has quite a bit of land. He is a good manager but he still has troubles in that there is so much stacked against him with all the increased costs.

• (1750)

In the past few months we have seen the changes in the Crow rate. Just by a fluke more than anything else, the area in which he lives was one of the latter blocks to be opened up for Wheat Board quotas, so his cash flow has been delayed. Also by a fluke of nature, in the last few years there have been problems with the weather. One year there was an early frost, another year there was too much rain and last summer there was serious drought. For those of us who are non-farmers, last year it was a beautiful summer in Manitoba. It was hot and dry. It was great for outdoor activities such as going to the beaches.

Mr. Crosby: I thought you did not have any beaches out there.

Mr. Sargeant: We have beautiful beaches in Manitoba, Howard. For most farmers in Manitoba, last year's weather was not at all good. I have talked with farmers in my home town and with farmers throughout my constituency who have told me about kernels of grain actually cooking in the head as they stood in the fields because of extreme temperatures.

Approximately six weeks ago when Parliament recessed, I spent all that time travelling around my constituency and holding public meetings with anyone who wanted to attend. At every one of the meetings there were at least one or two, a half dozen or in some cases quite a few farmers who came to discuss their general concerns. We also spent some time talking about their specific concerns. It was a bit of a lesson for me. We discussed things about which I heard a bit but I certainly had room to learn more. Some of their problems—and that is what a farmer who telephoned me told me yesterday—related to the cost of their loans and the increasing cost of fuels. In every community which I visited I was asked why the tax on farm fuels could not be reduced. I must admit that I agree with them on that. It would be very good for any government to give farmers a little break, at least in the cost of their fuels. Fuel costs have increased incredibly in recent years. It is a matter which we must address very soon. Coupled with these increased costs is the fact that their returns or the prices they are receiving for their products have either remained the same or in many cases have fallen in recent years.

In one such community, the Town of Riverton, there were some unique problems. For seven of the last eight years—I spoke about this matter in another debate in the House a few weeks ago, but certainly it is worth repeating because it highlights one critical situation in my constituency—farmers in the Riverton area have experienced crop failure. In normal times this is a fairly good farming area. They have good land and normally had good weather conditions until eight years ago. For some strange reason, in seven of the last eight years they have been hit by serious drought, then serious flooding and crop failures. Most businesses which have had failure for seven years out of eight would be lucky still to be in existence. However, these farmers have struggled. They have found money, they have scraped it together and have pulled in their belts a little tighter. They have mortgaged some of their property, but it is reaching a point where it is almost too much. They have gone to the banks and to credit unions in their community. They have gone to the Farm Credit Corporation looking for more money just to put in this year's crop. The ones who visited me—and there were a number of them—did not lead me to believe that it involved just a few farmers who were perhaps bad managers. I was told that probably 50 per cent of the farmers in the general area of Riverton were living under similar conditions.

A new crop season is starting any day now. Last weekend I spoke with a few farmers in my constituency who told me that with the very mild and dry spring in Manitoba this year they could be out in their fields as soon as next weekend. However, the farmers in Riverton may not be able to go into their fields because they do not have any money with which to put in this year's crop. They do not have any money to buy fuel, seed or fertilizer. What can they do? FCC will not give it to them nor

any of the other lending agencies. They are leery to give them any more money because there is no guarantee that this year will be a good one for crops.

Last Friday night I talked to a gentleman who is somewhat renowned in Manitoba. His name is Anton Chorney and he is from East Selkirk. He is a weather prognosticator and he told me that his prediction for 1984 is another hot and dry summer like last year for Manitoba. Certainly that is not good news for any farmer in the province.

What do I tell these farmers who have experienced so many crop failures? They do not have any guarantee that this year will not be the same as seven of the last eight years. They are carrying large debt loads. They have been farmers all their lives. It is not easy for them to change occupations. Even at the best of times when there are lots of jobs in other sectors of the economy, it is not easy for farmers to change their way of life, let alone at times such as this with high unemployment rates. What do I tell them that their Government in Ottawa is doing for them? What do I tell them that the FCC is prepared to do for them?

About a month ago I spoke in the House about farm issues. I said at that time that the Government had to make a decision as to whether or not it wanted family farms to continue to exist. I grew up on the Prairies. I am not a farm boy. I had very little to do with farms other than visiting some in my community from time to time. However, I learned from growing up on the Prairies about the sanctity of the family farm, that the family farm was the basis of prairie life.

Not only are farmers faced with the costs about which I have spoken but they have been subjected to the despicable way in which Revenue Canada has picked on them in recent months. This matter has been highlighted by both Parties on this side of the House. The Government seems to be following policies which are not in favour of the continued existence of family farms. I am working on a case involving a couple of young brothers in my constituency who have taken over their father's farm. They are in their late twenties and are in serious trouble for the same reasons—crop failure in 1980, not a very good crop in 1981. They had to mortgage their house and then some of their property to keep the farm going. This farm has been in their family for 50 years as of this year. The FCC sent them a notice through its lawyer in Winnipeg on March 10 this year indicating that if they did not come up with $50,000—I cannot quite remember the figure—within 20 days, their farm would be taken away. How can they find this amount of money at the beginning of the crop year? They told me that if they use the money which they might have to put in this year's crop to pay FCC by April 1, they would be unable to plant and that would certainly scuttle their farm. They promised FCC that if it waited until the fall they would be able to make the payments. The matter is still being considered at this time by FCC. I have written to the Minister about this situation. I hope he will look at what is going on with these two young men who are starting out in life. They closed one of their letters by saying that they were disillusioned and disheartened. I do not think that is the kind of Canada we want.

I see that it is the end of the day. I thank the House for the opportunity to say a few words on this important motion.

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

This House stands adjourned until tomorrow at eleven o'clock a.m., pursuant to Standing Order 2(1).

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

HOUSE OF COMMONS

Thursday, April 12, 1984

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND ESTABLISHED PROGRAMS FINANCING ACT, 1977

MEASURE TO AMEND

The House resumed from Tuesday, April 10, consideration of the motion of Mr. MacLaren (for Mr. Lalonde) that Bill C-12, an Act to amend the Federal-Provincial Fiscal Arrangements and Established Programs Financing Act, 1977, be read the third time and do pass.

Mr. Speaker: The Hon. Member for Western Arctic (Mr. Nickerson).

Some Hon. Members: Hear, hear!

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, I will just wait for the applause to die down a little before I have my chance for the last kick at the cat on Bill C-12. We have debated this matter at some length, and I suspect that the Bill will finally be dealt with today and hence go to the Senate for final approval and Royal Assent. After that the chickens will come home to roost, undoubtedly, in the educational community across Canada.

The Bill itself, as we have discovered during the course of debate, is extremely complex. It contains mathematical formulae which are unintelligible to me and I assume to most other people who have looked at it. If we look into what the Bill really does, it becomes quite apparent. Its objective is to cut down the amount of money being made available by the federal Government for institutions of higher learning, money which would have been funnelled through the provinces into universities and like institutions.

What is the quantity of funds which will be taken out of educational budgets? If we look at the Bill, we find that in the 1983-84 fiscal year the cutback is to be in the amount of $118 million. For the year thereafter, the 1984-85 fiscal year, the cutback will be even larger, some $260 million. The worst fears of the provinces are being realized.

Several years ago the provinces became trapped into these types of cost-shared programs with the federal Government. The federal Government, at that time flush with funds because the economy of Canada was in much better shape than it is today, gave the provinces an offer they could not refuse. They sucked them in. It said that for every dollar they spent on some kind of approved program, it would give them 50 cents. The provinces had been pretty happy before. They had funded things in their constitutional jurisdiction out of taxes they were able to impose. Along comes the federal Government with the objective of having a reasonable degree of standardization across the country and offers them these extra moneys. Of course, any province which did not take advantage of that program was unable to compete with the provinces that did. However, what they lost in this exercise was flexibility. Medical care expenses, hospital care expenses and higher education expenses were no longer subject to changes to be made at the provincial level. There was always this federal influence. They lost flexibility and they lost control over areas which under our Constitution were mainly within their domain. They just could not refuse to accept that money even if they would have liked to do so.

Then what happens when times get tough? Times are pretty tough right now. I suspect they will remain tough as long as we have a Liberal Government in office. The first area the federal Government looks to to cut back expenses is in the cost-shared areas, such as higher education, as we see in this Bill, medical care and hospital insurance, as we have seen previously. It says it will withdraw money from those areas. Then the provinces, who are the deliverers of the services, will get the political blame when students cannot enrol in universities, when people cannot get the medical care to which they feel in a country like Canada they should be entitled.

• (1110)

It is easy for the federal Government to cut back in these areas because it is not the deliverer of the services or the programs. It is the provinces which do that. The federal Government expects that the political flak, the distaste of the electorate, will be shown against the provinces rather than against it. The provinces in these matters have been left holding the bag.

Yesterday I was fortunate to participate in a very interesting meeting with representatives of the Canadian Association of University Teachers. It was a most worth-while exercise. I learned a great deal at that meeting talking with the representatives of the university teachers across this country. At the meeting we were told of the low morale that permeates universities and their teachers. Most of this can be attributed to the lack of funds for teachers. They told us that teaching in universities is suffering in many cases as a result of federal

cutbacks. They told us that research efforts in Canadian universities are also suffering because money is not available for that purpose.

The Minister of Employment and Immigration (Mr. Roberts) and other members of the Treasury benches tell us how excited they are about the new age in Canada. I believe they call it the new information age. They tell us that there is a need for a highly trained workforce in Canada. If we as a country are to survive in the forthcoming years, we have to be highly literate. When Canadians come out of schools and universities and take up some kind of profession, they should not in the future feel that they are in that one particular job indefinitely. There will be a need for continuous education, continuous training throughout their lives. As one job disappears and another comes on to the scene, it will be easy for people to transfer from one task to another.

We have to look at a different concept of the labour force in years to come. If we do not do these things, we will lose out on the modern world toward the end of this century and into the next. If we do not devote sufficient attention and resources—financial, human and otherwise—to these training needs, we will not survive as a trading nation. We will not be able to sustain the high standard of living which we previously enjoyed in Canada.

We asked the Canadian Association of University Teachers how much money we were talking about. We asked whether it was a billion dollars, which is not that much today. We wanted to know how much they were talking about, what level of funding would solve their problems. The answer was rather surprising, and it was really not all that much money. The answer was $280 million. That would seem to be a large amount of money to some people. However, it can be contrasted with the billion and a half dollars that went to bail out Canadair. It can be contrasted with the $350 million that was given to de Havilland the other day to save just a few jobs, and I do not think it will even do that because those jobs will be fast disappearing. The amount of money required is not that great.

• (1115)

From the more than $80 billion of federal expenditures, it would not, in my opinion, be too difficult to find $280 million to invest in higher education. That money does not have to be found by increasing taxation or increasing the deficit but can be found by priorizing expenditures. If we did not find ourselves in these bail-out schemes which get worse and worse as they go along and never seem to end, and if we did not have to devote the resources of Canada, through taxes on gasoline, to Petro-Canada so that it could buy out Petrofina but instead invested that money in higher education, we would be much better off down the road.

There was another point brought to our attention by the Canadian Association of University Teachers and I would like to touch upon it just briefly. The association mentioned the difficulty it has with governments, both provincial and federal, when universities wish to put their own houses in order. If those charged with the financial administration of a university, realizing the difficult straits in which they find themselves, wish to rationalize their own affairs and discover how they can put available moneys to better use, they find that because of complex funding arrangements with governments they are unable to put their plans into effect.

We were told, for instance, that a certain university might desire to close down a small department in which there is not a great deal of interest or a great many students. There would obviously be the need for training in that particular area but perhaps a university nearby would specialize in that field. If a university wished to close down a certain department and use some of the funds that were saved thereby in another department in which it has expertise and for which there is a great deal of demand, it is not possible to do so because of financial arrangements with the funding bodies. If the university cuts out that one department, then all of the funding that went to that department is taken away. The universities are not able to rationalize sensibly. I believe there is a greater need for flexible arrangements in the financial field between the provincial governments and universities so that this type of thing does not happen.

When we were dealing with second reading of this Bill, I gave a presentation which went into a fair amount of detail about the effect of the tax system in Canada on university financing. I do not wish to go into it again but, because I feel it is a very important point, I would like to mention it briefly in passing. In the past, a great deal of private money went to universities. People tended to endow things like chairs to universities or make donations. However, because the Canadian tax system almost forbids the accumulation of private wealth, that no longer takes place.

If one were to speak to financial administrators of universities, one would find that, by and large, most of their money, even a portion of that which comes by way of tuition fees, comes from the federal Government, the provincial governments and in the form of research grants. Invariably, it comes from government. They are becoming almost exclusively dependent on state financing. I continue to consider that to be a most dangerous trend. I do not think there is anything particularly wrong with government funding of universities, but they should also have operating funds coming from elsewhere. Otherwise, while I do not think it will be today since the Government, as bad as it is, has not yet tried directly to influence hiring and firing in universities and to tell university professors what to think, it should be kept in mind that eventually this could very well happen in future unless universities retain some degree of independence.

• (1120)

When it comes to the role of the state in university financing, I think it does have a role. There has always been a role. If one looks at it in a historical context, monarchs of old have secured for themselves everlasting fame and a place in the history books by their support of universities and institutes of higher learning. It has always been the case that the govern-

ment of the day or, in past times, a particular queen or king has been remembered for their support in the founding of institutions of the nature we are talking about. They have been remembered for their continued support of them and for the bringing together of expertise into one establishment.

As well, when one looks at it in a historical context, it will be seen that something that might have been done in the year 1500 did not really pay dividends until 1595 or some 100 years down the road. It is the same in Canada today. We must continue to support our universities in order that 50 or 100 years from now Canada can still hold its head upright in the affairs of nations. I am afraid that the Government may well go down in the history books not as a body of people who have supported education to the end that things might improve 50 years hence, but as a group that has neglected that important field of human endeavour.

Now, in the brief minutes that remain to me I want to touch very quickly on three issues of local concern to me in the Northwest Territories. My first concern is the problem we are having with adult education in the communities. For some time, orginally as a government initiatives, we have tried to provide the opportunity for adults, many of whom have never gone to school or only to grade three, four or five, with the opportunity to become literate and take the jobs that are coming as economic development becomes more available in northern Canada. We are having some problems with the funding thereof. In my opinion, it is something that should get a high degree of priority if we are not, in northern Canada, to have a large proportion of our population put aside, unable to take advantage of the many opportunities that are coming forward, particularly in the resource exploitation field.

We have in the Territories one institution of higher learning, Thebacha College. It is having problems with the amount of money made available to it. I wanted to bring out one particular area of concern which it is experiencing now and that is with its library. There is a very nice college, with some excellent staff, but it is a little short on books. If any Hon. Members who are listening can think of a way that we can bring some books to our library at Thebacha College in Forth Smith, Northwest Territories, I can assure them that they would have the absolute support and gratitude of the staff and students attending that institution. Perhaps someone could find a university that has a collection of books since we do not have books and would like to become a university.

● (1125)

My final point deals with the teaching of the French language in the Northwest Territories. A Bill was introduced in this House, unilaterally, I might add, and I have some doubts about its value and worth, which I will not get into now. The effect of this Bill, if it goes through, will be to make the Yukon and Northwest Territories officially bilingual, whether or not that is a good idea. It will cost a lot of money to do this. All the *Hansards* of the legislature will have to be translated at great public expense. All the ordinances and regulations will have to be translated. The operation of the courts will become very difficult and expensive. There will be a lot of money needed for that.

But, believe it or not, students who want to learn French in the high schools are unable to do so because they cannot raise another $50,000 or so to hire a French teacher. There are a couple of high schools that have had this very problem. They have not been able to get French teachers to teach these students who want to learn French. Yet the Government can come into Parliament with a Bill prepared to spend millions and millions of dollars translating dry documents going back to the time of Rupert's Land. That, in my opinion, does not make any sense whatsoever.

Mr. Deputy Speaker: Are there questions or comments?

Mr. McMillan: I wonder if I could ask the Hon. Member who just spoke, Mr. Speaker, whether he believes that the establishment of a university of the north should be considered in light of his remarks about funding? If not, would the Hon. Member think it at least appropriate to beef up university opportunities available to northerners through, say, satellite courses, programs or even junior college facilities?

Mr. Nickerson: I am very pleased, Mr. Speaker, that that question was asked. The observations of the Hon. Member for Hillsborough (Mr. McMillan) are excellent, Sir. We should be working towards the establishment of a full university in Canada's north. It is not something which can be done overnight. We can use existing institutions such as Thebacha College which I have already mentioned, the college with no books, as a base. We can make arrangements with existing southern universities to come up to the north, perhaps have a university college there and work in association with territorial institutions. Perhaps the first year or first two years of a university course could be given in the north; then the students would again have to go south. However, we must work towards this idea of the establishment of a university in the north. It is not something which can be done overnight but it is something which we are and definitely should be working toward. I believe the opportunities there, both on the teaching side and the research side, are excellent and I would like to see this trend continue.

We have had some problems with southern universities which previously were most pleased to be able to take students from the north, particularly those universities in Alberta and some in Montreal and Quebec. Now, however, because of the cutbacks in funding, they are becoming much more parochial and are saying: "We only have so much money; we should concentrate on taking students from Alberta or Quebec", and so on. They are much more reluctant to allow territorial students who have no universities of their own to go to those southern institutions. So that is definitely a problem.

With respect to the final point of the question, the use of modern technology for educational purposes, this will come, probably not so much for university programs, but it will allow us to give a lot of basic literacy courses and vocational-type training in remote communities without the people having to

go to a central institution. That again is something which should be encouraged.

Mr. Deputy Speaker: Are there further questions or comments? If not, the House will now proceed to debate.

● (1130)

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I welcome this opportunity to speak at the third reading stage of a Bill which, when implemented, will limit increases to 6 per cent for the first year and 5 per cent for this year in the amounts the federal Government contributes to post-secondary education. It is obvious that the Government is determined to implement this policy with no amendment, retraction or remorse for the damage it is inflicting on an educational system already in crisis.

This is not the only Bill which will accomplish that. A few weeks ago the Minister of Communications (Mr. Fox) announced what amounted to a reduction in funding to post-graduate programs administered through the Social Sciences and Humanities Research Council. I am sure the Department of Indian Affairs and Northern Development will try to impose the same kind of limits on the education of young native people for which it is legally responsible. These limits come at a time when we have 1.5 million unemployed, probably 40 per cent of whom are young people.

As a result of this large scale unemployment, our universities and community colleges have been flooded with applications for enrolment. It had been assumed that, because of the declining birth rate which began some 20 years ago, the number of students wishing to attend universities and community colleges would decline. In fact, the number of those who want to attend is at an all-time high. At the same time the federal Government decides for purely financial reasons, not because it has looked at the need for education, to limit the amount of money it will provide to help fund post-secondary education. This Bill will have a very serious effect not only on post-secondarty education, but on all education. The provinces share in the cost of post-secondary education and they will now have to try to meet some of the shortfall in funding caused by these limitations. One way of doing that is to be very careful, cautious and hard on the elementary and high school systems for which they have the responsibility.

All of this comes at a time, Mr. Speaker, when, because of new technologies, our educational system has to be revamped to help those who have lost or will lose their jobs because of automation. That is the time that the federal Government picks to get tough. In addition to those people, Mr. Speaker, there are whole groups in our society who have been short-changed through our educational system's failure to meet their needs. Let me just indicate a few of the groups who have real trouble.

We have had hundreds of thousands of immigrants who have come to Canada in the last 15 or 20 years whose language is neither English nor French. They have been encouraged to come to this country because of the policies put forward by the federal Government, a Liberal Government for 19 of those 20 years. We find those people in big cities such as Montreal, Toronto, Winnipeg, Calgary and Vancouver. Our school systems have found that the children from these families where the first language is not English or French, in order to fit into our society and play a useful role, need more teachers and teaching aids, new kinds of text books. Special efforts have to be made and extra costs are incurred. But at the same time the federal and provincial governments are saying to them: "We cannot afford to help you".

According to a number of studies we have several million people who are functionally illiterate. Those people are not finding and will not be able to find good jobs. Even when the economy improves, they will not be able to find jobs in the new technological age. There are really no programs on the part of the federal of provincial governments, so far as I can tell, which deal with the problem of those people. When the federal Government says it is going to put a cap on the money it spends for education, Mr. Speaker, that means we are writing those people off.

The last group I want to speak about, Mr. Speaker, is our native people. The education of many of our native people, including those now attending school, is at about the level they would get in a Third World country. There has been some improvement; native children are attending schools longer and getting higher grades than they did 10 or 20 years ago. But the number of native children who graduate from our high schools can be numbered at a few thousand, I am sure. I have seen some studies which indicate that in many areas in Manitoba—and I am sure it is the same in many other provinces—not one single native student from a reserve will finish high school. What are we doing about that? Very little. When we put a cap on our spending on education, we are writing those people off. That is not acceptable to me and it should not be acceptable to any person who cares about people in this country.

In this rapidly changing environment of computerization and information technology, the pressure is on the primary and secondary school system to integrate with the new technology and prepare this generation of children for the implications of the changes taking place. What are we saying when we limit our contributions to post-secondary education? We are accepting that we are not going to face the problem. We say the Government should provide special capital grants to enable financially strapped school boards to consider offering computer-related programs which they do not now offer. We New Democrats, Mr. Speaker, are not noted for believing in tax concessions.

● (1140)

However, I would suggest a practical option is to change the tax system so that corporations could donate appropriate equipment to schools. That would be a practical way of helping the schools meet their problems. Both the above measures could apply equally to vocational and technical colleges, high schools and polytechnical facilities which, due to the recession and Bills such as the one we are dealing with

today, are attempting to train for the future with obsolete, outdated equipment.

Originally the federal Government provided capital grants to assist in constructing and equipping these institutions. In a period of rapid technological change it is not unreasonable that the federal Government should show some leadership and concern and provide for the renewal of some of the equipment in these institutions, so that they can do the type of jobs they are supposed to do. They were set up to a large extent with federal funding. In order for them to do the job they are supposed to do, they must have the proper equipment, otherwise they can only fail.

It seems to me that the guiding principle of the Government in matters of education is to cut and slash. It wants to minimize its involvement and concern in order that the all-important deficit be reduced. Meanwhile federal budgets heap more and more tax breaks on the multinationals and conglomerates that the Government looks up to for leadership. The tax system permits the wealthiest individuals to pay little or no taxes. We know, Mr. Speaker, that more than 250 people who had incomes of more than $250,000 paid no income tax in the last year for which we have figures. We know there were over 7,000 people who had incomes of over $50,000 who paid no income tax in the last year for which we have figures. I suggest that an equitable tax system would do away with the necessity for the kinds of restrictions which the Government is proposing in this Bill.

The attack on educational and social programs by both the Liberal and Conservative Parties, both here in Ottawa and in the provinces, is going to have a disastrous effect on the lives of the people of this country. The Leader of the Official Opposition (Mr. Mulroney) has attacked the Government for the deficit which we face. This comes at the same time as he and his colleagues are calling almost every day for the Government to inaugurate new programs to help the farmers, the fishermen and other groups. There is not much honesty in that type of approach as far as I am concerned. One of the candidates in the Liberal leadership race, Mr. Turner, is basing his candidacy on a pledge to further cut the deficit. I suggest that, in effect, means lowering the level of social and educational services which we have provided in the country.

The major problem with the Government is that it has lost touch with the people it is sworn to serve. In the City of Toronto, for instance, there are 55,000 young unemployed Canadians. A substantial number of them are skilled, but have the wrong skills to meet the demand for jobs that are available. Statistics Canada reports that there are some 540,000 young Canadians who are unemployed and looking for work. This is almost double the official unemployment rate for the nation. This represents a staggering cost of billions of dollars of lost productivity which we will never recover. Some estimates have indicated that the total number of unemployed youth is not the 540,000 young Canadians that Statistics Canada reports, but that in fact at least 200,000 more young people have given up their search for a job because there just are not any.

It does not make sense for the Government to be cutting back on federal funding for post-secondary education at a time when such a crisis of unemployment for young people has exploded across this country. Officials in the core areas of our cities where the poor and unemployed tend to live have noticed an increase in vandalism, petty crime, prostitution, shoplifting and breaking and entering. These officials feel that such events can only signal deeper social unrest in the months ahead. The apparent reaction of the Government is the Bill before the House today which cuts back on the services I have indicated. This will only accentuate the difficulties I have alluded to.

Why does the Government persist in this policy? I can only guess that the Liberal Government has lost sight of the effects which these cuts can and will have and has no strategy for implementing real solutions through the educational system, whether it be vocational training, skills retraining, secondary school orientation for career paths or post-secondary specialization and post-graduate support. Federal Government education support and manpower training are not now geared to any over-all strategy or vision of the future. Despite a number of studies which have been made that indicated clearly that the Department of Employment and Immigration should make a bigger effort to deal with the lack of education and the illiteracy which I referred to earlier, the Department has allocated less and less funds for training those kinds of people in recent years rather than making a bigger effort.

The effects of cuts such as will take place as a result of passage of this Bill will be evident if we examine what is happening in the provinces. I think all Members know the difficulties which are arising in the Province of Ontario. The universities and community colleges have been told that they must cut back on the expenditures, that they cannot meet the needs of their students and that they are going to have to limit the number of students they can accept for training and education. The clearest indication of what happens when the federal Government or the provinces decide to hold the line, or in fact to cut back on educational funding, can be seen in the Province of British Columbia. That province has used the cuts in federal funding for post-secondary education as a justification of its own efforts to slash support for universal access to education and diverse educational programs geared to meet the needs of the workforce. In British Columbia less than 10 per cent of the student age population is in university or other post-secondary institutions. The figure for all of Canada is 12.68 per cent while the Japanese rate is 40 per cent and the U.S. rate is 20 per cent.

Can we look forward to anything, Mr. Speaker, other than a situation in which Canada will fall further behind other modern industrialized countries in meeting the needs of the new technology? This Bill does exactly the wrong thing. This Bill will create a situation which will have adverse disastrous effects, and not just in 1984, 1985 and 1986. The tremendously serious effects of these cutbacks and reductions will be felt in this country for generations to come. It is for those reasons, Mr. Speaker, that we oppose this Bill.

• (1150)

Mr. Deputy Speaker: Are there any questions or comments?

Mr. McMillan: Mr. Speaker, the Hon. Member said in his otherwise very thoughtful speech that the New Democratic Party did not in principle believe in tax incentives. Does that position indicate that the NDP is opposed to tax incentives for ordinary Canadians, for example with respect to registered retirement savings plans, contributions to charities and even donations to political parties, including the NDP itself?

Mr. Orlikow: Mr. Speaker, I am glad that the Hon. Member for Hillsborough (Mr. McMillan) asked that question. I suppose I was trying to keep in mind the fact that I had a limited period of time and I oversimplified our approach. Of course, we are not opposed to contributions and tax credits for charitable or educational purposes. We are very skeptical about many of the tax concessions and tax credits which are given to industries, particularly when many of those do not create any new jobs or increase productivity in this country. I was trying to say that we would want governments to look very carefully at any tax concessions or tax credits to make sure they benefit not just the company or the individual who is getting a tax credit or tax concession, but that they benefit all the people of this country.

Mr. Deputy Speaker: Debate. The Hon. Member for Ontario (Mr. Fennell).

Mr. Scott Fennell (Ontario): Mr. Speaker, the debate on this Bill has gone on for some time. It brings out many of the problems in Canada today, namely lack of consultation between the federal Government and the provincial governments. This is a serious situation in which the Liberals have placed us. The Liberals have taken Bill C-12 and they have tried to say: "Because of our six and five program we have to reduce the expenditure for education". If the Liberals had made an honest attempt to work out the problem with the provinces—because education is a provincial responsibility—then they could have possibly stayed with the six and five. To me, Mr. Speaker, it is shocking that the Government can increase its own spending by in excess of 11 per cent on salaries and by many more per cent in different directions, yet on the most important subject in modern Canada, what do we have?

Education must be addressed. Many speakers have referred to higher education and specifically to universities. That is just one segment. There is another major segment and that is the retraining of Canadians—retraining and retraining. People will possibly go through a retraining program four or five times during their lives. Universities are not the only vehicle. We must develop more community colleges. We must develop more trade schools. We must get co-operation with industry. Today is the day we must encourage people to become more knowledgeable and more literate both in language and in computer technology.

I have spoken before on this Bill and I speak on it again because there are many more points to be made. For instance, I heard the red rump going on in the same direction about tax credits.

Mr. Keeper: You mean red Tories.

Mr. Fennell: The Government cannot afford what we are doing now under present circumstances. The only way this country can be turned around is to get the economy turned around. In that way, if the Government provided the same percentage of GNP and the GNP was higher, then the education program problem would not be serious. But we must address the importance of education in Canada today. Without co-operation with the provinces, that will never happen.

I would like to recommend to the Government that it sit down with each province individually and try to work out the needs of each province. If the Government works out the needs with each province and then holds a federal-provincial meeting to get consensus on the importance of education in Canada today, this would be helpful.

We brought down a task force report last weekend that was probably one of the most brilliant pieces of literature that I have had the opportunity to read. It brought forth the problems that Canada would face in the next 20 years. That first 20 years will move into 50 years. We are at a critical stage. We did not address this problem soon enough, as the Japanese did and as the Americans have. The Japanese, for example, were aware of the problem back in the 1960s. They built up their institutions and education to a level that could compensate for new technology and get people trained so they could fit into that requirement.

New technology is not the only criteria, Mr. Speaker. We have to deal with Canadians and give Canadians encouragement. Because of our deficit, there is little room for the Government to manoeuvre. I accept that. The only way out of that is by increasing the GNP.

I suggest that the Government bring in equity in taxation credits for education. An example that was recently brought to my attention was an article in the newspaper. The article was written about a young lady registered at McGill who took some of her courses at another university. She did that to fit into the program in which she wanted to become proficient. Because of that, Revenue Canada denied her the opportunity of deducting her expense against her income. I am not necessarily talking about deductions for students because students have such a hard time earning any income this day and age when there is such a shortage of work. I am talking about parents of students.

I recall that when I was young a life insurance salesman approached me when my first son was born and asked me if I would like to take out an insurance policy on him. My first reaction was that I did not want to benefit from my son's death. The salesman then explained to me it was an education program and that by putting so much money per month into this insurance program I could guarantee my son an education. That is forward thinking. We had that 30 years ago. Today we are looking from day to day, going from brink to brink, and we

have to stop. We have to start dealing with the long-term problem.

I believe we should provide some form of a program, such as the RHOSP, whereby parents can put money aside after a child is born and during his lifetime in order to create a fund to provide education. But I would go beyond that and say that parents should also be allowed to put funds aside to create a program for retraining themselves. We are in a critical stage. We must address the problem of my peers and the younger people who will be getting into our peers' age group in a few years. They will have to put money aside and they cannot afford to do so after taxes. We must do something about this. If the Government cannot provide for proper funding, then the individual will have to provide more of the funding. In order for the individual to do that, he must be given the incentive to do so.

• (1200)

The key point I am trying to make is that we must encourage Canadians to be productive. We must encourage them to become involved in the voluntary sector and different industries. However, we are discouraging Canadians; the great master state is now looking after them from cradle to grave. We have to overcome this and encourage people to help themselves.

Grants are given for new buildings and new institutions. There are a number of churches across Canada with basements that are not fully utilized. Those basements could be used for computer training at night or during the day, but no, the state wants total control. On that subject alone, some churches and other bodies have voluntary organizations and charge a fee for people to learn a new trade. Under the Unemployment Insurance Act a man is denied taking a full-time course at one of these institutions unless he will commit himself to the fact that, if so required, he will drop his schooling and return to the job. It is far more valuable for a person, rather than taking a temporary, part-time job, to be retrained in something which will provide him with a life-long skill. If we put a deterrent in the way of that gentleman, we are being totally unfair to the Canadian public. It is things such as that in the Income Tax Act which are forcing the Government to be the big daddy who will look after us and do everything for us. We must create an incentive for Canadians to help themselves. The Government must lead the way but it has not done so.

Many times in committee NDP members stated that the provinces were not keeping up their contributions. There is a way of dealing with that, and that is consultation. If after consultation they still refuse to increase their expenditure in education, then we can deal with it and participate on an even basis with the provinces. If we do that, the provinces will get smart very quickly because it is important to them to have funding.

In these times when we have gone through tremendous deficits, all provinces have competed with the federal Government to see who could be the biggest spender. One province in particular has been attacked on this point, the Province of British Columbia. Perhaps some of the things it has done have been too radical, but its intention was to reduce expenditures and ultimately reduce the provincial deficit. Provinces cannot afford any more than the federal Government can afford.

Again I say that the problem is critical. If we do not provide funding through the federal Government for training and retraining, we will continue having 1.5 million people unemployed who, according to the information I have been given from many sources, are costing our economy $50 billion. If a portion of that $50 billion was put into training, retraining and education, we would not only solve the unemployment problem but the problem which was brought to my attention last week by Mr. Fred Pomeroy, Vice-President of the CLC. He stated that we had to go abroad to bring in personnel to work in areas of new technology because we were bankrupt in the field. He said that we have not properly trained people for the upcoming high technology. Labour is on our side on this point. It is concerned and sick of Canada always depending upon bringing new people into the country to solve problems. We have approximately 25 million Canadians. Surely to God we can provide the training required for the new technology. We are not doing it. The Government is not addressing it and this Bill does not address it.

I have spoken in the House many times against Government spending on Crown corporations, particularly de Havilland and Canadair, which has amounted to some $5 billion that could have been put into education and would have probably reduced unemployment by at least a third. It is a shocking situation. Something has to be done.

We have to call for a national strategy to deal with the post-secondary educational system. The Association of Universities and Colleges of Canada, in a report by Dr. Symons and Dr. James Page, indicated very clearly that this matter must be discussed because it is of critical importance. Furthermore, the universities are shocked because they must recruit teachers from overseas. Again, with 25 million people in the country, we cannot provide adequate teachers to teach our own students! Visiting professors from other countries is a great idea, but they should be just that, visiting professors to assist our own people to upgrade their teaching skills and their knowledge of the new technology. This report is of critical importance. It is totally non-partisan, but no one in the Party opposite has indicated that a meeting will take place to develop a national strategy to deal with post-secondary education.

Also I would like to point out the importance of communications with the provinces. There is a weakness in the system before the post-secondary education stage. Some of the present costs are for upgrading student skills in English and basic arithmetic. I have talked to people involved in the universities about this and they maintain that part of the trouble is that everything is based on the GPA—the average mark. Some people are experts in mathematics, some are experts in English. A young man who may want to go into physics and maths may obtain 100 per cent in those subjects, but he may be excluded from the course because of a weakness in language

skills. We have to address this problem. We have to provide for such people. They are the geniuses, the brains and the inventors of new ideas for which there is a dire need in Canada.

Before sitting down I want to say that Canada is so far behind in education, as shown in the development of new technologies, that we do not have the choice of waiting to develop our own technology. We must buy technology from overseas and license it in Canada to get the country moving. This is a direct result of the lack of sufficient funds in the post-secondary educational stream. In order to turn around the economy and get it growing again, tax incentives must be put in place so that parents from the time their children are born receive tax deductions for saving money to educate the children and/or themselves. I plead with the Government to reconsider this. If it does not, I can promise that the next Government, which will be formed by the Progressive Conservative Party, will address this problem. We are aware that it is a critical problem. We hear words from different Members opposite, but we do not see any action. Through the polls, the Canadian public has told them very clearly that they are sick of their inaction and ready for a change of government. No matter who they put in charge, they still want us to take over, manage and run the economy in a proper way.

• (1210)

The Acting Speaker (Mr. Herbert): There follows a ten-minute period for questions and comments.

Mr. Crosby: Mr. Speaker, I have both a question and a comment for the Hon. Member for Ontario (Mr. Fennell) who presented some very interesting thoughts on both the subject of post-secondary education and education in general, as well as expressing his concern in the health field in relation to financing. He touched on a subject that has been presented to me on many occasions, and that is that there is lacking in our system a body or group that can overview government policy before it comes into operation.

Specifically the need is for consultation between government and organizations and parties actually involved in fields of activity such as education and health. Does the Hon. Member think there is any specific way that there could be a vehicle for consultation, particularly in the area of education? It has been the complaint of all those in post-secondary education and other areas of education that they do not have the opportunity to input to government officers and departments their views and concerns on educational matters. The Hon. Member for Ontario expressed his concern that the Government did not pay sufficient attention to people in the field of education, that is, those with special knowledge. Even if they do not react to what they are saying, there should at least be an opportunity for presentation of views. Can the Hon. Member comment on that and perhaps indicate what specific steps might be taken? I know he has great knowledge of the matter.

Mr. Fennell: Mr. Speaker, I appreciate that comment. It really comes into the view of our Party that our committee system is not working. If we had a proper committee system in this House, we could deal with a Bill like this in an intelligent way rather than by restriction in a committee where I must ask a question in five minutes and get an answer in five minutes. We could go into depth, bring in experts and bring in the provinces. If we were given that opportunity in this House, we could develop programs that are acceptable to Canadians, not only to those on the government side.

Another point is budgeting in this country. It is an absolute disaster. We are shown the Estimates a week before we have to approve them. A prime example is the $240 million for de Havilland. The President of the Treasury Board (Mr. Gray) knew when he requested that $240 million that he would be back at the table within a month to ask for more.

We are not managing this country properly. We are not managing the Crown corporations. If we could have proper budgeting through a parliamentary committee and proper committee input into legislation, this country could be successful, Canadians would be employed and we would be turning on the economy at full speed.

The Acting Speaker (Mr. Herbert): If there are no other questions or comments, we will continue the debate.

Mr. Len Gustafson (Assiniboia): Mr. Speaker, I rise to speak to Bill C-12, an Act to amend the Federal-Provincial Fiscal Arrangements and Established Programs Financing Act, 1977. When we observe the way the Government and the Minister have handled both education and health in terms of dealing with the problem, we see that the Government brings forward programs without enough negotiation with the provinces. In other words, they promote a political program, put it forward and then tell the provinces to pay for it.

In the area of health, our Party is dedicated to the universal medicare program. We believe it should be given high priority. However, this should be done through negotiation with the provinces. We should tell the provinces what it will cost, what will be the program and arrive at arrangements regarding the cost-shared programs. What do we have ? The Minister of National Health and Welfare (Miss Bégin) takes a certain direction for political expediency and dumps it on the provinces. That is very unfair.

In terms of education, I have been particularly concerned about on-the-job training. There are steps the Government could take to strengthen the Canadian position and prepare people to pick up education on the job. This would strengthen our economy.

I want to deal with small businesses and farming in relation to education. How do we prepare our young people to take on these jobs? There is no educational program in the case of small business. Our young people receive book training. We send them to school for a number of years. However, we then throw them into the job market. They are not prepared to meet that challenge.

I have seen this happen in the construction business for years. There should be training programs for the various trades such as carpentry or construction in general. Are we

preparing our young people? Do we have proper training programs to educate our young people to go out on a job? This is one area that the Government should take a close look at, and not only in terms of construction.

Let us take a look at the rural areas. One problem in this country is that we have become too centralized. We have had a program of centralization. The Liberal Government has poured too much into the large centres and this has created problems. We should now look at decentralization, possibly even in terms of education and preparing people for jobs. People must go where the jobs are. I will use a homely example. You may need someone to operate a tractor. If you want to hire a young person, you run into a number of government regulations, both provincial and federal. These regulations would, in fact, even preclude what I would call on-the-job training so that a person would be able to operate a machine in a proper way. This, of course, requires direct input from the person who operates the small business or farm so that that kind of an education program can be extended. The Government has done nothing to extend training in a practical way.

● (1220)

Unless we get down to a practical base at both the provincial and federal levels, we will not solve our problems. I think one of today's most overrated phrases is "high technology". There should certainly be emphasis on high-tech education, but I would like to express my opinion about this subject, Mr. Speaker. I do not presume to be an expert in the area of high technology but I have seen things work in a practical way in the small business and agricultural sectors and even on the assembly lines. It is my opinion that high technology will not solve all of the problems. We must become very practical and find out where the jobs are and where the productivity is. This will mean that our educational system will have to offer massive retraining programs, yet I believe that the system has not even begun to explore the various practical ideas and solutions that governments could implement.

Through the years, I have had the opportunity to employ many young students who were perhaps 16 or 17 years of age and were brought up in a small town. These students had no experience of operating construction or agricultural machines. Teaching these students takes a great deal of patience and costs a lot of money. Teaching a student to use a piece of equipment which costs $100,000 requires a great deal of responsibility. Someone must tutor a student by showing him how to check the oil in the morning and how to operate the machine in a variety of circumstances. If the Government were to offer tax benefits to operators in the construction and agricultural sectors to teach students, we could create some employment. I have heard of cases of young people who, because they were not working, got into trouble with the law. I think this is one area in which the Government can act in terms of practical education which will put people to work.

I shall now turn to the part of the Bill which deals with health. I think it is most unfair that the Government has used the issue of health for political expedience. It has become evident in the last few months that the Government has been mining for favourable subjects to use because the Government in front of us is bankrupt. It is most unfair of the Government to use the issue of health as a political issue. Health care is something to which we are all entitled.

It is unfair that the Government, instead od dealing with the provinces in a businesslike way and with the best interests of the Canadian people at heart, has used the issue of health as a political tool. I think that is very, very wrong, Mr. Speaker. If we are to have a country which is united in its strengths, we must remove from the political spectrum the type of thing we have seen demonstrated by the Minister of National Health and Welfare. The Ministers responsible for health in the various provinces feel very strongly about the misuse of this type of issue. They feel very strongly about the fact that the Government has indicated that it is the only entity in Canada which is interested in the health and welfare of the Canadian people. We on this side of the House are certainly dedicated to the health, education and welfare of the Canadian people.

Per capita transfers to post-secondary education will escalate quite significantly. It will become important to look at the future and implement a program to address the problem of education. We must redirect people from one area of education to another area of employment. This is probably one of the greatest problems the country will face. Young people who spend many years educating themselves in their desired professions find out that the whole system has collapsed on them. One of the greatest problems facing young people in the days ahead will be that, after having chosen a profession and educating themselves in that profession and having spent time, money and effort, they find that there are no jobs. This Government or the next Conservative Government must face that great challenge.

We must explore the areas of high technology but that is not where the answer lies. High technology may answer the problems of a few people but it will also create some problems. We must explore the area of practical training so that our young people do not find themselves in the chaotic situation which exists today.

The unemployment rate is the highest it has been in the history of the country. I heard this morning that in the maritime provinces the unemployment rate is staggeringly high, as high as 30 per cent. This should not be happening in a country with such vast opportunities and so many natural resources. Canadians could be accused of over-emphasizing the natural resources of this great country. However, I think that when preparing our young people for the challenge ahead, we have missed the point and are not redirecting Canadians so that they may do the things which they do the best.

● (1230)

Without zeroing in on a great deal of expenditure and bad mismanagement on behalf of Canadians, we have seen some good examples of this in recent days. I believe the Minister responsible for education on the government side should be

reconsidering this program and asking himself whether Canadians are being directed toward areas that will stimulate the country, productivity and ensure jobs for young people in the future. We need a new program for the redirection of funds and efforts so that young people are not trained or retrained in fields in which they will not be able to find a job.

Some may say that it is unfair to address this issue in those hard terms, but I suggest it is the Government's responsibility to be the vehicle for opening doors so that the private sector and the Government can study areas where this can be accomplished. We cannot accomplish the goals we set for this country when governments get caught up in political bickering.

When I consider the tremendous potential of this country, I cannot help but think of the situation in western Canada with regard to the National Energy Program. I have seen thousands of jobs lost when the markets of the world were there for us. The House will recall the period when we were importing oil from Mexico and losing jobs. Oil rigs were shut down and I believe as many as 275 went across the line. This meant the loss of thousands of jobs for our young people and thousands of dollars to our treasuries. As well, it cost us in terms of welfare payments. It was a terrible loss to the country and one from which we have not begun to recover at this point.

There must be long-term planning with a view to providing what we are asking of our young people. Is the Government asking them to go without jobs, to be ill-prepared and continue in technologies which we have not been prepared to deal with through our educational system? Furthermore, when government mismanagement is added to this, it results in a very serious situation. I suggest that it is important to look at this whole area of retraining and fiscal responsibility as it relates to the balance of payments between provincial and federal governments so that we can give young people the opportunity to prepare themselves and assure their future with stable jobs. This can be accomplished in this country with good management.

The Acting Speaker (Mr. Herbert): There follows a ten-minute period for questions or comments. If there are no questions, debate.

Mr. Howard Crosby (Halifax West): Mr. Speaker, the debate on Bill C-12 which relates to federal-provincial fiscal arrangements, having particular application to both secondary education and health, is drawing to a close. For that reason, I believe it is important to highlight some of the major features of Bill C-12 as it affects the legislative base for the federal-provincial arrangements that, in turn, govern the delivery of post-secondary education services and health services right across Canada.

First and foremost, we must recognize that federal-provincial relations have evolved over a long period of time. In more recent decades, federal-provincial relations have been formalized to a great extent with the result that the federal-provincial conference has become a kind of institution. In the last few years the process of institutionalizing federal-provincial relations has fallen into difficult straits. On several occasions, we have read in newspapers and other forms of media publications that federal-provincial relations are dying, that co-operative federalism is dead. That presents difficulties for governments at federal, provincial and indeed municipal levels. If there is one thing that is essential to the welfare of this country and the governing of all parts and aspects of our national life, it is co-operation among the various levels of government, particularly the federal and provincial governments.

In that context it is important to review Bill C-12 and its effect on post-secondary education and health programs across Canada. In order to illustrate my point, I would refer to a report published by the provincial Ministers of Finance in April of 1983. It is made very clear in that report that, in the opinion of the provincial Ministers, there are great and grave difficulties with the federal Government's policies with respect to the funding of post-secondary education and health.

One point made in that report is that the federal proposals with respect to funding bear no relationship to actual provincial spending on health and higher education. I suggest that the importance of that point escapes many Members of the House of Commons and possibly other Canadians. It is a terrible reflection on the policies of the federal Government when provincial Ministers say in a formal report that its policies with respect to funding of the important area of post-secondary education and health are not related to what is actually taking place in those fields and that the funding of education and health is an academic exercise, a national operation that bears no relationship to what is actually happening.

As a result, health and education expenses in the provinces can go up in order to meet the needs and challenges of people of each of the provinces, while the federal participation, in effect, can go down. That points out very clearly and concisely what the problem is. It is that the Government of Canada, in dealing with the important subjects of health and education, has escaped from reality into formulas that may protect the federal Treasury but do not provide the services which all Canadians have agreed must be provided.

The Hon. Member for Western Arctic (Mr. Nickerson) mentioned in his speech earlier today that the federal Government takes advantage of the fact that the province is responsible for actually providing services in health and education so that any failure to provide an adequate service reflects immediately on the provincial government and officers while not affecting, in an immediate way, the Government and officers of Canada. That creates a very difficult situation because if the Government of Canada takes advantage of that type of insulation from the people of Canada in the important areas of health and education and in effect tries to deceive the people of Canada with respect to the role that the federal Government plays in these matters, it will undermine the confidence of Canadians not only in the federal Government but in government at all levels.

One might suspect my motives in making that statement, but in fact even more extreme statements have been made by responsible persons, such as the President of the Canadian

Medical Association. In fact, I have a publication here dated March 20, 1984, in which the President of the Canadian Medical Association said this, and I quote:

● (1240)

The President of the Canadian Medical Association today accused the Minister of National Health and Welfare and members of the House of Commons Standing Committee on Health, Welfare and Social Affairs of perpetrating political fraud against the Canadian public.

When you put together the statement contained in the report of the provincial Ministers of Finance and the statement published by the Canadian Medical Association accusing the Minister of National Health and Welfare (Miss Bégin) of political fraud against the Canadian public, you realize the state of federal-provincial relations and what a disastrous effect that must have on very important fields like health and higher education. I believe that is an important observation and one which should concern all Canadians with respect to Bill C-12 and its effect on federal-provincial fiscal arrangements, which in turn determine the services which will be provided in the fields of health and higher education. Health and education become the victims of difficulties in federal-provincial relations.

The death of co-operative federalism takes its toll in those important service areas of health and education. I believe it is a sad day for the House of Commons and for all Canadians when, as a result of the failure of the federal Government to deal properly with the provincial governments, those needed services in health and education suffer.

The pith and substance of this Bill and related legislation is that, in fact, it reduces the funding available to post-secondary educational institutions and to the deliverers of health services in Canada. One can present many statistics but the bottom line is that there will be less money available. When you are talking, Mr. Speaker, of education cost across Canada, you are talking of a total expenditure of $4.7 billion. Governments provide almost 72 per cent, 73 per cent of that amount, approximately $3.4 billion. The balance of the funds, which amounts to less than 27 per cent, 28 per cent, comes from the private sector and tuition fees. Therefore, if the federal Government reduces the amount it is willing to spend in the field of post-secondary education, it does not take much calculation to realize that the bottom line is increased tuition fees to the students of Canada to the extent that the private sector cannot make up the shortage of funds. Any dramatic increase in tuition fees of Canadian universities and post-secondary institutions immediately affects the accessibility of young Canadians to higher education. If there is one objective which most Canadians have, it is to acquire a higher education, if their abilities and capacities permit them to absorb that level of training and education.

We cannot divorce the problem from the realities of life. When we reduce the amount of federal funding to post-secondary education, it not only leads to reduced services at the universities, but affects in a very real way the accessibility of young Canadians to a university level education. I want to point out again, as I have in the past, the realities of this legislative measure as it affects Canadian university students. We are not talking about a small number of Canadians, Mr. Speaker. There are over 500,000 young Canadians enrolled in post-secondary institutions on a full-time or part-time basis. In addition, there are many more persons who are, in effect, students at Canadian universities and post-secondary institutions pursuing subjects of instruction which will not result in a university degree, but which, nonetheless, allows them to participate in the process of secondary education.

Finally, I would like to express my concern for Canadian university students by pointing out that in 1982-1983 there was a 15.9 per cent increase in tuition fees across Canada. With measures like those contained in Bill C-12, that increase is liable to escalate dramatically in the next years. The importance, I should note, of that average 15.9 per cent increase across Canada is that in some provinces it is quite extreme. In the Province of Newfoundland, the increase in tuition fees for 1982-1983 is estimated to be 37.1 per cent. Provinces which have delayed increasing tuition fees can expect even greater increases in the next time period. It is anticipated in the Province of British Columbia, for example, that tuition fees at the University of British Columbia could increasee by 33 per cent or more in the next few years.

We have a real, practical problem, Mr. Speaker. We are not talking in abstract about a cold and sterile process of government funding. We are talking about the ability of young Canadians to have access to higher education. We are talking about the level of the services provided to students at universities and post-secondary institutions, and other things of a very practical nature.

There are many other concerns, Mr. Speaker, in the educational field which I would like to bring to the attention of the House. However, I would like to deal now with the other part of Bill C-12 which affects the health field. In addition to Bill C-12, we have before us in this House Bill C-3 which enacts the new Canada Health Act. We know what difficulties that Bill has created for the health professions across Canada and for other persons and institutions involved in the delivery of health care services. I have already mentioned the accusation of political fraud which has been made by the Canadian Medical Association, but again we have the practical effect of a reduction in financing on the services provided by those persons and institutions who depend upon that government financing.

Provinces like the Province of Nova Scotia already expend over 25 per cent of their revenue dollars on health. It simply has no more funds to apply to health care services. I believe that is true of most provinces in Canada as we approach this lower level in the economic recession cycle. The unfortunate part, Mr. Speaker, is that it is very unlikely that the situation will improve even with an improvement in the economy, because all we can do in the next decade is reach the status we have enjoyed in past decades. There is very little opportunity and chance totally to revitalize the economy in such a way that funds will be generated from normal taxation sources to make up the deficits which have accrued, not only in the total

national revenue picture, but in all the services which are involved in that picture, and health services, including medical care, is one of those services.

What I am saying, Mr. Speaker, is that it is unlikely that anything will happen in the next year by way of economic improvement which will generate any great amount of funds for a service like health care. We must, therefore, rely on the standard sources of funds. We must rely on the standard programs which have been provided to support health care.

This Bill, Mr. Speaker, is another example of reducing in a very insidious way the amount of funds which will actually flow through to the deliverers of health care services. Yet, Mr. Speaker, notwithstanding that reduction in funding available for health care, the Government pretends and purports to be improving health care in Canada. The Government purports to be helping Canadians in relation to health care. There should be little wonder that the Canadian Medical Association has accused the Minister of National Health and Welfare of political fraud.

One always likes to be positive, particularly when the subject is post-secondary education and health. However, there is an element of fraud in what the Government has been doing in the legislative field as represented by Bill C-12 and by other Bills in the House. There is ample evidence that a fraud is being perpetrated on the Canadian people. At the very time that the Government is withdrawing funds from important areas like health and education, it is pretending to assist and advance the services provided in those important fields.

The debate on Bill C-12 is drawing to an end. It may well be that my remarks will terminate the debate on third reading. I believe it is very unfortunate that as we terminate that debate it is on the note that not only are there difficulties now in the fields of health and higher education, but that those who are involved in those very important fields can look forward in the next few years to even greater difficulties. This lack of funding will have its effect on those who will now be required to pay for the services. In the case of post-secondary education it will be the students, in the case of health services it will be the provincial Governments, the alternative being a reduction in service. Either way it is going to be difficult for the people of Canada.

● (1250)

The Acting Speaker (Mr. Herbert): There follows a ten-minute period for questions and comments. If not, debate.

Mr. Skelly: Mr. Speaker, I have a question for the Hon. Member.

The Acting Speaker (Mr. Herbert): Order, please. Is it for a question or for debate?

Mr. Skelly: Just a short question. From watching the Conservatives perform in debate on this legislation and on the health Bill, it would appear that they are talking out of both sides of their mouth. They advocate support of, but vote against, in some cases, provisions which would improve post-secondary education.

I notice that most of their speakers failed to touch adequately on native education. The Hon. Member talks about the Government committing a fraud on the Canadian people. I wonder why we have not heard anything from the Official Opposition on this subject, which is clearly a federal responsibility. We should be insisting that provinces make an adequate contribution to the post-secondary education of native people. There should be a high spending priority on university education and technical and vocational training programs which could be funded at the post-secondary level. For example, native people on the coast of British Columbia could be obtaining forestry training for employment in the forest industry. There are some serious human resource deficiencies in band administration. One of the biggest problems for native people is developing a base of trained individuals who could take over band administration, develop new economic activities and carry them forward. There is certainly a deficiency on the part of the federal Government in special areas of native education.

I might add, Mr. Speaker, my concern about health care for native people. There are not enough doctors in the many remote native communities. There are not sufficient community health care clinics for native people. Would the Hon. Member be prepared to stand up and say why his Party has said absolutely nothing on these critical topics affecting native people?

Mr. Crosby: Mr. Speaker, there is a very short and simple answer I can give to my hon. friend. Members of the Progressive Conservative Party who address matters in the House of Commons abide by the rules in that their statements must be relevant to the matter before the House. Bill C-12 relates to Established Programs Financing, which applies to all Canadians. We might speak of Japanese Canadians, Chinese Canadians or Greek Canadians, but it applies to all Canadians. Therefore, there is no need to distinguish between native persons, aboriginals or people of other ethnic groups. We want the best possible health care and the best educational services for all Canadians.

My friend has referred to his interest in the problems of native persons, Mr. Speaker. I do not think these problems can be attacked in some silly, piecemeal way, as my hon. friend suggests. The difficulties which be set native persons across Canada, particularly in western Canada, have to be addressed in another way. I do not think we can tack on provisions with special application to native persons to Bills before the House which relate to all Canadians. We have to attack the real problem, which is the treatment native persons receive in Canada under the legislation affecting them.

I am proud to say, along with other Members of the House, that we have have had a special committee on Indian self-government. I know it was the mandate of that committee to consider all aspects of special concern to native persons. The report of that committee, of which the Hon. Member for Wetaskiwin (Mr. Schellenberger) was a member, has been

presented to the House. That is a step in the right direction. That is to say, if we can permit native persons to present in an organized way the special needs and solutions to their particular problems, that is the way to go.

If the Hon. Member is asking whether I would tack on to health legislation relating to all Canadians a special provision for native persons, would I tack on to general parliamentary legislation on education a special provision for native persons, my answer would be no, I would not want to do that. I do not want to isolate native persons as a group in that kind of demeaning way. To the extent that it is essential to provide special programs and special policies to assist native Canadians, then we should do it in a direct way.

The Acting Speaker (Mr. Herbert): Are there any further questions? Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Herbert): The question is as follows:

[*Translation*]

The Acting Speaker (Mr. Herbert): The question is as follows: Mr. Lalonde, seconded by Mr. Roberts, moves:

That Bill C-12, an Act to amend the Federal-Provincial Fiscal Arrangements and Established Programs Financing Act, 1977, be now read the third time and do pass.

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

Some Hon. Members: On division.

The Acting Speaker (Mr. Herbert): I declare the motion carried on division.

Motion agreed to on division and Bill read the third time and passed.

* * *

PETROLEUM AND GAS REVENUE TAX ACT

MEASURE TO AMEND

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

The Acting Speaker (Mr. Herbert): Order, please. It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

S.O. 21

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

ROAD SAFETY

FATALITIES CAUSED BY DRUNKEN DRIVERS

Mr. Arnold Malone (Crowfoot): Mr. Speaker, I recently had the opportunity to bring to the attention of the House of Commons the seriousness of driving while impaired. In a Private Members' Bill I urged that something be done to end the terrible and needless tragedies which take place on our nation's highways. A recent news story gives cause to have the issue addressed with renewed urgency.

Last year a woman lost her 17-year-old son in a traffic accident caused by an impaired driver. Shortly after, she joined an organization called Mothers Against Drunk Drivers, in the hope that something would be done to end these terrible tragedies. Last summer the same woman lost her 25-year-old son, again because of a drunk driver.

There is a cry for action. In 1981 there were nearly 158,000 impaired driving convictions in Canada, or more than 400 per day. A study done by seven provinces from 1973 to 1978 shows that 11,500 Canadians were killed in automobile accidents. In over 42 per cent of those cases one of the drivers had been drinking. These statistics call for action. I beg that we respond in favour of the innocent. It is high time that innocent Canadians get a break from the law.

* * *

POLITICAL PARTIES

SUPPORT FOR PROGRESSIVE CONSERVATIVE PARTY'S POLICIES

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, when the Government finally screws up sufficient courage to call a general election, whether it be in August, November or, God forbid, even later, the people of Canada will be faced with a clear choice.

On the one hand they will have the Liberals, aided and abetted by their friends the NDP, who favour a policy of zero growth, continuing high unemployment alleviated, if at all, by expensive, stop-gap, temporary, make-work programs, oppressive taxation ruthlessly imposed, and ever-increasing intrusion by the state into the private affairs and business dealings of Canadians.

On the other hand, Sir, they will have the fresh ideas of the Progressive Conservative Party. Here we find policies designed to allow everyone to grow and prosper in an atmosphere of full employment, stable interest rates, and sound financial management with lower and simplified taxes. We find policies

designed to release initiatives and enterprise which will astound Canada and astonish the world. I have made up my mind, Sir. So have most other Canadians. Therefore, let us bring on the election.

* * *

FISHERIES

EFFECT OF PROPOSED ALCAN PROJECT ON BRITISH COLUMBIA SALMON STOCKS

Mr. Ted Miller (Nanaimo-Alberni): Mr. Speaker, is the resolve of the Progressive Conservative Party to protect British Columbia's salmon industry weakening, now that one of its corporate friends in formally seeking access to salmon producing rivers for power generation? Apparently it is. The Kemano II project in northwestern British Columbia, proposed by Alcan, poses a serious threat to the future of our fragile salmon stocks which are already seriously impacted by the first Kemano project. Yet it is apparent that this project will have Conservative support.

The Department of Fisheries and Oceans recently held public meetings on this matter in British Columbia, but no one from the Tory caucus bothered to show up to register their concern. We can only assume that they are not concerned. Or, if they do have concerns, they are not prepared to stand up and publicly oppose Alcan's haste. Also, the Conservative Member for Vancouver Quadra, in a letter to the President of the Terrace Chamber of Commerce, states that:

> Bruce Rozenhart of Alcan has been keeping the British Columbia Caucus fully briefed on their expansion plans and I can see no problem to having such Federal approval as is necessary for such expansion.

Clearly, Mr. Speaker, When the crunch comes, the true Tory colours will show through and they will continue to put the welfare of their corporate friends ahead of the welfare of British Columbia's fishermen or of the salmon stocks upon which they depend.

Mr. Hnatyshyn: Why do you never criticize the Liberals?

* * *

[*Translation*]

LANGUAGE RIGHTS

INQUIRY WHETHER LEADER OF THE OPPOSITION WILL AGREE TO RECORDED DIVISION

Mr. Louis Duclos (Montmorency-Orléans): Mr. Speaker, the Leader of the Official Opposition (Mr. Mulroney) is so afraid that John Turner will become the Leader of the Liberal Party of Canada that he deliberately attempts to distort the comments made by the former Minister of Finance concerning the language issue, in order to gain political advantage.

In my opinion, intellectual decency requires that he should differentiate between the basic rights which are guaranteed by the Constitution and which the federal Government has the obligation to protect, before the courts, if need be, and entitlement to provincial government services in the minority language, which comes under the jurisdiction of each Province.

This is basically the distinction made once more by John Turner in Montreal yesterday. Therefore, it cannot be said that, by saying he respects the provincial jurisdiction in Quebec as far as linguistic matters are concerned, John Turner is accepting official unilinguism in Quebec. In fact, Quebec is one of just two Provinces in Canada—New Brunswick being the other one—where institutional bilinguism is officially recognized under Section 133 of the British North America Act, which provides for the equality of both French and English before the courts and in the National Assembly.

The fact that the Chairman of Alliance Quebec has stated that he was satisfied with John Turner's position as concerns the linguistic rights of the English-speaking minority in Quebec should urge the Conservative Leader not to be such a demagogue in the future.

By the way, if, as he has proclaimed, the Conservative caucus is now united behind its Leader in relation with the issue of French language rights in Manitoba, the Leader of the Official Opposition should say in the House whether he would accept a recorded vote on this issue.

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[*English*]

NATIONAL REVENUE

COSTS OF INVESTIGATING DEPARTMENT'S ACTIVITIES

Mr. Girve Fretz (Erie): Mr. Speaker, I never fail to be amazed by the extravagance of the Government. As Members will recall, certain Members of Her Majesty's Loyal Opposition committed their time and energy to the formation of a task force charged with the investigation of certain activities of Revenue Canada's stormtroopers which were rumoured to be unacceptable. After a month and one half of travelling across the country and speaking to Canadians in all tax brackets, we have finished what I feel to be a complete and well documented report. The total cost of the venture was in the neighbourhood of $100,000, and the time spent was less than two months.

In light of the above, how can the Minister possibly justify the hiring of a private firm to do similar work at a cost of $1.5 million over a period of one and one half years, especially with the Liberal Government's deficit approaching $30 billion? This is a mammoth undertaking and will, no doubt, enrich some pockets at the taxpayers' expense. Mr. Speaker, this is indeed outrageous. It is extravagant. It is overblown, preposterous and disgusting. It is gross, revolting, unforgivable, sickening, wasteful, redundant, thoughtless, unpalatable, ridiculous, and does not make any sense. Why does the Government not just resign? It would be a lot cheaper.

• (1410)

ABORTION

PROTECTION URGED FOR UNBORN CHILDREN

Mr. Stanley Hudecki (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, the Ontario Supreme Court recently reversed a lower court decision in the Medhurst case and ruled that the father of an unborn child has no legal status to prevent the unborn child from being aborted.

The Supreme Court based its decision on previous court rulings which have declared that an unborn child is not a person. The decision thereby prohibits a father from acting legally as a "next friend" of the fetus which he and his wife created.

While the Criminal Code allows for abortions if an abortion committee in an accredited hospital finds that the woman's life or health would be endangered by the pregnancy or birth, the judge in the Medhurst case stated that even if there were reason to believe the abortion committee had not fulfilled its legal requirements, it would still not be for him or any other judge to decide whether or not a woman should have an abortion.

In light of the Medhurst case, and the undisputed scientific proof set out in the Borowski case in which Judge Matheson of the Queen's Bench of Saskatchewan acknowledged beyond question that a fetus is a human being, I urge the Government to initiate action under the amending formula to amend the Constitution so that the human fetus will be included under the protective provisions of the Charter of Rights and Freedoms, as has already been done in West Germany.

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VIA RAIL

TORONTO-PETERBOROUGH-HAVELOCK—CALL FOR MEETING ON RESTORATION OF SERVICE

Mr. Bill Domm (Peterborough): Mr. Speaker, I rise today on an extremely urgent matter dealing with the restoration of the VIA Rail passenger service which formerly operated between Toronto-Peterborough-Havelock. When I first raised this important question on September 20, 1983, I received constant assurances from the Minister of Transport (Mr. Axworthy) that the decision-making process would be conducted on a basis of consultation with all those involved, including the Minister himself. Since that time I have worked with local politicians and passenger association representatives in an attempt to secure an audience with the Minister responsible for VIA Rail but, as yet, all our efforts have been in vain.

During a November, 1983, discussion with officials from his Department, we were promised a meeting with the Minister at his convenience, and we arranged for three tentative dates, all of which have long since expired. Therefore I strongly urge the Minister of Transport to honour a commitment to myself and to other Members of Parliament on this VIA Rail line so that the representatives from Peterborough and area, in order to facilitate a spirit of consultation and co-operation, might have this promised meeting.

Surely the new co-operative program as expounded by the Minister of Transport will not just apply to the riding which the Minister represents where that consultation process took place. Surely all Canadians in regions where 20 per cent of VIA Rail was cancelled are entitled to a hearing.

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[*Translation*]

EXTERNAL AFFAIRS

ALLEGATIONS MADE BY LEADER OF THE OPPOSITION

Mr. Robert Gourd (Parliamentary Secretary to Minister of State (Multiculturalism)): Last week, Mr. Speaker, the Leader of the Official Opposition, who describes himself as a Quebecer, the *petit gars* from Baie-Comeau, hoisted his true colours: unaware of and incompetent in international niceties, he jeopardized Canada's efforts to promote good relations by implying that the OECD is a frivolous and dissolute organization.

In addition, Mr. Speaker, far from being proud of his country and his fellow citizens, the *petit gars* of the Opposition debased himself in the eyes of Canadians by suggesting that the Minister of Finance (Mr. Lalonde) is not qualified to fill the prestigious position of OECD Secretary General.

On the contrary, Mr. Speaker, I would expect all Members of the House to be very proud of any Canadian who might be appointed to that prestigious post. I take the Leader of the Official Opposition to task for his petty remarks about a fellow French-Canadian.

* * *

[*English*]

FINANCE

REMOVAL OF SALES TAX ON FUEL USED BY FARMERS AND FISHERMEN REQUESTED

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I would like to request today that the Minister of Finance (Mr. Lalonde) and the Government remove the 9 per cent sales tax on fuel used by farmers and by fishermen. This request has been made by numerous individuals in order to reduce the extremely high costs of fishermen and farmers. The Government has driven those costs up through high interest rates and through enormous price increases in gasoline and diesel oil and then imposed an additional burden in the form of a 9 per cent sales tax on fuel. If this were removed there would be an additional $250 million placed in the pockets of farmers and fishermen which might help them survive the other costs imposed and the dangers of bankruptcy as a result of the actions of the Government.

This House is today going to deal with an obscene Bill that will give a tax break, a major tax break, of that amount to oil companies. That Bill is going to do absolutely nothing for consumers. That money will wind up on the balance sheets of major multinational oil companies in this country. The Tories and the Liberals are going to wind up supporting that Bill. There is no real care or concern for consumers and no real concern for the moral aspects of this particular situation. The Government is going to feather the nests of the major oil compagnies at the expense of the consumers.

I appeal to the Government, Mr. Speaker, as do many other people—remove this unfair 9 per cent sales tax as soon as possible.

ORAL QUESTION PERIOD

[*English*]

CROWN CORPORATIONS

DE HAVILLAND—VIABILITY OF DASH-8 AIRCRAFT CONSTRUCTION PROGRAM—DISCLOSURE OF INFORMATION

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, I will direct my question to the Minister answering for de Havilland in the House. I believe it is the Minister of National Revenue.

Some Hon. Members: Oh, oh!

Mr. Wilson: On Tuesday the Minister responsible for de Havilland in the other place said that the Dash-8 program would not be viable for at least ten years. This is a program which is condemning a company that has been a Canadian success story to a bleak and uncertain future. Since taxpayers are being asked to support the company for a total of just short of a billion dollars, since workers are being asked to make concessions in their pay, and since other workers are being laid off, will the Minister explain why the Government did not tell the full story to Parliament, to taxpayers, or to the workers, at a time when the decision was being taken? Why the cover-up? Why the rush to make this decision that is going to condemn this company?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Hon. Member talks of a cover-up and asks why hasn't the full story been told. I have argued that the full story has been told, but the Hon. Member in his question gives an example of a cover-up. He says that Canadair had been a success story until the Government took it over. Surely that is a gross distortion of the reality. de Havilland was taken over because its parent company in Great Britain wanted to get rid of it because it was not a success story, and the Government took it over in order to save that technology for Canada. The Hon. Member should not cover up on the truth.

Some Hon. Members: Hear, hear!

Mr. Wilson: Mr. Speaker, the Prime Minister should be gone from this place if he is going to distort my words the way he has just done.

Some Hon. Members: Oh, oh!

Mr. Wilson: I said this company has been a success story. It was, with the Dash-7, which was after the Government took it over, and it still was up until the time that this decision was taken.

REQUEST FOR RELEASE OF COST BENEFIT ANALYSIS

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, taxpayers, as well as workers, and suppliers to de Havilland deserve some assurance that this decision was based on more than blatant political considerations. Will the Government release a detailed cost-benefit analysis which would outline in depth the social and the economic benefits that will offset the obvious negative aspects of the business decision that was just made?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the negative aspects come from people like the Hon. Member who try to put a poor image on de Havilland. The Minister has appeared before committee. He has appeared before the Canadian public. He has appeared before the press and he has answered the questions.

Mr. Wilson: No.

Mr. Trudeau: And he has been very frank in saying—

Mr. Wilson: No.

Mr. Trudeau: Well, Mr. Speaker, I have noes on the other side, but it is a matter of record and of fact that he has appeared, that he has been asked questions and that he has answered them, and that if more questions are to be asked of him he will be prepared to answer them.

Mr. Wilson: Mr. Speaker, I invite the Prime Minister to read the transcripts of some of the statements made by the Senator in the finance committee. He has not answered the questions. He has hidden the truth until after the decisions had been made, and that is a fact.

Some Hon. Members: Oh, oh!

REQUEST FOR REFERRAL TO COMMITTEE

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, the decision by the Government to saddle de Havilland with the program which will probably never make money is creating great uncertainty for de Havilland employees, its suppliers, other people, and for taxpayers. Will the Government refer this whole matter to the finance committee or to an independent committee so that we can get a clear understanding of the future of de Havilland, so that those jobs can be saved, and so

the company can be strengthened and preserved for the future of Canada?

● (1420)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it would be interesting to know what point of view the Hon. Member and his Party want to defend in front of the committee about which he is talking. I have heard Members on that side do all they could to prevent the continuance of Canadair and of de Havilland.

Mr. Wilson: No, Sir.

Mr. Trudeau: They are switching a little bit now. Let me say that the Senator made it quite clear that he envisaged de Havilland would not be making money over the next several years. He made that quite clear. The Government has accepted that. The Government has made a decision that, in spite of it, and rather than repeat the old scenario of the Arrow which the Diefenbaker Government let die with all its technology, we would keep it alive at public expense, at taxpayers' expense.

Mr. Stevens: At any cost.

Mr. Trudeau: That is a difficult decision. It would be in the short-term more tempting to say: "It is a loser, let's kill it". The Government did not do that. Ministers wanted to save the technology. They were gambling on the future improvement of the market for the Dash-8 and they took that chance. Is the Hon. Member telling me that he would say in committee we should let it die if it is costing taxpayers some money, or is he saying that even if it is costing taxpayers some money—

Mr. Wilson: Give us the information.

Mr. Trudeau: —it should be kept alive? For which of the two is his Party standing?

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THE ADMINISTRATION

LIBERAL LEADERSHIP CAMPAIGN—ROLE OF MICHAEL RONAN

Hon. Allan Lawrence (Durham-Northumberland): Mr. Speaker, may I sincerely thank the Prime Minister for his statement in the House yesterday relating to the whole question of morality and the use of people who are on the government payroll and people who are playing an important part in various leadership campaigns for members of his Government.

For instance, is the Prime Minister aware that Mr. Michael Ronan is allegedly handling public relations and advertising for the leadership campaign of the Minister of Employment and Immigration and, at the same time, is under contract with the Privy Council Office, which I think must come under the Prime Minister, as part of a group acting as special advisers to the Cabinet Committee on Communications? Is the Prime Minister aware of this gentleman's dual role? If not, would he take steps to end either one position or the other?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am not sure if the Hon. Member said that he was full-time on the leadership race and full-time on the Privy Council contract. If that is the case, obviously one of the two should be stopped. However, I am not sure what are the facts as he stated them.

Mr. Lawrence: Of course I think it does not matter whether he is full-time or part-time on either one or the other. The point is that if a person is on the government payroll in almost any guise, should he also be acting, in the Prime Minister's words of yesterday, "in an important way in a leadership campaign". That is why I wanted to congratulate the Prime Minister on his statement, but I will give him another example.

ROLE OF DAVID ZUSSMAN

Hon. Allan Lawrence (Durham-Northumberland): Mr. Speaker, I am told that Mr. David Zussman is listed as a special policy adviser to the Minister of Energy, yet on the Minister's tour of both the Atlantic region last week and this week's western tour, I am told Mr. Zussman was very prominent in his political activities, not in his government advising activities nor in any departmental role. Will the Prime Minister insist upon some sort of an explanation from his Minister about this one?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will be happy to follow up on both those cases, but it would seem to me the Hon. Member's assumption that it does not matter or is of no relevance if he is full-time or half-time does not necessarily follow. I do not know the case, but if a gentleman is on half-time contract, or on contract for two days a week for the Government, I do not think prima facie it would preclude him from being involved in political activities the rest of the week. This obviously does not apply to full-time public servants, but he cites the case of a contract. It is worth looking into.

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SCIENCE AND TECHNOLOGY

PROVISION OF GOVERNMENT MONEYS FOR TECHNOLOGICAL CHANGE

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is directed to the Minister of State for Economic and Regional Development. The Minister will know that we have lost one million jobs in Canada since 1981. I want to ask the Minister directly whether he is prepared to undertake to recommend a guarantee that any government moneys made available to companies in Canada for the purpose of technological change will be tied directly to those companies' undertakings to provide new employment?

Hon. Donald J. Johnston (Minister of State for Economic and Regional Development and Minister of State for Science

and Technology): Mr. Speaker, it would appear from the studies I have read, and from the general consensus of Ministers involved with economic development, in the OECD group of countries that technological change of the kind to which the Hon. Member refers would inevitably result in more better paying jobs for the citizens not only of Canada but of our trading partners as well.

Mr. Deans: Surely the Minister is not suggesting that as one undertakes technological change, which goes from the computer age to more highly sophisticated machinery this, will somehow or other create more jobs for people working in the plants.

EFFECT OF TECHNOLOGICAL CHANGE ON EMPLOYMENT OF WOMEN

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, given that the Minister acknowledged very little could be done for the very large numbers of women who would lose their jobs due to technological change, what kind of proposal does he have to put forward which will take up the slack in our economy as a result of the tech change having thrown over a million people out of work?

Hon. Donald J. Johnston (Minister of State for Economic and Regional Development and Minister of State for Science and Technology): Mr. Speaker, I do not think one can specifically assign a number in Canada to those who have lost their jobs because of technological change. However, the point the Hon. Member makes is an important one—how do we remove the anxiety of those people who are currently in the work force and may see themselves threatened by technological change?

That is the very purpose of the extensive training and retraining programs provided under the National Training Act. Moreover, that is the purpose of the centre for labour productivity—and I am sorry I keep forgetting its name—which was established by my colleagues, the Minister of Labour and the Minister of Regional Industrial Expansion. As Hon. Members know, it is established in the sense that it is sponsored by the Government, but in fact it is the result of a consensus which was struck between the labour movement and the Business Council on National Issues. This forum is designed specifically to address the kinds of problems the Hon. Member is raising. We all hope that the recommendations coming from that group which, as I said, combines the interests of business and labour, will be recommendations upon which Governments, provincially and federally, will be able to act.

Mr. Deans: Mr. Speaker, surely the Minister knows that we have created no more than 350,000 jobs over the course of the last number of years, that we need 700,000 jobs per year just to meet the demand and that, with a million fewer jobs, any amount of retraining will be of no value because there are not jobs for retrained people.

REQUEST THAT GOVERNMENT FUNDING BE TIED TO CREATION OF JOBS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, given that retraining is already paid for by workers mostly through unemployment insurance premiums, what kind of commitment can the Minister make that in fact a requirement will be placed upon those who take advantage of government subsidy, either through tax reduction or through direct subsidy for the purpose of technological change, to create jobs in Canada's economy?

Hon. Donald J. Johnston (Minister of State for Economic and Regional Development and Minister of State for Science and Technology): Mr. Speaker, the Hon. Member is embarking upon a subject on which I could speak at great length this afternoon—the impact of technology on traditional sectors, the increase of productivity in those sectors, the job loss in those sectors as a result of technology, and the job creation in complementary sectors and in service sectors as a result of the introduction of that technology. These are complicated issues and ones which I am delighted to discuss at length with the hon. gentleman. The fact of the matter is that we know when—

Mr. Speaker: With all due respect to the Hon. Minister, they are hardly the kinds of questions which can be answered in Question Period.

* * *

CROWN CORPORATIONS

NORTHERN TRANSPORTATION COMPANY LIMITED—PROPOSED SALE OF COMPANY

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, in the absence of the Minister of Transport perhaps I could direct my question to the Prime Minister. Would he explain why the Minister of Transport would send a telegram to NTCL, which they are proposing to privatize, informing of an independent evaluator and containing the words "maximum assistance to expedite", "must be no delays" and "would like to assure a sale in least possible time"? Does he believe that the Minister of Transport should be allowed to sell this company before replying to questions on the Order Paper which have been on the Order Paper for four months, before answering questions that the United States Air Force is asking the company, and before the Minister deals with conflict of interest regarding the Edmonton managers of the company? Is this reason for the proposed quick sale by the Minister?

● (1430)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we talked about privatization of some companies, I believe, in the Speech from the Throne in 1980. I have heard proposals from the Minister of Transport to privatize Northern Transportation for quite some time now. I do not know of the questions on the Order Paper. If they are there, they will obviously have to be answered. I do not think the move to

privatize is something that the Hon. Member's Party should be scandalized about.

Mr. Schellenberger: I am not concerned about privatizing. I am concerned about questions in the public interest being answered before the company is privatized.

CASH ASSETS OF COMPANY

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, it is odd that a Crown corporation should have $20 million cash on hand at the time that it is being privatized, at the same time that it shut down its Athabasca operation, has slowed down its Churchill operation, and has not been as competitive as it could be in the North. Could the company be bought out with its own cash? Will the Prime Minister ensure that these questions are answered before this company is put up for sale to the general public?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker. The company has not been put up for sale. It has been known that the company wanted to dispose of it for quite a while. It has been said on various occasions. Obviously if it is not sold for the right valuable considerations, $1 and other good and valuable considerations, the Opposition will have time to ask questions and will be entitled to have answers.

I wonder about the attitude of the Hon. Member. I think his Party is supporting some privatization. The Hon. Member nods his head in assent. Why does he want to delay this particular one? I just said that questions will have to be answered and should be answered if the sale is not proper. It sounds as though the Hon. Member would like to wait to privatize a little later when we have a new Liberal leader. I want to make it clear that I am all for privatization too.

* * *

LABOUR CONDITIONS

UNEMPLOYMENT IN ATLANTIC CANADA—REQUEST FOR MINISTER'S ADVICE

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Last week we were treated to shocking statistics expounding on the unemployment situation which, in Atlantic Canada, can be described as nothing less than crushing. Moncton has the horrible distinction of having the highest unemployment rate of any city in Canada. Eighty per cent of the construction trades in Saint John, New Brunswick, are out of work. It is now the norm rather than the exception. Newfoundland fishermen are in a horrible state. What advice does the Minister have to give to labour officials in Saint John, New Brunswick, whom he met a few weeks ago, when he was perceived as being more concerned with getting himself a job rather than arranging for a job for anybody else?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, it is true that I was recently in Saint John, New Brunswick. The reason was that a conference was held in Saint John with my provincial counterparts. We had extensive and serious discussions about job-creation possibilities. As the Hon. Member should know, but I suspect does not, there have been continuing discussions between the Government of New Brunswick and our own on how to take advantage of the arrival of the frigate program to create jobs in his area. The discussions we held in Saint John were serious, as opposed to the rather frivolous nature of the question of the Hon. Member on a very serious subject.

PLIGHT OF JOBLESS

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, that is cold comfort for those in despair, with no jobs, shattered families, broken homes and worse. For the first time since the Great Depression, soup kitchens have become a way of life in Atlantic Canada. Will the Minister go there and break bread with those still proud people who are taking bread in those soup kitchens, in the hope that he will become motivated to help rather than to hinder?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, the Hon. Member may want to wear his heart on his sleeve, but he is not the only person in this House who is concerned about the plight of the jobless. He should not arrogate to himself feelings about the people in his constituency. I have been there and I talked with the municipal authorities. I know about the problem. We are helping. If the Hon. Member had cared about it, he could have talked to me at any time in the past four years about these problems instead of waiting until today in the House of Commons.

* * *

ENVIRONMENTAL AFFAIRS

PLAN TO DUMP UNITED STATES POISONOUS WASTES NEAR SARNIA, ONT.

Hon. Bud Cullen (Sarnia-Lambton): Mr. Speaker, I have a question for the Minister of the Environment. Tricil Corporation plans to bury some 6.3 million kilograms of highly toxic cyanide-coated film chips from the Chicago area in a landfill site near Sarnia. This material was refused by three States in the United States. Will the Minister act to close the border and stop this dumping of poisonous waste?

Hon. Chas. L. Caccia (Minister of the Environment): Mr. Speaker, I congratulate the Hon. Member and other Liberal Members for having raised this matter so swiftly. I assure him that I have directed the officials in Environment Canada to get in touch with the U.S. Environmental Agency to establish, first, when this application will be made. I am told that 30 days would be required before permission for transportation can be granted. Second, they are to discuss alternative means of disposal of this product. In the end, I draw to the Hon. Member's attention that the control point will be whether or not there will be a site available in Ontario. That is a matter of

decision under the jurisdiction of the Government of Ontario. I understand that Liberal Members there raised this issue in the provincial House yesterday.

* * *

REFUGEES

ADMISSION OF GUATEMALANS TO CANADA

Mr. Dan Heap (Spadina): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Since Canada joined most other nations at the United Nations in condemning the Guatemalan Government's human rights violations, the Minister knows that many Guatemalans have good reason to flee from their terrorist Government and often have no alternative country of refuge except Canada. Will the Minister tell the House why, in spite of the pleas of many churches and other responsible agencies, he decided to prohibit all Guatemalans from entering Canada except those with visas?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, the application of the visa, which is not an extraordinary arrangement, is one which was designed to enable us to put in place a refugee program for Guatemalans. We, more than any other country, are giving assistance to refugees in Guatemala, as the Hon. Member recognized in his question, saying there were not other opportunities for potential refugees in relation to other countries. The reason is that Canada has been the most open and extensive in offering refugee assistance. In order to be able to do that, we put in a place a visa program so that we have some controls in order that there will not be a flood of people seeking to take advantage of those much more generous provisions which we have put in place. Indeed, there are considerable signs that the program which we have put in place is working and is of great assistance to those Guatemalans who need the program.

PROCEDURES FOLLOWED BY APPLICANTS FOR VISAS

Mr. Dan Heap (Spadina): Mr. Speaker, the Minister's own departmental records show that at least 70 per cent of Guatemalans who came to Canada before the visa requirement were found to be *bona fide* refugees. That is a very high record, placing Guatemala in a very different situation from many other countries. The Minister knows that there is not a record of abuse in that case. Why has the Minister not only imposed this visa requirement but publicly announced that Guatemalans in Guatemala who want to come as refugees must apply to the embassy? Does he know that, by going to the embassy to apply to be refugees, they place their lives in great risk at the hands of the Guatemalan security forces? Is the Minister aware of what he is doing to cut off the possibility of genuine refugees coming to Canada?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, the Hon. Member seems to be unaware of the fact that they do not have to apply in person. It is possible to take advantage of these provisions through intermediaries and third persons. There is no need to place themselves in the kind of jeopardy which the Hon. Member has described. Indeed, in relation to the program, that has happened on many occasions already.

* * *

● (1440)

HOUSE OF COMMONS

PRESENCE IN GALLERY OF BELGIAN MINISTER OF NATIONAL EDUCATION

Mr. Speaker: I would like to call to the attention of the House the presence in our gallery of Mr. Daniel Coens, the Minister of National Education for Belgium.

Some Hon. Members: Hear, hear!

* * *

SUPPLY AND SERVICES

PROCUREMENT OF ARMOUR-PLATED AUTOMOBILES

Mr. Peter Elzinga (Pembina): Mr. Speaker, in the absence of the Solicitor General perhaps I could put my question to the Minister of Supply and Services who is involved in this matter as well. Could the Minister confirm that meetings have taken place between the various Departments involving the purchasing practices when obtaining armoured cars for personnel here in Canada or VIPs from abroad? Can he confirm that some initiatives are being taken to ensure that purchasing practices in his own Department are in proper perspective?

[*Translation*]

Hon. Charles Lapointe (Minister of Supply and Services): Mr. Speaker, the Hon. Member is not providing me with enough details to enable me to give an accurate reply to his question. We regularly purchase armed or armored vehicles both for the Canadian Armed Forces and for the RCMP, but if he would give me more details on the type of armored vehicle he has in mind, I may be able to give him a more accurate reply.

[*English*]

REPORTED DEFICIENCIES IN VEHICLES

Mr. Peter Elzinga (Pembina): Mr. Speaker, I refer specifically to the Prime Minister's limousine and to the vehicles which were purchased for the Summit meeting which was held a few years ago. I am also referring specifically to the Hesse-Eisenhardt Company, and to Protective Materials Inc. I understand that allegations were made that some bids were submitted which were lower than those which the Department accepted.

May I also ask the Minister if he has been made aware of the deficiencies which exist in the Summit Seven vehicles? I refer particularly to the discrepancies in weight between

apparently identical vehicles, the fact that the glass appears to be faulty, and that apparently some of these vehicles failed test procedures at Val Cartier. I ask these questions in view of my deep concern for the safety of our diplomatic corps abroad, and my deep concern for the safety of the Prime Minister.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I think it is about time Tory members became concerned about my safety. I hope that in my remaining months they will be more gentle with me.

I think I would like to take this opportunity to say that I have refused delivery of the latest limousine. I want it to be delivered clean, fresh and unused, to the next Prime Minister of Canada who, presumably, will be a member of the Liberal Party. That limousine has great advantages and is very solid. I do not like it because the windows do not open, so I have gone back to using the old limousine.

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CANADA POST CORPORATION

DISTRIBUTION OF PRESIDENT'S SPEECH

Mr. J. R. Ellis (Prince Edward-Hastings): Mr. Speaker, my question is directed to the Minister who is responsible for Canada Post. In February the President of Canada Post, Mr. Michael Warren, spoke to an American association in Ottawa and told its members how good our Post Office was. He obviously expected that the members of that association would not know the difference. He then sent all 220 grams of his speech, printed in both official languages, to the riding offices and Ottawa offices of each Member of Parliament. A quick calculation tells me that that comes to 123,200 grams of paper, the posting of which would have cost over $700. Would the Minister who is responsible for Canada Post not agree that that money could have been better spent replacing those pickup boxes in small communities which have been taken away, or at least spent in an effort to improve the postal service?

[*Translation*]

Hon. André Ouellet (Minister of Labour): Mr. Speaker, I shall be happy to convey this comment to the President of the Canada Post Corporation.

Mr. Speaker: The Hon. Member for Bonaventure-Îles-de-la-Madeleine (Mr. Bujold).

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EXTERNAL AFFAIRS

PRESENCE OF CANADIAN SHIP IN NICARAGUAN PORT

Mr. Rémi Bujold (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, my question is directed to the Prime Minister and relates to the incidents we heard about yesterday, namely the mining of Nicaragua's Puerto Corinto harbour. Would the Prime Minister tell the House whether he has received any information concerning the safety of a Canadian ship which entered the Puerto Corinto harbour this morning with 11 crewmen and 19 cadets from Rimouski's Institut d'enseignement maritime? Has the Prime Minister received from our embassy and the Government of Nicaragua the assurance that the safety of Canadians on that ship is not threatened?

Hon. Charles Lapointe (Minister of Supply and Services): Mr. Speaker, according to the information received from the Boréal Navigation Agency and the news we got this morning from our embassy at San José, Costa Rica, it would seem that the ship is not in any danger. This ship—*La Mésange*—will steer towards the Puerto Corinto harbour this afternoon, following two fishing vessels equipped with fishing nets which would automatically retrieve any mine that might lie in waters through which this ship is navigating. Besides, as an additional safety measure, divers will surround the ship as she nears the Puerto Corinto harbour.

That is the information we received this morning from the embassy and the company. Company officials also told us that the ship's underwriters do not consider that she is in a war zone and, therefore, the standard insurance premiums apply in this case. Last week, another Canadian ship, the *Alexander II*, sailed to the same harbour, berthed at the same place under similar conditions and no untoward incidents were reported.

* * *

[*English*]

EMPLOYMENT

EDUCATIONAL LEAVE PROPOSAL

Mr. Jim Hawkes (Calgary West): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. In light of the Minister's answer to the question asked by the Hon. Member for Laurier yesterday, I would like to ask the Minister why he finds the idea of individuals saving for their own education or re-education with the help of the tax system, so startling and so regressive?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, I do not.

Mr. Hawkes: Mr. Speaker, if that is so, the answer the Minister gave yesterday misled the House.

USE OF UNEMPLOYMENT INSURANCE FUND MONEYS

Mr. Jim Hawkes (Calgary West): Mr. Speaker, on Monday of this week the Minister misled the House again when he indicated that $1 billion of unemployment insurance funds were going into training under Sections 38 and 39. The Minister should know that about $250 million, one-quarter of that amount, was budgeted and used last year. I wonder if the Minister could stand in the House and correct the impression

he left on Monday about the amount of UIC training funds, and correct the impression he left yesterday that any idea that was not already being used was both startling and regressive. Could he apologize to the House for those two answers? They were deliberate attempts to mislead the House.

Mr. Speaker: Order. It is unparliamentary for an Hon. Member to allege that someone is deliberately misleading the House. Would the Hon. Member withdraw the word "deliberate"?

Mr. Hawkes: Mr. Speaker, I am sorry. I do not know what the Minister's motivation is. I am quite happy to withdraw the word "deliberate". However, he did mislead the House on two days out of three this week, and he did so in a very serious way. I wish he would apologize to the House.

Hon. John Roberts (Minister of Employment and Immigration): That is nonsense, Mr. Speaker. However, I would be quite happy to support in some detail the position which I took in the House. When Tory recommendations are good, those recommendations are already in place. When Tory recommendations are not already in place and are startling, they are regressive.

For instance, the Conservative Party proposed allowing people to set up tax-deductible educational savings plans similar to Registered Home Ownership Plans. That is indeed a kind of proposal which favours high income earners. In fact the present national training program provides direct assistance to trainees by paying for the cost of training. It is an entirely different approach from the one recommended by Tory members, and is more satisfactory.

As another example, the Conservative Party proposed federally guaranteed loans for the needy to enable them to take advantage of training and other educational programs. The fact of the matter is that institutional training programs do not require that the needy pay for their own training. An allowance is provided to them which pays for the cost of the course.

The Conservative Party proposed tax incentives for employers to offset the cost of employee retraining and upgrading of skills. The fact is that the industrial training program currently reimburses employers directly for most of their training costs and pays for half of the trainee wage costs. Training expenses are already tax deductible. I could cite eight or ten such examples and each one of them would substantiate exactly what I said in the House.

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CANADIAN WHEAT BOARD

FARMERS' SHARE OF BOARD'S COSTS

Mr. Arnold Malone (Crowfoot): Mr. Speaker, may I commend the Minister of Agriculture for his ambition, may I ask him a question, and may I wish all Liberal leadership candidates as much success as the Minister should expect?

• (1450)

In this day of computers and electronic technology, why can the farmer not, on his final payment of grain, receive a full accounting of his personal share of costs to the Canadian Wheat Board's administration or to demurrage at the ports, in other words, to indicate precisely the difference between the world price and the final price he receives? Is there any other business that would be denied that vital information?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, all I can say is that I would double check with the Wheat Board. I agree with the Hon. Member that, in our modern age of computers, nearly anything should be possible.

REQUEST THAT INFORMATION BE PROVIDED TO FARMERS

Mr. Arnold Malone (Crowfoot): Mr. Speaker, I rise briefly to say that if the Minister is not just going to ask them but to make that representation, I commend him for doing so. Certainly it is important in the politics of today that farmers be able to have their industry represented on a personal basis as to cost deducted from world price. They need that information, and I would ask that the Minister give the House the undertaking that he would ensure that on every cheque sent out, that documentation is available so they can, on a personal basis, reflect whether there are inefficiencies in the Wheat Board, inefficiences in demurrage, or wherever they might lie, so that it can be understood on a personal basis.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the Hon. Member knows as well as I do that the Wheat Board is one of the most efficiently run operations in the grain world. I am not the Minister in charge of the Wheat Board, but I will bring this to the attention of the Minister in charge of the Wheat Board.

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AGRICULTURE

INCREASE IN FARM BANKRUPTCIES

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, my question is directed to the Minister of Agriculture, who knows that in 1983 the average monthly farm bankruptcy rate was 41 per month and that in 1984 the average jumped to 57 farm bankruptcies per month. It is a change in Canada from one year to the next that is now shown to be 58 per cent.

Yesterday the Canadian Federation of Agriculture published a brief in which they set out a farm bankruptcy index that indicated, if 1979 equalled 100, at the current time that would be equal to 620. What is the Minister proposing to do about the situation, or has he decided, with his leadership announcement of today, to give up on farm bankruptcies and concentrate on his Party's leadership, which is also bankrupt?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the Hon. Member uses figures and he knows that there are

many circumstances involved in the plight of the farmers. There are poor crops, bad weather, and all of those things that compound the position some of them are in. He has made a lot of loud noises about their plight but has not made any really substantial suggestions about what should be done for them.

As I said, the farmers are pleading with us at the present time, and pleading with the provincial Governments. I must say that the NDP Government in Manitoba does not seem to be doing very much, and the previous Government in Saskatchewan hardly did anything for them because we spent twice as much money on agriculture in Saskatchewan and twice as much in Manitoba as the provinces. So, if he has any substantial suggestions, other than trying to use the Question Period for political reasons, he can let me know.

* * *

EMPLOYMENT

EXPENDITURE OF UNEMPLOYMENT INSURANCE FUND MONEYS FOR TRAINING PURPOSES

Hon. James A. McGrath (St. John's East): Mr. Speaker, my question is supplementary to the question posed by the Hon. Member for Calgary West to the Minister of Employment and Immigration. On April 10 the Minister indicated that $1 billion a year was being spent for training under the Unemployment Insurance Act, specifically under Section 38 and Section 39. That is in *Hansard*. The Minister knows that there is no money spent under Section 38. That is for job creation. Under Section 37 there is $27,000 being spent. According to the Estimates and a check with the Minister's office, there is $259 million being spent under Section 39. Would the Minister tell us where he found the other $3.25 billion?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, I will go back and check the record. My understanding is that the question was about funds being used and the suggestion was in relation to funds being used from unemployment insurance for both training and job creation. That is taking place, as I indicated in my answer.

Clearly, in citing Section 38 I was citing our efforts in relation to job creation. My understanding was that the Conservative Party had suggested using unemployment insurance funds for job creation and training. My reply was that we are already doing that under Section 38 and Section 39 of the Act. That is already in place.

The serious question to be asked in relation to unemployment insurance funds is whether one should only be able to do that in a sense by using the entitlements which people have and therefore be required to encourage or entice them to do so by top-ups, or whether we should be looking at other ways of using the Unemployment Insurance Fund which enables us to take more money out even if we do not have that kind of agreement with the recipients. Clearly the Conservative proposal was both in terms of job creation and training. So was my answer. That was the reason I cited both Section 38 and Section 39.

Mr. Speaker: A short supplementary to the Member for St. John's East.

Mr. McGrath: It had nothing to do with job creation. It concerned the Minister's statement in Calgary last week that more unemployment insurance funds should go into job training as opposed to income maintenance. My question was prompted by that.

MINISTER'S STATEMENT

Hon. James A. McGrath (St. John's East): Mr. Speaker, I ask the Minister if he is now prepared to correct the misleading statement that he has left on the record of the House, namely, that $1 billion of UIC funds is going into job training? That is just not in accordance with the facts.

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, I do not think there is anything that is misleading. In Calgary I said that I wanted to see more unemployment insurance funds going into both job creation and training. We have already started that process of looking at other ways, such as combining the recommendations of the Skill Development Task Force leave report with the operation of the unemployment insurance. I suggested that that was the kind of approach which should be considered as we move into the next Parliament. There is nothing inconsistent with that and what I have said in the House.

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TOURISM

TAX ON ADVERTISING LITERATURE—EFFECT ON UNITED STATES INTERESTS

Mr. David Kilgour (Edmonton-Strathcona): Mr. Speaker, my question is directed to the Minister of State for Small Businesses and Tourism. It concerns the 9 per cent tax on tourism materials. Can he report anything further to the House with respect to his representations to the Minister of Finance on having that tax removed? I remind him that this is a serious irritant between Canada and the United States and may lead to the Americans retaliating by removing the tax deductible status of U.S. conventions held in Canada.

Hon. David Smith (Minister of State (Small Businesses and Tourism)): Mr. Speaker, I do not have anything to report in terms of representations made to the Minister of Finance. The basic problem is that Canadians have to pay this tax and it is a question of whether or not it is fair to Canadians to pay a tax if Americans who were advertising in Canada did not have to pay the same tax as their Canadian competitors. It is under review. I have not yet heard.

I might point out that while I believe there is a Bill that was introduced by a Member of the House of Representatives, it is

not sponsored by the U.S. Government. It is somewhat akin to a private member's Bill, with not much chance of passing.

Mr. Kilgour: The government administration and Congress both give us an impression contrary to that of the Minister.

EFFECT ON CANADIAN PRINTING INDUSTRY

Mr. David Kilgour (Edmonton-Strathcona): Mr. Speaker, does the Minister realize, for example, that this tax of his is causing Canadian printing jobs in the tourist industry to go south of the border where they do not have the tax? Does he believe that this is the kind of productive employment policy that we need in Canada, or is he planning to change this in the interest of Canadian tourism and of keeping jobs in Canada in a sector which, I remind him, employs 11 per cent of the Canadian work force?

Hon. David Smith (Minister of State (Small Businesses and Tourism)): Mr. Speaker, I think that this Government certainly recognizes the importance of the tourism industry and has taken initiatives that underline that. It is because of some of the reasons the Hon. Member has pointed out that I have made representations to the Minister of Finance.

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NATIONAL DEFENCE

DEPLOYMENT OF F-18 FIGHTER AIRCRAFT

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, my question is directed to the Minister of National Defence. Is the Department of National Defence considering forward or advance basing of F-18 fighter aircraft in Canada north of 60?

Hon. J.-J. Blais (Minister of National Defence): Mr. Speaker, the hon. gentleman perhaps has read the press reports on the aircraft indicating how Canadian Forces airmen who are using the CF-18 are pleased with that aircraft, notwithstanding all the criticism that we heard from the other side of the House on that particular government procurement.

Mr. McDermid: If you were a pilot you would enjoy it too.

Mr. Blais: The hon. gentleman said that if I were a pilot I would enjoy it too. I want to indicate to him that I did fly the aircraft and I did enjoy the experience.

With respect to the question relating to north of 60, indeed, as we are looking at the deployment of that aircraft, all various options are under consideration.

AIRCRAFT'S RANGE

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, if a threat to Canada's sovereignty ever originated in the North, due to the limited range of the F-18, it is unlikely that it would be able to get from southern bases, do its job, and get back again. Therefore, even if the Government is not thinking of putting bases permanently in the North with F-18 aircraft and crews attached, at least it might consider putting in the facilities so that, if anything untoward happened, at least within a few days the aircraft could be moved there and the runways and everything else would be ready to go.

● (1500)

Hon. J.-J. Blais (Minister of National Defence): Mr. Speaker, I will take the hon. gentleman's comments as a representation.

Mr. Speaker: The Hon. Member for Northumberland.

Hon. George Hees (Northumberland): Mr. Speaker, I have a question for the Prime Minister.

Mr. Nielsen: He knew you were going to do it.

Mr. Hees: He knew I was going to ask him a question and he has ducked out of the House, Mr. Speaker. Would he like to come back in and face the music?

Mr. Speaker: Under the circumstances, the Hon. Member will ask his question another day.

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EXPO 86

GOVERNMENT'S POSITION

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, it is not clear to me to whom I should address my question. However, I will try the Minister of State for Economic and Regional Development, who is talking to his fellow candidate. It has to do with Expo 86. Could the Minister tell us, in light of the uncertainties which seem to be surrounding the future of Expo 86, what decisions the federal Government is planning to take under the current circumstances?

Hon. Donald J. Johnston (Minister of State for Economic and Regional Development and Minister of State for Science and Technology): Mr. Speaker, I am not sure that question should be addressed to me. In any event the only information I have, of course, is what I have seen in the newspapers, the recommendation of the Chairman of Expo, Mr. Pattison, to the Premier, and, as far as I know, the decision of the Government of British Columbia has not yet been made public, if in fact it has been taken.

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PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Mr. Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table reports of the Clerk of Petitions stating that he has examined the petitions presented by Hon. Members on Wednesday, April 11, 1984,

and that they meet the requirements of the Standing Orders as to form.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Speaker: The Hon. Member for Saskatoon West on the usual question relating to House business.

Mr. Hnatyshyn: Mr. Speaker, on this auspicious occasion, I wonder if the Government House Leader would be good enough to take the House and the country into his confidence with respect to the important business to be considered by the House today and until the adjournment of the House for the Easter recess next Wednesday.

Mr. Pinard: Mr. Speaker, I want to take this opportunity to congratulate the Hon. Member on his new responsibilities. I look forward to working with him.

Some Hon. Members: Hear, hear!

Mr. Pinard: At the same time I also want to congratulate the Hon. Member for Yukon on his promotion. I hope that for many years to come he will remain responsible for the transition group!

Some Hon. Members: Oh, oh!

Mr. Pinard: Many, many years!

Mr. Nielsen: It's later than you think!

Mr. Pinard: It was also a good experience to work with the Hon. Member for Yukon and I wish him well.

In so far as the business of the House is concerned, Mr. Speaker, tomorrow, as I have indicated, is an allotted day. Monday will be an allotted day as well. Next Tuesday and Wednesday we will be dealing with the second reading of the Bill to be introduced at the beginning of next week. Notice of that Bill will be given today or tomorrow. The Opposition Parties have been made aware of the contents of the Bill by the Prime Minister. It is an Act to create a peace institute. We will want to debate the second reading of that Bill next week in order to be able to send it to a standing committee before we adjourn for Easter.

Mr. Hnatyshyn: Mr. Speaker, I had an opportunity at the first House Leaders' meeting which I attended to make inquiries of the Government House Leader with respect to the Western Grain Stabilization Act. I just want the Minister to advise us whether he thinks there will be any possibility of that particular Bill being brought forth for first reading before we adjourn for Easter.

Mr. Pinard: Mr. Speaker, I must consult with the Minister of Agriculture who has always been very well aware of the needs of farmers in this country. I will be able to provide the Hon. Member with specific answers once the Bill is about to be introduced, or once it is on the Order Paper. We have an Order Paper which is rather impressive. As House Leader, I usually deal with the legislation which is ready to be proceeded with on the floor of the House. However, I will look again into the request made by the Hon. Member. I will raise the matter again with the Minister of Agriculture and if it is likely that such legislation is to be introduced in the short-term, I will be glad to negotiate a package which would include such imminent legislation. However, if such legislation is many weeks further down the road, then, in the short term, I will have to deal with the Bills on the Order Paper, as usual.

Mr. Speaker: The Hon. Member for Saskatoon West on a supplementary and then the Hon. Member for Hamilton Mountain.

Mr. Hnatyshyn: I have one final question, Mr. Speaker, in terms of House business. I wanted simply to say to the Government House Leader that, as he well knows, in terms of the proposed legislation which he has referred to relating to the peace institute there has been correspondence carried on between the Leader of the Opposition and the Prime Minister. It has been a serious exchange of correspondence, a serious exchange of points of view with suggested amendments on the part of the Leader of the Opposition.

There had been a previous exchange of correspondence with respect to the resolution relating to the Prime Minister's peace initiative and the peace debate generally, which came to some fruition. I simply say that I feel it is regrettable that that exchange of correspondence was not allowed to come to fruition with respect to the content of the Bill before the Government indicated its intention to bring that forward. I hope that a reasonable period of time will be allowed for the Prime Minister, the Leader of the Opposition and the Leader of the New Democratic Party to see whether or not there can be some agreement as to the contents of that proposed legislation.

Mr. Pinard: I make two points, Mr. Speaker. First, during the debate on second reading it will surely be possible to consider any good suggestions made by the Opposition Parties on the content of the legislation. Second, the Bill will go to committee and we expect that the Standing Committee on External Affairs and National Defence will look at the Bill during a few days, certainly a few weeks, so that there will be an opportunity to look at serious amendments.

From the correspondence exchanged between the Leaders of the Opposition Parties and the Prime Minister, it seems that some of the requests may be accommodated at the committee level. That is why we are very confident that the legislation will ultimately be acceptable and that one month or so down the road we will be able to give third reading to that Bill. That is why we will want to start debating that Bill next Tuesday.

Mr. Deans: Mr. Speaker, I also want to join the Government House Leader in congratulating the Hon. Member for Saskatoon West on his new position as the Official Opposition House Leader. I say to the Hon. Member for Yukon that I

have worked with him for the last couple of years and it was an enjoyable experience. It certainly did sharpen the senses.

I want to ask the Government House Leader if he might consider what the business will be when we return from the Easter break. Perhaps he can give us some inkling, if not right now. Quite clearly he is not in a position to do that right now. Perhaps by tomorrow, or by Monday at the latest, he might be in a position to tell us what he has in mind for the two or three days immediately after our return from the Easter break.

Mr. Pinard: Yes, Mr. Speaker. I believe the suggestion made by the Hon. Member that I try and let the House know as early as possible next week what the business will be when we come back is a good suggestion indeed. I will try to accommodate the Hon. Member accordingly.

Mr. Friesen: Mr. Speaker, as the House Leader will remember, the Standing Committee on Fisheries and Oceans passed a unanimous resolution that that Committee be empowered to travel to the West Coast to study the plight of the West Coast salmon fishermen. I know the House Leader some days ago took a question on notice as to whether or not there would be a House order which would enable that Committee to travel to the West Coast. I believe as yet there has been no response.

As the Government House Leader will know, the fishermen are facing a very poor summer, from all reports, and the working season is coming on. It is imperative that these fishermen know as soon as possible so that they can adjust their work schedules to the travels of the Committee. Could the Government House Leader or the Minister of Fisheries and Oceans give us some indication when a House order is going to be presented to us which will empower the Committee to travel to the West Coast to work with the salmon fishermen there?

• (1510)

Mr. Pinard: Mr. Speaker, I still have to consult with the Minister, but as I understand it the Committee is already seized of a reference relating to the subject matter described by the Hon. Member. It seems to me that the procedure would be that the Committee would come forward with a report to seek permission to travel. We do not have such a report at this time. If we have one, we will consider whether to accept it or not.

Mr. Robinson (Burnaby): Mr. Speaker, I have two questions for the President of the Privy Council. Before doing so I want to join in congratulating my colleague from Saskatoon West on his elevation to the new position of Opposition House Leader. I am certainly going to miss him in the Standing Committee on Justice and Legal Affairs. It has been a very interesting experience working with him on the security legislation and on other matters.

My question is with respect to legislation on access to information. The President of the Privy Council will recall that some time ago I asked him about designating a committee to effectively oversee the implementation of this important legislation as well as that of the Privacy Act. He indicated that he was awaiting the outcome of the proposed security legislation. The committee is now seized of that particular Bill and it will possibly be seized of the Criminal Code reforms and the Divorce Act. Therefore, when does he intend to designate a committee, hopefully the Standing Joint Committee on Regulations and Other Statutory Instruments, to commence the very important process of review of the access to information and privacy legislation?

Mr. Pinard: The Hon. Member knows that we would prefer that the committee have this responsibility. Of course, if the report on the security legislation is made in a very short period of time, it will be easier for us to make a decision in that sense. But we will have to wait and see over the next few days and I will be in a better position later on to give an answer to the Hon. Member.

Mr. Robinson (Burnaby): Mr. Speaker, unfortunately the Government is dragging its heels on the designation of this very important committee. There is another matter concerning a fundamental democratic right in this country, the question of redistribution. As the President of the Privy Council will be well aware, riding boundaries are still based on the results of the 1971 census. To the best of my knowledge there have been reports from all the redistribution commissioners to the Government, which are on the Order Paper, and I am wondering when the Government is finally going to move to ensure that the representation in this House more accurately reflects the population shifts in the country.

Mr. Pinard: Mr. Speaker, as to dragging heels, I just want to indicate again to the Hon. Member that if he does not drag his heels we will be able to get the security Bill back to the House very shortly. It will then be easier for us to make a decision in answer to his first question.

In so far as the objections to the reports of Electoral Boundaries Commission which appear on the Order Paper are concerned, and there are 45 of them, if the Hon. Member would indicate to me which one he is concerned with—because if he asked a question he must have made an objection—I will try and see if we can schedule debate of his objection, and others if possible, within a reasonable length of time. I have to take into account other business on the Order Paper but, failing to get a very specific and firm agreement on all of the 45 objections, it will be very difficult for the Government to start debating only some of them knowing very well that nothing can be done or completed unless all of the objections are disposed of.

I would welcome the Hon. Member indicating to me his personal concern on the boundaries. I will then raise it again with House Leaders. If we can come to some very specific agreement to dispose of all the objections, then I might consider scheduling some of them for debate in the short term. Failing that consent, we would have to deal with the other items on the Order Paper before we use Government time in the House to deal with these objections.

Mr. Miller: Mr. Speaker, regarding the attempts of the Standing Committee on Fisheries and Forestry to go to the West Coast to meet with fishermen, the House Leader knows I have raised this question for the last three weeks. The Committee presented a report to the House on February 17—

Mr. Speaker: With all due respect to the Hon. Member, the same question has been asked by another Member today. As far as the Chair can determine, it is substantially the same. This is not intended as a period of debate. A question specifically regarding House business is in order but the Chair does not intend to allow repetition or prolonged statements.

Mr. Miller: Mr. Speaker, the information I wanted to submit is that the Committee has in fact tabled a report requesting an opportunity to travel. Could the Government House Leader indicate whether he would now be prepared to meet with the Minister and confirm the support for the committee who wish to go to British Columbia?

Mr. Pinard: Mr. Speaker, yes, I will talk again to the Minister. I note that the NDP also cares for fishermen.

Mr. Speaker: The Hon. Member for Comox-Powell River (Mr. Skelly), bearing in mind that we have had a number of questions.

Mr. Skelly: Mr. Speaker, passage of Bill C-16, which would provide substantial help to the extremely depressed shipbuilding industry in Canada, would be of great assistance to the industry. It is my understanding from informal discussions that representatives of all Parties would like to see that dealt with as expeditiously as possible. Would the Government House Leader be prepared to indicate when that Bill might come forward if all Parties are in fact making these statements in good faith?

Mr. Pinard: I thank the Hon. Member for his question. This matter was discussed with the House Leaders at 1.30 today and we hope to come to some firm agreement within a reasonable period of time. I hope we will be able to get this Bill passed shortly after Easter, if not before.

Mr. Speaker: The Hon. Member for Dauphin-Swan River. Let it be short, please.

Mr. Lewycky: Mr. Speaker, as the Government House Leader knows, the Act concerning multiculturalism was promised in the Speech from the Throne in December. Given the workload he has been allocating to us, will that Act be brought forward? If so, when? Also, will it be referred to the special parliamentary committee which has been dealing with visible minorities, or will the Government be setting up a standing committee on multiculturalism which was unanimously recommended in *Equality Now*!?

Mr. Pinard: The Hon. Member knows very well that when we promise something in a Speech from the Throne, we always deliver; so he should be a little patient.

Motions

ROUTINE PROCEEDINGS

[*English*]

POINT OF ORDER

MR. CULLEN—OBLIGATION OF MEMBERS TO PRESENT PETITIONS

Mr. Speaker: Petitions.

Hon. Bud Cullen (Sarnia-Lambton): I rise on a point of order, Mr. Speaker. I would think that of the vast majority of petitions presented in the House by Hon. Members the Hon. Member himself is in favour of the content. Yesterday I was in a position where I felt that as a Member of Parliament I had an obligation to present a petition but I did not agree with the suggestion that legislation be introduced to bring back capital punishment.

Do we have the obligation to present petitions? Having presented that petition, a lot of people thought I had changed my mind on capital punishment. I have not, but I felt an obligation to my constituents who signed the form to present that petition.

Mr. Speaker: The Chair is not in the habit of answering this kind of matter. If the Hon. Member wishes to put his request in writing, an appropriate reply will be prepared.

* * *

[*Translation*]

FRESHWATER FISH MARKETING ACT

MEASURE TO AMEND

Hon. Pierre De Bané (Minister of Fisheries and Oceans) moved for leave to introduce Bill C-31, an Act to amend the Freshwater Fish Marketing Act.

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

* * *

● (1520)

HOUSE OF COMMONS

ADDRESS TO PARLIAMENT OF PRESIDENT OF MEXICO

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, there have been the usual discussions between the Parties. I think if you ask you will find that there is unanimous consent that the following motion be put:

That, notwithstanding any Standing Order, when the House adjourns on May 7 1984, it shall stand adjourned until 2:00 p.m. on May 8, 1984; and

That the address of the President of Mexico, to be delivered in the House Chamber that day before members of the Senate and the House of Commons, together with all introductory and related speeches, be printed as an appendix to

the *House of Commons Debates* of that day and form part of the records of this House; and

That the aforementioned proceedings be made available to the media for transmission in the usual way by the House of Commons broadcast system.

Mr. Speaker: Does the Hon. Parliamentary Secretary to the President of the Privy Council have unanimous consent to move his motion?

Some Hon. Members: Agreed.

Mr. Speaker: Hon. Members have heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 338, 388, 612, 704, 726 and 753.

[*Text*]

CNR—ACQUISITION OF RAILWAY LINES IN U.S.

Question No. 338—**Mr. Heap:**

1. Did Canadian National buy railway lines in the northern United States and, if so, for what reason?

2. Did CN plan to route trains from southern Quebec or Ontario through the U.S. to western Canada, south of the Great Lakes, bypassing the Sudbury route?

3. Did CN consider eliminating service or track between Capreol and Ottawa?

Hon. Lloyd Axworthy (Minister of Transport): The management of Canadian National Railways advises as follows:

1. In June, 1980, the Grand Trunk Western Railroad Company, subsidiary of Grand Trunk Corporation (the holding company for wholly-owned American subsidiaries of Canadian National) acquired the Detroit, Toledo and Ironton Railway Company. Presently the Grand Trunk Corporation is involved in Interstate Commerce Commission hearings regarding the possible acquisition of the Chicago, Milwaukee St. Paul and Pacific Railroad. Such acquisitions are designed to improve the ability of the GTC to compete with consolidated American railway systems by offering longer on-line hauls deeper into the American mid-west and south.

2. No.

3. No.

BARRACK POINT TERMINAL, SAINT JOHN, N.B.

Question No. 388—**Mr. Howie:**

1. What was the total cost of the Barrack Point Terminal in Saint John Harbour, New Brunswick including the computerized loading system?

2. What is the full capacity of the loading machinery in terms of tons per hour?

Hon. Lloyd Axworthy (Minister of Transport): The Canada Ports Corporation advises as follows:

1. Ports Canada spent $21.269 million and the terminal operator spent approximately $20 million. The operator's costs included the computerized loading system.

2. Two thousand, seven hundred metric tonnes per hour.

CNR—LEASE PAYMENTS

Question No. 612—**Mr. Manly:**

1. In the past five years, were any lease payments made to the Canadian National Railway for Lot 160 (in the Cowichan Regional District, Area "D", Vancouver Island) and, if so, what were they?

2. In the current fiscal year, what is the projected income for the railway from the lot?

Hon. Lloyd Axworthy (Minister of Transport): The management of Canadian National Railways advise as follows:

1. Yes. $160,000. 2. $35,000.

EXEMPT STAFF OF MINISTER OF FISHERIES AND OCEANS

Question No. 704—**Mr. Hnatyshyn:**

1. Are any exempt staff employed by the Minister of Fisheries and Oceans and, if so, what are their (a) titles (b) positions (c) names?

2. Do any of the staff mentioned in part I receive income, financial assistance or other benefits related to their employment from sources other than the ministerial budget and, if so (a) which members (b) what are the details of the income, financial assistance or other benefits?

Hon. Pierre De Bané (Minister of Fisheries and Oceans):
1. Yes.

(a) and (b)	(c)
Executive Assistant	C. Canuel
Special Advisor	T. O'Reilly
Special Assistant	S. Langis
Special Assistant	R. Fournier
Special Assistant	J. Lévesque
Secretary	L. Fournier
Receptionist	L. Tessier

2. No.

SPECIAL RECOVERY EXPORT FINANCING FUND

Question No. 726—**Mr. St. Germain:**

Since April 1, 1983, was any amount expended under the Special Recovery Export Financing Fund and, if so, what (a) total amount (b) firms have received assistance?

Hon. Roy MacLaren (Minister of State (Finance)): The $180 million Special Recovery Export Financing Fund (SREFF) was established as part of the Special Recovery Program so to enable the Export Development Corporation to seek out export opportunities more aggressively than it would otherwise be able to do. The Fund was in particular intended to enable EDC to make financing offers at competitive terms on capital projects in developing countries which would entail

financing requirements over and above what was available for EDC's regular export financing programs. Financing offers made possible by having the SREFF in place now amount to over $3.3 billion. It is likely that not all of these offers will be taken up in the highly competitive world market in which Canada is pursuing export projects, but the government's financial support does mean that Canadian exporters are competing on an equal footing with other countries, as far as export credit terms and conditions are concerned.

In view of the time required for export projects to come to fruition the Government did not expect that SREFF funds would be expended immediately. It is for that reason that the Fund was planned to be non-lapsing, and to be kept in place into 1988, as back-up to EDC's regular program. As negotiations are still under way on the projects being pursued by Canadian exporters, it is not possible to divulge the names of the firms involved.

DEPARTMENT OF SUPPLY AND SERVICES EXEMPT STAFF

Question No. 753—**Mr. Hnatyshyn:**

1. Are any exempt staff employed by the Department of Supply and Services and, if so, what are their (a) titles (b) positions (c) names?

2. Do any of the staff mentioned in part I receive income, financial assistance or other benefits related to their employment from sources other than the ministerial budget and, if so (a) which members (b) what are the details of the income, financial assistance or other benefits?

Hon. Charles Lapointe (Minister of Supply and Services): 1. The Minister of Supply and Services currently employs eight exempt staff as shown hereunder.

(a)	(b)	(c)
Executive Assistant		Elisabeth Nadeau
Special Assistant		Martin Boulianne
Special Assistant		Brian Kelly
Special Assistant		Claude Lussier
Special Assistant		Lise Tremblay
Special Assistant		Reine Villeneuve
Receptionist	(part time)	Martin Cauchon
Receptionist	(part time)	Diane Gagnon

2. No.

[*English*]

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

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

Some Hon. Members: Agreed.

Petroleum and Gas

GOVERNMENT ORDERS

[*English*]

PETROLEUM AND GAS REVENUE TAX ACT

MEASURE TO AMEND

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

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, I rise to join in the debate on Bill C-14, an Act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas. This is basically an Act to amend the PGRT, which has become very famous initials, and to put in line with a number of other Acts a number of definitions that had been placed in the previous Petroleum and Gas Revenue Tax Act and the Income Tax Act.

This Act is also intended to give credibility to some of the Budget provisions that have been in place for a number of years now for which the legislation has never been passed. It is astonishing that Budgets can pass this House and on the evening of the Budget taxes are in place and being collected by the Government. Yet the Government does not move with any speed legitimately to pass the legislation in the House that gives the tax some effect. This is the case with this legislation.

The $250,000 tax credit has been in place. It allows for a corporation to have an annual credit of up to $250,000. That liability can be deducted from the petroleum and gas revenue tax. It has been in effect since it was announced in the NEP update. It is basically a good measure. This allows a company some cash flow and allows it to make further decisions, hopefully to drill in the Canadian basin.

We also have a reduction in royalties. This is another tax relief measure. We have royalty reduction from 16 per cent to 14.67 per cent, which really is a reduction from the exact rate of 12 per cent to 11 per cent. That was effective from June 1, 1982 to May 31, 1983. It has also been announced in the NEP update. This measure is being provided for in the Bill yet in effect it has already lapsed. This Bill is giving legitimacy to the Budget which put forward this reduction in royalties. A Bill has never been passed to give that royalty reduction any legitimacy. It could be argued that although the measure is no longer in effect it still allows corporations legally to file for that reduction.

In the April 19, 1983 Budget there was also introduced and placed in this Act an enhanced oil recovery program. It basically provided for a reduction from income of capital costs in enhanced oil recovery projects. The damage of the national program was already in place. Companies such as Dome and Imperial Oil had projects in place in Judy Creek. There are still large amounts of oil in the ground but it cannot be brought out of the ground by conventional pumping methods. A series of expensive measures must be used to bring this oil to

the surface. Some incentive is required for companies to take on such a project. Many projects which had been envisioned by companies were cancelled when the National Energy Program came in. They did not have the cash flow any more to go forward with these projects.

I can remember an exciting project just west of my home. When carbon dioxide is pumped into a well it provides what many of the people who work in the area call the "milk shake effect". It stirs up the oil in the ground, takes it out of the pores of the rocks and allows it to be pumped to the surface. The proposal that was put forward was to use the carbon dioxide from the coal-fired electrical plant for this process. That carbon dioxide was going into the atmosphere as waste. It could be used with no production cost. It could, in effect, give life to that field. Of course, that project was cancelled with the National Energy Program. Now we have a Bill that is attempting to bring some more life into the enhanced oil recovery program.

● (1530)

If we look at the statistics, we will find that much of the western oil basin that has been producing oil since 1948 basically—some wells in the Turner Valley area before that, but the major discovery was after 1948—has been declining at a rate of about 30,000 barrels per day per year. The statistics do not show that because we have brought on stream two tar sands plants. In the last few years since coming on stream they have produced a substantial amount of oil, which shows increased production from the western oil basin. In effect, our oil production from coventional crude oil was, in 1982, 16 per cent less than in 1979, and it is feasible to believe that unless we find more oil in these basins that could decrease by as much as 10 per cent per year in the future.

Part of the reason we are not adding to that western oil basin or supply is that since the National Energy Program far fewer wells are being drilled searching for oil. In the last few months there have been some interesting discoveries in northern Alberta. There has been some substantial drilling going on in the Saskatchewan basin.

Why is it that we have more drilling in the Saskatchewan area? It is not because of anything the federal Government has done. The National Energy Program is still in place. The PRGT is still in place. But the Saskatchewan Government has allowed oil companies that find oil a royalty holiday of up to five years on these new wells. You might ask why they would forgo that kind of income. It is logical to say that if there are no wells drilled, there are no jobs, no trucks are bought, no people are working and there is nothing to tax. It is far better to allow companies that are prepared to take this kind of financial risk a royalty holiday so they can provide employment to the local citizens in the area. And if there is a possibility of finding oil they can quickly recover their costs.

When you consider that wells in the western basin cost upwards of $500,000 per hole at this time, you can understand that the companies do not want that money sitting for very long. What does this do? Perhaps this is something we should consider applying in other areas, and the federal Government ought to take some leadership in this regard. As this Bill is reducing the PGRT in certain instances, perhaps we might make the suggestion that for new wells drilled in Saskatchewan, Alberta—in any part of the nation—the federal Government forgo any portion of the taxes it levies on the oil industry, and that the provincial governments match the amount in royalty. We then have to get the industry moving again.

What would this do? This would move us more quickly to self-sufficiency. One of the objects of the National Energy Program that has not come about is a move toward self-sufficiency. By removing billions of dollars from existing oil production, mainly in western Canada, and placing that money through the PIP grants into the so-called Canada Lands in the North and in the offshore in the main, we have not been as fortunate as many who proposed the program thought we would be. We have not found energy that could quickly be brought on stream in the Northwest Territories, in the Beaufort, and in the eastern offshore.

However, there is a plus side. This has brought forward the potential of about 1.5 billion barrels of oil in Hibernia. This most likely will not come on stream for up to six to ten years. The Beaufort Sea still has promise, but there has been no development of a commercial reservoir yet. Part of the reason, I believe, is that the petroleum incentive grants have been on the exploratory side and not in the production area. What the companies are tending to do is drill wells to find the extension of the field, rather than delineate the field for actual production. In other words, to detemine the extent of the field where they have drilled and found oil, and whether the field can produce. We are spending billions of dollars in incentives and yet we are getting very little in the sense that there might be some production in the near future.

When a well is drilled in the western Canadian basin and oil is found, the potential to bring that oil on stream very quickly is excellent. That could quickly add to our self-sufficiency needs. What would be more in the interests of our nation is to get some equity in the system so that both could take place, and in that was we could again encourage drilling so that oil can be found in the western basin with thousands of jobs being provided.

One of the negative aspects of the National Energy Program is the taking of money out of the western basin and putting it into the off-shore, because it costs $100 million a well to drill in the off-shore, whereas the cost is approximately $500,00 a well in the Western basin. Both require approximately the same number of men to perform the duty. It is no wonder that since the National Energy Program was brought into existence we have lost about 40 per cent of the jobs in that industry in the Western part of Canada. This translates into anywhere from 20,000 to 40,000 jobs. Those jobs could be quickly brought back on stream if we brought some order into this taxation system and the grants as they are now in place.

Another difficulty with the PGRT, the up-front taxation of oil, as it comes from the well, and natural gas, is in the area of the petrochemical industry. We have in my constituency two

large world-scale plants. One of those plants provides all the basic stock for the total industry of Canada. Within the nation we have a number of these large world-scale petrochemical plants. We have them in Sarnia, Montreal, and there are two in the Edmonton region. They are required to move their product into the international market. They have been doing very well at that until recently. We now find that their competitive edge, because oil prices and natural gas prices have not gone as high as predicted, is being lost to the gulf region of the United States, to Mexico—which is bringing on a petrochemical industry—and to Saudi Arabia, a large petrochemical region. They are not charging upfront taxes. In fact, feedstock going into those petrochemical industries is basically going in at the country's cost.

• (1540)

Given our advantages and given the need to find and hold on to new markets before our competitors are in place, we must quickly react to the proposals of the petrochemical industry task force which indicated that there ought to be a market-responsive price for the feedstock going into that industry. This means that rather than taxing the product as it flows into the petrochemical plant, taxation by the Government ought to be on the product as it flows out and into world markets.

The task force also indicated that if there was no tax we ought not to be concerned because we have in place thousands of people who are working. If we do not get the system in place very quickly, the add-ons to the Prentiss and Joffre plants in my constituency will not take place and the people there in the construction industry will lose their jobs. Are we prepared to accept that so the Government can continue to collect the upfront taxation on the feedstock going into those areas? Would it not be better to have the jobs in place and the markets found, anticipating that perhaps in the future there might be profits of which government could take advantage and tax. That makes more sense to me.

It is important as will to look at the many definitions in the Bill. One has to be somewhat of an expert—and we have a few in this Party—to understand a production royalty versus a resource royalty. There is an attempt in the legislation to extract the proper definitions. This is important for companies that are looking to find the most available tax system under which to operate. There are some proposals in the Bill which deal with the definition of royalties.

This Bill will not in any way assist the very serious problems resulting from the National Energy Program. It provides some things which are attractive to the industry, but it does not deal with the lack of drilling in the western sedimentary basin, with the lack of proper tax incentives to get an upgrader in the heavy oil areas of Saskatchewan and Alberta, or with the jobs and oil available from the tar sands which we know can be onstream in a number of years. While this legislation provides a few minor changes which will be beneficial to the oil industry, it does not address the serious problems with which we ought to be dealing.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: Questions or comments, the Hon. Member for Ontario (Mr. Fennell).

Mr. Fennell: Mr. Speaker, I did not hear the entire speech of the Hon. Member, but I would like to ask him some questions. There is a real problem with petrochemical industry producers. They came up with a task force report. With all the locked-in gas in Saskatchewan and Alberta which as a very low value, could we go beyond what the task force report recommended?

Mr. Schellenberger: Mr. Speaker, I think the task force was fairly broad in its recommendations. It suggested that we ought to use that shut-in gas, that it was much better to use it in the petrochemical industry than to leave it in the ground, and that the Government ought to look very seriously at a market-responsive price for feedstock going into those plants, not only to ensure that they can continue production in world markets but that there be an expansion.

As far as the eastern Canadian petrochemical industries are concerned, most of their feedstock is in oil. The Government ought to look at providing some incentives to those companies to take a portion of that oil-based feedstock out of production and put in its place liquids from natural gas such as propane, and butane which can be used to provide the needed petrochemicals. They are readily available from the shut-in gas which is in place in the western basin.

If we moved on those recommendations, we would see a substantive change in our competitive nature. Surely there are always ways of improving the situation. We might look at the task force report in detail and suggest that the Government make some rapid moves in that direction. I asked the Minister of Energy, Mines and Resources (Mr. Chrétien) whether he was looking at its recommendations. He confirmed that he had a group in place which was looking at the suggestions of the task force, and I encourage him to get on with it.

Mr. Fennell: If I recall, they recommended 15 per cent and that the gate price and the gulf price should be reduced even more. What effect would that have on drilling in the West?

Mr. Schellenberger: By getting natural gas in use, small companies that explore for oil and gas are encouraged to continue. Unfortunately they have been finding more gas than oil in the western basin in the last few years. Thousands of these companies have substantial revenues locked up in shut-in gas which they cannot use. With an immediate 15 per cent drop in the price, as was recommended, more natural gas would be flowing into petrochemical plants, not only in the West but hopefully in eastern Canada as well. As a result the cash flow to small companies would be increased, and they could use that money for a continued search for oil. That is what we are looking for. There is a lot of natural gas in place, more than we can realistically use in 30 years or 40 years. We ought to be trying to put it into value-added products which provide jobs and cash for those companies.

Mr. Fennell: The Alberta industries are in desperate shape. Some minor modifications to the Act were brought in. Will they resolve the unemployment problem in Alberta? I know they will not affect the production of half-ton sufficiently. Is this only a partial step toward getting Alberta back to where it was in 1980 before these guys took over again?

Mr. Schellenberger: Absolutely, that is essential. The large thrust of the National Energy Program was to remove cash from the western exploratory system and put it into the Canada lands. This has put tens of thousands of people out of work and has resulted in Alberta having the lowest net return on investment last year of any province in Canada, including Prince Edward Island, whereas before we were the highest. The effect upon the Province of Alberta has been devastating.

Of course this legislation has limited effect. In most cases the incentives included in it are already too late for this year. Our drilling this year will be less than it was in 1981, which was the lowest it had been for many years. What is essential is that which the provinces have been putting forward, such as the royalty holiday of the Province of Saskatchewan. If these could be matched by the federal Government in the interim, until we come into power and bring some order to this whole system, that would certainly help.

• (1550)

Mr. Ferguson: Mr. Speaker, I want to ask the Hon. Member for Wetaskiwin if there is any move by the provincial governments to lower their royalties or taxes on natural gas, or natural gas liquids, in view of the fact that the Government of Canada reduced that tax to zero as of February 1 this year.

Mr. Schellenberger: Yes, Mr. Speaker. I know that the Alberta Minister of Energy has been in constant touch in the last year with the national Minister to have reductions in place that will allow for more drilling. They have been encouraging the Minister to bring in a better pricing regime for export gas so that we can retain the 4 per cent of the United States market that we now have. These are essential to get markets back into place in western Canada. The provinces are very open to positive suggestions where both the province and the federal Government can share in providing incentives to drilling companies in western Canada.

Mr. Deputy Speaker: There being no further questions, the House will proceed to debate.

Mr. Joe Reid (St. Catharines): Mr. Speaker, in that part of this great country from which I come we saw water power being used to turn the wheels of machinery, only to have those water courses diverted into hydraulic raceways to supply yet another form of economic energy. Our earlier generations harnessed the great Niagara to provide electrical energy in an economically expansive manner. Energy as we saw it then and the cost of energy were matters of concern to those people who lived in that area a long time ago. We knew then that Canada's energy resources could be, and still can be the engine of growth that this country so badly needs.

We in Niagara remember well the 1980 election. That was the election in which the Liberal Party talked in terms of 18 cents at the gas pumps. They hoodwinked the people with respect to the cost of energy: "Tell the public that what the Conservatives are proposing to do is nothing less than usury, but for goodness sake don't tell them the truth about the cost of energy production and, for goodness sake, don't tell them what we as a party in power or in government would do with respect to the cost of producing energy."

It took the present Government less than one year to raise the cost of that energy production in excess of 18 cents at the gas pump which it was so quick to deny and denounce during the 1980 election campaign. Gasoline prices today, of course, bear no relationship whatsoever to that which was suggested in the fall of 1979 or early months of 1980. If the voters in 1980 had known what they know now, if they had known that $2 a gallon for gasoline in 1984 would be a bargain rate, the election result might have been different. The Government across the way might have been faced with a lesser degree of credibility.

Might I suggest that the voting public soon began to realize the lengths that the Party in Government would go to keep power. For them, history has shown that power does corrupt. This is why I am disappointed with the legislation before us today.

There is no visionary outlook in Bill C-16. This Bill offers nothing new to what was announced earlier, first in the National Energy Program update in June, 1982 and in the Budget of last April. Canadians looking for relief from soaring energy costs will find no comfort in this legislation. Even worse, this legislation fails to put energy mega projects such as the tar sands or any other imaginative program back on track so that energy can be the engine of economic Canadian growth. It lacks the vision of working thousands. It lacks the vision of the wheels turning and the building of pride and confidence in being Canadian. Instead, Parliament's time is being devoted to a rather technical Bill, almost of a housekeeping nature, sanctioning past Cabinet decisions. The opportunity is gone. The opportunity to address the problems which all Canadians know exist under the National Energy Program is being thrown away.

No one, and least of all this Party, can have any reservations about supporting the goals and ideal principles of the National Energy Program. Canadianization, security of supply and energy self-sufficiency are all endorsed by us. If the House will forgive me, they are motherhood issues. We like them. However, the comment cannot be said of the means by which this Government has chosen to reach these goals.

In its self-righteousness, the Government has created a monster Petro-Canada, destroyed the energy megaprojects, has driven record numbers of oil rigs to the United States and elsewhere and has sent energy prices soaring in all spheres of activity. Bill C-14 does not address the serious deficiencies of the National Energy Program. Indeed, legislation has not even been introduced to address one of the most contentious aspects

of the National Energy Program, the Canadian ownership charge.

This charge was introduced to pay for the acquisition of Petrofina by Petro-Canada. Petrofina has long since been paid for, yet Canadians go on paying the ownership charge every time they purchase a litre or gallon of gasoline. We question again the morality of this Government and the integrity of that Party which fixes a 4.5 cents a gallon charge for the clearly specified purpose of purchasing Petrofina and then continuing to gather from the consumers of this country $800 million a year, long after the Canadians people paid the cost, excessive as it was, of Petrofina.

It is not too cynical of me to suggest that the only necessity for the continuation of that charge is this Government's continuing appetite for spending; for example, purchasing ridings at the rate of $500,000. In my view, Canadian consumers would do a much better job of efficiently spending and effectively getting a return from the $800 million a year charged to them through this ownership charge.

• (1600)

Even though the Canadian ownership charge is bad, Canadians should not be allowed to forget that it would have been worse had it not been for the bell ringing episode of March, 1982. Buried in that mammoth energy legislation introduced as Bill C-94 was a proposal to allow for the raising of this charge, not to 4.6 cents per gallon but to 16 cents per gallon. Had the legislation been allowed to stand as it was, and had this cash-starved Government raised those charges as it had earlier proposed, Canadians would be losing over $3 billion a year. We on this side of the House stopped that increase dead in its tracks. However, we could have done so earlier with the full support of Canadians across the country.

Canadian people knew perfectly well by that time the worth of the Government's promise or commitment. They had seen its actions and had been deceived by the Government through the National Energy Program. Then as now, we demanded that changes be made to the National Energy Program. Bill C-14 is but one small part of what needs to be done.

As the Hon. Member for Central Nova (Mr. Mulroney) pointed out in Calgary last November, energy policy in the country must once more reflect a sense of realism. The fanciful dreams of bureaucrats and Cabinet Ministers have caused enough damage already. It is self-evident that the sense of realism most needed is an acceptance of the fact that the National Energy Program cannot operate in a vacuum. For example, unrealistic revenue forecasts led to the creation of a Petroleum Incentives Program. Those revenues did not materialize, but the program continues nevertheless. The program continues to the extent that the Auditor General, when looking at the number of grants made, was moved to ask where the returns are.

Many complaints can be levelled against this program. My complaint and the complaint of anyone with a modicum of concern for the Canadian shipbuilding industry is about its negative impact on that industry alone. To put it into perspective, Mr. Speaker, the House should consider that the private sector once accounted for over 80 per cent of the work done in Canadian shipyards. The private sector today accounts for less than 20 per cent in tonnage terms of the work done in those same shipyards.

While there may be many reasons for this reversal, the petroleum incentive grant is a major factor and I will tell you why this is so. A Canadian company leasing foreign-built offshore oil rigs is eligible for grants to cover 80 per cent of those leasing costs. If a company decides to buy a foreign-built offshore oil rig, the company can recover up to 80 per cent of the duty paid. However, a company buying a Canadian-built rig for offshore drilling is not eligible for the grants at all. This is the Government's greatest lesson in a give-and-take program.

Not surprisingly, then, Mr. Speaker, most of the offshore rigs operating off the East Coast or in the Beaufort Sea are foreign built. Not surprisingly then, our shipyards are looking for work. In St. Catharines, the Port Weller Shipyards are working at less than 30 per cent capacity with less than 30 per cent employment.

The program clearly needs adjustment on a priority basis. Yet today we are discussing Bill C-14, part of which gives legislative blessing to a measure which has already been adopted and, in part, even lapsed. I would have thought that the shipbuilding industry warranted greater consideration than that.

Others in the House, particularly those of us on this side, have discussed at some considerable length the technical aspects of this legislation. I do not propose to review that ground. However, other Hon. Members have pointed out how perplexing it is that this Bill should precede Parliament's consideration of matters of pressing concern in the energy sector.

Why should the cost of our energy needs at the gas pump, in our homes or elsewhere be so much higher in this country than the cost to consumers in the United States of America? Where is the justification for continuing the expropriation charge made in the name of a Canadian window on the industry? These issues along with the Petroleum Incentives Program have been pushed aside by Bill C-14. This is a reflection of the depths to which the National Energy Program has fallen. The Government has clearly lost any sense of direction and Bill C-14 is further evidence of that. The Bill will never even begin to restore its direction.

Mr. Skelly: Mr. Speaker, the previous speaker made some fairly interesting remarks and certainly his concern for the shipbuilding industry is very commendable. However, one of the things which I did not understand about his presentation today was how the Conservative Party can justify the fairly major tax break represented by this legislation. We are not talking about incentives for the enhanced oil recoveries, we are talking about a straight tax break to the oil companies in terms of remission from PGRT and the IORT. If the figures are correct, that kind of a tax break would amount to more than

$200 million. That is a very substantial amount of money. It will accrue in large measure to multinational oil companies which hold large reserves and which make substantial profits. Their profits were good last year and are improving this year.

I am interested in how the Hon. Member's Party can justify blanket operation legislation such as this, rather than specific incentives to target groups such as those mentioned by previous speakers. At the same time, no attempt has been made to define how that money is to be spent. For example, the multinationals could determine that they want to improve their cashflow, improve their profits and provide better dividends to owners across the line. This is absolutely within the confines of this Bill.

How do you justify this? This is not the first piece of legislation the Government has promoted which gives a major tax break to the oil companies. How can you justify giving oil companies an unconditional tax break of this magnitude when you are not prepared to pass on the tax breaks to the consumers? How can you justify that—

Mr. Deputy Speaker: Order. Could I perhaps remind the Hon. Member that his remarks should be addressed to the Chair?

Mr. Reid (St. Catharines): Mr. Speaker, if the Hon. Member who just spoke had not supported the Liberal Government in December 1979, he would have had the opportunity to see just what the difference would be.

Some Hon. Members: Hear, hear!

Mr. Reid (St. Catharines): There is a very fundamental difference in approach to Canadianization and development. While there are some who are very good a rewriting history, we could look at the Diefenbaker years and the establishment of the National Energy Board. This Party has followed that program since, on the basis of encouraging Canadian investment and incentives to Canadianize that natural resource which is ours and can be the energy of economic growth. The approach would have been entirely different. The controls would have been entirely different and would not have followed the socialistic programs of spending money gained from consumer's purchases at the gas pump to socialize and acquire such things as gasoline service stations across the country. The program would have dealt with resource discovery and development and would have made the difference between what now exists and what could have been if not for the intervention of the New Democratic Party.

• (1610)

Mr. Fennell: Mr. Speaker, what we heard from the NDP was garbage. The money that they are talking about is money that was stolen from the producers and the Province of Alberta. Their argument is garbage. How could they give a tax break when the money was stolen in the first place?

I have a question for the Member for St. Catharines (Mr. Reid). Let me phrase it very carefully. The majority of large engine half-ton trucks were used at the western oil patch. When the National Energy Program was introduced it had a devastating effect on Ontario with respect to their use. Was there any direct effect to his own town as a result of the National Energy Program?

Mr. Reid (St. Catharines): Mr. Speaker, I wonder if I could have further clarification of the last part of the question?

Mr. Fennell: What direct impact was there in his riding as a result of the introduction of the National Energy Program?

Mr. Reid (St. Catharines): Mr. Speaker, I thought that the comment was related to trucks in particular. However, I want to point out that while I come from an energy conscious community, I also come from an automobile producing community. General Motors is the largest employer there and as a result of the high cost of gasoline we have experienced the greatest hardship and the greatest number of unemployed. St. Catharines used to be a high income area but we have moved from that to an area with one of the highest unemployment rates. We have only recently begun to recover, but it has not been as a result of the oil prices in Canada.

Mr. Skelly: Mr. Speaker, it was a rather interesting comment which the previous member made about garbage. Let me suggest that perhaps the problem in St. Catharines concerns the fact that that money, instead of going back to consumers, farmers and fishermen, is going back to oil companies. You can use the term "stolen", but when we look at the Bertand Commission, with respect to $12 billion being stolen from the Canadian public, including people in your riding, you are not doing anything about calling those people to justice. They are the same ones to whom this legislation is giving tax relief under the remission of the IORT and the PGRT. How can you justify, as a responsible Member of Parliament, that kind of activity?

Mr. Deputy Speaker: Order. I must ask the Hon. Member to address his remarks to the Chair and not directly to his colleagues.

Mr. Reid (St. Catharines): Mr. Speaker, I think the Hon. Member based his question on a completely different philosophy and approach. As was pointed out, for a company to operate in our enterprise system there must be some margin of profit which can be used for further expansion and development or further use in the larger national interest. Certainly in this particular instance there are producing companies as well as government agencies involved in source discovery and development. Certainly a large number of those dollars will never be recovered because a certain percentage of the petroleum or gas wells will not be commercially viable. We must consider what the final consumer cost will be.

If we are going to tax a commercial corporation out of existence, it must be the sole responsibility of the Government to look at that source discovery and development. I am suggesting that the cost, in that instance, would be no less than the existing operating costs of those commercial corporations.

I come from an area where Petro-Canada stations have purchased Petrofina and BP stations. There used to be the occasional gasoline war, but since they are all controlled and operated by Petro-Canada there are no longer gasoline wars, or that competition. That competitiveness which reduced the price for the consumer no longer exists. We want to return to a system with greater competitiveness and greater productivity.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Winnipeg North (Mr. Orlikow)—Canadian Pacific Railway—Issuance of lay-off notices to workers. (b) Contracting practices—Effect on railway employees; The Hon. Member for York South-Weston (Mrs. Appolloni)—Canada Pension Plan—Eligibility of married women; The Hon. Member for St. John's East (Mr. McGrath)—Labour Conditions—Size of labour force—Statement made by Minister of Employment and Immigration. (b) Use of unemployment insurance funds to retrain workers.

GOVERNMENT ORDERS

[*English*]

PETROLEUM AND GAS REVENUE TAX ACT

MEASURE TO AMEND

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

Hon. Don Mazankowski (Vegreville): Mr. Speaker, I am pleased to rise to speak to Bill C-14, an Act to amend the Excise Tax Act and the Excise Act and to provide for a revenue tax in respect of petroleum and gas. As Hon. Members have pointed out, this is something that has been in effect for some time. We are merely debating it now.

I suggest this demonstrates the policies of trial and error of the Government. With that kind of approach to the management of the most important affairs in our country, we have a situation in which the Government first, through its policies of trial and error, destroys and then attemps to restore. In this case we are dealing with a classic example of a very basic and

fundamental policy failure. This kind of government mentality and philosophy in the National Energy Program has destroyed one of the most viable industries in the country and one of the major engines of growth. It was one of the major job creators which, in many respects, was distinctively Canadian, at least at the exploration and service level. The Canadian content and participation in terms of the number of jobs was a very major component to this industry.

It causes one to look at other policies which follow this same philosophy of trial and error; destroy and restore. Look at what the Government is doing in the case of VIA Rail passenger service—clearly the same thing. It unilaterally, without any consideration for the public, without any public input or reference to parliamentary debate, dismantled 20 per cent of Canada's rail passenger service in this country.

● (1620)

We now have a new Minister of Transport (Mr. Axworthy) who is trying to put it back together again, at least he says he is. We are not sure, however, whether we can believe him or not, because every time he speaks about the issue he mouths a different policy. He was out in Jasper last weekend and talked about the need of restoring the rail passenger service between Vancouver and Edmonton. He said if it was going to be restored it was going to have to be a joint funding arrangement with the three levels of government, municipal, provincial and federal. Does that mean there is a complete new policy with respect to the rail passenger service in this country? Or is it just simply a policy for the west? However, that is merely a side issue, Mr. Speaker. The fact of the matter is that this Government sought in 1981 to destroy the rail passenger system in this country and now it is attempting to put it back together.

So it is with this particular piece of legislation. I could talk about FIRA and the investment attitudes in this country. The combination of the National Energy Program and FIRA caused a net investment outflow of something like $17 billion over the last four years. That is both foreign money and a good portion of Canadian money. It is part and parcel of the lack of confidence which these policies of trial and error have created in the minds of a vast number of Canadians.

When I think about people being put in these very important and key positions such as the former Minister of Energy, Mines and Resources, who is now the Minister of Finance (Mr. Lalonde), the Minister of Transport, and the Minister in charge of Industry, Trade and Commerce, responsible for FIRA, I can only refer to them as "fly-by-nighters". As one who was involved in the automobile business for a number of years I have known what we call "fly-by-nighters" who come in and set the community on fire for a period of a year. They promise everything but they can never deliver and never live up to the promises they give their customers, or the expectations they create. And there is a deterioration in the goodwill of their customers because they cannot fulfil their promises, and they end up going out of business.

Mr. Ferguson: Are you talking from experience?

Mr. Mazankowski: Yes, I am talking from experience, you bet. I remember some of the things they used to do in those days, Mr. Speaker, especially the used car operators. You will recall, Mr. Speaker, when the Chrysler Corporation—and this is not a plug for Chrysler because I was not a Chrysler dealer—came out with a very attractive warranty. It was called five years or 50,000 miles, whichever occurs first. Some of these used car fly-by-nighters used to set up their business and a customer would come in to buy a car and ask what the warranty was. They would be told it was five and five. When asked what it stood for, the dealer would say "five miles or five minutes, whichever occurs first". But if the customer did not ask the question, he would have gone out thinking he was getting something more than he really was. If he did not ask, he would assume it had some meaning.

That was exactly what happened with the National Energy Program, Mr. Speaker, quite frankly. Canadians really thought they were going to get a fair break in terms of price. They thought they were going to be treated fairly. They thought there was going to be some opportunity to invest. They thought there was going to be some opportunity to expand the energy sector in this country rather than have it contracted. The fact of the matter is that those things did not occur. That policy of trial and error did a great disservice to the energy sector of this country, particularly the fossil fuel sector.

It is really interesting, Mr. Speaker, to remember that this National Energy Program was to have helped Canadian companies, but the Canadian companies which really got drawn into the finite elements of the National Energy Program are the ones which find themselves in the most difficulty, Dome Petroleum, Sulpetrol, Turbo, all because they were lured into making huge investments and undertakings on the basis of the National Energy Program. What is more tragic, Mr. Speaker, is that a very vibrant and vital service industry, the service and exploration industry, which is a very vital component of the energy sector, was literally gutted and dismantled, and with it hundreds upon hundreds of small business enterprises went down the tube. Many of these small businesses were family enterprises. Many of them started with the boom of the oil industry, going back to the 1950s.

What we are doing now, Mr. Speaker, in the process of this Bill, is attempting to repair and restore some semblance of fairness and equity into the policies which affect the development of energy. We hear a lot of things from Liberal leadership candidates these days about the National Energy Program. Some support it and some do not, which is rather strange. The Minister of State for Economic and Regional Development (Mr. Johnston) does not like the National Energy Program. I take it that the honourable John Turner does not like the National Energy Program. It is amazing how those boys were silent when the National Energy Program was delivering such a crushing blow to that very vital industry. The Minister of Energy, Mines and Resources (Mr. Chrétien) was in Edmonton two or three weeks ago talking to the Liberal Party faithful. He stated that Alberta should welcome the collapse of the boom because the megaprojects were too big, too difficult to manage, too difficult to finance and too risky. What he is really saying is, "Well, boys, you are really lucky that the National Energy Program came along because we saved you from the boom, from the fact that these megaprojects were going to be too difficult to manage, and were going to overheat the economy". What he is really saying, Mr. Speaker, is that the people of Alberta should thank him for the 14 per cent level of unemployment, for the crashing real estate market, for the bankruptcies and the broken dreams, hopes and aspirations of so many who went down the tube.

The national energy policy, as far as most people in Alberta are concerned, was the most odious policy ever perpetrated upon one single region. Quite frankly, I think it was more than simply a policy of trial and error. I think it was a deliberate plot to destroy one of the very main engines of economic activity in Canada. But I give thanks for the intelligence of Canadians. The people right across the country recognized, long before this Government, that it was unfair, it was not working and that it was affecting the central Canadian heartland. They recognized, for example, that for every dollar spent in western Canada, Ontario receives 42 cents; Quebec, 13 cents; Alberta, 29 cents, and the other provinces, 16 cents, and for every job created in the energy sector in western Canada two jobs are created somewhere else.

When the Hon. Member for St. Catharines (Mr. Reid) responded to the Hon. Member for Ontario (Mr. Fennell), he alluded to the fact that when the energy industry slows down in western Canada there are fewer trucks sold, fewer compressors sold, less pipe manufactured, less cable and fewer pumps and electrical motors sold. All of it is tied into one total economic package which reverberates throughout the whole of the economy.

Quite frankly, Mr. Speaker, the Government believed that it could plan and manipulate. It wanted to remove itself completely from the market and it believed that it could replace the geologists with accountants and bureaucrats to really orchestrate the energy activities in this country. But it has not worked. It has been an absolute and total failure, Mr. Speaker.

I would like to quote an article from *The Edmonton Journal* of Tuesday, March 27, which I feel puts the whole thing into perspective in terms of an average Albertan's point of view of the National Energy Program. It is a letter to the editor. It is entitled, "Explain the NEP to us", and I quote:

> Oh boy! Here we go again! What sort of idiots do the Liberals think they are dealing with—not just here in the West, but across Canada?
>
> The quotes attributed to Alberta Liberals and taken from the Bill Sass report (*Journal*, March 16) leave me quite speechless!
>
> I would suggest—in all seriousness—that Messrs. Decore, MacGuigan, Schepanovich, Taylor and (Greg) Schmidt call a meeting to be held in Commonwealth Stadium, where they could explain themselves to an audience restricted to Albertans who have been directly affected by the implementation of the National Energy Policy.
>
> By listening to the people of Alberta—

● (1630)

Here is the salient point, Mr. Speaker:

By listening to the people of Alberta—the welders, stenographers, machinists, truckers, designers, salespeople, millwrights, secretaries, engineers, etc., etc.—they just may get a handle on the realities of unemployment, foreclosure, bankruptcy (both personal and business) and the destruction of Alberta's economy!

First on the list of speakers should be Greg Schmidt, to "make clear why some of the things we have done have been advantageous to the West."

Most of all, I'm looking forward to the question period which should follow the speeches! It should make a very interesting day for all present.

This letter was signed by F. Peter Young, Sherwood Park. I do not know the man but I want to tell you that he certainly put the issue into perspective. It is not the big bad oil companies that we are dealing with here, as the NDP tried to suggest; we are dealing with ordinary people who relied upon the energy industry for their livelihood. That has been thrown out the window by the policies of this Government.

We talk about the depressed state of the economy and I will quote from the *Canadian Business* magazine of June, 1983, which says—

Mr. MacLaren: Canadian Business?

Mr. Mazankowski: *Canadian Business.*

Mr. MacLaren: Excellent magazine.

Mr. Mazankowski: I am glad the Minister believes this is an excellent magazine. That goes to show that when I speak on a subject I am not subjective in the items I quote. I try to look for things which are objective, and here is an objective assessment.

Some Hon. Members: Oh, oh!

Mr. Mazankowski: Well, we talk about the depressed state of the economy, Mr. Speaker, and month after month the Ministers across the way blame it on the international situation or the weather. But this very objective and, as the Minister suggests, excellent magazine says:

—without the National Energy Program, we would not have declined as far as the Americans; instead we sank much further. Besides, the cynical vote bride of cheap gas that won in 1980 has left enduring gas pains as we endlessly overpay at the pump to finance Petro-Canada takeovers.

That puts the whole thing in perspective. That is why Canadians across the country feel they have been gypped by the NEP.

Mr. Masters: That means that you are going to sell PetroCan?

Mr. Mazankowski: Well, we have Cabinet Ministers over there who are going to sell Petro-Canada. That is very true.

Mr. Foster: Would you sell the whole thing?

Mr. Mazankowski: Well, the service station operation is part of Petro-Canada, at least in my view. Is that not correct, Mr. Speaker?

Mr. Foster: Would you sell it all?

Mr. Mazankowski: No, I am talking about the policies over there.

Mr. Foster: You must like it or you would sell it.

Mr. Mazankowski: Mr. Speaker, we are not talking—

Mr. Deputy Speaker: Order, please.

Mr. Foster: Why don't you sell it?

Mr. Deputy Speaker: Order, please. I invite the House to listen attentively to the speech of the Hon. Member for Vegreville (Mr. Mazankowski). Members will have an opportunity later on to put questions or make comments.

Mr. Turner: Sell it to the Chinese.

Mr. Mazankowski: Mr. Speaker, I thank you for suggesting that Hon. Members across the way listen attentively. I think it would do them some good, because I am not talking about the technical aspects of this Bill, I am talking about some very practical aspects, and I speak from some experience.

The Hon. Member wants to know whether I want to sell Petro-Canada. This issue does not deal with Petro-Canada. It is a going oil company owned by the people of Canada and it is in place. It has nothing to do with this legislation. If you want to bring in a bill to denationalize Petro-Canada, we will deal with it. That brings me to the issue of Canadianization.

There have been lots of statements made about Canadianization. What has happened is that there has been very little improvement in private Canadian ownership. Canadian ownership has come about largely as a result of nationalization. We are not really achieving any of the major goals enunciated when the NEP came out.

I want to make it clear that I am not arguing against the intent of this Bill. It is repairing a measure which was ill conceived at the outset. It just demonstrates how far out of line the Government was when it first initiated the NEP.

There were three principles as the major pillars of the NEP: self-suficiency, fairness and opportunity. Dealing with opportunity first, that brings into context the question of Canadianization and how well we have been doing. I put a question on the Order Paper which was answered on December 9, 1983. I asked what percentage of the petroleum industry in Canada was foreign-owned and Canadian-owned in 1980. The answer provided was that it was 73.9 per cent foreign-owned and 26.1 per cent Canadian-owned. At the end of 1982, and I do not have the 1983 figures because I was told that the date for 1983 is not yet available, the foreign-owned percentage was 65.8 per cent, Canadian-owned was 34.2 per cent. There has been some improvement but the key is which portion of Canadian ownership was Government owned? In 1980 it was 3.8 per cent, in 1982 it was 8.6 per cent. Private Canadian ownership was 22.3 per cent in 1980, and 25.6 per cent in 1982. So there was a measly 3 per cent increase in private Canadian ownership. So much for fulfilling the goal of Canadianization. Need I go any further on that particular point?

Let me just talk about fairness for a minute. I do not think one has to deal too long with that. Quite frankly, energy prices today are more than double what they were in 1980. The fact is that there is a great deal of price discrimination in a number of areas.

Let us talk about self-sufficiency. Quite frankly, the only thing helping us improve that is the slowdown in the economy. If you consider the heavy oil going south of the border right now, we are probably net exporters. However, we are still reliant on foreign suppliers for light and medium crude.

On this whole question of opportunity, the one I really wanted to hit on, there has been massive discrimination. Under this Government's policies and its PIP grants there has been a shift of exploration and development activity from the western sedimentary basin to the frontier and offshore. I am not arguing that that kind of exploration should not take place in some form, but it should not be shifted in total. We are the only country in the world which pays a company to drill a dry hole. We pick up 80 per cent of the tab. It cost $35 million to drill a hole in Hibernia and you could drill 120 wells in southern Alberta for that and your chances of finding oil would be a lot greater. Furthermore, to invest in the upgrading and enhancement of heavy oil would be logical way to increase our self sufficiency.

There are so many loose ends, Mr. Speaker, which need to be brought together in a cohesive and coherent energy policy that it does not seem this Government has the capacity, ability or the will to do it. I guess the only thing we will be able to do is hope and anticipate that there will be a new Government so that we can once again use energy as a major engine of economic growth to turn that natural resource into an economic opportunity.

• (1640)

Mr. Deputy Speaker: Questions or comments? The Hon. Member for Comox-Powell River (Mr. Skelly).

Mr. Skelly: Mr. Speaker, I appreciated very much the speech of the Member for Vegreville (Mr. Mazankowski). It is one of the few opportunities that we in the House have to see that Party, and the individuals within it, aligning themselves clearly with the major multinational oil companies in this country. Those are the same companies that the Bertrand Commission identified as ripping off $12 billion from the Canadian people. The previous speaker knows full well that that occurred. The previous speaker for the Conservative Party recognizes that that kind of activity is still occurring today in different forms. He knows that this Bill proposes to legitimize the return of tax dollars, the IORT and the PGRT, to those multinational oil companies. It proposes to return to them amounts which we could use to give relief to farmers and fishermen without increasing the deficit. The previous speaker knows that farmers in his area of the country would benefit tremendously from a 9 per cent reduction in the sales tax. This would be about a $250 million cost to the Treasury. Instead the Member, along with other Members of his Party, is supporting the kind of legislation that redirects that $250 million back into the pockets of the multinational oil companies. To my way of thinking, and that of many other people in this country, that is inexcusable.

The previous speaker attacked FIRA, the lame duck organization that was developed by the Liberals to protect us from these kind of organizations, to ensure that foreign investment would not be a handicap to Canadians. My suggestion, Mr. Speaker, is that the Party which the previous speaker represents is certainly misguided. I took from the Member's speech that his Party will be supporting the return of roughly $250 million of Canadian taxpayer's money to the oil companies.

Mr. Fennell: No it is not. It is producers.

Mr. Skelly: My third point, and I am hoping—

Mr. Deputy Speaker: Order. Perhaps the Hon. Member could raise an additional point later on. Both comments and responses should be as brief as possible.

Mr. Skelly: I would like to make a full comment available to the speaker—

Mr. Deputy Speaker: Order. Let us hear the answer. Other Members wish to put questions. That is the difficulty the Chair finds itself in. The Hon. Member for Vegreville.

Mr. Mazankowski: Mr. Speaker, I am absolutely delighted that the Member asked the question. If he had been paying a little more attention to the activities in the House of Commons, rather than going across the country engaging in flim-flam and rhetoric of the kind we are hearing here today, he would know that under my name there is a Private Members' motion for the removal of the 9 per cent federal sales tax on fuel for farmers and fishermen. If he paid any attention to the proceedings in the House of Commons he would also know that that particular motion gained the unanimous consent of the House of Commons. That particular motion, Sir, has now been referred to the Standing Committee on Finance, Trade and Economic Affairs. He does not have to try to ride on the coattails of the Progressive Conservative Party to drum up a little support for the removal of the 9 per cent sales tax on fuel for farmers and fishermen. I am glad he has come alive and awakened up to the fact there was such a tax. I do not think he even realized it.

I am glad he tied those two questions together. The PGRT, which is a production type tax, is exactly the same thing as a federal sales tax. He cannot suggest for one minute that the PGRT, which is a production type tax, is not handed down right to the consumer. It filters through the whole pricing mechanism, and it is the consumer who ends up paying it. It is the consumer who is paying the PGRT, not the big bad oil companies. It will be the consumer who gains the benefit of the reduction of the PGRT, not the big bad oil companies. I am absolutely amazed and appalled that that Member cannot follow the simple sequence of sound reasoning that has been presented by Members in this House. We are looking for cheaper energy prices for the consumer; for the farmer and the fisherman. This man wants to see the 9 per cent sales tax and

all the federal taxes stay so that the Government can build up its slush fund and create several kinds of makework projects which may be more politically motivated than job motivated.

Mr. Gustafson: Mr. Speaker, would the Hon. Member for Vegreville (Mr. Mazankowski) explain for the benefit of the New Democratic Party exactly what took place in the House with regard to the question of our Leader to the Prime Minister (Mr. Trudeau) in regard to federal tax on farm fuel yesterday?

Mr. Deputy Speaker: Order please. Questions and comments should be related to the speech of the Hon. Member. It is my opinion that the Hon. Member is raising a new matter. However, I am giving him the benefit of the doubt. The Hon. Member for Vegreville.

Mr. Mazankowski: Mr. Speaker, Members of the New Democratic Party are here physically but they do not pay any attention. There are always those Members who will attend a meeting but do not listen to what is being said. Yesterday was a clear example of the further commitment of this Party to reduce the 9 per cent federal sales tax. This Party has always stood for the reduction of the Government take, whether in the form of the PGRT, excise tax or a sales tax.

I am glad that the Hon. Member for Lambton-Middlesex (Mr. Ferguson) is in the House. I have a tremendous amount of respect for him and I know of his interest in agriculture. He may want to suggest to his Minister of Finance that it might be appropriate to take the 7 per cent excise tax off at the source so farmers would not have to pay that in advance and then claim back for it afterwards, given the fact that they are in a very tight cash squeeze position. It would not cost the federal Government one red cent. As a matter of fact, in many respects it would reduce the administration and the bureaucracy required to send out the refund cheques. I put that to the Hon. Parliamentary Secretary as a positive recommendation. Remove the 7 per cent excise tax on fuel for farmers and fishermen at the source. That would give these individuals that much extra cash during the course of the year. They have to pay for it then claim for it later.

Mr. Fennell: Mr. Speaker, I would like to make a comment and then ask a question. This is really another revision. It is another baby of NEP. They started off with NEP, then they had the baby NEP, now this is the infant of the baby NEP. We are now getting into exactly what we have in the Income Tax Act. We have an original Act which will now have the same number of revisions in it as the Income Tax Act. Why do they not abandon it and start again?

I would like to ask the Hon. Member for Vegreville a question. Just before I came into the House today I received the annual report of the Canada Oil and Gaslands Administration. In the report under Drilling Activity, I noticed that they referred to 33 exploratory wells which were drilled. None of these appeared to be too large. Would we have been in a better position today if a portion of those funds had been applied to the tarsands and the heavy oil, or do you think we would be in the same place with reserves?

That calls for a 20 minute speech.

Mr. Mazankowski: Yes, that is a 20 minute speech. Let me make one point very clear at the outset. I think we need to explore and develop in every area of Canada. When I say there has been a dramatic shift, I mean there has been a shift almost in total to the frontier and to the off-shore. I am suggesting there should be a better balance. For example, it was estimated that there will be 12 to 14 wells drilled off the eastern seaboard during the 1983 season. You could have drilled 86 deep foothills wells and the chances are you may have had a better probability of discovering oil.

● (1650)

But in the case of the tar sands and the heavy oil just very quickly, Mr. Speaker, the oil resources are there and all that we have to do is put in place the upgraders and the facilities. We have the technology. All we have to do is strike a proper royalty and taxation level. These projects will go ahead and they will produce oil and we will become more self-sufficient.

The Acting Speaker (Mr. Guilbault): We have come to the end of the question period. We are resuming debate. The Hon. Member for Humboldt-Lake Centre.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, today we are continuing debate on Bill C-14, which is an amendment to the Petroleum and Gas Revenue Tax Act, usually referred to as the PGRT. I think what we are really discussing today is not so much the technique of how to sink an oil well or where development in the oil industry should occur, we are discussing in effect a taxation question. PGRT has a lot of impact on where development will take place, in which part of the country and could even effect different sectors of the economy.

This particular Bill chooses to deal with moneys that are collected and recycled into the petroleum industry. As I go on in my speech, I will point out where I think equal amounts of money could be used to better advantage in a period of time when the country is suffering from very high employment. I would like to spend a moment or two to set the stage and point out some of the difficulties that have arisen with regard to petroleum taxation over the past five or six years.

In 1978 of total net petroleum revenues of $8.4 billion, the federal Government received $751 million. In 1979, total revenues rose to $10.6 billion and the federal share was $797 million. In 1980, the total revenues reached $13 million from $8 billion two years before, and the federal share was $795 million. In effect the federal share of petroleum revenues had levelled out and the share of the industry and the share of the other players in the game had gone up by about $5 billion in that two-year period. The producing provinces in the petroleum industry received all of that increase. The federal Government actually lost ground in terms of the share of the

petroleum revenues in Canada during the 1979 to 1980 period. That was recognized by the Government in power.

When the Budget of the Hon. Member for St. John's West (Mr. Crosbie) was read into this House in December 1979, a section appeared to recognize not only that the federal share of revenue was dropping in proportion to what it had been, but I think it recognizes very clearly that the Progressive Conservatives considered that as a principle the federal Government had the right to tax oil and gas revenues. I mention this in my speech very early, Mr. Speaker, because it is something that Members of the Official Opposition now proclaim is not the policy of the Party. But when the Conservatives were in Government, not only did they recognize that the federal Government had a share of those revenues, but in the Budget of 1979 there was a section which states, and this is from page 53 of the Budget Papers, that it is the intention of the federal Government to impose a new energy tax which would capture roughly one-half of the returns accruing from annual price increases in excess of $2 per barrel per year on oil and 30 per cent per thousand cubic feet per year on gas.

I think it was very clear in that Budget that the principle of federal rights to taxation on gas and oil was recognized by the Progressive Conservative Government of the day, and that it was prepared to increase that share.

In fact, taxation experts have calculated that that revenue would be under such a program. They estimate that between the years 1980 to 1983, which was the proposal in those Budget papers, the increase would be $7.5 billion minus whatever amounts the federal Government decided to give back by way of production incentives or tax incentives.

The policy was very clear, very well stated, and quite clearly understood, I think, by people across Canada. I only raise the matter again because sometimes it is forgotten. The question then became, how would this new tax be distributed; from where would the increases come since it had been agreed that oil prices at the wellhead would be locked into a step by step increase?

Between 1979 and 1982, the federal Government's net take from up-stream revenues increased by about $1.25 billion. They were in the neighbourhood of $795 million. During the same peak period, however, the producing provinces take rose by about $1.65 billion and the industry's share increased by $2.87 billion. The proportions of the share have changed in the ensuing years with the National Energy Program. The federal Government is now taking a larger percentage of the share, but the overall price that consumers in Canada are paying for oil and gas has increased by some 54 per cent. The Government attempted to increase the size of the pie, and at the same time increased the piece of the pie which the federal Government expected from that larger pie.

Part of what we have before us today is a decision to change the rules as they apply to the PGRT. This change covers two separate sections. I would like to stop here, Mr. Speaker, and go into that portion of my speech in the next session of the House. With your permission, Mr. Speaker, may I call it five o'clock?

[*Translation*]

The Acting Speaker (Mr. Guilbault): Order, please! It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

• (1700)

PRIVATE MEMBERS' BUSINESS—PRIVATE BILLS

[*English*]

Mr. Evans: Mr. Speaker, I rise on a point of order. There are a number of Senate Bills before us which deal with the Marriage Act. I think if you seek unanimous consent you will find that there is an agreement to deal with these Bills *en bloc* at all stages without debate. In discussions we have found there is consent on all sides. However, I understand the Hon. Member for Edmonton West has a comment he would like to make with regard to these Bills. You might allow his comment, Mr. Speaker, If I may suggest, prior to seeking unanimous consent.

The Acting Speaker (Mr. Guilbault): Is there unanimous consent for the proposal? The Hon. Member for Edmonton West (Mr. Lambert).

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I am not in disagreement with the passage of these eight Bills enunciated by the Parliamentary Secretary, except I wish to enter a caveat on behalf of myself and many of my colleagues with regard to the presentation and passage of further Bills.

There is this group of Bills, and I am informed that there are 20 or 30 queued up in the other place at this time of a similar nature, some of which seek to legitimize almost incestuous marriages, or almost incestuous unions such as between a man and his half-sister. We have established norms of morality in the country for a number of reasons. It is my considered view that it is not the job of Parliament, the Senate or the House of Commons, to suddenly allow someone to buy their way past those laws, having come through by Private Members' Bill in the Senate and in the Commons. All of this means that there is a good deal of money involved when it comes down to it to legitimize what society otherwise considers to be unacceptable unions of legal marriage.

I am one of the few Members of the House who was here in the late 1950s and early 1960s when the House was subjected to hundreds of divorce petitions which used to come through like sausages out of a sausage shop from the other place. I was one of those Members whose duty it was to oversee that committee, as far as the government was concerned when my Party was in power, and then subsequently in opposition. In many of those Bills the evidence indicated that there was a good deal of collusion, pure out and out perjury, and standards of evidence before the Senate Committee which would not even make its way through the doorway of a court. This was

divorce not only in Quebec, the odd other one came through from other regions. Ultimately Parliament did away with that by amending the Divorce Act, and Quebec accepting divorces. Let me assure the House that we wasted a great deal of time.

Before we now start a new series of Parliament legitimizing—I was going to say queer unions—otherwise irregular unions, something should be done to debate legislation to amend the Divorce Act, the Matrimonial Act or the statutes of any province, whatever they may be, before we are caught up in a regular flow of such legislation. This is something about which the word soon gets out and we could see a steady flow.

I have four Bills here, all of which deal with either an uncle marrying his niece or an aunt marrying her nephew. As I say, there are some others which are coming down the pike. I will emulate one of my colleagues who said, "Very well, these eight are held up until there is introduced into the Senate a Bill for consideration and passage in that House". I understand that there was a Private Bill introduced in the Senate which will be the one that will come to us.

Today I am merely introducing a caveat. In so far as myself and some of my colleagues whom I have consulted are concerned, we will let these Bills through because that was the agreement reached, but there will not be any others acceptable that way unless and until a Senate Bill has been passed and introduced into this House for consideration to put in the necessary changes to whatever statutes are involved to eliminate this sort of sausage machine legislation affecting private individuals who have enough money to come through the Private Members' route.

The Acting Speaker (Mr. Guilbault): Is there unanimous consent for the proposal put forward by the Hon. Parliamentary Secretary to the effect that we deal with the eight Bills *en bloc* without debate at all stages in this sitting?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Guilbault): Agreed and so ordered.

* * *

MARRIAGE ACT

MEASURES TO PROVIDE EXCEPTION TO LAWS RELATING TO MARRIAGE

Mr. John Evans (Ottawa Centre) (for Mr. Massé) moved that Bill S-2, an Act to provide an exception from the public general law relating to the marriage in the case of Gerald Harvey Fudge and Audrey Marie Saunders, be read a second time and, by unanimous consent, referred to Committee of the Whole.

Mr. Evans (for Mr. Ostiguy) moved that Bill S-3, an Act to provide an exception from the public general law relating to the marriage in the case of Louis Philippe Nadeau and Marie Thérèse Rita Brulé, be read a second time and, by unanimous consent, referred to Committee of the Whole.

Mr. Evans (for Mr. Massé) moved that Bill S-4, an Act to provide an exception from the public general law relating to the marriage in the case of Ernest Hodel and Norma Dora Laurie, be read a second time and, by unanimous consent, referred to Committee of the Whole.

Mr. Evans (for Mr. Massé) moved that Bill S-5, an Act to provide an exception from the public general law relating to the marriage in the case of Benjamin Josheph Andrade and Heather Winnifred Andrade, be read a second time and, by unanimous consent, referred to Committee of the Whole.

Mr. Evans (for Mr. Massé) moved that Bill S-6, an Act to provide an exception from the public general law relating to the marriage in the case of Juan Andrade and Emilia Rodriguez, be read a second time and, by unanimous consent, referred to Committee of the Whole.

Mr. Evans (for Mr. Massé) moved that Bill S-7, an Act to provide an exception from the public general law relating to the marriage in the case of Henri Patry and Aldéa Béa Pitt, be read a second time and, by unanimous consent, referred to Committee of the Whole.

Mr. Evans (for Mr. Ostiguy) moved that Bill S-8, an Act to provide an exception from the public general law relating to the marriage in the case of Joseph Roland Réjean Daoust and Marie Lise Sylvie Girard, be read a second time and, by unanimous consent, referred to Committee of the Whole.

Mr. Evans (for Mr. Ostiguy) moved that Bill S-9, an Act to provide an exception from the public general law relating to the marriage in the case of Pearl Kim Lee and Thomas Siegfried Wieland, be read a second time and, by unanimous consent, referred to Committee of the Whole.

The Acting Speaker (Mr. Guilbault): By unanimous consent, Mr. Evans, seconded by Mr. Massé, moves that Bills S-2, S-3, S-4, S-5, S-6, S-7, S-8 and S-9, Acts to provide an exception from the public general law relating to marriage, be now read a second time and, by unanimous consent, be referred to Committee of the Whole. Is it the pleasure of the House to adopt the motions?

Mr. Lambert: Mr. Speaker, I think that in identifying each of the Bills there should be reference to the marriages in the cases of the individuals concerned so that we just do not deal with numbers in *Hansard* and that *Hansard* will give a true record of what has been done and what parties are affected by each Bill. I do not say, Mr. Speaker, that you should read them out, but could it not be deemed that after Bills S-2, et cetera, that you gave the names of the parties—

The Acting Speaker (Mr. Guilbault): Order, please. All the Chair can do from a procedural standpoint is to make sure that we read the Bills. The Bills will have been read and it will be a matter of public record who is mentioned in the Bills. Meanwhile, it is the duty of the Chair to put these Bills through second reading. Is it the pleasure of the House to adopt the motions?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Guilbault): Agreed. Pursuant to Standing Order 58, I do now leave the chair for the House to go into Committee of the Whole.

Motions agreed to, Bills read the second time and, by unanimous consent, the House went into Committee thereon—Mr. Corbin in the chair.

[*Translation*]

The Chairman: Order, please. The House in Committee of the Whole on Bills S-2, S-3, S-4, S-5, S-6, S-7, S-8 and S-9, to provide exceptions from the public general law relating to marriage.

Shall Clause 1 of these Bills carry? The Hon. Member for Edmonton West (Mr. Lambert) on a point of order.

Mr. Lambert: Mr. Chairman, I simply want to ask you . . . By way of introduction, each Bill should be called as follows: Bill S-2, an Act to provide an exception from the public general law relating to marriage in the case of Gerald Harvey Fudge and Audrey Marie Saunders. Could all Bills be called that way, because we want to identify—

The Chairman: The Chair has no objection at all. I am speaking for the benefit of the Hon. Member for Edmonton West (Mr. Lambert), if he would care to listen to me for a moment. The Chair has no objection and would be prepared to entertain the wish expressed by the Hon. Member for Edmonton West, but we can take it for granted at the outset that the full title of the Bill will be printed in the *Journals* of the House of Commons. However, should the Hon. Member for Edmonton West insist, the Chair will be pleased to seek or . . . I will read the title of Bill S-2: an Act to provide an exception from the public general law relating to marriage in the case of Gerald Harvey Fudge and Audrey Marie Saunders; Bill S-3, an act to provide an exception from the public general law relating to marriage in the case of Louis Philippe Nadeau and Marie Thérèse Rita Brulé.

• (1710)

[*English*]

Bill S-4, An Act to provide an exception from the public general law relating to marriage in the case of Ernest Hodel and Norma Dora Laurie.

Bill S-5, An Act to provide an exception from the public general law relating to marriage in the case of Benjamin Josheph Andrade and Heather Winnifred Andrade.

[*Translation*]

Bill S-6, An Act to provide an exception from the public general law relating to marriage in the case of Juan Andrade and Emilia Rodriguez; Bill S-7, An Act to provide an exception from the public general law relating to marriage in the case of Henri Patry and Aldéa Béa Pitt; Bill S-8, An Act to provide an exception from the public general law relating to marriage in the case of Joseph Roland Réjean Daoust and Marie Lise Sylvie Girard;

[*English*]

Bill S-9, An Act to provide an exception from the public general law relating to marriage in the case of Pearl Kim Lee and Thomas Siegfried Wieland.

[*Translation*]

Shall Clauses 1 of these Bills carry?

Some Hon. Members: Carried.

Clauses 1 agreed to.

[*English*]

The Chairman: Shall the preamble to the bills carry?

Some Hon. Members: Carried.

The Chairman: Shall the title of the Bill carry?

Some Hon. Members: Carried.

[*Translation*]

The Chairman: Shall the Bills carry?

[*English*]

Mr. Nickerson: Mr. Chairman, I have one brief question. I presume that most of these Bills will enable marriage to take place between people who would normally be prevented from doing so because of this normally prohibited degree of consanguinity between them. Would I be correct in assuming that the relationship between the people who wish to marry is not in any case that of a brother and sister?

The Chairman: Order. I hesitate to interrupt the Hon. Member, but it is the Chairman's understanding that agreement was given at the introduction of second reading of these Bills that they would proceed as a group without debate at all stages this day. Perhaps the Parliamentary Secretary can enlighten the Chair in that respect as to that was indeed the agreement. That is the understanding of the Chair of what it is. Therefore, the Chair is not able to entertain any comments or debate at this time.

Shall the Bills carry?

Some Hon. Members: Carried.

[*Translation*]

The Chairman: Shall the Bills carry?

Some Hon. Members: Carried.

Bills agreed to.

The Chairman: Shall I rise and report the Bills?

Some Hon. Members: Agreed.

Bills reported without amendment.

[*English*]

Mr. John Evans (Parliamentary Secretary to President of the Privy Council) moved that the Bills be concurred in.

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

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Guilbault): When shall the Bills be read the third time?

Some Hon. Members: Now.

The Acting Speaker (Mr. Guilbault): By unanimous consent, now.

Mr. Evans moved that the Bills be read a third time and do pass.

Motion agreed to and Bills read the third time and passed.

The Acting Speaker (Mr. Guilbault): Shall all orders and items preceding Item No. 19 stand by unanimous consent?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Guilbault): It is so ordered.

MOTIONS

[*English*]

INCOME TAX ACT

MEASURE TO AMEND

Mr. John Bosley (Don Valley West) moved:

That, in the opinion of this House, the payment of municipal taxes out of after-tax income is both an unfair form of double-taxation and an impediment to home-ownership for the average Canadian; and

That the government should consider the advisability of amending the Income Tax Act to permit the deduction from income, for the purposes of calculating taxable income, of all or of some maximum portion of, municipal taxes paid regarding a principal residence.

He said: Mr. Speaker, I have placed this motion in the narrowest possible context in order, I hope, to obtain the consent of the House for the appropriate referral. Members will not be surprised that it is my view that we need to do a great deal more than this for the encouragement and development of home ownership in the country. I believe that many of the values that have underlaid development of our society related to the ability to be secure in title to one's own property.

I could have moved a motion today that related to the deductibility of mortgage interest, that dealt with a number of issues, but that matter has been debated in an election campaign. I do not know whether it will be the subject of another election campaign. I do know that Members opposite took the position at the time that the deductability of mortgage interest

was not something they were in favour of. Therefore, today I have framed the motion in the context strictly of what I believe is an equally important matter.

Members know that every Canadian pays directly or indirectly municipal taxes, whether one is a home owner or a tenant. Every Member of this House knows, no matter what they say today as private Members if the Bill is talked out, which I hope it will not, that such a system is unfair. I want to speak briefly about the two sides of the issue. One is the unfairness of the system and the other is the need to do something to encourage home ownership for the average Canadian.

I do not think I need to say a great deal about the unfairness. Virtually everybody here knows that in order to pay $1,000 in municipal taxes today, you have to make quite a lot more than that in pre-tax income. The way our system reads, we are required to pay our municipal taxes out of our after-tax income. On its face, that is unfair. It is unfair both to home owners who have to do it directly and unfair to tenants who have to do it indirectly.

The Province of Ontario moved part way to recognize this dilemma when it brought in its property tax credit scheme. Those filing income tax returns this month in the Province of Ontario see on the form the opportunity to adjust to some degree the taxes they owe the Province of Ontario in an attempt to eliminate the double taxation system. In my view, on a straight matter of tax equity, the time to move to allow a similar deduction at the federal level is overdue. That is self evident. A great deal more does not have to be said about it.

Members of this House will recognize that there is an impediment we place through the Tax Act on the ownership of a home. I can express it as simply as this. Through tax policy, I as a taxpayer am encouraged to save for my old age by making an investment in a Registered Retirement Savings Plan. In some cases, I am encouraged to make those investments for my old age by borrowing money and in some cases the interest paid on the money borrowed is deductible from my income. However, the dream of the average Canadian is to own a home and let the home be the pension plan in the end.

• (1720)

In effect, Mr. Speaker, the tax policy encourages people to borrow money to do certain things but not to exercise the option of borrowing the same amount of money and putting the capital investment into a home. I believe that bias in the tax policy is one of the reasons we have increasingly become a society with a greater proportion of tenants and a smaller proportion of owners.

I represent a constituency in which 60 per cent of the residents are tenants. Not many people would expect to learn that about the riding of Don Valley West in the City of Toronto. However, that is a very normal urban phenomenon these days. A whole series of policies have led to that situation, including density encouragements for developers, land use policies of municipalities and the general attraction of cities like Toronto which bring more and more people to a relatively

confined area. As well, various levels of Government have placed impediments on the development of ownership housing.

In the simplest of terms, one of the costs a home owner must bear is his municipal taxes. Since that is a cost which is not deductible, my view is that the tax system creates a bias against a home owner. In my view, we have an obligation to correct that bias. If that were not enough, we are in effect telling people to pay one level of government tax from after-tax income and, in my view, that is an unfair system.

This matter should not be debated at great length. I believe any member of the House who does not understand this by now, after having hearing years of debate, has not been listening to the arguments on this subject. I do not believe there is a need for such arguments any longer. I would hope that Members would understand, therefore, that I have phrased this motion as narrowly as I possibly can. I believe it is time we told home owners who are struggling to maintain a home, or those who would like to be home owners but, under the current system, cannot afford to buy a home, that we believe the system is biased against their dreams and that we wish to remove that bias.

There is no suggestion in this motion that it refers to anything other than the municipal taxes on a principal residence. The motion expresses no suggestion that anyone should necessarily have the right to deduct all of their municipal taxes on all of their property. If appropriate, I am perfectly prepared to discuss with Hon. Members opposite in committee whether there should or should not be a limit on the amount of municipal taxes which may be deducted. I believe all of those questions are still open and I am perfectly prepared to have that debate. However, my personal view is that the general principle of double taxation applies no matter how large a municipal tax bill one pays. It all comes from after-tax income. I do recognize the constraints on the Treasury and I recognize the political constraints. Therefore, I have put this motion in a narrow form so that we could take one small step toward recognizing the hundreds of thousands of Canadians for whom the dream is to own a home, but cannot do so today.

If we were to begin to say to those Canadians who wish to own a home that we will begin to remove this impediment, that tax equity means we should allow municipal taxes to be deducted in whole or in part and that we will adopt the Ontario system so that tenants and home owners are treated equally, both having the right to deduct municipal taxes paid directly or indirectly, we will be taking a step in the right direction. The scheme to which I last referred would refute the argument that was advanced during the last election by some Members opposite regarding tenants' rights. In fact, most of us support the rights of tenants, and I hope it is understood that I intend this motion to apply to tenants as well as home owners.

If we could take those small steps, we would be saying that as a simple matter of principle, we want to remove the bias against home ownership from the tax system and leave the system in a more neutral position. Not only would we remove the tax bias but, in a small way, we would be stating our intentions to encourage more Canadians to attain the dream of owning a home for themselves and their children. We would be encouraging Canadians to protect themselves against outrageous rent increases by buying a home. We would be encouraging the old Canadian tradition of saving for old age through a piece of equity which most Canadians were brought up to believe was the protection for their old age.

I offer this motion to the House in hopes that, because of its fundamental justice and because of its narrowness which eliminates the concern for those who, during the election, were worried about the breadth of this issue, I may obtain from my fellow Members of the House, in their private capacity during this hour of Private Members' Business, a recognition that action in the area of this motion is long overdue. I would therefore ask Hon. Member of the House today to allow this matter, if they possibly can, to be referred to committee for further study.

Mr. Maurice Foster (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I am happy to have the opportunity to speak on the motion of the Hon. Member for Don Valley West (Mr. Bosley). I must say that the proposal he has put before the House this afternoon is interesting, and in some ways appealing. Any motion which makes something deductible that is not now deductible, thus reducing federal Government income tax, is at first blush very interesting, and perhaps very appealing. However, to say that the present system is an unfair form of double taxation may not be totally accurate and could perhaps be misleading.

The Income Tax Act applies to income whereas municipal taxes are levied against property. It is wrong to suggest that the same income is being taxed twice. Through municipal taxes, we are paying for certain services provided by the municipality, just as we pay for any essential goods and services provided by the private sector. Those private sector costs are paid with after-tax dollars. Does that mean that they should be tax deductible as well?

The fact that we pay federal income tax in no way supports the conclusion that municipal taxes should be exempt. It has always been an important principle of our income tax law that expenses in connection with property for personal use are not deductible, whereas those which are paid by a landlord are deductible because they affect business income.

I believe that we must look at the question of equity for renters. Property owners do receive an advantage over renters because the equity in their home or property is exempt from capital gains tax and, indeed, during the past few years when property values have risen rapidly this capital gain has been an important source of income for the retirement of many people, and has not been subject to tax. The tax deduction mentioned in this motion would again treat home owners preferentially. It would tend to favour the more affluent since they are more likely to own homes and have more valuable homes.

Regarding the position of landlords, it may be argued that landlords receive preferential treatment since they may deduct property taxes when computing their taxable income. However, the rental income of landlords is taxable and municipal

property taxes, like other costs incurred while earning the landlord's business income, are properly deductible. The same does not apply to home owners and renters nor does it apply, of course, to the personal residence of a landlord. He can deduct the property taxes for the rest of his development, but for his own personal residence he cannot deduct those municipal taxes.

● (1730)

It might be argued that in some way renters could be allowed to claim the property tax deduction instead of landlords. This would no doubt result in landlords raising rents in order to compensate for their increased income tax liabilities. As a result, many renters would be left probably no better off, and those renters who pay no income tax because of their low incomes would be worse off. They would be paying higher rent but getting no tax advantage.

If, for some reason, it was decided to allow both renters and landlords to claim the deduction, the result would be an undue incentive for rental housing.

With respect to the cost of the proposal, it is estimated that full income tax deductibility of municipal taxes paid by home owners could cost some $1 billion in forgone federal tax revenues. The cost could rise to approximately $1.5 billion if the right to this deduction was also granted to those households—more than one-third of the total—who rent their homes, assuming landlords were also allowed to deduct the cost against their rental income. I suggest that is a significant figure. We are talking about $1.5 billion. If it is forgone because of the deductibility of one's personal municipal taxes or the resulting personal municipal taxes passed through to the renter, of course it has to be collected from other sources by the federal Government.

The consequences are that the federal deficit is increased by these very substantial amounts, the federal Government services to Canadians are reduced or an equivalent amount is made up by increasing federal taxes in another direction.

The motion implies that some further incentive is needed to increase home ownership, since it calls the present tax system an impediment to this goal. There is no strong evidence that the tax system is an impediment to home ownership. Approximately two-thirds of Canadian households own their own homes. This proposal would be a windfall gain for those households already owning their homes. It would be no incentive for them. Thus it would be a costly, inefficient form of incentive for home ownership. There is already a major program of incentive for home ownership in the form of registered home ownership savings plans.

I suggest we should look at the effects on other levels of government. The benefits to home owners from this proposal could be eroded in two ways: First, it would be easier for municipal councils to increase local taxes, knowing that the federal Government would absorb part of the added burden through the income tax deduction. This would mean a weakening of an important discipline on local governments by encouraging wasteful spending. It would also be an unnecessary and undesirable intrusion in provincial and municipal affairs.

Second, provincial Governments might well decide to take advantage of the situation by reducing their own transfers to the municipalities. They are already being reduced. The net result could thus be simply a transfer of fiscal resources from federal to provincial Governments with little or no benefit to the taxpayers. It would favour home owners as compared to renters, unless some way could be found of extending the deductibility to renters. It is a move which is not advocated by this motion.

It would favour the more affluent as compared to lower income families, since their tax savings from a deduction is greater as a result of their higher tax bracket. The deduction for the wealthy would likely be higher as well, since they live in better houses and pay higher property taxes.

There would also be inequities among provinces in the benefits provided. The level of property taxes varies significantly among provinces due to differences in methods of financing local Governments. Some provincial Governments finance a larger share of municipal services than do other provinces. The home owner in such a province would pay lower municipal taxes but higher provincial taxes. The deduction proposed today would discriminate against such home owners.

A number of provinces have instituted various forms of relief for property taxes. These amounted to a total of approximately $1 billion in tax credits in 1982. The introduction of a federal tax credit would lead to further interprovincial inequities. For instance, in the Province of Ontario there are significant tax credits for senior citizens. In some cases, I am told, this results in practically no municipal taxes being paid. This would further add to that. I doubt that it would really provide the equity that we should be seeking in any move in this direction.

In view of these complexities, it seems more reasonable to leave responsibility for municipal taxes to the provinces, which have the constitutional responsibility to determine the appropriate degree and nature of any tax relief for municipal ratepayers. While this proposal may seem to have a great deal of appeal at first glance, there are many complexities relating to it, such as equity between lenders and home owners, to home owners who own their homes and those who are paying them off, and many inequities between provinces which provide greater or lesser transfer payments. It seems to me that before such a project or proposal is adopted, it requires a great deal more consideration.

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, I wish to speak very briefly on this subject. It is my intention to support the motion introduced by the Hon. Member for Don Valley West (Mr. Bosley). I believe it is a very sensible proposal and one which would do much to stimulate home ownership and housing construction in Canada. I congratulate the Member for bringing this forward today. It is not a new idea, however. It was an integral part of the proposals to stimulate home ownership and housing construction by the

Clark government in 1979. It is indeed unfortunate that that government did not stay in office long enough to implement some of its very worthwhile proposals in this field.

I could not help but rise to my feet when I heard the presentation by the Hon. Member for Algoma (Mr. Foster). He read a speech that had evidently been prepared for him by departmental officials, in which he said that the matter had been considered in great detail and discarded. From listening to his speech, I cannot see how any great deal of consideration had been given to these eminent proposals. For instance, he said that the costs of the scheme would be some $1.5 billion. If I listened correctly to the first Member who spoke, he did not propose full implementation. His idea was to allow a partial deduction. For instance, 50 per cent would be some $750 million.

We can look at other areas where the Government is spending money. It has spent $1.5 billion in Canadair and will likely spend more in order to "save"—we do not know if it will—just a few thousand jobs at best. The same type of approach has been taken toward de Havilland with $350 million going into that company. We know that it will have to sink more money into it in the years to come. When we contrast the proposed tax expenditure, or money that the Government will no longer collect, with moneys that the Government is spending on these other porkbarrel type programs and expenditures, it will be seen that the amount of funds involved is something quite reasonable. I do not believe that we can write it off out of hand without studying it in the detail that it deserves, and the detail into which evidently the Hon. Member for Algoma has not gone.

• (1740)

In a typical Liberal fashion, Sir, he says to contrast the simple straightforward proposal put forth by the Hon. Member for Don Valley West with the Registered Home Ownership Program presently in the Government's portfolio of crazy ideas. The RHOSP Program is a typical Liberal program. It is very difficult, confining and very bureaucratic. It necessitates Government taking money, giving it back again, and very detailed treatment as regards taxation. It is something typically bureaucratic, the type of thing you would expect from the Liberals, whereas the proposals coming from this side of the House have been very simple and straightforward, a simple deduction contained on one line of the income tax form. One does not need a doctorate in accounting to be able to figure it out. Everyone can understand it. It is a great idea, Sir.

The proposal has been criticized by Hon. Members on the other side in that it perhaps would encourage municipalities to increase their taxation. That is not necessarily bad if they could do that without increasing the effect on the taxpayer. Municipalities are strapped for funds. They have very limited areas of revenue generation available to them. Nearly all of their revenue comes from property taxation, and they have worthwhile things to do. I suggest that were municipalities able to collect a little more money through the jurisditional area given to them, property taxes in particular, then they would not have to be scrounging to provincial or federal Governments. They would be their own, men, so to speak, and I would like to see that happen.

I do not like the idea which is so prevalent among Hon. Members on the other side, that the federal Government should get in there and tax everything and not allow any room for the other two levels of government. The federal Government takes everything, then gives back to the provinces and to the municipalities, either directly or through the provinces, some of this tax money. In my opinion, there should be a proper amount of tax room for all three levels of government sufficient for them to carry out their duties and responsibilities in their jurisdictional fields without having to go to other levels of government.

There was a suggestion made by the Hon. Member for Algoma that such a program might disproportionately favour people in the middle-income bracket. The Hon. Members opposite always pretend that they are the great friends of the poor and are not really concerned with the average Canadian or the person who would like to have a little higher income than he or she does at the present time. I do not believe this is a strong objection to the proposal.

I understand that in the Province of Ontario where there is a provincial system of rebates for municipal taxes, it has managed to address this problem. It does it in a way and manner which is both fair to the owner and to the tenant.

In the Northwest Territories where there is a territorial rebate of certain municipal taxes, that is done in a simple way, but in a way which is quite fair. Rebates are given at a rate of 50 per cent of the municipal taxation up to a limit. So if one has a 4,000 square foot home and is obliged to pay $3,000 or $4,000 a year or more in municipal taxes, one cannot get 50 per cent of $4,000 but just 50 per cent of a certain amount up to a maximum. It is not entirely equitable but it is reasonable. Everyone sees that an attempt has been made at fairness and there are no real complaints about that. So I do not really agree with the objections put forward at all.

My final comment is that, in my opinion, it is a form of double taxation. It is the same type of double taxation which we now have in the case of mining or oil and gas companies. There is no deduction made for provincial royalties paid when it comes to computing federal income tax. It is that type of approach to life which makes it seem that the Government, in its wish to get more and more revenue, is not willing to take into account anything which might be fair and reasonable if it would decrease revenues which it might otherwise obtain.

We think we are good at thinking up new taxes here, but taxes have been around for thousands and thousands of years. In ancient Alexandria in Egypt 2,000 or more years ago they had thought up nearly every method of taxation and revenue raising that we have today. However, they thought of one more, and I do not really like to bring this to the attention of the Government because it might very well adopt it. However, what they did in ancient Alexandria, Sir, is make it necessary, after you paid all of your taxes, to get a tax receipt to show to

the enforcers that the taxes had been paid. Someone had the bright idea of a tax payable on getting your tax receipt, a tax on taxes paid. I just throw that out in case Hon. Members opposite might want to raise another few thousand dollars from hard-working and already oppressed Canadians.

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

Mr. Garnet M. Bloomfield (Parliamentary Secretary to Minister of State (Small Businesses and Tourism)): Mr. Speaker, it is with a lot of feeling that I enter into this debate today. Having been involved in the 1979 election and believing that it was not a fair tax at that time, I have no notion of being in support of it today. This motion tells us a great deal about the relative priorities of those who would advocate its adoption. It would cost the federal Treasury approximately $1 billion in lost tax revenues to carry out this proposal. That means the Government would have to find that much money in some way to provide this kind of tax benefit to Canadians who own their own homes. This could be done by increasing the deficit or borrowing the money at a time when both the Government and the Official Opposition favour reducing the deficit.

If this tax benefit were not provided by deficit financing, then it would be necessary to reduce other government expenditures, or increase other taxes to offset the cost. There is no free lunch, Mr. Speaker. One billion dollars is a great deal of money to offset. It would take some deep cuts in government services to Canadians or a substantial increase in the burden carried by taxpayers.

But let us assume that we can free up $1 billion in resources available to Government to spend where it thinks the need is greatest. What this motion argues, by inference at least, is that the $1 billion should be spent on Canadians who own their homes. It has been said that "to govern is to choose". We do not have unlimited resources. We have to choose our priorities. I believe we must help those who really need it most.

The last two Budgets set out a number of major priorities and announced a series of initiatives to meet them. Their goal is to build a strong and lasting expansion of the economy that will increase employment in Canada. I mention last year's Budget because its Special Recovery Program was planned for the medium term. Half of it was in the form of direct federal spending to provide new capital facilities that will increase competitiveness and generate new jobs. The other half was in the form of incentives for private investment to improve the competitive strength and job-creating capacity of the private sector. The Special Recovery Capital Projects will have their peak impact—estimated at $1.1 billion—in the new fiscal year just begun.

● (1750)

This year's Budget dealt with other high priorities: expansion of the youth opportunity fund to improve employment prospects for young people, new initiatives in employee profit-sharing plans, tax simplification for small businesses, pension reform, and increased security for home owners in the mortgage market. These are priorities of Government policy which have an important call on the available financial resources.

Do supporters of this motion claim that a billion-dollar tax benefit to home owners commands an equal or higher priority when it comes to allocating scarce fiscal resources? What would be gained by allowing home owners to deduct their municipal taxes from income subject to federal income tax? The motion states that this action would remove an impediment to homeownership for the average Canadian. I suggest that the level of municipal taxes has not been an impediment to a great many Canadians in deciding to become home owners, and the fact that two-thirds of Canadian households own their homes is an indication of that. Yet these are the people who would receive the bulk of the proposed tax benefit.

If we want to spend $1 billion as an incentive for Canadians to become home owners for the first time, surely the incentive should be targeted at them, not at those who have shown they no longer need that incentive. In spending Government money on new programs or tax incentives, it is vital that the money be used in the most efficient way possible. That means applying the incentive at the margin, to influence future decisions, and not using most of the financial resources to reward decisions that have been taken in the past.

Another important weakness in this proposal is that it would introduce a most regressive aspect to our income tax law. A basic principle of tax law is that citizens should be asked to pay taxes according to their ability to pay. Wealthier taxpayers should be expected to carry a proportionately heavier tax burden than those who are on lower incomes.

There is a great deal to be said in favour of leaving the responsibilitity for local taxes in its present form. It exercises a certain discipline in that people are directly responsible for their community expenditures. Having spent ten years of my life in municipal government, I believe that they really know where their dollars come from and where they go. I wish to thank you, Mr. Speaker, for the opportunity of putting on the record a few of those thoughts.

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of Finance): Mr. Speaker, as I rise to speak on this Bill, I cannot help but relate back to the proposal of the Opposition when they were in government and the home owner's interest deductibility which would have cost the Government of Canada approximately $3.5 billion. It is not easy to find a valid rationale for adopting the proposal urged in this motion. Should it be in the form of an incentive for home ownership? The motion suggests that, since it describes the present tax structure as being an impediment to Canadians owning their own homes. Should it be done in order to correct a great defect in the tax structure? That seems to be the position taken in this motion, since it talks of correcting "an unfair form of double taxation". Or is it intended simply as a transfer to benefit home owners? It certainly looks as though that would be the result, if not the motive, and we should consider whether such a transfer is justifiable.

Let us look at the question of providing an added incentive to home ownership. The cost of this proposal in reduced federal tax revenues could be about $1 billion, assuming full deduction of municipal property taxes. That is a pretty rich benefit and the sponsor of the motion apparently recognizes that since the motion suggests there might be some limitation in the form of a ceiling on the amount of property taxes which could be deducted.

It is hard to accept the argument that the present non-deductibility of property taxes is an impediment to homeownership. About two-thirds of Canadian households live in their own homes—a remarkably high percentage by any standard. Therefore, if we are to regard this proposal as an incentive to homeownership, it clearly would be a very inefficient and wasteful one. Almost all of the tax benefits would go to those who now own their homes. And in any event there is little evidence that the level of municipal taxation is acting as a deterrent to those who might want to become first-time homeowners.

If we want to devote government financial resources to encouraging people to become homeowners, it makes sense that any incentive be directed specifically towards them and not diverted to existing homeowners. That is precisely the purpose of the existing tax provision for contributions into registered homeownership savings plans. The RHOSP tax benefit involves a cost to the federal treasury in forgone tax revenues of around $100 million a year. At last count some 540,000 Canadians were contributing to their RHOSP accounts. I should remind the House of the change to the RHOSP program introduced in the Recovery budget of April last year, allowing taxpayers extra tax deduction by topping up their RHOSP contributions to the maximum $10,000 in order to buy newly-built homes before the end of 1984.

In addition there are substantial amounts provided through Canada Mortgage and Housing Corporation to a number of major housing programs to assist Canadians—including home renovation and rehabilitation, the financing of social housing for low-income households, and rental subsidies for households needing housing assistance. It must be obvious that this kind of approach is a far more effective way of using federal tax resources to improve the housing of Canadians. I would like to turn now to another argument made in support of the proposed motion—the idea that an income tax deduction for municipal property taxes would correct what the motion calls "an unfair form of double taxation". That is an intriguing and puzzling argument. It is true that homeowners pay their municipal taxes out of their income after paying federal and provincial income tax. But the same applies to payments of every form of tax that is not income tax—sales tax, customs tariffs, excise taxes, dog taxes, liquor taxes. Do all of these amount to double taxation? Are we to provide for income tax deductions for all of these other taxes as well, on grounds they constitute double taxation? That seems to be the logic of this motion.

I suggest that homeowners view their municipal property taxes as payments which finance essential local services. I doubt very much that they see these taxes as representing double taxation. I agree that property taxes are paid in so-called "after-tax" dollars—after payment of income tax—but the same can be said for every other purchase of goods and services. It is a far stretch to call this double taxation.

We must conclude that this proposal cannot be justified either as an incentive to homeownership, or as a necessary correction to some supposed problem of double taxation. We are left, therefore, with trying to justify the motion as a worthwhile and necessary fiscal transfer to homeowners. Can one argue that this is really a high priority area for the allocation of as much as $1 billion in federal government resources?

We hear much from the Opposition about the need to reduce the federal deficit, so one can perhaps assume that the sponsor of the motion would not want to increase the deficit by another $1 billion.

That leaves two alternative approaches. If we are to offset the cost of this proposal by reducing expenditures in other areas, the supporters of this proposal should take the responsibility of specifying which federal services should be cut. Or else they should make clear what tax increases they advocate in order to make up the lost revenue.

If we are going to find $1 billion by some general increase in tax revenues, the implication is clear: it means that taxpayers as a whole will be asked to subsidize homeowners. You would be asking families who cannot afford to own their own homes to provide tax assistance for those who do. Since home owners are generally at higher income levels than those who rent, this means seriously regressive taxation.

The Acting Speaker (Mr. Guilbault): Order, please. The hour provided for the consideration of Private Members' Business has now expired.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

CANADIAN PACIFIC RAILWAY—ISSUANCE OF LAY-OFF NOTICES TO WORKERS. (B) CONTRACTING PRACTICES—EFFECT ON RAILWAY EMPLOYEES

Mr. David Orlikow (Winnipeg North): Mr. Speaker, about two weeks ago when workers in the western shops of the CPR in Winnipeg learned that a number of their workers would be laid off permanently they sent a telegram to the Minister of Transport (Mr. Axworthy) protesting the lay-offs and urging the Minister to take some action to alleviate the hardships which would arise. Yesterday I brought this to the attention of the Minister and asked him to look into it. I also informed him

that I had learned two days ago that a number of workers in the car shop in Winnipeg had been told that they would be laid off shortly. I asked the Minister to take action. Of course the Minister gave the usual reply that as a result of the passage of the legislation ending the Crow rate agreement there would be a substantial increase in the number of people working across the country and in Winnipeg.

I put it to the Minister yesterday, and I do so again today, that 57 full-time jobs are being terminated in Winnipeg in the diesel shop, the power house and the wheel shop operation. A number of workers who have worked for CPR in Montreal and Toronto are being moved to Winnipeg. This will cause a good deal of dislocation to them and their families. I also pointed out to the Minister that lay-offs are now taking place in the car shop.

I would like to remind the House what the Minister said on March 25, 1982. He said:

> We are talking about the kind of investment that will restore the urban centres of western Canada to their pre-eminence as transportation centres. We are talking about the creation of employment across Canada, from the steel mills in Sydney to the locomotive shops in Quebec and Ontario and the major urban centres of western Canada. The change in the Crow rate will have multiple benefits for every community across Canada. It will create employment.

That is the question to which I am trying to get an answer from the Minister. Where are these jobs? Why are these people being laid off?

The Minister can say that the new programs have not started yet and that it will take some time. The fact is, Mr. Speaker, that Canadian Pacific is one of the largest, if not the largest corporation in Canada. In 1983 it had gross revenues of $2,430 million and a net income of $184 million, an increase over 1982 of almost 50 per cent. Canadian Pacific is a big, sound, profitable corporation. It got to the position it is in, Mr. Speaker, because of the benefits it received from the people of Canada. Since it was started it has received billions of dollars in grants, hundreds of thousands of acres of land, and untold mineral wealth. If this corporation cannot see its way to carry a few of its employees, for whom there is no work right now, until the time when they and the Minister have assured the people of Canada and their workers that they are going to expand their work force, that says something which is not very commendable about both the CPR and the Minister of Transport.

My second question to the Minister of Transport concerns another issue which has come to light with regard to both the CNR and the CPR. They are continuing and expanding a policy of contracting out work which they started some years ago. When I asked the Minister about that and urged him to do something about it, he said he would talk to the CPR. But he said, "you know, the railways have to be more efficient." What efficiency means when you put the word "efficiency', together with the words "contracting out" is that the railway lays off fulltime employees, permanent employees, who because they are permanent employees and because they are represented by unions have been able to negotiate a decent wage, working conditions and benefits for themselves. What contracting out does is to get rid of those employees and replace them with people who are casual employees who work only when the company has a specific job to do. They work for much lower wages and do not get the benefits and so on which permanent employees get. Studies have been done in Toronto, Windsor, and my own city of Winnipeg which indicate that contracting out services are not as efficiently done as work done by fulltime experienced employees. Contracting out services suffer from high turnover and poor workplace safety standards, and these jobs are often done at minimum wage and produce high returns for the agency—

• (1805)

The Acting Speaker (Mr. Guilbault): I am sorry to interrupt the Hon. gentleman but his time has expired.

[*Translation*]

Mrs. Éva Côté (Parliamentary Secretary to Minister of Transport): Mr. Speaker, like other industrial and commercial businesses, CP Rail must occasionally redistribute its human resources and adjust its hiring operations according to the variations in the demand for its product, that is, rail transportation. The most recent staff reductions planned by the CPR in Winnipeg are the result of decisions reached by the directors to maintain an efficient and profitable service. I would like to emphasize that, as a private enterprise, the CPR is required to make profits for its shareholders.

In 1983, in spite of lay-offs and recalls of employees in various occupational groups, there was a net increase in the number of CPR shop employees in Winnipeg. If the current economic recovery keeps up, the opportunities for permanent jobs should continue to improve.

I would add that the temporary shop employees hired by CP Rail were warned at the time of their hiring about this situation so they would be sure not to quit more permanent jobs. In addition to that, the collective agreements covering the laid-off permanent employees protect them against excessive hardship.

The CPR alone has undertaken to allocate something like $450 million to equipment projects in 1984. The purpose of this record high expenditure program is to increase its capacity to move ever-increasing freight volumes. The program flows from the new Western Grain Transportation Act which, for the first time in years, requires payment for the movement of grain.

The CNR and the CPR have initiated many projects which will improve their ability to move the products of Western Canada. As the Minister has said: "We are embarking on a major economic development". The companies are now contracting for purchases and projects which will benefit nearly all the regions of Canada.

The purpose of work distribution by railway companies is not to avoid paying unionized workers. Companies bid for the equipment projects through the normal channels, and I can

assure the Hon. Member that selection is made on the basis of price and quality of the proposals and not of the fact that the workers are unionized or not. On the other hand, both the CNR and the CPR have found out that most major contracts have been awarded to companies whose workers are unionized. In some cases, service contracts, such as herbicide spraying and cleaning services, have been awarded to small local companies whose employees are not unionized when they were the only bidders or those were the only services provided.

[*English*]

LABOUR CONDITIONS—SIZE OF LABOUR FORCE—STATEMENT BY MINISTER OF EMPLOYMENT AND IMMIGRATION. (B) USE OF UNEMPLOYMENT INSURANCE FUNDS TO RETRAIN WORKERS

Hon. James A. McGrath (St. John's East): Mr. Speaker, I take advantage of this adjournment debate to correct for the record some of the outrageously misleading statements of the Minister of Employment and Immigration (Mr. Roberts). I specifically refer to a question I put to the Minister on April 10, 1984, which can be found at page 2899 of *Hansard*. My question was prompted by the public musings of the Minister in Calgary, Alberta last week.

● (1810)

On Friday last, the unemployment figures were released by Statistics Canada. On that occasion the Minister, who should have been in the House to answer for the increase in the unemployment rate, was musing publicly in Calgary that the reason unemployment had gone up was that more people participated in the labour force. The actual fact was that the participation rate had gone down while the unemployment rate had continued to escalate for three months. So much for the Minister's knowledge of the labour force and the labour force survey.

The second thing he said in Calgary last Friday was that in his opinion more unemployment insurance funds should be targeted toward manpower training as opposed to income maintenance. He is the Minister responsible for unemployment insurance. When he finally came into the House on Tuesday, we put questions to him. I have referred to these questions.

I asked the Minister, if he is the Minister responsible for unemployment insurance and if he believes that more unemployment insurance funds should go into training as opposed to income maintenance, why does he not do something about it? That was the question. It is there for anybody to see. The Minister's answer, as I said, was outrageously misleading. He said:

> The answer is, of course, that we are. That is exactly what Section 38 and Section 39 of the Unemployment Insurance Act now permits . . . That is what we are doing to the extent of something like $1 billion a year.

The Minister went on to say facetiously:

> Once again the Hon. Member has shown his profound lack of knowledge of what the facts of the situation are.

The Minister has shown once again his profound lack of knowledge of what the facts are. Canada faces one of the greatest challenges in this modern time; that is, the training of our unemployed and the training of our work force to cope with technological change. There are many thousands of young people unemployed, a half million. Many people today are under-employed, especially women. Eighty per cent of the service sector is made up of women. They will be left behind unless we make provision now to train these people.

What are the facts? When the Minister made that statement in the House I checked with his office and then I checked the Estimates. I find that the Minister was wrong on all counts. Let us look at the current Estimates for 1984-85.

Under manpower training we find $259 million of the unemployment insurance fund targeted for training. That represents about 2.5 per cent of the total unemployment insurance paid out in this country. In trying to explain himself today, the Minister said he was not only talking about manpower training, but he was also talking about job creation. The record implies clearly that he was not talking about job creation but manpower training. Even if he was, the fact is that on checking the records we find that under the current Estimates only $207 million was targeted under UI for job-creation purposes. That is still only half of what the Minister said was being spent, if we take his word today that he really meant not only training but job creation as well.

The Minister does not know what he is talking about. He is preoccupied with other things. He is preoccupied with a losing campaign to save his credibility as a Minister, because we know he is not going anywhere in terms of the Liberal leadership of this country. Now he obviously has to do something about his waning credibility.

In his reply to me, incredibly he indicated for example, and I quote from page 2899 of *Hansard:*

> That is exactly what Section 38 and Section 39 of the Unemployment Insurance Act now permit.

Section 38 has absolutely nothing whatsoever to do with manpower training. There is not one cent being spent under Section 38. He obviously meant Section 37. Under Section 37 of the Act, only $25,000 is being spent to retrain some 50 workers. The rest is being spent under Section 39 of the Unemployment Insurance Act. That is an expenditure of $259 million a year.

We pay out almost $1 billion a month in unemployment insurance in this country. People who draw these benefits should be able to use them to be retrained; to be trained for new jobs, to be trained to cope with new technology, and be trained in the use of computers. We should be using the unemployment insurance fund to train women to meet the challenges of the new technology, to train the half million young people who will be left behind if we do not do something about training them now to handle the jobs with, hopefully, a little more emphasis on research and development and productivity, the jobs that will be created in the future if we can get our economy back on the rails.

● (1815)

This is a very serious matter. We have a right to expect that the Minister of the Crown responsible for training, employ-

ment, manpower and unemployment insurance would not only be here but that he would be well informed. Not only is he not here, but obviously he is ill informed. He is either ill informed, misinformed or deliberately trying to mislead the Canadian public. I know the Minister would not do that. I cannot accuse him of doing that, so he must be misinformed. Either way he stands indicted for incompetence.

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of Finance): Mr. Speaker, it is easy to pick a particular month and compare it to the most current month and draw whatever conclusions one wants. The fact is, as previously stated, employment growth on an annual basis has been relatively favourable in comparison to labour force growth. Using the latest 12 months or the latest quarter compared to the corresponding one a year ago gives a more clear indication of the true situation. For instance, on a year-to-year basis, the absolute increase in employment between April 1983 and March 1984 was 242,000 while the labour force grew by 222,000. Comparing the first quarter of 1983 with the first quarter of 1984, employment grew at an annual rate of 334,000 while the labour force grew at an annual rate of 183,000. It is clear therefore that while the Government is still not satisfied with the high level of unemployment, jobs are being created at a faster rate than the growth of the labour force.

CANADA PENSION PLAN—ELIGIBILITY OF MARRIED WOMEN

Mrs. Ursula Appolloni (York South-Weston): Mr. Speaker, my participation in today's late show flows from my intervention during Question Period yesterday. I have to admit that my intervention arose from a certain degree of anger and utter frustration because of a question from the Leader of the Opposition (Mr. Mulroney). He threatened the Government with the usual defeat because, he said, we keep attaching a price tag or condition to any help that we might give to farmers or fishermen. On second thought, I felt I did not have to apologize for that anger I felt or the frustration. I felt it reflected very accurately the anger and frustration of the people who have put the farmers and the fishermen in their jobs, that is the wives.

We are all politicians in this House. I agree that probably the Leader of the Opposition is reacting to a strong lobby on the part of western farmers in particular. I do not fault the farmers for having made that lobby. They were probably putting forward their own legitimate claims. I do fault the Leader of the Opposition for his insensitivity to the fact that the people who need his help most are very often the inarticulate, the needy, those who cannot afford to present this lobby. Very often that is the housewife of Canada. Until these voices can be heard, regardless of the amount of money and regardless of their ability to articulate, we are not in a very good democracy. We have to admit that. It is our duty as representatives of all the people in Canada to make sure that we are attuned to the silent voice, which very often is the most needy. This is so, particularly when it comes to the plight of farm wives.

● (1820)

A few years ago, I was privileged to represent Canada at a symposium for rural women of America in Washington. It occurred to me that Canada could well do likewise and call a conference of the rural women of Canada to find out their particular problems.

Rural women do have problems which are different from those of women in urban centres. Obviously, one of the problems is isolation. Another is the amount of sheer hard work that must be done. Few city dwellers like myself will not admit that the work done by rural women is at least three times as hard as the work done by most men. For those rural women and for housewives in the city I am not asking so much for financial gain, but I am asking that a degree of dignity and justice be afforded them and that their work be recognized. The only way dignity and justice can be given to these women is by allowing them to contribute to the Canada Pension Plan.

The inclusion of housewives in the pension scheme would be a highly significant innovation which, to some extent, would recognize the economic worth of raising a family. As well, it would provide an element of financial independence for elderly unemployed women.

This idea is not a novel one, Mr. Speaker. For instance, such a program has already been adopted in Germany and France. In 1978, I had the Library of Parliament research a paper for me. I have been pursuing this question since my first election to the House in 1974. We have made some progress but not enough.

The National Action Committee on the Status of Women has asked that housewives be allowed to contribute to the Canada Pension Plan. More recently, our own parliamentary task force, with all-Party agreement, recommended that a homemaker pension be available to those who, in any year, work only or mainly in the home to care for a spouse, a child under 18 or a dependent and infirm adult relative living in the home.

I would like to repeat, Mr. Speaker, that I am not only asking for money. Money could be provided as, under certain circumstances; it is already being provided by the OAS and the GIS. I am asking for the recognition of the work done by these women throughout our country, and I am asking that they be accorded the justice and dignity they deserve.

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the Government has been particularly attentive to the needs of women in formulating its action plan for pension reform which was released in the Budget of February 15. Before providing some details on the Budget proposals that will benefit women, I would like to point out that farmers' wives are already able to participate in the Canada Pension Plan if they work in the family business. As well, wives who work in the paid labour force do contribute to the Canada Pension Plan.

● (1825)

The Government announced an impressive list of proposals that will be of particular help to women. Bills to enact these proposals are now being drafted and will be introduced as soon as possible. Hon. Members will then be asked to ensure speedy passage of these bills so that their benefits will be felt at an early date.

Let me remind Hon. Members of the proposals to help women which are included in the Budget. These include a $50 per month increase in the Guaranteed Income Supplement for single pensioners. This proposal will benefit 750,000 elderly people, three-quarters of whom are women, and will ensure that they can lead a decent life. They include as well improvements to the Canada Pension Plan to ensure that survivor benefits are not terminated upon remarriage, that pension credits are split upon marriage breakdown and that pensions are split at age 65. These proposals will provide retirement income to women in their own right.

In addition, there is reform of private pension plans to ensure inflation protection, vesting after two years and splitting of pension credits upon marriage breakdown. There is improved survivor benefits, equal benefits for men and women, greater membership in private pension plans, major tax improvements to encourage retirement income and better information in respect of both public and private pension plans. Taken together, these proposals will ensure that working women receive in the future a much better deal from the pension system.

The Government has already sought the approval of provinces for changes to the Canada Pension Plan, and there is every indication that provinces will agree to their speedy enactment. Provinces have also been asked to reform private pension plans falling under their jurisdiction, and the federal Government will be working to achieve Canada-wide reforms.

While these are in themselves major reforms of the pension system, the Government is also committed to discuss later this year further improvements to the Canada Pension Plan. The issues which will be discussed with them include whether or not homemakers who work in the home should be covered under the CPP, survivors and disability benefits and the financing of the Plan. These are complex and difficult issues which will require careful consideration. The implementation of any major changes will also require consent of the provinces. I can therefore give the Hon. Member every assurance that the Government is fully aware of the matter which has been raised and is working diligently to ensure that elderly women do not live in poverty.

[*Translation*]

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

At 6.30 p.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, April 13, 1984

The House met at 11 a.m.

• (1105)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

TRADE

SIZE OF SURPLUS

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, despite continuing over-all balance of payments problems which have plagued Canada throughout the years of office of the Liberal Government, the Minister of Finance (Mr. Lalonde) has of late, in order to focus attention on some small bright spot in the economy, made frequent reference to recent merchandise trade balance figures which have been in Canada's favour. However, even in this traditionally favourable area we can see significant deterioration as a result of Liberal trade policy.

The February figures show a decline in external trade surplus of a billion dollars since January. The $2.1 billion January surplus has been reduced to $1.1 billion in February, surely a most alarming trend which, unless reversed, will result in further pressure on the Canadian dollar and, subsequently, higher domestic rates. We cannot allow Canada's financial relationships to worsen. Government policy has to be changed to encourage an inflow of funds into our country rather than the outflow seemingly favoured by the Liberals.

* * *

AGRICULTURE

FUEL AND LOAN COSTS OF FARMERS

Mr. Terry Sargeant (Selkirk-Interlake): Mr. Speaker, Manitoba farmers can expect little relief from the Government. This week the Farm Credit Corporation increased its lending rate to 15 per cent for long-term loans. At the same time the Government introduced Bill C-14 which will cut the effective rate of tax at the wellhead to 11 per cent for the oil companies, yet the Government continues to refuse to follow the lead of the Manitoba Government and eliminate sales tax on farm fuels.

In 1981 Manitoba farmers used 415 million litres of petroleum fuels in their operations that cost them the tidy sum of $124 million, of which $12 million was federal sales tax. I cannot understand why the Government continues to be so willing to give tax breaks to the major oil companies yet still refuses to give just a little relief to farmers.

• (1110)

It is not surprising that farm bankruptcies have increased by a staggering 58 per cent in the first months of 1984. This is supposed to be a year of recovery, but it is very clear that that recovery is not touching farmers. Instead of being an agency that is helping farmers weather these tough times, the Farm Credit Corporation seems to be doing all it can to make life more difficult for them.

I related an example of this the other day in the House when I told the story of a couple of young farmers who live in my constituency. They went to the Farm Credit Corporation looking for help to meet their loan payments, and were rebuffed. I call upon the Government of the country to do more for farmers, and to save the family farm in Canada.

* * *

ENVIRONMENTAL AFFAIRS

POLLUTION DANGER TO NIAGARA RIVER—UNITED STATES COURT ACTION

Mr. Joe Reid (St. Catharines): Mr. Speaker, Canada's Minister of the Environment (Mr. Caccia) pondered and stalled during the time allowed by United States District Court Judge Curtin for Canadian intervention on the proposed Niagara S-Area cleanup settlement between Occidental Chemical Corporation and the United States Government. That time has now expired and, except for the Province of Ontario, the court offers only friend of the court status to others, limiting the opportunity to present and challenge evidence, to appeal the court decision, or to monitor conditions of settlement.

Environment Canada's consultants have determined that the proposed settlement is unsatisfactory. Canadian environment officials say that there are no guarantees that the containment program will do the job necessary to protect Canadian interests in the Niagara River. Too late the Minister cries foul, and says that he will once more ask the United States Government to withdraw from the cleanup plan and get on with the removal of the S-Area chemical dump.

There has been enough talk, Mr. Speaker. The Government of Canada can become involved, if not directly then by actively assisting the citizens' groups which propose to file a lawsuit, if they have not yet done so, against Occidental Chemical for alleged environmental damage created by that dump site.

S.O. 21

INDUSTRY

INCREASED PRODUCTIVITY IN MANUFACTURING

Mr. Jesse P. Flis (Parkdale-High Park): Mr. Speaker, I would like to counter the negative and false statements made by the Hon. Member for Western Arctic (Mr. Nickerson) by drawing to the attention of the House a Statistics Canada report released last week which stated that, in 1983, Canadian manufacturing employees produced more for every hour worked than they have since 1971. In fact they out-performed all of our competitors. We also discovered last week that productivity in manufacturing increased by 6.9 per cent last year, and in the commercial sector it increased by 3.3 per cent.

By increasing productivity growth we have conquered one of the major economic maladies afflicting the country. This peak in Canadian productivity is reason enough for the government, and indeed for all Canadians, to smile. Among other positive benefits, productivity growth improves Canada's competitive position in international markets, is a key factor in determining the growth in our standard of living, and will give us strength in continuing to fight inflation.

The Minister of Finance (Mr. Lalonde) has said: "Past performance and past spending habits will not sustain us in a fiercely competitive international marketplace. We must become better than the competition—better at producing and marketing goods and services—and better at working together for the shared economic interests of all Canadians". It is my firm conviction that the Government's economic program of action is definitely one which is leading Canadians from recovery to expansion.

* * *

CANADIAN WHEAT BOARD

INITIAL GRAIN PRICES

Mr. Len Gustafson (Assiniboia): Mr. Speaker, announced to farmers today was the startling news that the initial price of grain has dropped very severely to 27 cents per bushel for Hard Red Spring, and 54 cents per bushel for Durum. In the past week our leader has called for a western grain stabilization payment and a formula which would make payments to farmers to alleviate cashflow problems faced by farmers at this time.

The Government has increased fuel costs by 100 per cent in the last four years. The cost of production has risen very significantly. Interest rates have risen. Farmers simply cannot stand up to the costs of production they face today.

The former House Leader of the Official Opposition has called on the House Leader of the Government to bring about quick passage to the western grain stabilization program, but the Government has refused to act. Surely the Government must have more confidence in the farmers of western Canada and in the other farmers of the nation. I call for western grain stabilization and the disbursement of a billion dollars which would assist—

• (1115)

Mr. Speaker: I regret to interrupt the Hon. Member, but his time has expired. The Hon. Member for Regina West (Mr. Benjamin).

* * *

PROVINCIAL AFFAIRS

CONDEMNATION OF SASKATCHEWAN GOVERNMENT'S POLICIES

Mr. Les Benjamin (Regina West): Mr. Speaker, last Wednesday the House witnessed a shocking display of indifference by the Prime Minister (Mr. Trudeau), and ignorance by the Leader of the Official Opposition (Mr. Mulroney) on what the NDP has advocated for many months, namely, the removal of the federal sales tax on diesel fuel for farmers and fishermen.

The Opposition Leader finally discovered Saskatchewan. He finally discovered the issue. In so doing he showed a wanton disregard for the facts about Saskatchewan and its incompetent Conservative administration. The Leader of the Opposition stated that the removal of the tax need not add to the deficit. The Prime Minister is ignorant of what was going on in Saskatchewan and so is the Leader of the Official Opposition. They could have pointed out that under two years of Conservative government, unemployment has doubled, housing starts are down, and bankruptcies are up. In three budgets in two years the good successful business Conservative Government has managed to run up $830 million in deficits, yet the Leader of the Official Opposition says the deficit is a prime matter with which he would deal.

Whether or not the deficit goes up, those excise sales taxes must be removed to help farmers and fishermen. With respect to the Prime Minister and the Leader of the Official Opposition, it is a case of the blind leading the ignorant.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF CHINESE ACROBATIC TROUPE

Mr. Speaker: May I call the attention of the House to the presence in our gallery of the Shandong Acrobatic Troupe, from Shandong Province in the People's Republic of China, who have performed in 16 Canadian cities over the past two months as part of a cultural exchange project. In particular, may I recognize the troupe leader, Mr. Yew Jand.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

THE ADMINISTRATION

LIBERAL LEADERSHIP RACE—RULES APPLICABLE TO MINISTERIAL STAFFS

Hon. Jake Epp (Provencher): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. The Prime Minister has now met, I take it, with all the leadership candidates, unless another person threw his hat in the ring this morning. Yesterday my colleague, the Hon. Member for Durham-Northumberland, asked the Prime Minister to clarify the ground rules respecting the activities of persons on government payrolls who are actively involved in the leadership campaign. Do those same rules, though ill defined, apply as well to the staffs of Ministers who are not in the leadership campaign as individual candidates? Do those same rules apply to the ministerial staffs—the rules which the Prime Minister has laid out for those in the campaign itself?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, they do.

STATEMENT ATTRIBUTED TO MINISTER OF AGRICULTURE

Hon. Jake Epp (Provencher): Mr. Speaker, I thank the Prime Minister for that answer. After the Prime Minister's meeting with certain candidates—and I said that the rules, at least for this House, were still unclear—the Minister of Agriculture, who is known for his public approach to these things—

Some Hon. Members: Oh, oh!

Mr. Epp: —said this—

Mr. Beatty: Where's the beef?

Some Hon. Members: Oh, oh!

Mr. Epp: —the Minister said:

> Mr. Trudeau told Ministers they could not travel with political staff when on government business. When you're a Minister, you're still a Minister . . . You're allowed one staff person to travel with you for government business, but that staff person must not be involved in politics. Staff people who work, you know, on a Minister's staff, the staff take a leave.

Is that an accurate reflection of the guidelines the Prime Minister gave to the candidates?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I believe I listened attentively. It seems to me, whether the Minister was misquoted or not, he began by saying the contrary to what he went on to say later.

Mr. Beatty: That is Eugene.

Some Hon. Members: Oh, oh!

Mr. Trudeau: It may be.

Some Hon. Members: Oh, oh!

Mr. Trudeau: I know the Opposition are sometimes reluctant to ask the Minister questions because they are never quite sure what he is going to answer.

Some Hon. Members: Oh, oh!

Mr. Mayer: He doesn't either.

Mr. Hnatyshyn: Pierre, you may push him to the front of the contest.

• (1120)

Mr. Trudeau: The House is in a good mood. May I ask your indulgence, Mr. Speaker, not to count this as a supplementary so that the Hon. Member could reread that quotation? It seemed to me that it did not quite flow.

Mr. Epp: Mr. Speaker, I appreciate the Prime Minister's dilemma. We have had that dilemma with the Minister of Agriculture for a long period of time. If I am right in—

Mr. Trudeau: Just quote it.

Mr. Epp: The quote is this:

> Mr. Trudeau told Ministers they could not travel with political staff when on government business. When you're a Minister, you're still a Minister . . . You're allowed one staff person to travel with you for government business, but that staff person must not be involved in politics. Staff people who work, you know, on a Minister's staff, the staff take a leave.

That was the quote I gave.

Mr. Trudeau: Well, Mr. Speaker, as the Hon. Member will realize, the first phrase which the Hon. Member read is contradicted by the following phrases. I can only ascribe that to the confused press, as usual. They obviously quoted the Minister badly. The Hon. Member would not do that.

Some Hon. Members: Oh, oh!

Mr. Trudeau: I noted the phrase that the Minister could not travel with political staff when on government business. That, of course, is not correct, and that is not the guideline. Ministers, when they are on government business, sometimes need departmental staff and they are entitled to travel with departmental staff. But there is no intention to exclude a Minister from also having exempt staff so-called political staff, when he is going on business. He may be on government business but very appropriately at some point be engaged also in political business. So I cannot accept that statement of the Minister's alleged intentions. I am quite sure he did not say that.

REQUEST FOR PUBLICATION OF GUIDELINES

Hon. Jake Epp (Provencher): I have a supplementary for the Prime Minister. I appreciate the Prime Minister's explanation that political staff for ministerial travel is a necessity. I have no argument with that. But Canadians have a right to know the exact guidelines which will apply.

In view of the obvious confusion the Prime Minister has, that he claims the press might have and since Canadians have

a right to know, and especially in view of the fullsome answers he gave yesterday on the same subject in which he said that these areas were worth looking into, for instance, people on contracts and so forth, would the Prime Minister be willing to make these guidelines public? In that way both Members of the House and the public would actually know the guidelines applicable to Ministers who are in the campaign and to other Ministers and their staff who might obviously be supporting the various candidates? Then we and they would both know the guidelines which the Prime Minister will insist upon during the campaign.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I beg the Hon. Member's indulgence. I believe he started by saying that I had conceded that I was confused. I did not concede that. I conceded the press might be confused, and that the Hon. Member might be confused.

It seems to me I have answered questions very directly in the House, and I will continue to do so. I have no written guidelines. I do not intend to make any written guidelines. On the use of government aircraft, the guidelines are written, but they were written for ministerial conduct generally, whether they are on leadership business or not.

On the general practice of not using departmental staffs for political business on government time, this is a rule which applies all the time whether you are on leadership endeavours or not. The sole reason I held discussions with the leadership candidates, Mr. Speaker, was to make sure that there was no unfair advantage taken by one Minister, or one candidate, over another by the fact that they were not using their staff in the same way. So in reality I got together with them to repeat guidelines which apply to Ministers all the time and, therefore, which continue to apply even more deliberately in the leadership campaign.

We expect further refinements of those guidelines during a campaign, and I explained those to the House too. For instance, an executive assistant is political staff. He is exempt staff. He can engage in politics. However, if the Minister were to use that executive assistant or special assistant to work not on his general political obligations, constituency obligations, and so on, but to recruit delegates, or to organize the leadership campaign itself, at that point I made it clear that there should be a leave of absence or a resignation. That is more in terms of not seeking particular advantage over other candidates rather than that it would be somehow improper to use taxpayers' money for political purposes.

• (1125)

As I pointed out, the Leader of the Opposition's exempt staff uses taxpayers' money for political purposes; that is not objectionable. However, I believe the Hon. Member's former Leader showed that, during their leadership campaign, he did not intend using his position of having exempt staff as Leader of the Opposition in order to give himself an unfair advantage.

Mr. Nielsen: He did not.

Mr. McGrath: He resigned.

Mr. Trudeau: That is what I say. I think he set a good example for what we are doing. He handed over the leadership of the Party, difficult as the decision must have been for him, to the Hon. Member for Yukon. I do not condone his choice of substitute, but I do think his principle was right.

Mr. Nielsen: You will never forget it, either.

Some Hon. Members: Oh, oh!

ROLE OF MICHAEL RONAN—REQUEST THAT GUIDELINES BE PUT IN WRITING

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, the Prime Minister now says there could possibly be revisions in the guidelines in the future.

Mr. Trudeau: No.

Mr. Friesen: That is just what you said. The Prime Minister said just now that in the future there could possibly be revisions to the guidelines. It seems to me that he is encouraging confusion, and possibly suspicion, if there are no defined, written statements on what those guidelines are. I urge the Prime Minister, in order to make sure that the press and public of Canada understand what acceptable conduct is, that there be clearly defined statements in a code of conduct for those people.

Recently, in answer to a question by my colleague, the Hon. Member for Durham-Northumberland, the Prime Minister said: "It is worth looking into" namely, the proper role of persons who have a government contract and are actively working on a candidate's leadership campaign. Has the Prime Minister checked, and can he report that no one on contract to the Government is spending a major portion of his or her time on political activities on behalf of a leadership candidate?

Right Hon. P. E. Trudeau (Prime Minister): I did check, Mr. Speaker. I checked into the case of one Michael Ronan, I believe, which was brought up in the House. I found, as I had surmised, that he was on contract, but only part-time. I understand he works a maximum of three days a week on contract. Therefore, the other three days are his to spend as he wishes, either engaging in business with the private sector or involving himself in the political process. That is exactly as I had surmised it would be, and I even said that exempt staff who want to work on weekends, or for that matter civil servants who want to involve themselves in that kind of political activity permitted by the Public Service of Canada regulations, are entitled to do what they want with their off-time. So I am not making any revisions. I do not see any need to.

As to a written code of conduct, Mr. Speaker, I am used to making deals, and I can make a very simple deal. If the Leader of the Opposition will spell out a code of conduct for his exempt staff, I can tell him that ours will be the same or more severe. I gave the example of greater severity in my answer to the previous question. I do not think the Leader of the

Opposition has even explained to his own Member what the code of conduct is for his exempt staff. But if he does, and it is a proper one, I will obey the same rules, except with a bit greater severity for the leadership candidates.

● (1130)

ROLE OF DAVID ZUSSMAN

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, the Prime Minister mentioned his view of the work of one of the members of the exempt staff, Mr. Michael Ronan. What is the status of Mr. David Zussman? He promised to check into the activities of that gentleman as well.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I did check into that too. I found out that Mr. David Zussman occasionally travels with his minister. He assists the Minister when the Minister is involved in particular departmental meetings of discussions. I was given two examples. One was when Mr. Chrétien met with the Newfoundland Minister, Mr. Bill Marshall, last week. In that instance Mr. Chrétien was assisted by Mr. Zussman. I am told the same is happening today. There is a meeting arranged with the British Columbia Minister on department related matters.

* * *

EXPO 86

POSITION OF FEDERAL GOVERNMENT

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, my question is for the Prime Minister. It concerns the 1986 World Fair to be held in Vancouver. It seems to be on the verge of being cancelled today or tomorrow by Premier Bennett of British Columbia. Would the Prime Minister confirm that he told a journalist, Harvey Oberfeld of British Columbia Television, yesterday, referring to the Fair: "Really, I don't care about it at all"? Would the Prime Minister confirm that he said that? Is that the attitude of the Government of Canada toward this Fair?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I really do not know if I should blame the Hon. Member or the reporter. I remember the circumstances very well. I was returning to Parliament after lunch and was met by a rather pleasant reporter who had tried to talk to me before. I stopped for a moment and asked what he wanted. He said: "There's a lot of discussion and controversy", I believe were his words, or "a lot of questions". I wish we had the tape. I am not sure what was reported. However, I do know the question was of the nature that there is some controversy on the holding of the Fair in British Columbia. I said: "I don't car about that", or "it". That is my position. I do not want to be involved in that controversy, and I do not care about it.

If indeed I was reported by that reporter as saying that the "it" was referring to the Fair rather than to the controversy, I say this is another example of why I do not want to go to the Goddamn press gallery dinner tomorrow night.

Some Hon. Members: Oh, oh!

Mr. Nielsen: That is unparliamentary.

Mr. Hnatyshyn: Order, Mr. Speaker. Withdraw.

Mr. Nielsen: He said goldarn.

MINISTER'S MEETING WITH BRITISH COLUMBIA PREMIER

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, my supplementary question is for the Prime Minister. I will ask him to show the courage of the Sikhs and the acrobatics of the Shandong Troupe in dealing with this.

I would like to ask him seriously about this Fair. After all, the federal Government has put over $100 million into the Fair. The Queen, very publicly in the stadium in British Columbia, invited nations to Canada to take part in the Fair. Would the Prime Minister confirm that, on behalf of the Government, Senator Austin is meeting with Premier Bennett? Would the Prime Minister indicate to the House whether his Government has ever received any information that perhaps the public has not had, with respect to a financial analysis of how much this Fair is going to cost? Presumably the Government received that before putting about $120 million into the Fair.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, with regard to the first part of the question, the federal Government is deeply involved. It is contributing $120 million, as well as putting enormous value in services at the disposition of the holding of the Fair. Not only is the Government building a very prestigious edifice in honour of and at the time of the Fair, but also I have personally, in my correspondence with leaders of other Governments, and in my travels, talked about the Fair and in many cases exercised some subtle pressure to get other countries to participate in the fair. That is why I am somewhat indignant at the interpretation given by the Hon. Member or by the media that, in a sense, the federal Government is not interested in the Fair.

We did look very closely at the financial situation of the Fair. I think we bargained quite well and fairly to make sure that we would pay a fair share of the Fair and be involved in the right way. We were very conscious of the danger of overruns. We all remember the experience of the World Fair in Montreal in 1967. I think all Governments now, provincial and federal, are very careful in such events to make sure that costs are kept under control.

Senator Austin has a mandate to hold discussions with the Government of British Columbia to ensure that our funds will be appropriately used and that the taxpayers of Canada will not be involved in paying surpluses or overruns which were not part of the bargain. In that sense, without having followed the file very closely, I can only commend Premier Bennett for making sure that cost overruns are held to a minimum. I am sure that Senator Austin will want to co-operate with the Premier to make sure that, from our point of view, that will be the case.

Mr. Waddell: Mr. Speaker, surely the Prime Minister is not commending Premier Bennett for announcing a World Fair without having any financial analysis of how much the Fair is going to cost.

MINISTER'S MANDATE

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, the construction unions have proposed a no-strike contract, a waiving of the affiliation clause, that is, to work with non-union people, which is not traditional, and that the work will be done at a negotiated rate. Does that not sound fair? It looks like Premier Bennett may cancel the Fair on what are really ideological grounds.

If the Prime Minister is in favour of the Fair, has he given Senator Austin a mandate to have the federal Government run the Fair and pick up the cost of the Fair if the provincial Government backs out? Is that the extent of Senator Austin's mandate?

Right Hon. P. E. Trudeau (Prime Minister): No Sir, not at all. I said exactly the contrary, Mr. Speaker. Senator Austin is not mandated by the federal Government to spend any more money than we have already agreed to spend. If there are cost overruns we do not intend to pick them up. Therefore it is proper for the Premier of that province to make sure that costs are held under control. He must do it within the law, and I suppose within proper boundaries of fairness.

I can recall that Premier Barrett of British Columbia, who was of the Hon. Member's Party and allegiance, scotched the 1972 Olympics for Vancouver, for Whistler Mountain, because he felt the province could not afford it at the time. I did not particularly agree with that, but I think he was wise to make the cost a very important factor of his decision. If Premier Bennett is doing like Premier Barrett, it would seem to me the Hon. Member should be the last to complain.

* * *

MUSEUMS AND ART GALLERIES

CANADA MUSEUMS CONSTRUCTION CORPORATION—FUND RAISING PROJECT

Mr. Geoff Scott (Hamilton-Wentworth): Mr. Speaker, my question is for the Minister of Communications. It is with regard to cabinet approval for a secret, private, fund-raising campaign of the Canada Museums Construction Corporation to raise an additional $25 million from corporate and private donors for the new National Gallery and the Museum of Man. Will the Minister assure the House and the 1,750 non-profit museums and galleries that this is a one-time only project, and that the Museums Construction Corporation will not go after the same corporate and private donors who are likely to donate to the regional museum sector? Or is this a new principle of fund raising that the Government intends to expand?

Hon. Francis Fox (Minister of Communications): Mr. Speaker, I thank the Hon. Member for the question. I would like to congratulate him on becoming the official critic for the Opposition on matters of culture and communications.

Some Hon. Members: Hear, hear!

Mr. Fox: If this is a secret decision, it is indeed a badly kept secret, with press releases actually being put out about this secret cabinet decision.

• (1140)

The Hon. Member may know, after having read the press release which was put out yesterday by Mrs. Boggs, the Chairman of the Museum Construction Corporation, that Mrs. Boggs does indeed consider that the moneys made available to her by the Government are sufficient to build the two galleries. However, as pointed out by Mrs. Boggs, if the two galleries are to reach a standard of excellence in appearance, which we would all like to see in the National Capital, there may be some need to enrich the amount of money necessary to meet those purposes. For instance, replacing the originally planned brick front of the buildings with stone cladding is a single example.

With respect to the question of raising the funds, the amount of money required has not yet been determined. I expect that the board of the Museum Construction Corporation will be reporting to me on that during the course of the month of May.

I would like to indicate, in response to the Hon. Member's very serious question, that it is indeed a once in a lifetime campaign on the part of the museums. We would very much like to see Canadians across the country have the opportunity to contribute to the museums and to feel pride in having done so.

Mr. Scott (Hamilton-Wentworth): I thank the Minister for communicating his good wishes. I will try not to make life too difficult for him. You fellows are having enough problems over there.

FUNDING OF REGIONAL MUSEUMS

Mr. Geoff Scott (Hamilton-Wentworth): Mr. Speaker, an internal memorandum of the National Museums Corporation warns against this kind of action, and notes that this fund raising attempt will be in competition with other museums and other arts organizations for what is really a very finite amount of dollars. Since the fund raising will free up some federal moneys, is it now the Minister's intention to ensure stable funding to the regional museums?

Hon. Francis Fox (Minister of Communications): Mr. Speaker, the Hon. Member knows that there is a program within the National Museums of Canada which has as its main object putting funds into the hands of regional museums. I would hasten to add that, as far as regional museums are concerned, whether or not they have associate status with the

National Museums of Canada, there is also a responsibility on the part of provincial Governments, municipal Governments, and the municipality within which a museum is located, to help find the necessary level of financial support for a museum.

In regard to the general question of fund raising, I would like to point out to the Hon. Member, because of his obvious attachment to another political Party at Queen's Park, that the Royal Ontario Museum is embarking on the same type of campaign.

* * *

FISHERIES

REOPENING OF GEORGETOWN SEAFOODS PLANT IN PRINCE EDWARD ISLAND

Mr. Tom McMillan (Hillsborough): Mr. Speaker, my question is directed to the Minister of Fisheries and Oceans. There is growing uncertainty in Prince Edward Island surrounding the Minister's plans for reopening the Georgetown Seafoods plant in time for the new fishing season which begins in a couple of weeks, in early May, as he knows. Given that the ownership of the plant has not yet even been transferred to the new owner, National Sea Products, let alone the plant reopened, would the Minister tell the House what specific plans he has in mind, and what specific schedule he has in mind, for the reopening of that plant?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Mr. Speaker, I thank the Hon. Member for his question. First, I would like to remind him that the Official Opposition has taken a stand that National Sea should remain in private hands. That message was listened to by the Government.

Second, the Government decided that one of the conditions for our financial assistance to National Sea, to the private sector, is that they should also have the Georgetown plant within their company. Hopefully, as a result of the support of the Prime Minister, Cabinet, and particularly of the regional Minister for P.E.I., the company has accepted that request of the federal Government and has accepted to buy that plant for $1. The federal Government has committed to give up to $2.3 million in financial assistance to start up costs. Finally, we have also added 5,000 tonnes of Gulf red fish in order to add to the 5,000 or less that Nickerson used to truck to the Georgetown plant in the past. Thus, it will be part of National Sea which will be controlled by the private sector as the Hon. Member's Party has suggested.

SALE OF PLANT—REQUEST FOR GUARANTEES OF FUTURE

Mr. Tom McMillan (Hillsborough): Mr. Speaker, the Minister just said that the plant in question is to be sold to National Sea Products Limited for $1, despite the fact that the plant will be worth approximately $5 million after the Government itself invests $2.3 million into upgrading that plant.

In light of what he has just said, would the Minister tell us what guarantees the federal Government has obtained from National Sea Products in case that parent company gets into financial difficulty and is no longer able to operate the plant? What guarantees has it been able to get from the company to ensure that the assets of the plant and the fish allocation associated with it revert to Prince Edward Island and to Georgetown, rather than being absorbed into any financial difficulties, even bankruptcy, that the company concerned might incur?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Mr. Speaker, we cannot have it both ways. There is nobody in Canada whose job is guaranteed. What the federal Government has done is go to the limit of investing whatever money is needed to restructure that company along the wishes of the private sector. When you ask me what guarantee there is that the company will never fail, I frankly ask how the Hon. Member can put a question like that.

Every day, thousands of companies go under, and thousands of new ones are formed. All I can hope is that the private sector which has taken control of the company and has shown confidence by investing up to $20 million, will prove to be good managers. The federal Government, as the Hon. Member would admit, has gone to the extreme limit of allowing the private sector to show their capabilities. Of course I cannot guarantee to anyone in Canada, whether in the public or private sector, that they do not have to compete in this very competitive world.

* * *

REFUGEES

DEPORTATION OF SIKHS

Mr. Laverne Lewycky (Dauphin-Swan River): Mr. Speaker, the Federation of Sikh Societies of Canada is concerned that there are Sikhs under refugee status in Canada who are daily being deported. In the absence of the Minister of Employment and Immigration I will direct my question to the Prime Minister. It concerns the Sikhs who are daily being deported at this time to Punjab, India.

Is the Prime Minister aware that the new National Security Act in India may mean that these deported refugees could be jailed without trial? Would he consider asking his Minister to hold these deportation orders in abeyance until something could be negotiated with the Federation of Sikh Societies of Canada, which is the national body of Sikhs, to enable these refugees to remain in Canada? In other words, would the Prime Minister undertake to ask his Minister of Employment and Immigration to hold discussions with the Federation on this important matter?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I cannot comment on the particular events and recent ones to which the Hon. Member is referring, but I do know the subject and I have heard of the problem. I have even discussed it with

the Prime Minister of India on one occasion. I certainly will undertake to follow up with the Minister and try to ascertain if the Government is in a position to do anything in this particular case of which, I repeat, I am not informed.

I have very great admiration for the Sikh people, having been to Amritsar and their glorious temple, having seen their valour and courage over the years, and more recently having been awarded a very great honour by that group of Sikhs. I must say that I will take it upon myself to ensure that the Minister follows up on the question.

GROUP SPONSORSHIP PROGRAM SUGGESTION

Mr. Laverne Lewycky (Dauphin-Swan River): Mr. Speaker, I appreciate the response of the Prime Minister. When he is discussing this matter with the Minister, could he suggest that one possible solution might be something that was done in the case of Vietnamese refugees whereby there could be group sponsorship programs for the Sikhs? I know that the Federation of Sikh Societies would be prepared to try to negotiate that type of arrangement. We would appreciate it if he would consider talking to his Minister in that regard. Could we have that undertaking as well?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not quite see the parallel that the Hon. Member obviously does, but I certainly will take notice of his question.

* * *

INDUSTRY

GOVERNMENT EXPENDITURES ON RESEARCH AND DEVELOPMENT

Hon. George Hees (Northumberland): Mr. Speaker, I wish to address a question to the Prime Minister. As Dr. Kerwin, President of the National Research Council, has stated: "Each additional one per cent of Gross National Product that is spent on research and development will produce 800,000 new jobs". Since the federal Government's share of the national expenditure on research and development has fallen from 48 per cent in 1968 to 37 per cent today, will the Prime Minister advise the House why the federal Government has cut back its share, instead of giving leadership in increasing research and development and thereby providing the additional jobs which Canadians need so badly today?

• (1150)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I begged the Hon. Member the last time when we talked about research and development to check the facts. He has and, I might have known, he checked two sets of facts and confused them. First he says that our share has fallen, which is true, and then he says that we have cut back. It does not follow that because our share has fallen we have cut back. What could very well follow is that the other participants in research and development have decided to spend more, in other words, have followed the example of the federal Government.

The Hon. Member will remember that in our previous exchanges I said he was confused because he was talking about research and development as a global matter and blaming us for not doing enough. I said he should look—which he did, and I am glad he took my advice; he should do so more often—at the shares of the other participants and should realize that they have not been doing, in comparison with the private sector in other countries, and even with the academic sector in other countries, as well as they might. They heeded my advice. They are now spending more. They are spending a more reasonable share of the total. That is what is happening, and I am sure the Hon. Member will understand it if he spends the weekend on the problem.

Mr. Hees: I do not have to spend any time at all in absorbing what the Prime Minister has just said, as I will show the House.

INCREASE IN BUSINESS SHARE OF FUNDING

Hon. George Hees (Northumberland): Mr. Speaker, as the Prime Minister said in answer to my question on April 5, and I quote his words, "The federal Government is much more generous and farseeing in its participating in funding research than the provinces and the private sector", and as private business has increased its share of funding of research and development from 31 per cent to 41 per cent, while the federal Government has decreased its share from 48 per cent to 37 per cent, would the Prime Minister not consider getting the facts straight before he answers serious questions like the one I asked him last week and today, instead of misleading the House as he has done on both occasions?

Some Hon. Members: Shame!

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I obviously did not mislead the House because the Hon. Member started from my answer to do exactly what I said he should—check the facts. I think my previous answer should be studied with care by the Hon. Member.

Mr. Hees: Studied by you.

Mr. Trudeau: He would see that the private sector—and he noted the business sector—is properly spending more money on research now. Indeed, that is one of the things the Hon. President of the Treasury Board was advocating at the time when he brought in our excellent Foreign Investment Review Agency in order to force the private sector to spend more on research and development rather than do it all in the United States. The Hon. Minister's policies and those of his successors are being met with success and therefore these figures, but the fact remains that we have not cut back, which has the Hon. Member's allegation.

Mr. Hees: You cut back on your share, and that is cutting back.

Mr. Trudeau: Mr. Speaker, we have not cut back. We are spending more, and the Hon. Member knows it. Because other people are spending what they should does not mean we should cut back.

Mr. Hees: Mr. Speaker, did you ever hear a better example of trying to prove that black is white?

* * *

FISHERIES

DEVELOPMENT OF HYDRO FACILITIES IN BRITISH COLUMBIA—PUBLIC HEARINGS

Mr. Lorne McCuish (Prince George-Bulkley Valley): Mr. Speaker, my question is directed to the Minister of Fisheries and Oceans. The Aluminum Company of Canada has filed an application with the Province of British Columbia for development of hydro facilities in central British Columbia. There will be public hearings into this application. Is it the Minister's intention that his departmental officials will conduct these hearings or, alternatively, does he see the role of his departmental officials as being part of the panel together with the B.C. Utilities Commission which will hear interveners?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Mr. Speaker, as the Hon. Member knows, the Department of Fisheries and Oceans has been having public meetings in several towns in British Columbia to hear the views of the people and to exchange views. My Department hopes that the B.C. Utilities inquiry will be a full and comprehensive one covering every aspect of the project. Also as the Hon. Member knows, that project is potentially most important and could have very important implications for fish habitats. Obviously those concerns have to be met.

In the last few days senior officials of my Department met with the president and executives of Alcan. The position of the Department is very clear. It is that, according to the law which governs our Department, we cannot allow a project of that size to be undertaken unless, of course, all the different safeguards concerning fish habitat are met.

I hope the B.C. Utilities inquiry will be a full and comprehensive one. I would gladly sit with my counterparts in the B.C. Government to ensure that the terms of reference of that inquiry are totally comprehensive.

Mr. Speaker: There are various Members seeking to be recognized. Could questions be short? A short supplementary, the Hon. Member for Prince George-Bulkley Valley.

FUNDING REQUESTED FOR INTERVENERS

Mr. Lorne McCuish (Prince George-Bulkley Valley): Mr. Speaker, again my question is directed to the Minister of Fisheries and Oceans. There will be a number of interveners. Is the Minister prepared to provide funding for the interveners and, if not, who does he see as being responsible for such funding?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Mr. Speaker, I have given a lot of thought to that question and I would like to share my views with the Hon. Member. One of the duties of the Department of Fisheries and Oceans under the law is precisely to monitor any project of that size, or any project which could have implications on fish habitat. Half the workforce of that Department is paid by the taxpayers of the country. Almost 3,000 people out of 6,000 are scientists whose job is precisely to do what the Hon. Member is suggesting. I think it would not be prudent to have taxpayers pay twice—once to the officials of the Department to do an assessment of such projects and to release that information and, second, to fund groups which would like to make a second assessment of the projects. I think that once by the officials of the Department is enough. I am very happy to see the Hon. Member signalling to me that he concurs with my position.

Mr. Speaker: The Chair will recognize two Hon. Members for short questions, the Hon. Member for Assiniboia and the Hon. Member for Brampton-Georgetown.

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CANADIAN WHEAT BOARD

ANNOUNCEMENT OF INITIAL GRAIN PRICES

Mr. Len Gustafson (Assiniboia): Mr. Speaker, because there is no other Member from western Canada representing western farmers, I will direct my question to the Prime Minister. He will know how important the initial grain price and an announcement concerning it are to the farmers. Could he clarify just exactly what was the announcement and why it was not made in the House by some of his officials? I understand and know that the Minister responsible for the Canadian Wheat Board is in the other place, but surely western farmers deserve better treatment than the Government has been giving them.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Hon. Member says that he does not know what the other Minister was saying, yet I understand him to say that western farmers deserve better treatment.

Mr. Hnatyshyn: What was the initial price? Why was it not announced in the House?

Mr. Trudeau: What is the allegation of the Hon. Member? Farmers are getting an initial price which is in tradition with what it usually is.

Mr. Nielsen: What is it? How much?

Mr. Trudeau: Well, Hon. Members do not know. How can they say they are getting a bad deal if they do not know what that price is?

• (1200)

REQUEST FOR INFORMATION ON PRICE

Mr. Len Gustafson (Assiniboia): Mr. Speaker, surely the farmers of western Canada deserve better than this from the Prime Minister. In 1968—

Mr. Speaker: Order. Will the Hon. Member put his supplementary question?

Mr. Gustafson: My supplementary question is clear and simple. Will the Prime Minister indicate to the farmers exactly what the initial price is, or is he going to give the farmers the same answer he gave them in 1968 when he said: "Sell your own wheat"?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, they did not do badly selling their own wheat. They reached ever increasing records under the Liberal Government of Canada. The Hon. Member should not treat with contempt their abilities at selling wheat. I respected their abilities, and through the Wheat Board, which is their agent, they have done very well. The Hon. Member wants to know what the initial price is, yet he goes on to say that the farmers deserve a better deal. Let him find out what the initial price is and then he can decide if it is a good deal or not.

* * *

NATIONAL DEFENCE

CRASH OF CF-18 FIGHTER AIRCRAFT—REQUEST FOR INVESTIGATION

Mr. John McDermid (Brampton-Georgetown): Mr. Speaker, I have a short question for the Minister of National Defence. We were saddened to learn this morning of the loss of life in a CF-18 yesterday. Does the Minister have a report on that accident, and will there be a full investigation?

Hon. J.-J. Blais (Minister of National Defence): Indeed, Mr. Speaker, it is a very sad event. I thank the Hon. Member for giving me the opportunity of offering condolences to Captain Milligan's family, his wife and children. A board of inquiry has been convened and the investigation is ongoing. I am not in a position to provide any details at this time. I do share the sadness of the event, having been very much involved in the whole CF-18 project. I hope we will be in a position to provide more information in the very near future.

ROUTINE PROCEEDINGS

[*English*]

CROWN CORPORATIONS

TABLING OF FINANCIAL STATEMENTS

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I have the honour to table in both official languages the financial statements of the Canada Development Investment Corporation, Canadair Limited, de Havilland Aircraft of Canada Limited and Eldorado Nuclear Limited.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 534, 574, 644 and 706.

[*Text*]

BANK OF CANADA EXECUTIVE AND BOARD OF DIRECTORS

Question No. 534—**Mr. Howie:**

What are the (a) names (b) positions of the persons who occupy positions on the Executive and Board of Directors of the Bank of Canada and, in each case, what amount was he/she paid in respect of that position in the fiscal year ended March 31, 1983?

Hon. Roy MacLaren (Minister of State (Finance)): (a) and (b) The Board of Directors of the Bank of Canada is composed of the Governor, the Senior Deputy Governor, and twelve Directors appointed by the Minister of Finance. The Deputy Minister of Finance also sits on the Board but without a vote. The members of the Board are as follows:

G. K. Bouey	Governor	Bank of Canada
R. W. Lawson	Senior Deputy Governor	Bank of Canada
M. A. Cohen	Deputy Minister of Finance	
J. H. C. Clarry Lawyer	McCarthy & McCarthy P.O. Box 48 Toronto-Dominion Centre Toronto, Ontario M5K 1E6	
J. H. Dickey Lawyer	McInnes, Cooper & Robertson P.O. Box 730 Halifax, N.S. B3J 2V1	
E. Finn	Canadian Union of Public Employees 21 Florence Street Ottawa, Ontario K2P 0W6	
J. H. Fraser Owner and Operator	Highland Farm Limited Hazelbrook R.R. #1 Charlottetown, P.E.I. C1A 7J6	
S. Kanee	Chairman Soo Line Mills (1969) Ltd. 7 Higgins Avenue Winnipeg, Manitoba R3B 0A1	

C. LeBon Dean	Bureau du Doyen Faculté des sciences de l'administration Université Laval Ste-Foy (Québec) G1K 7P4
A. A. LeBouthillier Notary	P.O. Box 297 Caraquet, New Brunswick E0B 1K0
J. R. Longstaffe Executive Vice-President and Director	Canadian Forest Products Ltd. 2800-1055 Dunsmuir Street P.O. Box 49420 Bentall Postal Station Vancouver, B.C. B7X 1B5
J. S. Palmer Lawyer	P.O. Box 280, Station "M" Calgary, Alberta T2P 2H9
Mrs. Y. Lefebvre-Richard Chairman and General Manager	J.B. Lefebvre Ltée 9950, Ray-Lawson Blvd. Montreal, Quebec H1J 1L8
J. A. Stack Lawyer	McKercher, McKercher, Stack, Korchin & Laing 374 Third Avenue South Saskatoon, Sask. S7K 1M5
M. Woodward Businessman	Woodward's Oil Ltd. P.O. Box 300 Postal Station "C" Happy Valley Goose Bay, Labrador A0P 1C0

Executive Committee

G. K. Bouey	Governor	Bank of Canada
R. W. Lawson	Senior Deputy Governor	Bank of Canada
M. A. Cohen	Deputy Minister of Finance	

J. H. C. Clarry Lawyer	McCarthy & McCarthy P.O. Box 48 Toronto, Ontario M5K 1E6
S. Kanee	Chairman Soo Line Mills (1969) Ltd. 7 Higgins Avenue Winnipeg, Manitoba R3B 0A1
Mrs. Y. Lefebvre-Richard Chairman and General Manager	J.B. Lefebvre Ltée 9950, Ray-Lawson Blvd. Montreal, Quebec H1J 1L8
J. A. Stack Lawyer	McKercher, McKercher, Stack Korchin & Laing 374 Third Avenue South Saskatoon, Sask. S7K 1M5

Pursuant to the provisions of Section 11 of the Bank of Canada Act, the fee paid to a director is $2,500 per annum plus $300 for each meeting of the Board which he or she attends and the fee paid to the directors who are members of the Executive Committee is in addition $2,500 per annum plus $200 for each meeting of the Executive Committee which they attend.

The positions of Governor and Senior Deputy Governor of the Bank of Canada are non-classified positions. Salaries set or approved by the Governor in Council for non-classified positions range from $63,000 to $227,900.

Order Paper Questions

CANADIAN COMMERCIAL CORPORATION EXECUTIVE AND BOARD OF DIRECTORS

Question No. 574—**Mr. Howie:**

What are the (a) names (b) positions of the persons who occupy positions on the Executive and Board of Directors of the Canadian Commercial Corporation and, in each case, what amount was he/she paid in respect of that position in the fiscal year ended March 31, 1983?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs):

Canadian Commercial Corporation Officers

J. E. G. Howarth*
President and Chief Executive Officer

** O. I. Matthews (Cat. EX-2; salary range: $53,420—$62,850)
Vice-president and Director General, Export Supply Directorate DSS)

*** R. E. Pedersen (Cat. FS-3; salary range: $44,749—$59,525)
Vice-President

F. O. Kelly (Cat. approx. equivalent to SM; salary range: $45,250—$53,210)
Comptroller

**** G. A. Belisle (Cat. LA-2A; salary range: $40,700—$56,600)
General Counsel and Secretary

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* This is a non-classified position. Salaries set or approved by the Governor in Council for non-classified positions range from $63,000 to $227,900. The President is also chairperson of the Board.
** DSS Officer (Supply & Services Canada)
*** EA Officer (External Affairs Canada)
**** DoJ Officer (Department of Justice Canada)

Board of Directors
(April 1, 1982—March 31, 1983)

Name	Background Expertise	*Total Remuneration Fiscal Year 1982-1983
C. Charland	Former Canadian Ambassador to Mexico	$ 0.—
S. I. Bata	Director, Bata Limited (Business)	$3,611.52
J. H. Dickey	Sr. Partner—McInnes, Cooper & Robertson (Barrister & Solicitor)	**$5,340.65
R. Giroux	Director, Power Corp. of Canada Ltd. (Business)	$ 429.63
W. A. Hadden	President, Champion Spark Plug Comp. of Canada, Ltd. (Business)	$2,917.50
R. V. Hession	DM of Supply, SSC (Business and Government)	$ 0.—
J. E. G. Howarth	President/CEO, CCC (Business and Government)	$ 0.—
A. A. MacNaughton	President/GEO, Genstar Corporation (Business)	$ 700.00
G. E. Shannon	ADM, Intern. Trade and Finance, DoF (Government)	$ 0.—

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* Directors from the private business sector are paid a director's fee of $350/day and travelling expenses for each meeting of the Board (or one of its committees) they attend, or for each day, or part thereof, of any other service to the Corporation.

** Expenses for two meetings not yet claimed.

EXEMPT STAFF OF MINISTER OF THE ENVIRONMENT

Question No. 644—**Mr. Hnatyshyn:**

1. Are any exempt staff employed by the Minister of the Environment and, if so, what are their (a) titles (b) positions (c) names?

Order Paper Questions

2. Do any of the staff mentioned in part I receive income, financial assistance or other benefits related to their employment from sources other than the ministerial budget and, if so (a) which members (b) what are the details of the income, financial assistance or other benefits?

Hon. Chas. L. Caccia (Minister of the Environment): 1. Yes.

(a), (b) Title/Position	(c) Name
Senior Policy Advisor	Eileen Allen
Special Assistant	Brigitte Fortin
Private Secretary	Donna Mutter
Special Assistant	Gail Shannon-White
Special Assistant (Toronto)	Isabel Strickland
Special Assistant	Theresa Zanatta

2. Yes. (a) Isabel Strickland. (b) Ms. Strickland provides the use of her home in Toronto as a constituency office, through a lease arrangement at $120 per month from the operation of constituency offices allowance.

AIR CANADA—PASSES FOR MEMBERS OF BOARD

Question No. 706—**Mr. Nowlan:**

In (a) 1979 (b) 1980, did members or former members of the board of Air Canada, use their free airline pass and, if so, what is a list of their names and, in each case (i) on what date (ii) where did the flight originate and terminate (iii) what type of fare was booked (iv) what was the commercial equivalent cost of the fare?

Hon. Lloyd Axworthy (Minister of Transport): The management of Air Canada advises as follows: Records for the period requested are no longer available.

* * *

[*Translation*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if question No. 110 could be made an order for return, this return would be tabled immediately.

[*Text*]

FINANCIAL ASSISTANCE FOR SKI RESORTS

Question No. 110—**Mr. Stewart:**

In the past five years, did the government give (a) financial assistance (b) loans (c) loan guarantees for any ski resorts in (i) Ontario (ii) Alberta (iii) British Columbia and, if so, in each case, in what amount, to whom and under what conditions of repayment?

Return tabled.

[*Translation*]

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

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 62—AGRICULTURE

Mr. Charles Mayer (Portage-Marquette) moved:

That whereas the economic problems facing Canadian farmers today are largely the result of Government inaction and neglect, this House condemns the Government for its failure to recognize the importance of the agricultural sector and its contribution to economic growth in Canada and urges the Government to move quickly to reduce the farm fuel tax, introduce a red meat stabilization plan, expedite the passage of legislation respecting advance payments, resist the erosion of initial payments for Western grain, pass urgently needed amendments to the Western Grain Stabilization Act, and reduce high interest rates and take steps to facilitate the introduction of agri-bonds.

He said: Mr. Speaker, agriculture has had some exposure in the House this week, and justifiably so. There was an NDP opposition motion on Wednesday and some questions today on agriculture. It is an important topic for this country. Too often many of us simply take agriculture for granted. One reason that happens is that farmers basically are very efficient. As they become more efficient, there are fewer farmers and, therefore, less political influence and political clout. Nevertheless it is a subject that is extremely important.

I will put a couple of figures on the record. This has been done many times by those of us who speak on this topic. Agriculture accounts for 20 per cent of the employment in this country. In addition, it is a very substantial earner of foreign exchange. I suspect that Canadian agricultural exports in the past year will amount to close to $10 billion, a lot of money. Although the figures are not yet available, if you look at 1982 and what has happened in 1983, I believe $10 billion is a conservative estimate of the amount of exports for which agriculture was responsible. One way to illustrate what $1 billion represents is to point out that $1 billion amounts to $400 per capita. If agriculture was responsible for exports of $10 billion, that represents $400 for each person in this country. It certainly helps the over-all economy of this country.

As farmers have become more efficient, in the last three or four years they have been farming away some of their equity. If you look at the figures for 1983 over 1982 you see that in 1982 on average—you have to be careful when talking averages because there are wide variances—approximately 16.2 per cent of disposable income was used to feed Canadians. In 1983 the figure went down to under 16 per cent.

Farmers can take some pride in their efficiency. However, it is well known that farmers have been losing money. There have been record bankruptices in this country, not only in the economy in general, but agriculture in particular. One reason they have been able to feed consumers in this country for a smaller percentage of their disposable income is that every time farmers sell what they produce, they sell off some of their equity, some of the value they have in their farm. This cannot continue if we are to maintain a healthy agricultural industry.

There are other ways to make the same point. The percentage of the consumer dollar that is spent on food which goes back to the farmer is decreasing. It used to be that 50 per cent to 55 per cent of what the consumer spent on food went back to the farm gate. It is now under 50 cents on the dollar. Closer to 46 or 47 cents of every dollar goes back to the producer. That tells us the kind of services available with food. We have food that is out of season and food that is pre-packaged. It has been said many times that you do not get a potato into a modern kitchen unless it is peeled, or somehow processed. That is what consumers take for granted. Very seldom does a store not have milk in stock and on back order. A sour quart of milk is replaced without question. We are served very well by Canadian agriculture.

• (1210)

I wish to make a few points about the way Canadian agriculture is treated relative to the agricultural industry in some other countries around the world. Canada is a relatively small country with a population of 25 million people or thereabouts. The United States has approximately 10 times the population of Canada, as has the European Economic Community. We realize that this Government or any Government of Canada would not be able to spend the number of tax dollars supporting agriculture that either the European Economic Community or the United States is able to spend simply because Canada does not have the industrial base against which to tax in order to support agriculture. We are not suggesting that the Government give more subsidies to agriculture but we are suggesting that there are some things the Canadian Government could do. At the end of my remarks, I would like to make some specific suggestions and point out some of the things the Government could do without increasing the deficit in any substantial way.

A popular word these days is "megaproject". The oil sands has been referred to as a megaproject, as have other things. It has been said many times and is worth saying again that agriculture is an ongoing megaproject. It is a $20 billion ongoing industry. However, this means that it is easier for the Government to take the agricultural industry for granted. It is an extremely large industry, though, and involves something like 20 per cent of the labour force when including all of the service industries and manufacturing industries attached to agriculture. I would like to make sure that the Government and consumers in general understand what a large factor Canadian agriculture is in the economy.

As I said previously, we are very dependent upon exports. On average, 50 cents of every dollar that a Canadian farmer earns comes from exports. It becomes very important for the Government to do what it can to keep us competitive with our international competitors. We must remain competitive because we are not in a position to enter into any kind of a subsidy war with either the United States or the European Economic Community. It is very important for the Government to understand what happens when it starts to tax Canadian agriculture. We must have taxation systems in the country which are as similar as possible to the taxation systems of our chief competitor, the United States.

Taking a look at the situation in the United States, something like $13 billion or $14 billion was spent by the American Government on the PIC Program. We cannot match those kinds of subsidies in this country. It therefore becomes very important that our input costs are as similar to American input costs as possible. My farm is located approximately 50 miles from the American border. A good number of people in the country live very close to the American border. If we were to go across the line and look at the input costs in the United States this spring, we would find that all of an American farmer's input costs are less expensive than they are in Canada. That includes fuel, fertilizers, chemicals, seed, machinery, repairs and everything else. A big chunk of the extra costs which we incur in Canada are the result of taxation.

Dealing with fuel, for instance, the Minister of Energy, Mines and Resources (Mr. Chrétien) has told us how great the National Energy Program is because if we did not have that program and the Conservative Party had formed the Government, oil prices would have gone to world levels. The Minister has forgotten to say that a gallon of diesel fuel in the United States costs $1.20 or $1.25, yet the same gallon of diesel fuel costs 50 cents or 60 cents more in Canada. Spare us from what the Minister says is great because it is costing us more money and in fact putting us out of business.

The Minister of Energy, Mines and Resources and the Minister of Finance (Mr. Lalonde) fail to point out that the Government places a tremendous amount of tax on farm fuels. I am suggesting that we had better be pretty careful when taxing some of these industries because to my mind, and I think a lot of people would agree with me, agriculture is a genuine creator of wealth in the country. If we do not realize this and encourage it and treat the agricultural industry as the Government treats the energy industry, this very basic, fundamental and productive industry will almost be taxed into oblivion. I can make that statement because there are a great many facts and figures to back it up, Mr. Speaker.

There are a few examples of this in southern Ontario and in fact in the Minister's riding of Windsor. In the last six weeks or so, I had a chance to talk to people who make their living in the tobacco industry. That industry is in an absolutely horrendous condition and will lose thousands of jobs this year largely because of the amount of taxation imposed by both levels of government. I am told that a package of cigarettes returns the producer something like six cents a package, yet the Government takes over $1 a package in tax. Without dealing with the morals of smoking, the point is that these producers exist and are very good at what they do. They have families and commitments and it seems to me that if we want to keep people on the land, we must look at the taxation imposed by governments.

A little over two weeks ago, I had a chance to talk to some people who work in the greenhouse industry and who are located very close to Windsor, the riding of the Minister. Those people told me that well over half their costs are

associated with energy. A big chunk of the cost of energy is tax. We should get our act together because it seems to me that we will tax these producers out of business, which, in effect, is what some of these taxes on fuels are doing. This does not mean that Canadians will not eat cucumbers, lettuce or tomatoes; it simply means that those things will be imported from the United States.

It does not make any ordinary, common, barnyard sense for a government literally to tax an industry out of business and put Canadian producers out of jobs and then, in order to satisfy consumer demand, import fruits and vegetables from the United States. That creates jobs in the United States but does not do anything for Canadians. We all know that close to two million people in this country are unemployed.

Those are some of the questions which are being asked. The Minister of Agriculture (Mr. Whelan) is experiencing these kinds of problems close to his own constituency. He should be responsible and sensitive to the entire Canadian agricultural constituency, but when the problems are that close in a physical sense to the area which the Minister represents and the Government is not prepared to do anything, it really makes me wonder what kind of understanding, if any, the Government has of the Canadian agricultural industry.

I would like to refer now to the Western Grain Transportation Act, a Bill which was passed in this House last fall. We know now that the figures we were given regarding the amount of capital expenditure to be made by the railways and the number of jobs that were to be created by breaking the Crow rate were wrong. When the railways tell us that they are now going to spend something like 25 per cent less on capital expenditures than they initially said they were going to spend because their costs are down and they can accomplish the same thing by spending less money, we wonder why the Government does not come forward and decrease the costs to the producers who are going to pick up a portion of these increases. We have not seen that happen yet and it is another example of how the Government is not concerned about Canadian agriculture. The Government is prepared to see an industry taxed and, in the case of the breaking of the Crow rate, is prepared to see an industry pay more than it should, on the one hand, and pay more than it is able to, on the other. This is something which concerns a great many people.

I would like to suggest to the Government some ideas which, if implemented, would help the financial plight of Canadian farmers now at a very important time. It is now the spring planting season and people are putting their crops in the ground. These suggestions would not only help producers financially but, almost as important and perhaps even more important, they would give farmers a morale boost. Farmers know that they cannot expect governments to bail them out of all of their financial problems. I believe that most producers are very realistic in that respect. If things could be done which would not add to the deficit in any substantial measure, it would be a signal to these people that someone cares and has a little bit of understanding of their serious financial situation. There would be encouragement and hope for the upcoming season and for the following year.

• (1220)

One of the things this Government could do would be to reduce the level of taxation on farm fuels. We have heard our Leader ask the Prime Minister (Mr. Trudeau) whether that could be done. There was an interesting exchange in the House between them and there was some concern over the deficit. But let me make a suggestion. One of the ways we could decrease the amount of money that producers need in order to put their crops in the ground this spring would be simply to stop collecting the seven cents excise tax on farm fuels which the federal Governmment collects. That could be done without increasing the deficit. This excise tax is collected and then refunded.

The Minister of National Revenue (Mr. Bussières) is not here at the moment. He is a very beleagered Minister these days. I think that is an understatement after having seen some of the fire under which he has been in the House. Removing that excise tax would not only help the Minister of National Revenue, because he would not have to administer the program, but it would also help the producers. They would not then have to lay out the seven cents a gallon, have that money tied up with the Government for six months, or worry about filling out forms in order to get it back. Eliminating that tax would signal to the farm community that this Government has a little bit of understanding and compassion. This would not add one red cent to the deficit, and it would make good, ordinary sense.

Let me talk about what happened today concerning initial payments. Initial payments are down. The Prime Minister asked what are they. They were announced this morning. The Hon. Member for Assiniboia (Mr. Gustafson) who asked the Prime Minister the question today certainly knew. It was obvious the Prime Minister did not. But initial payments are down 27 cents a bushel for hard red spring wheat. They are down 54 cents a bushel for Durum, 11 cents a bushel for six row barley, 12 cents a bushel for feed barley and they are down in the order of seven or eight cents for the two classes of oats. But the point is that initial payments are down. That is today, Friday of this week.

On Monday we saw the Farm Credit Corporation substantially increase interest rates it is going to charge farmers for new loans. I don't know how to be positive about this, but we had a very, very depressing week as far as Canadian farmers are concerned. At the beginning of the week we were told that interest rates were going up. Interest is a big cost to farmers because they are large users of capital. At the end of the week we see a Government that is not prepared to support Canadian agriculture to guarante these prices. We see grain prices reduced substantially, 27 cents a bushel, which on a percentage basis is 5 per cent or 6 per cent. That is significant. In the case of Durum, the price is down over 10 per cent. I suggest there is room on world markets for a little optimism as far as prices are concerned. My guess is that when the smoke clears,

and all the grain is sold, at the end of the coming crop year—and we are going to get a final payment—there will probably be a final payment on the prices announced today.

I see no reason why the Government should not have shown a little bit of faith in Canadian agriculture. It could have said: "We are going to guarantee that prices are the same as they were last year". It may cost us a little money as far as federal treasury is concerned, but if we are prepared to support the aircraft industry in Ontario and Quebec through Canadair and de Havilland by billions of dollars, surely we should be able to support this industry a little bit. It is a critical time of the year and we should give them some encouragement. The Government should be willing to do something on behalf of the agricultural industry.

I have suggested there are a couple of areas the Government could have acted on which would have provided some hope and encouragement to Canadian agriculture. If I am right in my assumption about grain prices, it would not have cost the Government one cent in increased deficit.

There are other things that could be done. We are in disastrous shape as far as research in Canadian agriculture is concerned. A major researcher in western Canada resigned this week because of his disgust at the situation. I cannot remember his exact words, but he threw up his hands at where this country is going in research. This Government could take that in hand. It could show some concern, some direction and some leadership in the research field. It would not cost any additional money. There is a substantial amount of money in the federal Budget for research. One of the concerns we have is that there does not seem to be any direction. Nobody seems to know where we are going. There is no longer enough of the excellent research that was done 15 or 20 years ago. I am told we are now behind the Europeans in many areas of research. This, again, is an area of concern to farmers and which would not involve expenditure of large sums. The money is there. It needs someone to take hold of the situation and show there is concern and some leadership in the Government.

There are two other areas on which we have been urging the Government to act and to act quickly. These are areas the Government said it would do something about in the Throne Speech. I am speaking of red meat stabilization. Simply an attitudinal change would signal that the federal Government and the Minister would support it and that would mean hope for the people in the red meat sector. It would mean they would have a plan and an operation for the calendar year 1984. We have encouraged the Government. We have offered to pass this legislation as quickly as we possibly can as soon as we see it. But we have no legislation. We saw advanced payments legislation introduced and given first reading, but we have not seen it come forward for second reading. We on this side are certainly prepared to support and support as quickly as we can anything that will help Canadian agriculture. It is particularly important that some of these things be done at this critical time of the year.

Before I close I want to comment on the announcement made yesterday by the Minister of Agriculture to seek the leadership of the Liberal Party. I think all of us realize he will certainly add a lot of colour to the campaign. We also hope in his new undertaking that he will not abdicate his responsibilities on behalf of Canadian agriculture. We will certainly support him in any legislation he chooses to bring forward as far as helping Canadian farmers are concerned. We urge the Minister to help farmers and to act quickly. Unfortunately, to date we have not seen much evidence that this Government either understands or cares enough about Canadian agriculture and the problems it is experiencing.

The Acting Speaker (Mr. Guilbault): At this stage in our proceedings there is a ten-minute period allowed for questions or comments relating to the Hon. Member's remarks. Are there any questions?

Mr. Fennell: Mr. Speaker, the Hon. Member for Portage-Marquette (Mr. Mayer) spoke excellently. He is from the west but I think he has an appreciation of Ontario agricultural problems. Beyond the agri-bond and the red meat stabilization program, is there anything else that should be done to assist small farmers who cannot spend all their time on the farm?

Mr. Mayer: Mr. Speaker, the one thing that would assist farmers no matter where they are in Canada is simply to reduce the level of taxation which the federal Government collects on farm fuels. I mentioned that. We also think there is room for increasing cash advance legislation which would help producers in Ontario. The Hon. Member makes a very good point. If you look at statistics across the country, Ontario has more farmers than any other province. Ontario accounts for about 26 per cent of all farmers.

If we work together as farmers and as Members in the House, there are two things we could accomplish that would help everyone, including Ontario farmers. One is to pressure the Government to do something on agri-bonds and interest rates. The other is to pressure the Government to do something about what most people consider are the excess levels of taxation on farm fuels. The Hon. Member for Bruce-Grey (Mr. Gurbin), one of our Ontario Members, has a motion before the Finance Committee to address the whole issue of agri-bonds. We on this side believe that there are some areas that could be addressed as far as the agri-bond concept is concerned which would provide stable, long-term interest rates to farmers without very much, if any, additional cost to the federal treasury.

Mr. Fennell: Mr. Speaker, in Ontario we deal with much smaller units than in the west. There is no full-time employment for farmers. Many of them, because of the cost of equipment, have had to go out to work. There has been a certain amount of hindrance to farmers which the Hon. Member might address, which particularly applies to Ontario with its large number of small farms.

Mr. Mayer: Mr. Speaker, we have to look at the taxation system as it applies to farmers. I have to agree with the Minister of Agriculture, who said in a statement back in February in Edmonton when he was addressing the annual

meeting of the Canadian Federation of Agriculture that he would much sooner see part-time farmers than absentee landlords. We all agree with that. But the Minister does not have to convince us or the farmers of that, but the people who do some of the assessing under the jurisdiction of the Minister of National Revenue. Certainly, there are some areas which could be helped if the Government was prepared to provide lower interest rates to starting farmers federally, as well as some of the provincial governments. What is wrong with being fair, never mind giving them a break? Why not just be fair in the way you treat people who want to go out and hold two jobs in order that they can some day own a piece of land? There is an area which could have a tremendous amount of improvement, and that is in helping people establish themselves on farms. No matter where you look in this world, the most efficient producer of agricultural products is the family farm. If we cannot encourage that through our taxation systems now, then we will rue this day in the future when we in this country find ourselves short of food.

• (1230)

Mr. Althouse: Mr. Speaker, I wonder if the Hon. Member would enlarge upon the question of the Western Grain Stabilization Act. As he knows, the question of amending that Act has come up in the House a great many times over the past year and a half or two years. There have been a lot of representations made by farm groups wanting to make changes to it. The Government has chosen not to introduce any amendments. Does the Hon. Member know of any way, short of retroactivity, any amendment, which would create a payment within the next few months, so that money could get into farmers' hands, or is retroactive application of the current rules the only way of doing that?

Mr. Mayer: Mr. Speaker, that is an interesting question, especially because it comes from the New Democratic Party. It shows the way in which we on the opposition side of the House are willing to co-operate.

Yes, there are ways to do it but, unfortunately, we cannot convince the Government. What we could do statistically is change it from a five-year to a three-year average. We could even do better than that. We could change it to a moving average so we would take this year's cost, statistically project next year's figures and use last year's figures. So if we were to take a three-year average and base it on the years 1983, 1984 and project the year 1985, we could trigger a substantial pay-out immediately.

When I say "immediately", Mr. Speaker, I mean that if this Government were prepared to do it, we could pass that legislation this afternoon. There is co-operation on this side but, unfortunately, there is no willingness on the part of Hon. Members opposite to recognize the problem and to provide the kind of leadership which is needed. Even though we disagree substantially with the New Democratic Party on many issues, on this issue we are co-operating with each other. It makes absolutely no sense that we in this House cannot act on something as important as the fund referred to by the Hon. Member for Humboldt-Lake Centre (Mr. Althouse).

Mr. Ferguson: Mr. Speaker, I should advise the Hon. Member for Portage-Marquette (Mr. Mayer) that the Government of Canada reduced the natural gas and gas liquids tax to zero as of February 1.

Mr. Mayer: I know that.

Mr. Ferguson: The Hon. Member was commenting about the greenhouse industry and how much its fuel was costing, and natural gas was one of the large suppliers of heat for the greenhouse industry. From the information I have, the consumer price actually increased in Ontario when that tax was removed. I am also alarmed about the fact that the prices of anhydrous ammonia and ammonia-based fertilizers have increased this spring even after the tax was removed. I wonder if the Hon. Member has any comment on that.

I also wonder if the Hon. Member has any comment on the fact that just this morning there was a press release from Ontario Hydro indicating that the cost for hydro will increase by 9.1 per cent for 1985.

Mr. Mayer: Mr. Speaker, the Hon. Member knows very well that we in this House do not have very much to do with provincial matters. However, if the Hon. Member wants to talk about the greenhouse industry, I will tell him that 56 per cent of its costs are energy costs. It is one thing to take off the 9 per cent excise tax, and we appreciate that, but that is only part of the game. We simply must stop treating these inputs which we have in this country as a base for this Government to raise taxes.

Mr. Ferguson: There is no tax on natural gas.

Mr. Mayer: The Hon. Member says there is no tax on natural gas used in the greenhouse industry. Clearly he does not understand the situation, Mr. Speaker. We have energy in abundance in this country. It is shut in in Alberta because there are no markets for it. This Government taxes it at such a level producers are going out of business in this country. When they go out of business, as I said, consumers are still going to use those products but will have to import them, losing jobs along the way. This happens because we basically treat industries like agriculture and energy as cash cows in order to finance the vociferous appetite this Government has for money.

The Hon. Member opposite lives very close to that industry. If he chose to go down and talk to these people, he would have a better understanding of their problems than he obviously has from the silly questions he asks.

Mr. Ferguson: Mr. Speaker, I have been in touch with these people in my own constituency. The natural gas and gas liquids tax was removed on February 1. I simply asked the question of the Hon. Member as to why the price to the producers was not lowered. He also did not comment on the Ontario Hydro increase. I also suggest that we should look at

the Ontario Energy Board pricing schedule within the Province of Ontario as to its costs to the producers.

Mr. Cosgrove: Mr. Speaker, it was interesting to hear the comment made by the Hon. Member for Portage-Marquette (Mr. Mayer) that, because of his concern for farmers, Hon. Members of the Opposition would take it easy on the Minister of Agriculture (Mr. Whelan). I wonder, Mr. Speaker, do Members of the Opposition similarly have concern for natives and unemployed? If so, why have they not offered the same courtesy to those Ministers who are also leadership candidates?

The Acting Speaker (Mr. Guilbault): The Hon. Member for Portage-Marquette (Mr. Mayer) has time for a very short answer.

Mr. Mayer: Very simply, Mr. Speaker, the motion on opposition day today is on agriculture and that is my specific responsibility as far as the Opposition is concerned. I am sure that other Hon. Members of my Party who have responsibilities in the areas to which the Hon. Member refers would be more than happy to co-operate if there was legislation coming forward which was going to benefit other groups. I was simply making the point that we are more than willing to co-operate with the Government. I did not say we would make deals. I said we would co-operate and work together, and encourage the Government to do things. I am sure there are other Members on this side who have responsibilities for other areas, as far as criticizing the Government is concerned, who would be more than happy to offer the same kind of co-operation.

The Acting Speaker (Mr. Guilbault): This puts an end to question period. We are resuming debate.

Mr. Jack Murta (Lisgar): Mr. Speaker, I appreciate the opportunity to say a few words on this very important opposition day debate. One of the most important points which I feel must be brought out this afternoon, Mr. Speaker, is that immediate action has got to be taken by the Government in order to avert a crisis of some national dimension in the agricultural industry. The scenario, in effect, is building up at the present time for a substantial problem in the agricultural industry. All the signs and indications are pointing toward a very poor year in 1984 unless the Government itself really does take the problem seriously and addresses some of the questions which must be addressed.

We have a situation, Mr. Speaker, in which agricultural bankruptcies are up higher than they have been, I guess, since the Depression. The situation is building up in terms of the international grain prices which seem to be dropping. There has been some indication of just how far they may drop on the initial prices which have been made public this morning. When you start to combine these things, Mr. Speaker, and at the same time the Government seems to be turning its back on agriculture, it is plain to see that we could be in for a very, very serious problem.

I want to speak about bankruptcies, Mr. Speaker, because bankruptcy is one of the areas which is the window, in effect, through which we can see what it really happening to an industry, whether agriculture, the business sector, or any other area.

• (1240)

Bankruptcies in agriculture are quite substantial. The Department of Consumer and Corporate Affairs reports that in 1983 some 488 Canadian farmers declared bankruptcy. That is a 19 per cent increase over the 1982 level. Bankruptcies on the Prairies jumped by 97 per cent over 1982, some 154 in total. That is startling and it certainly shows the problem we are experiencing in agriculture. We are talking only about the hard bankruptcy; one can only guess at the number of people who have gotten out of agriculture before they went bankrupt. Therefore the problem is very serious.

The Province of Manitoba, where I come from, is the hardest hit with 62 bankruptcies, up 106 per cent over 1982. This was followed by Alberta with 47 bankruptcies, a 96 per cent increase. Saskatchewan had 45 bankruptcies, an 87 per cent increase over 1982. Everything points to bankruptcies continuing at a high level this year, particularly on the Prairies. Then we have international reports which indicate an excess of grain supply, soft market prices, and the Americans will be doing a number of things to sell grain really at any cost.

In 1979, Mr. Speaker, there was one farm bankruptcy in Manitoba and a total of 125 in all of Canada. In 1980 it jumped to 14 in Manitoba, 14 in 1981 and it jumped to 30 in 1982. Then in 1983 it jumped from 30 to 62, and a total of 488 in Canada.

These figures are an indication of just how serious the situation in agriculture is. It has not really been addressed by this Government over the last number of years. Lip service has been paid by the Minister of Agriculture (Mr. Whelan), but nothing concrete has been done. Legislation to help the Canadian farmer in the west, in Manitoba, has not been forthcoming. The only thing we have had to deal with in a meaningful way over the last number of years is, of course, the Bill to do away with the Crowsnest Pass freight rate, which this Party fought long and hard. We were concerned about the increased costs to the western farmer, primarily the grain farmer. Of course, that is coming true and with prices dropping, bankruptcies are up, which will mean one more input cost the western farmer will have to hear for transportation to market.

Young farmers are especially hard hit. They always are because they are not established and do not have the cash reserves. In my own riding of Lisgar in southern Manitoba many young farmers got out of university, in most cases, went back to the farm, farming it on their own and are struggling, literally just hanging on, because of the poor economic situation. Many farms with large capitalizations have incomes of $8,000, $10,000, $12,000, literally below the poverty line. Such a farmer works 12 months a year below the poverty line.

There are not many other industries in this country which would put up with that kind of situation.

An official of the United States National Association of Wheatgrowers has called the 1984 market outlook "scary". If you look at the forecast for grains, you have to conclude that the word "scary" is a good one to use. There is every indication that American farmers will produce this year almost 82 million tons of wheat, the biggest crop ever. Given the outlook for exports and domestic usage, that will add about 14 million tons to the 40 million tons already being carried in the United States. That, of course, means continued low prices and a glut of grain on the world market the likes of which we have not seen for many years. That will mean substantially lower prices for Canadian farmers unless the federal Government is prepared to step in in the short term to bolster the initial prices.

Some weeks ago, Mr. Speaker, I asked the Minister of Agriculture in the House of Commons if he would work in the Cabinet to make sure that initial prices for western grain would be maintained at last year's level. Surely the western farmer can expect no less. There was no concrete answer, and of course this morning we see the results. Hard red spring wheat is down some 27 cents per bushel, Durum wheat is down some 54 cents a bushel, barley is down 11 cents a bushel, feed barley is down some 12 cents per bushel, and oats down seven cents a bushel. This at a time when input costs are going up, farmers are struggling and bankruptcies have increased is just not acceptable. The Government could, if it wanted to, have maintained the initial price for grain at last year's level. There may have had to be some payment by the federal Government to the various grain pools at the end of the crop year, but it would have been a small price to pay to help an industry which is so vital to this country.

The Hon. Member for Portage-Marquette (Mr. Mayer) indicated correctly that we support the aircraft industry exclusively in Ontario and Quebec. We support a number of other industries in this country. We have put hundreds of millions of dollars into that industry to support 4,000, 5,000 or 6,000 jobs in central Canada. We are talking about approximately 160,000 to 180,000 individual farmers, small businessmen, who have the very same right to expect some small support at a time in which prices have dropped through absolutely no fault of their own. They should expect to be treated the same as their neighbours in Ontario and Quebec. But from this Government they are not going to receive that treatment. Therefore we are going to have to continue to pressure the Government to make sure that there is some form of assistance available to the grain farmer to get his income up to the area that it was last year at least. Maintaining the initial price is something that has to be done.

● (1250)

An adjustment to the grain stabilization program must also be made. Simply shortening the payment period from the present five years to three years would inject something like $150 million to $180 million into the western economy. The money is there. There is something in the neighbourhood of $900 million of the farmers' and the Government's money sitting in the Western Grain Stabilization Fund that I would imagine the Government is using. An amendment would be needed to shorten the payment period. That amendment, Mr. Speaker, could be passed in a few hours in the House of Commons if the Government would bring it in. That would also give some short-term relief to western agriculture.

The time is critical, Mr. Speaker. For many farmers we are entering a very decisive year. In 1984 they will either make it or it will break them. The bankruptcies I spoke about earlier will increase dramatically unless something is done. I know very few farmers, certainly in my own riding in Manitoba, who want the Government to enter into their business in any meaningful way. They feel, and I think rightly so, that because of the product they produce and the importance of that product to the country, and that because they do deal on an international market, possibly from time to time the country can step in and help them out over the rough spots. The Western Grain Stabilization Act was designed to do that but it has not done that. If we could get a change to that Act it would fulfil its original intention.

Those two things could be of help. Maintaining the initial price, either through a payment from the pool or some form of payment that would maintain the initial price at the end of the crop year, would help. An adjustment to the Grain Stabilization Fund would help. Dropping the federal sales tax on farm fuels would be an easy, quick and effective way of signifying to this segment that we are with them and going to support them. We are talking in terms of 18 cents to 20 cents a gallon if that was the case. Those are three areas which could be addressed before this House adjourns for Easter to signal to the farmer, who is already out making his purchases and is on the land in some cases, that the federal Government in Ottawa is prepared to make a stand to help him out over the rough spots.

There are other things I would like to speak about, Mr. Speaker. Agricultural research is very close to my heart because there is a research station in my riding in Morden, Manitoba, that is desparately in need of more research funds.

Mr. Speaker, I will close by saying that agriculture has not been served well by the Liberal Government. The Minister of Agriculture who is now running for the leadership of the Liberal Party has, by and large, been a disaster. He has been a failure because he has not been the kind of advocate that the agricultural industry needs around that Cabinet table. He is going largely on a reputation that is in most cases hollow. It does not mean anything. The effects, of course, are being felt in a very dramatic way all across the land.

Agriculture must be one of the main engines of this country, Mr. Speaker. We can produce food better than any other country in the world. We can sell it anywhere in the world. The spin-off effect within Canada has been and still is very dramatic in terms of the jobs that it creates. Agriculture is at the present time in need of some small support. It is up to the Government and the House of Commons to give it that support.

The Acting Speaker (Mr. Guilbault): Are there any questions or comments related to the Hon. Member's remarks? Debate.

[*Translation*]

Hon. Charles Lapointe (Minister of Supply and Services): Mr. Speaker, before dealing with the substance of my remarks, in which I will remind Hon. Members of the role played by the Farm Credit Corporation, I would like to commend the Hon. Member for Portage-Marquette (Mr. Mayer) and the Hon. Member for Lisgar (Mr. Murta) for bringing this subject before the House today.

I believe that, whoever we may be in this House, whether from Calgary, Toronto, Montreal or any other Canadian city, whoever we are as Members, Mr. Speaker, we must all be thankful for the quality of Canada's farming community. I am pleased to note that the Hon. Members for Portage-Marquette and Lisgar emphasized in their remarks the extent of their respect and admiration for Canadian farmers who make up a small segment of our total population. We might think of them as being a minority of Canadians who feed the rest of us, Mr. Speaker, or consider that all those farmers throughout Canada were the ones who opened up this country for us all who became urban residents.

It is with pleasure and pride that I represent a rural riding, Mr. Speaker, even though its territory cannot be favourably compared with the spectacular expanses of the Portage-Marquette region, nor even with those of the riding of my colleague from Lisgar. However, it is my belief that, despite the difference in extent or volume of productive capacity—indeed, my region is known primarily for producing hogs, chickens and dairy products rather than crops—it is a fact that throughout the country, and I should think that this is what the Hon. Members stressed in their remarks, it is very important that, as decision makers in this House, we be ever conscious of the concerns, problems and difficulties which Canadian farmers must face. It is important that the Canadian farming community be a regular topic of debate in the House because we must find out what to do to make our farmers more productive, better adapted to prevailing market conditions and, I am tempted to say, so proud of themselves that they will be eager to produce even more.

Of course, I thought there was something that did not quite ring true in the speeches of my colleagues from Portage-Marquette and Lisgar, but that is to be expected in the House. I am referring to the fact that we do indulge in partisan rhetoric in our speeches, which is always a somewhat negative approach. It is never pleasant to hear someone say that the Minister of Agriculture (Mr. Whelan) is a total failure in the agricultural sector. I would suggest that the Hon. Member for Lisgar did exaggerate when he said that, but it is the kind of partisan remark which was to be expected.

In my opinion, the Minister of Agriculture is known throughout the country—and even throughout the world, since he is President of the World Food Council—as a staunch defender of Canada's farming community. The Minister of Agriculture, along with his Cabinet colleagues and the members of the Liberal Party caucus, is always trying to advocate programs to help farmers. We also try to promote development research. We have research stations throughout the country, including one in the riding of Lisgar, and all those research stations need additional funds, Mr. Speaker. It is a fact of every day life, whether the Government in office is Liberal or Conservative—or, God help us, an NDP Government, but that can never be, it is only a very weird notion—and I think that research and development will always have to be a priority, as it is for this Government. As proof of that, the April Budget of the Minister of Finance (Mr. Lalonde) featured a recovery program in which additional funds were generously earmarked for new agricultural research facilities. Also, the Department of Science and Technology in co-operation with the Department of Agriculture has approached Canadian universities to try and consolidate the agricultural research capacity of Canadian universities with research centres of Agriculture Canada to achieve a greater impact with that basic research in terms of new products which will be of some assistance to our farmers.

I will carry on with my comments at 2 p.m., Mr. Speaker.

The Acting Speaker (Mr. Guilbault): Order, please. It being one o'clock, I do now leave the chair until two o'clock.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

The Acting Speaker (Mr. Herbert): Order, please! The Hon. Minister of Supply and Services (Mr. Lapointe) has the floor.

Mr. Lapointe (Charlevoix): Mr. Speaker, I must say that I find this situation absolutely shocking! Although Hon. Members of the Official Opposition keep telling us every day that they want to take over the government, they just cannot assume their responsibilities on this allotted day as the House is called upon to deal with a motion they themselves have moved. That is not good enough ... I agree that baseball games involving the Expos are of the utmost importance and that their first game today is certainly most fascinating to watch on TV. Yet, I am thoroughly shocked to see that the Official Opposition on this allotted day, has been unable to get together 25 Hon. Members. How many are they in the House? I can hardly count 5 of them, Mr. Speaker, and as government Members, we must see to it that there are enough of us to ensure quorum, when they should see to that. Then they will come to me, in their sanctimonious attitude, and say that they are concerned about Canadian farmers. I suggest that by refusing to participate in the debate on this motion on this

allotted day they clearly demonstrated their contempt for the Canadian farming community.

Before the lunch recess, Mr. Speaker, I was reminding the House of the major investments in agricultural research which the Minister of Finance (Mr. Lalonde) announced in his budget of last April. First of all, there are several agricultural research laboratories throughout Canada; it is a field where the Minister of Agriculture (Mr. Whelan) is constantly trying to allocate additional funds to provide Canadian farmers with improved production techniques and help them increase their returns, which is not easy in these difficult times. Through his efforts and his work my colleague, the Minister of Agriculture looks quite satisfactorily, after this sector.

Then, there is the marketing issue. Hon. Members opposite discussed that too. One must not forget that it was against the Official Opposition's month-long filibuster that the government has implemented, on the Minister of Agriculture's initiative, the bill establishing CANAGREX, the corporation which is now responsible for developing new and major export markets for Canada farm products. And as the Right Hon. Prime minister was saying this morning during the Oral Question Period, we have set each year and for many years new wheat selling records, thanks to our farm producers and the Canadian Wheat Board.

• (1410)

There is another area, or another tool which the Government has used quite generously to help farmers make it through the difficult period we have had recently and which is beginning to fade away. As I was saying earlier in my comments, I want to take this opportunity to mention the role played by the Farm Credit Corporation and take stock of its operations.

Of course, we all agree that the agricultural industry has many problems, but I do not believe that the situation is as dark as some people would suggest. The Canadian Government provides considerable assistance to the Canadian farmers who are suffering from the backlash of the economic situation. In addition, this governmental intervention is not temporary; it does not involve *ad hoc* programs, but rather permanent measures, considering that the Farm Credit Corporation and its predecessor, the Farm Credit Board, have been in operation for 55 years providing Canadian farmers with financial support, management assistance and investment counselling.

To give an idea of the amounts invested in agriculture by the Farm Credit Corporation, Mr. Speaker, I would like to point out to the Hon. Members that the corporation now has something like 80,000 loans outstanding and this represents a total investment of $4.7 billion in the Canadian agricultural industry. As the Hon. Members can see, this is an important contribution to the economic welfare of Canadian farmers.

During the fiscal year which ended thirteen days ago, on March 31, 1984, the Farm Credit Corporation has approved some 7,536 loans under its regular credit program and its special farm financial assistance program for a total amount of $758 million. This means an increase of $141 million over the 1982-83 fiscal year. Besides, the Government has recently approved a budget which will bring up to about $825 million the amounts available to the Farm Credit Corporation for loans to Canadian farmers in 1984-85. This is definitely an increase compared with a volume of loans amounting to $758 million in 1983-84. The Corporation has a budget of $825 million for the year 1984-85.

Mr. Speaker, the role of the Farm Credit Corporation is helping young and new farmers, who do not have the equity required to borrow from commercial institutions. The corporation therefore has an essential role to play. As everyone knows, Mr. Speaker, new farmers and the owners of small farms who want to expand their operation are much more vulnerable because they lack personal assets, but they probably are the ones who need larger sums to develop and maintain a profitable operation and they must be able to borrow this money at favourable terms, something which the commercial sector cannot provide.

The loans with floating or frequently adjusted interest rates offered by the commercial institutions do not take into account the special features of the agricultural industry. It is very difficult for a young farmer or the owner of a small farm with little personal assets to borrow from commercial institutions at a floating rate over a period of 10, 20 or 30 years because the risks and the projections can vary too much.

The only way to help these beginners is to offer them reasonable interest rates and favourable terms, which financial institutions do not normally do. This is exactly what the Farm Credit Corporation is now doing. For instance, the corporation is offering farm enterprises loans of a maximum of $360,000 to $600,000 depending on whether the enterprise includes one or more eligible partner. The loan ceilings of the Farm Credit Corporation have been pushed up twice during the last three years to meet the needs of farmers more adequately. During a recession, the most difficult problem for farmers, as well as for small businesses and many individuals, is related to their special financing needs.

To meet these special needs and financing requirements, the Government is offering farmers, through the FCC, long term credit at terms not generally available to them or to small businesses in order to promote agricultural production. Indeed, speaking of programs developed during the last three years, especially during this period of economic difficulties, one may also mention that in addition to the Farm Credit Corporation loans, over half a billion dollars were offered to farmers to help them refinance their loans under the Small Businesses Development Bonds Program and the Special Farm Assistance Program.

● (1420)

I therefore believe, Mr. Speaker, that the sole purpose of all this is to promote agricultural production, to help newcomers to agriculture, especially the young farmers, and to maintain in Canada the dynamic agricultural industry we now have, which is made up of men and women whose only objective is to improve their production and increase their profits. As the Minister of Agriculture has often said, we have the chance and the privilege in Canada of having the most dynamic agricultural community in the world and its level of production compares favorably with that of any other country.

The Farm Credit Corporation puts loads of energy into its consultation services program. I referred earlier to an amount of $758 million in loans in 1983-84, but in addition to those loans, as we are dealing mostly with young farmers and small farm operators, it is important for the borrower to have a sound understanding of financial management in order to succeed. This is why the Farm Credit Corporation offers its consultation services program to its borrowers. The purpose of this program is to help farmers handle the financial management of their operation so that they will sooner or later attain their personal and economic objectives.

As a general rule, FCC borrowers who need counselling are those with little equity or sizeable debts, an expanding operation, little experience, a high risk business, or financial problems. The corporation is there to help these people by offering them a management support program for two or three years. Generally, this is long enough for them to learn to manage their financial affairs efficiently.

As of March 31, 1984, less than two weeks ago, 4,800 FCC borrowers were involved in its consultation services program, which accounts for 30 per cent of all FCC borrowers. Besides administering credit, loans and financial management assistance programs, the Farm Credit Corporation works hand in hand with federal agencies and Departments, provincial Governments and private lending institutions to meet the specific needs of farmers. For many years now, it has been cooperating with the Provinces of Quebec, New Brunswick, Nova Scotia and Alberta as a partner in their interest grant programs. It has renewed its efforts in that field in 1982-83 by taking part as lender in the Saskatchewan farm buying program. Last year, the FCC signed an agreement whith the Province of Ontario to make funds available under an assistance program designed for newcomers to agriculture.

Since I have only two minutes left, I would like to say in conclusion that between November 1981 and March 31 1984, the Farm Credit Corporation spent $341 million in the interest rebate assistance program. With the rebate set at four percentage points and a budget of $200 million for this program, it was possible to refund $16 million in interest rebates to Canadian farmers. As we all know, the program was extended with an injection of $100 million more in the April Budget of the Minister of Finance. When the Government established that program, the economy recovery was expected to last for the two years of the program. The fact is that the economic recovery was very slow in the agricultural sector. As suggested by the Minister of Agriculture, the Government is now considering the possibility of extending the rebate period or certain other mechanisms to help farmers who are still in financial difficulties. As the Minister of Agriculture said recently, a decision to that effect will be made very soon, Mr. Speaker.

The Acting Speaker (Mr. Herbert): There will be a ten-minute period for questions and comments.

[*English*]

Mr. Mayer: Mr. Speaker, I was very interested in the Minister's remarks. He talked about partisan rhetoric and the fact that he deplored that in the Opposition. He said there was a far-fetched hypothesis around that we would form the next government. If he looks at the polls, he will realize that he was engaging in partisan rhetoric. I thought I should point that out.

Let me ask a serious question. We have suggested that one of the ways of reducing costs to both farmers and fishermen, and it would affect people from coast to coast, is for the Government to stop collecting the seven cents a gallon excise tax on fuel used on the farm and by fishermen. It would not increase the deficit because the Government collects the money and sends it back. I am sure it would help the Minister of National Revenue (Mr. Bussières) and cut down on the number of steps that have to be taken. It would reduce the amount of bureaucracy involved. If anything, it would reduce government expenditure and maybe help the deficit. Would the Minister support that kind of proposal?

Mr. Lapointe (Charlevoix): Mr. Speaker, I am happy the Hon. Member has asked this question. I am glad the Conservative Party has now come to this conclusion. I remind the Hon. Member that this request has been in the platform of the Liberal Party for the last four years. This suggestion has been put forward by the militants of the Liberal Party. It is being studied very closely by the Minister of Agriculture (Mr. Whelan). When the time comes for the Government to evaluate this issue, I will give it a great deal of attention.

Mr. Mayer: Mr. Speaker, the Minister was very gracious in his reply. Could he be a little more specific? Will he do more than give it consideration? If it supported by the Opposition and his Party, surely he would not find it difficult to support that proposal and do more than give it consideration when it comes up?

[*Translation*]

Mr. Lapointe (Charlevoix): Mr. Speaker, I would like my hon. friend from Portage-Marquette to realize that I am not the Minister of Agriculture. I have always supported with much passion and interest the discussions in Cabinet on agricultural issues, whether it be the red meat strategy, the Canadian food strategy or what have you. Whenever the Cabinet deals with such issues, I am vitally interested. But it is

somewhat difficult for me, without any financial data which I do not have just now, because my colleague the Minister of Agriculture is the expert in this matter to reply by yes or no. I quite understand the logic of the Hon. Member; in fact our Liberal supporters have clearly indicated during the various conventions we have held over the past few years that the removal of the excise tax on the oil products which farmers and fishermen are using would greatly reduce their production costs. I follow the Hon. Member up to that point, but I lack the necessary data to be able to give my hon. friend a yes or no answer. However, his suggestion seems to me most reasonable.

Mr. Waddell: Thank you, Mr. Speaker. I should like to put a question to the Minister. I am sorry that I missed part of his speech. Did the Minister deal with the 4 per cent subsidy, a program which has now expired for a certain group of farmers? Maybe he did. When will the Government take a decision in that connection? Is there a chance that it will be favourable to Canadian farmers?

• (1430)

Mr. Lapointe (Charlevoix): I thank the Hon. Member for his question, Mr. Speaker. As I said at the beginning of my speech, even if the Hon. Member represents a constituency in the core of the beautiful city of Vancouver, he is as much concerned with farming issues as all other members, because we know quite well that we owe Canadian farmers not only our fine standard of living but also our very country, because it is as farmers that our forefathers opened this country up to the West Coast.

As for the 4 per cent, I dealt briefly with it in my comments. I think that the Hon. Member is referring to the interest rebate which has been set at 4 per cent with $200 million earmarked for that program.

I said earlier that when the Government set up that program over two years ago, it expected that the recession would be over two years later. Unfortunately, as we all know, the economic recovery in the agricultural sector has been very slow. The Government is now considering a proposal from the Minister of Agriculture aimed at extending the 4 per cent interest rebate program. And my colleague, the Minister of Agriculture stated last week that he expects the Government to be in a position to make a decision soon.

[*English*]

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I would like to join in today's debate on the Opposition motion concerning the great many problems facing agriculture today. Two days ago we in the House debated a very specific aspect of agriculture. At that time we discussed some of the financing difficulties and some very short-term solutions that might provide farmers with the means to stay in business for another year. This was important in order to see producers right across the country through the new crop year. Today's motion allows us to expand our comments further afield and look at the broader role played by agriculture in Canada's economy. Since that is the foundation of today's motion, I would like to spend some time pointing out the role agriculture has played in the expansion of the country.

In North America, the attitude has been taken that agriculture should be used as a means of developing and expanding new lands. That was the case in Quebec, the Maritimes, Central Canada and the Prairies. Agriculture followed the fur trade and the timber trade. As timber disappeared, farms were augmented. As our economy changed from one which was dependent on exports of furs, forestry products and fish, farm products and particularly wheat were added to the economy.

The development of the agricultural base in Canada has almost been completed. Only a few million acres of land are left that could be developed for agricultural purposes and are being used for forestry or wildlife grazing lands. The development aspect of the agricultural industry is almost complete. After the development of the arable land, we moved into a second stage. Throughout most of this century we attempted to utilize technology and mechanization to reduce the number of people required to produce the same amounts or increasing amounts of food. I believe we have come a long way in that revolution and have now come to the next set of crossroads. There are now a number of decisions to make about the kind of agriculture we want in the country.

I began by saying that Canada had followed what has been a North American pattern. I simply remind you of that, Mr. Speaker, because I am going to turn for a moment to the European pattern. Europeans have been producing food on a commercial basis for much longer than we have. Their expansion process ended several hundred years ago. The mechanization program in Europe is complete and Europeans have found that taking human resources away from the agricultural industry could create limits beyond which they do not wish to go.

In Canada we are at the point now where about 4 per cent of the population lives on farms. Since the last war Europeans have been looking at policies which would keep more people on the farms. That is a reversal of the North American policies that have been followed since the war. Most of our policies have had the result, if not the intent, of reducing the number of people on farms. That reduction continues in times like these when net incomes to farmers are extremely low.

If the agricultural industry were to use an accounting system similar to that which is used in most other businesses, we would see that farmers have very little net income right now. I have pointed out many times in the House that the net agricultural income in Canada amounts to about $3.5 billion. That amount has been about the same for the last 10 years. Agriculture Canada tells us that the investment in agricultural production in the country amounts to something over $120 billion. The return on investment alone is in the neighbourhood of 3 per cent or slightly below. However, because of the way the agriculture statistics are published, that return on investment, while it would account for $3.6 billion, does nothing to supply income for the families working in agriculture. They

have a choice of paying themselves wages or paying themselves a poor return on their investment amounting to 3 per cent or 3.5 per cent. That is the reality of the situation.

Previous Canadian governments have chosen to adopt certain farm policies that would adjust to the reality that only a certain amount of net income exists. In order to increase farm incomes, the number of farmers has been reduced. Those are the policy options which have been pursued. Since the war Europeans have decided for their own reasons to pursue a policy of more self-sufficiency. I suppose that is something that we on this continent will not understand until we have lived through the horrors of a couple of world wars and until we have been starved a few times. Until that happens, we will probably find it difficult to opt for a policy of self-sufficiency. But the Europeans, having had some experience in that regard, have decided that each of the states within the European Economic Community will attempt to become as self-sufficient as possible.

● (1440)

The EEC have adopted policies which have the effect in our eyes of subsidizing farm production. Until recently the subsidization program went fairly well. On any food products imported into the European Economic Community, the importer paid a very high tariff. The funds raised from those tariffs were used to subsidize the production of agricultural products within the EEC. The European Economic Community has now got to the point where it is self-sufficient in virtually all major agricultural products. There is a slight surplus in some which has created a problem for the EEC. Having become self-sufficient, the EEC no longer has the income from import tariffs to subsidize its internal production. As a result, exports from the EEC combined with the surplus grains in the United States have depressed prices for grain and subsequently for all agricultural production which uses grain.

Canada has this problem and we are facing this difficulty. We have to decide some time, and debates like this are good times to raise the question, which way we should go and whether or not we should opt for more self-sufficiency in Canadian agriculture.

There are some products we clearly cannot produce, bananas being one example. One can think of a number of tropical fruits which are in demand in Canada and which we can never produce here. Anything that can be produced in a temperate zone can be produced here. There are situations where greenhouse production can operate all year round by utilizing some of the waste heat from our power stations. Even in the extreme weather on the Prairies tomatoes, cucumbers and lettuce are grown in greenhouse operations using what was before essentially waste heat. Warm air that is expelled from the manufacture of steam to drive power turbines runs through greenhouses, which aids in the production of vegetables. This operation is limited to the area around power stations and it is economical even though our border is open to the importation of fresh vegetables during the winter.

I think we must look at ways of augmenting the technology we have. Research has been mentioned a couple of times. Now we are at the stage of having to opt for a new type of agriculture. We should be watching where we put some of our research dollars.

We have developed a very high energy-use agriculture, one of the highest energy requirements per Btu of food output in the world. If you compare Canada's energy input-output ratios to that of some of the less developed countries, you would be appalled, Mr. Speaker. Our use of energy in comparison to what we get back from the food produced is only about a quarter to an eighth of the kind of input-output ratios you see in some of the so-called underdeveloped countries like Thailand or China. We have some way to go if the cheap forms of energy imported, oil and gas, are no longer as available as they were in the past.

There are some refreshing breakthroughs in biotechnology. This is probably the research area from which we will reap the most benefits. It seems to me that the development of new useful fungi moulds which can be used for creating alcohol and for attacking some of the crop pests requires far more financing than has been the case. However, it has, with its limited financing, shown some remarkable results. For instance, we have developed now a fungus that attacks the grasshopper. This fungus does not have any effect on the people who distribute the fungus in the fields. The effects of this fungus are almost as good as some of the chemicals that have been used against grasshoppers, and the danger to people and wildlife is almost zero. There are some great advantages to be gained in that area.

Along with changing the direction of agriculture, one of the first steps of which we must be cognizant is that farmers themselves must be allowed to increase their influence in the marketing of their products. We have noted with those products in which we have chosen to be self-sufficient and which we have not attempted to blast into world markets, such as dairy products, that producers have restricted their production and marketed that production to the population in Canada at rates of returns that are remunerative but not overly profitable. They have established that it is possible for farmers to produce goods and set prices in ways that will not only help the consumer to be certain of a product but will keep most of the producers of the product in business.

Products like eggs and poultry are controlled by national marketing boards which have the right to establish price on the basis of the real cost of production. That is absolutely vital if agriculture and farmers are going to be able to continue operating here in Canada. Some of the products in Canada are marketed under somewhat less stringent organizations.

I move now very briefly to the Canadian Wheat Board type of operation. Wheat is still our major export and is still subject to the price established on the so-called world market. It is established somewhere out there and we simply sell it at a price to meet the competititon.

There are some things we could be doing to provide a floor price. We did experiment briefly with the two-price wheat

system which was originally conceived by farmers to be a system which would allow them to charge a price in Canada equivalent to their actual costs and to market the balance of their production in world markets at whatever price they could get for it. Subsequently, once the proposal hit the Government and Parliament Hill, it got turned on its head. However, that is what happens sometimes with legislation once it gets here. It eventually turned out to be a way of providing Canadians with grain at a price even lower than the world price. I think the understanding of the two-price wheat system was not as well entrenched in the head of the former Minister of Agriculture, Otto Lang, as it had been in the heads of western farmers who proposed the system in the first place.

The only major area in wheat marketing where the Government has a stabilizing effect at the moment is in the establishment of initial prices. The board takes its proposals for next year's initial price, the first price the farmer receives when he delivers his grain to the elevator, and the Government underwrites that price. If the markets collapse, the Government of Canada will stand behind the price it sets and makes certain that the farmers get at least that amount of money. The tendency has been, though, for the Government to be extremely conservative on the establishment of the price. Almost always the final price is higher than the initial price and the Government of Canada does not carry any loss because the world price is higher than the Government's established price.

● (1450)

Today we heard that the initial prices have been established and that there is quite a marked reduction in the commitment of the Government to hold the line on grain prices, with the result of reduced prices in the order of something like 26 cents, 27 cents on red spring wheat, 54 cents on Durum, and I believe 11 cents or 12 cents on barley. Those are reductions from last year. That does not bode well for Canadian farmers who are already watching their net incomes deteriorate. They just received the message recently from the Minister of Agriculture (Mr. Whelan), through the Farm Credit Corporation, that the interest rates which will be available to farmers for longer term loans will be increased by one or two percentage points. The prospects for agriculture, therefore, going into this spring, are not particularly good.

I spent a little time outlining some of the directions I feel we should be looking to, but farmers going into this crop year need an injection of cash. They need the fulfilment of the promise made by the Government to change the western grain stabilization formula so it will trigger a pay-out. They would have appreciated recognition by the Government that grain prices were already low enough and that a further erosion of the price by way of reduced initial credit payments should have been avoided. They would appreciate it if that decision could be reversed.

As a result of our conventions which are held every other year, we have presented to Canadians a program for agriculture which we believe would eventually get the farmers of Canada back into a more viable position. We believe that for the longer term we must have better marketing institutions to extract the maximum from the market. When that fails there must be, as a back-up, stabilization programs to act as insurance. For the short term, right now when farmers are faced with a critical situation, there must be an injection of credit and cash combined in order that our farmers can survive and we can get agriculture into a position where it can become again a part of the growing economy in Canada.

The Acting Speaker (Mr. Herbert): There follows a ten-minute period for questions or comments. Since no one rises for questions or comments, we will continue with the debate.

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I wish to commend the two Opposition Parties for choosing agriculture as the topic for debate on two separate days this week. This shows the tremendous respect and esteem—I hope not collusion—which is felt for the Minister of Agriculture (Mr. Whelan) as he launches his campaign to become leader of the Liberal Party of Canada and Prime Minister of this great nation. It has certainly focused public attention on the agricultural industry and its great leader.

The Minister of Agriculture not only commands great respect in Canada, but is a man of world renown as President of the World Food Council. This man, who had his beginnings as a humble peasant from Essex County, a trait which has always stuck with him, can now run for the highest office in the land, and on his behalf I would like to thank Opposition members for their assistance in launching his campaign. I am sure that farmers across Canada join with me in wishing his every success.

It is interesting to note, Mr. Speaker, that both Opposition Parties have chosen agriculture as the theme for debate this week. It emphasizes what we on this side of the House have known all along, that agriculture is one of the most basic and important sectors of the national economy. The Government is fully aware of the importance of agriculture and of the role which farmers play in the Canadian economy. There is a long list of progressive measures taken over the past few years to make sure that Canada's farming community remains strong and that the industry continues to flourish. In particular, I would draw to your attention the major items in the December, 1983 Speech from the Throne and the February, 1984 Budget. Both contained extremely positive elements for Canadian farmers.

Let us consider first several new agricultural initiatives which were announced in the Throne Speech. These are initiatives which will help strengthen the agri-food industry in both the short term and the long term. For one, there will be a commission of inquiry into the potato marketing agency in eastern Canada. The potato industry has been suffering for a long time. The Government of Canada has paid out millions dollars in recent years to help stabilize eastern potato producers' incomes, but the source of their problem appears to lie in the marketing system or, I should say, lack of one. This inquiry will get to the root of the problem.

Just two days ago I spoke in this House and referred to the fact—a fact which was referred to also by the Hon. Member for Wetaskiwin (Mr. Schellenberger)—that farmers have for too long been price takers. I suggested that they should perhaps take advantage of some of the legislation available to them, both at the provincial and federal levels, so that they can establish their price at the farm gate, a price which will reflect their cost of production plus a reasonable return on investment and labour.

I would like to read a short letter I received from one of my constituents. It is dated March 22, and I quote:

Dear Mr. Ferguson:

After being a pork producer for 10 years I have seen the effect of the ups and downs of the market, and the future does not look good. The American farmer is starting to complain about us dumping cheap pork on their market and what will happen if the hog numbers increase 40 or 50 per cent in the next three or four years.

Over the past four to six weeks I have been talking to a lot of pork producers and my feeling is that a strong majority favour a form of supply management voted through by the producers.

It seems to me that a two-price system would be what the industry needs; it is not perfect but let's work on it and make it work and then we can do away with subsidies because they do more harm than good. Subsidies are like wetting in your pants on a very cold day to get warmed up. Yours truly.

I believe this is an accurate reflection, Mr. Speaker, of some of the problems facing younger producers. I mentioned last Wednesday the fact that there really is not a countervailing force in the marketplace to ensure that the producers of Canada obtain a fair return for their products. There must be a countervailing force, whether it is in a democracy or in the marketplace. I believe we must look at this in the proper context.

I would like to refer to a few items which are available to the farmers of Canada in the way of tax provisions. First we have cash basis accounting. All farmers are permitted to use the cash basis method of accounting instead of the accrual method. This results in a considerable deferral of their tax liabilities. There is a provision for flexibility in inventory accounting. There is a provision for farm loss carry-forward which was brought in in the April, 1983 Budget. There is the five-year block averaging provision and there are the tax-free intergenerational transfers of farms.

We have a provision for clearing and improving land available as a deductible current expense. This is again a benefit to the farmers. There is a provision for farm buildings depreciation which quality for the higher rate of capital cost allowance. There is a provision for ten-year reserves. Farmers selling their farms to their children and receiving the sale price in instalments are able to establish a ten-year reserve.

There is the arbitrary expense allowance which allows full-time farmers to deduct up to 25 per cent of all farm home expenses, including a capital cost allowance of 25 per cent on the capital cost of the farm home.

There is relief from quarterly tax payments for farmers and deferral of income on grain sales. This is available to the farmer who delivers certain types of grain prescribed under the Canada Grain Act to a licensed public elevator or a process elevator and receive a deferred cash purchase ticket. A special provision in the Act provides that the amount of the ticket can be deferred until the following year. This is not available to us in eastern Canada but it is available to the farmers of western Canada.

• (1500)

We also have a deferral of income where there has been a statutory destruction of livestock. We have income splitting by paying a salary to spouse and children, the small business deduction, and then of course the investment tax credit. These are only some of the provisions available to the farm sector. Other important measures in the Budget make it easier to transfer a farm from one generation to the other. The family farm is of course the foundation of Canadian agriculture and the Government wants to keep it that way.

I am sorry I do not have a great deal of time because I have a plane to catch, Mr. Speaker, but I want to point out that Agriculture Canada is spending up to $237 million on research, up $35 million from the previous year. Our research program represents well over half the agri-food research done in Canada. I should mention that a capital improvement program for the research branch over the coming ten years amounts to more than $400 million.

Some reference should also be made to the role in international development and food aid through the support of the agricultural industry. The food that Canada provides to less developed countries through the world food program and other agencies, as well as that of our bilateral aid program, is purchased from Canadian farmers at regular prices. But the benefits go further than that. Canadian agricultural commodities given as food aid often serve to keep the door open for future export sales. Canada becomes known as a source of high quality food products. The goal of developmental aid is not to continue to feed countries which cannot feed themselves, but to help establish strong economies with commercial agricultural industries. Thus a country which is a recipient of our aid today will be our trading partner tomorrow. Exports already account for nearly half of net farm income to Canadian producers. As the world develops and our farmers become more efficient, that level will increase.

In conclusion, Mr. Speaker, I want to emphasize that this Government is not ignoring the plight of Canadian farmers. We are vitally concerned about their economic health and future. Our plans and actions to date this year speak loud and clear. This Government is working on behalf of Canadian farmers, and I hope we can count on the support of all Members in this House in our efforts to improve the lot of this country's food producers.

The Acting Speaker (Mr. Herbert): There follows a ten-minute period for questions or comments.

Mr. Mayer: Mr. Speaker, the Hon. Member as the Parliamentary Secretary to the Minister of Finance, obviously has some influence in Cabinet. I asked the Minister about the seven cent a gallon excise tax, which is collected by the Government and then refunded. If it was not collected, it

would not add to the deficit, and it would also help farmers and fishermen this spring and on an ongoing basis because they would not have to lay out that money. I wonder if the Hon. Member is prepared to support that kind of a proposal in Cabinet?

Mr. Ferguson: Mr. Speaker, I am well aware of how the system works. You make application for a tax refund. It is the same with the Ontario provincial Government on its sales tax; you have to apply to get it back. The Minister indicated they are studying this and I would want to wait for a Cabinet decision on this issue before making further comment.

Mr. Mayer: Mr. Speaker, that is a very interesting comment. He gets up and speaks on behalf of farmers, yet he is not willing to do something which makes eminently good sense to almost anyone in this country, including his constituents. Given something which is not going to add to the deficit but will benefit his constituents and assist the Government in the sense that there will be less bureaucracy and therefore less Government expenditure, surely he does not have to wait for a Cabinet decision? Surely he would be willing to push that himself in order that the Cabinet makes that kind of a decision. Is he prepared to support that kind of a proposal which would do all the things I have said on behalf of his constituents.

Mr. Ferguson: Mr. Speaker, as I indicated, the Minister replied to this. But I can tell the Hon. Member that I have been talking about this for some years and we have also been after the Ontario Tory Government to take a like position.

Mr. Althouse: Mr. Speaker, the Hon. Member has quite a lot of experience on the Standing Committee on Agriculture and is now Parliamentary Secretary to the Minister of Finance. Will he bring us up to date on the agri-bond situation? Some days ago this House sent a motion to committee to investigate the whole question of agri-bonds. I understand the Standing Committee on Finance, Trade and Economic Affairs has more or less decided to accept the responsibility but has not yet struck a committee or laid out a format. Can he bring us up to date and tell us how soon we will have an active committee on agri-bonds?

Mr. Ferguson: Mr. Speaker, this issue was referred to the committee on February 7, I believe. The Parliamentary Secretary, the Hon. Member for Mississauga North (Mr. Fisher), moved it be sent to the committee at that time. It was discussed in committee I believe a week ago yesterday. At that time there was no background documentation available. It appears that there are several different concepts, so the committee researcher has been asked to prepare a background paper to be available to the committee when we come back immediately after the Easter break.

Mr. Althouse: Mr. Speaker, could the Hon. Member tell us if he is prepared to push for the acceptance of the concept of an agri-bond which would see the agricultural sector used as a means of recycling money from the land seller to the land buyer? Does he accept that in principle as a useful method of refinancing agriculture from one generation to the next?

Mr. Ferguson: Mr. Speaker, I think it would be completely presumptuous of me to speculate on what the committee may recommend.

Mr. Benjamin: Go ahead. What do you think?

Mr. Mayer: Mr. Speaker, just to follow up on what I think was an extremely good question from the Hon. Member for Humboldt-Lake Centre (Mr. Althouse), the Hon. Member for Lambton-Middlesex (Mr. Ferguson) is the Parliamentary Secretary to the Minister of Finance and a farmer. The agri-bond concept has been referred to the committee, so surely it is not asking too much of him to say whether he supports the concept of long-range stable interest rates for farmers. That is essentially what the agri-bond does. Is he in fact in favour of trying to work out something which will assist farmers by having long-term interest rates stabilized and at a preferential rate so that more farmers can own their own land?

Mr. Ferguson: Mr. Speaker, I am very much in favour of looking at some improved methods of farm financing. Whether or not the agri-bond concept is the one we should be using, I am not prepared to say until the committee is finished its work. However, I firmly believe, and I am sure the Hon. Member for Portage-Marquette understands, that you cannot borrow yourself out of trouble. The farm financing package is only one in a series of requirements urgently needed in the farm sector to bring back an adequate cash flow to the farmers of this nation so they can repay their debts, keep their commitments and earn a living commensurate with that of the rest of society.

• (1510)

The Acting Speaker (Mr. Herbert): If there are no further questions or comments we will continue with debate. The Hon. Member for Regina West (Mr. Benjamin).

Mr. Les Benjamin (Regina West): Mr. Speaker , before I begin my remarks on the motion of the Hon. Member for Portage-Marquette (Mr. Mayer), I would like to say that it is my own view, whether or not it is shared by colleagues in my own caucus or those of other Parties, that we should revert back to at least one part of the old rules. The House should sit on Tuesday and Thursday nights, work until one o'clock Friday, and adjourn for the weekend. Members from all Parties are notoriously absent from the House on a Friday afternoon.

Mr. Mayer: We are here.

Mr. Benjamin: I was just going to say that at best my colleagues in the Official Opposition have less than 10 per cent of their Members present. We have something like 7 per cent of ours and the Government has .1 per cent of theirs. There really is not anything for any of us to brag about. I would rather see this House sitting Thursday night and until one

o'clock on Friday. We would have a much better attendance and get a lot more done.

Mr. Speaker, I read the Hon. Member's motion with care. I noted the number of items on which he calls for action in his resolution. He calls for a reduction of the farm fuel tax. People in my Party, and I believe people in his Party, in fact have even called for the elimination of the whole 9 per cent excise tax on diesel fuels for farmers and fishermen. That has been asked for by members of both opposition Parties for a number of weeks. For the Leader of the Official Opposition (Mr. Mulroney) and maybe even the Member for Portage-Marquette, to pretend for one moment that that will not increase the deficit, is to be dreaming in technicolour. Of course it will. My response is, so what? I submit that the welfare and good order of farmers and fishermen is a hell of a lot more important than the size of the deficit.

Mr. Mayer: We did not pretend it was not going to increase the deficit.

Mr. Benjamin: Mr. Speaker, my hon. friend from Portage-Marquette should read the remarks of his own Leader last Wednesday in which he cited the Province of Saskatchewan as knocking off the gasoline tax without increasing the deficit. With three budgets in two years the Government of Saskatchewan has managed us into a $830 million deficit. I am not objecting for one moment to any increase in the deficit of the provincial Government of Saskatchewan because they have reduced the gasoline tax. Let us not kid around. If you knock off the federal sales excise tax it is going to increase the federal deficit. I say, so what?

Mr. Mayer: We said that in the House.

Mr. Benjamin: You cannot have it both ways, Mr. Speaker.

Mr. Mayer: Mr. Speaker, a point of order.

Mr. Benjamin: Now, the red meat stabilization plan—

The Acting Speaker (Mr. Herbert): The Hon. Member for Portage-Marquette on a point of order.

Mr. Benjamin: It is not a point of order, before he says it.

Mr. Mayer: The Hon. Member for Regina West (Mr. Benjamin) is now pretending he is clairvoyant, Mr. Speaker. To straighten the issue out, we did not pretend that it was not going to increase the deficit. In fact when the Prime Minister (Mr. Trudeau) asked our Leader what the cost would be to the federal treasury, the cost was given at $250 million. So I think if the Hon. Member would read *Hansard* he would understand that we did realize it was going to increase the deficit and we in fact put a figure on it.

The Acting Speaker (Mr. Herbert): That is not a point of order. That is debate. The Hon. Member for Regina West.

Mr. Benjamin: It shows you, Mr. Speaker, how clairvoyant I am. I will now move to the second point the Hon. Member makes, the red meat stabilization plan.

In the years that I have been here who was it that opposed any kind of national orderly marketing system for red meat? It was invariably Tories, Liberals and the Canadian Cattlemen's Association. Once the Canadian Cattlemen's Association accepts a plan for a red meat stabilization program you can bet that it will be hardly better than nothing. It will be meaningless. The Canadian Cattlemen's Association and the Saskatchewan livestock producers said to leave them alone because they wanted the free and open market system. They did not want any government interference or subsidies. As long as the market was average or better than average they were happy. As soon as their free and open market system went down the drain they were the first ones coming to Ottawa with their hands out. They are the ones who have traditionally fought against orderly marketing and fought against the Canadian Wheat Board and criticized it. I do not give a darn whether it is the cattlemen or the Palliser wheat growers or who it is. We support a red meat stabilization program that means something, Mr. Speaker. I am sick and tired of watching the majority of livestock producers, who produce the most livestock in the country, who are not ranchers and who do not belong to the Canadian Cattlemen's Association, having their prices set every bloody morning in Montreal and Chicago. Those prices bear no relationship whatsoever to their cost of production. They bear no relationship whatsoever to whether they are going to survive as livestock producers.

This nation does need a red meat stablilization plan that will in effect prevent the so-called free and open market—Safeway, Dominion and the rest of them—from setting the price of the labour and the investment of the livestock producer in Saskatchewan, Manitoba, Alberta or anywhere else in the country. The price should be set by national legislation and consultation with those actual producers, and should bear some relationship to their cost of production. If that means that in the end retail prices are too high, then how about a consumer subsidy for low and middle income families and the poor? Why saddle it on the primary producer? Let us turn it in reverse, Mr. Speaker. We too want a proper national red meat stabilization program. The kind that is being proposed at best might be slightly better than nothing. Everyone supports passing legislation on increased advance payments and motherhood. The way things are now, the maximum advance payments should be even higher than what is in the proposed legislation. Resist erosion of initial payments.

Last year and the year before we in the NDP, many economists and many people in farm organizations warned about what is going on in the international grain market. A month ago I read another article about what is happening with our major competitors and the amount of grain they have in storage, their excess production and the amount of subsidy they pay to their grain producers. It was the same government, aided and abetted by the Official Opposition who said that that did not matter and that they would still raise the freight

rate. The Conservatives said they would not do it tomorrow, they would do away with the statutory grain rates two years from now. Of course, they voted against Bill C-155. It is the typical Tory strategy to work both sides of the street. However, they were in favour of ending the statutory grain rates.

Mr. Gustafson: Why did you accuse me of giving your speech if that is the case?

Mr. Mayer: You never even had enough people to force a vote on some of your own amendments.

Mr. Benjamin: Mr. Speaker, the Tory Party hired the guy who wrote the Bill. He was kept on to finish the work by the Liberal Government. They are not going to get away with that out West.

Mr. Mayer: We will see after the next election.

Mr. Benjamin: Of course we have to stop the erosion of initial payments. What they mean is that when the Canadian Wheat Board must cut prices in order to maintain or get new contracts, the difference between the maximum it receives from an exporter and what the grain producers should receive would be made up from the National Treasury. It is a subsidy that not only benefits the grain producer but the entire nation.

• (1520)

It is time to reinstate what was called the Temporary Wheat Reserves Act. I remember the episode when a former Minister of Transport succeeded in eliminating that. Where were the Tories at that time? Our Party was able to have farmers take the Government to court and they had $100 million returned to them. The Temporary Wheat Reserves Act simply meant that the nation as a whole paid the storage charges for any grain in excess of a certain amount in storage. It saved our grain producers $75 million to $100 million a year. However, the Government did away with it, and it was aided and abetted by the Official Opposition. That Act should be reinstated.

The Hon. Member's motion also raises the issue of the Western Grain Stabilization Act. Our Party succeeded in stopping the Government in its first attempt to introduce it. On the second occasion the Official Opposition sat in both the Transport Committee and Agriculture Committee and meekly accepted it even though—

Mr. Gustafson: Where were you yesterday?

Mr. Benjamin: I was there.

Mr. Gustafson: Where were you last week? Did you hear our leader?

Mr. Benjamin: The Leader of the Opposition discovered the Western Grain Stabilization Act just about a week ago.

Mr. Gustafson: Why did you defeat it?

Mr. Benjamin: The Western Grain Stabilization Act was designed to take grain producers' money. There is more than $1 billion in the fund and the Government still has not put up its share. No interest has been collected on this money. When this Act does come into effect, the highest payment is made to the producer who delivers the most grain. The smaller payment will go to the producer who must travel up to 40 miles to the elevator, who is only on his second quota, whose road is closed because of snow or spring thaw, and who is unable to deliver as much grain.

If the unemployment insurance plan was run on the same basis, when unemployment reached a certain level and triggered a payment from the fund, the person who was working full time would get the biggest payment. Surely that is backwards. If the national medicare program was run on the same basis, it would mean that when the number of patients that went to doctors and hospitals exceeded a certain amount and triggered a payment, the person who was never sick a day would get the biggest payment.

That is why the Western Grain Stabilization Act needs to be amended to trigger a payment, and the highest payments should go to those who need it the most. That is what we argued for in the first and second Grain Stabilization Bills that were brought in the House, beginning in 1970.

The motion also calls for a reduction in high interest rates. The former Minister of Finance of the Official Opposition supported two Liberal Ministers of Finance in two ways. First, he supported them in not firing Gerald Bouey and, second, he said he would do the same thing if he were still the Minister of Finance. He would also artificially prop up the Canadian dollar and raise interest rates to keep the Canadian dollar as high as possible. This costs grain produceres, fishermen, the forest industry and all our exporters more at home and raises the costs of our exports. We lose both ways. I am not concerned about what the Canadian dollar is worth compared to the American dollar, the Fiji dollar or the "Pango-Pango" dollar. I am more concerned about what it is worth to Canadians and what it is doing for us here in Canada.

I believe we should take some of the steps that Louis St. Laurent and John Diefenbaker took in pegging the Canadian dollar, pegging interest rates and implementing foreign exchange control, as was done shortly after the Korean War and again in 1958 or 1959, because it assisted all of our primary producers in forestry, the fishery, the grain industry and in livestock. It helped all of our exports. It made imports more expensive so that Canadians bought more goods made in Canada. Why do we not try that again? This program worked when it was applied in wartime.

Grain producers cannot be expected to survive when they are faced with higher freight rates, higher interest rates and higher costs on all their farm inputs while their prices are reduced even further. The nation as a whole must share in the cost of maintaining a viable agricultural industry, whether it is grain on the Prairie or livestock in Ontario, on the Prairies, in Quebec or other parts of Canada.

Mr. King: What about apples?

Mr. Benjamin: Apples, fruits and vegetables; the Government should be investing in the using of excessive heat capacity in a massive greenhouse operation so that we can grow fruits and vegetables during the winter instead of paying $2 or $3 for cauliflower grown in California or Florida. It can be done. Unless primary producers can be assured a decent price and a decent living from their products, they will not survive. How many more years must we go through patchwork and ad hoc measures? When will the Government learn?

The European Economic Community, Argentina and Australia make sure that their producers get a fair price. The Americans will not sit idly by with their surpluses. They will cut their prices. The Government is asking Canadian primary producers to compete against the Treasury of the United States. Surely that is not fair, because the wealth of the entire nation is needed to accomplish that.

I mentioned the matter of grain in storage. We should return to the system where the nation as a whole shares the storage costs of grain. Even during tough times, having grain in store for export sales is like having money in the bank. But that money is for the entire country because the grain producer who has had to pay the cost of growing it cannot afford to keep it. However, this grain in storage is an asset for the entire country and we should share in the cost of its storage, whether it is on the farm, at an inland elevator terminal or export terminal. Surely that is a fair proposition and one that makes good sense. It is done by other countries.

Our agricultural community continues to diminish. What will those thousands of farmers who lose their farms every year do? Money that is spent in the agricultural industry is not an expense but an investment in this country which benefits the entire nation. While the entire country shares in the costs, it also shares in the return on that investment. These costs which may consist of guaranteed initial prices with any difference made up by the national Government, a real grain stabilization income plan or these other programs included in the Hon. Member's motion, should be shared by the entire nation.

I hope that the Government, in its last, gasping days, will implement programs such as those. It will see how well they will be received by the people of Canada.

The Acting Speaker (Mr. Herbert): There follows a ten minute period for comments or questions.

Mr. Gustafson: Mr. Speaker, first I have a short comment. I just want the Hon. Member for Regina West (Mr. Benjamin) to get the record straight about federal tax and provincial tax on farm fuel in Saskatchewan. He indicated that the position of the NDP government has always been the position of the Conservative government. There is a long-running example in the Province of Saskatchewan of the exact positions of both Parties. It was the Devine Government which removed provincial tax on farm fuels, some of which amounted to over 32 cents per gallon. A great part of the election in Saskatchewan was fought on that issue. The Hon. Member for Regina West stands in the House and tries to make the position which the Conservative Party has held for some time that of the New Democratic Party.

• (1530)

The interesting part of that exercise is that the day after the Devine Government swept the Province of Saskatchewan with 57 seats, Grant Devine went to the legislature and announced from its steps the removal of tax on farm fuels. For the benefit of the Hon. Member for Regina West, that is the record, and all Saskatchewan people know it well. It is one of the reasons that the NDP ended up with seven seats and seven provincial members in Saskatchewan.

Mr. Benjamin: You do not even have that right.

Mr. Gustafson: When it comes to the position which was taken by our Leader in the House, last week he asked the Prime Minister (Mr. Trudeau) if he would remove the 9 per cent federal tax, which amounts to some 18 cents or 19 cents per gallon, depending on the region of the country. We know perfectly well what was the answer of the Prime Minister, as does the Hon. Member for Regina West, but it is interesting to note that it was that Member's Party which voted along with the Liberals to defeat a Conservative government that would have provided that kind of policy for Canada.

How can the Hon. Member justify the kinds of remarks he has made in the House? The Conservative Party has stood firm on the removal of sales tax on farm fuels, on the basis that it is counterproductive. He makes the argument of a dollar here or a dollar there. When we compare that with the expenditures of the Government amounting to $2 billion or $3 billion in bail-outs, we realize that the federal tax on farm fuels is counterproductive. As an active farmer, I know that farmers are not working the land as much as they would because of the high cost of fuels. Also, we must take into consideration the comparison between the cost of fuel in the United States and the cost of fuel in Saskatchewan. Then we have a clear picture of what has happened.

I would like the Hon. Member to answer how he can justify turning around the situation as he did in his speech today.

Mr. Benjamin: Mr. Speaker, I am not sure what was the question. It was really a four-minute speech, to which I do not object. I will do the same to the Hon. Member some day.

However, I want to remind the Hon. Member that he may be somewhat confused. The tax on farm fuels was not there in the first place. The Devine Government of Saskatchewan took the gasoline tax off for everyone else. I am not complaining about that, I am not objecting. I think it was a good idea. The tax was taken off on farm fuels years before that.

Mr. Gustafson: On a point of order, Mr. Speaker.

Mr. Benjamin: The federal tax is still there and that should be removed.

The Acting Speaker (Mr. Herbert): Order, please. The Hon. Member for Assiniboia (Mr. Gustafson) on a point of order.

Mr. Benjamin: It is not a point of order.

Mr. Gustafson: Again the Hon. Member is confused. The tax was there on diesel fuel and it was 42 cents per gallon.

Mr. Althouse: No, it was not there.

The Acting Speaker (Mr. Herbert): Order, please. The Hon. Member for Assiniboia does not have a point of order. I understood that to be debate.

Mr. Benjamin: That farmer can say this and this farmer in my Party assures me that it was not there. Perhaps they had different fuel dealers.

Mr. Althouse: The federal tax is refundable.

Mr. Benjamin: The federal tax is refundable on purple gas. They have to apply for it.

Mr. Althouse: But not diesel fuel.

Mr. Benjamin: That is correct, not diesel fuel. We all want the 9 per cent removed on diesel fuel. There is no argument about that.

Obviously the Hon. Member for Assiniboia (Mr. Gustafson) was not listening. His Leader said on Wednesday, April 11, as reported on page 2940 of *Hansard:*

—the cost is in the neighbourhood of $250 million a year . . . as the Government of Saskatchewan proved by removing that tax provincially, it need not add to the deficit because it is a tremendous impetus for growth.

The fact of the matter is—and that is what I indicated at the beginning of my remarks today—that taking the tax off did increase the deficit of the Government of Saskatchewan. That is why I said in my speech a few moments ago, "so what?" The interests of our farmers come ahead of whatever is the damned deficit.

Mr. Gustafson: It is counterproductive.

Mr. Benjamin: He also complained in his speech that all I did was point out what should be done about the various points raised in the motion of the Hon. Member for Portage-Marquette. If he does not agree with that, it is fine with me. I was just indicating what should happen and restating that there should be a sharing of grain storage costs by the national government. If he wants to object to that, that is fine too; I do not mind. I do not know what he is complaining about.

Mr. Cullen: Mr. Speaker, the Hon. Member indicated the deficit of the Devine Government—and it is less than divine, one might be tempted to say—when it took over. I was under the impression from some of my colleagues that during the brief regime of the Conservatives, their idea was to increase that tax from 7 cents to 10 cents and that it would not be refundable.

Mr. Fennell: No.

Mr. Gustafson: No.

Mr. Benjamin: I believe it is correct to say that they proposed to increase the tax, but I do not know whether or not they were to make it non-refundable. I think they might have made it refundable, but I believe there was a provision in the budget to increase the tax.

One of the few times I got anything out of a Minister of Finance around here since 1968 was when he provided for a refund of the 10 per cent federal excise tax on gasoline for the disabled. The Budget of the Hon. Member for St. John's West (Mr. Crosbie) took that away. The Hon. Member for Assiniboia wonders why we moved a subamendment, a vote of confidence in that Budget. The Liberals would have voted for our subamendment even if we had included the Regina Manifesto. They would have voted for it no matter how we had worded it. I am fed up with Tories crying and moaning about something which happened five years ago. Their problem is that they have no class. They do not know how to win well or how to lose well. They were the architects and manufacturers of their own defeat. They have been running around sour-graping and crying about it ever since. Most Canadians do not give a damn what happened in 1979. They want to know what will happen in 1984, 1985 and 1986.

Mr. Mayer: Most people would agree with that, and that is why you will not be here after the next election.

Mr. Benjamin: I say to the Hon. Member for Sarnia-Lambton (Mr. Cullen) that the present Government of Saskatchewan inherited several hundreds of millions of dollars of surpluses, all of which are now gone, and with three budgets in two years it has $830 million in deficits. We do not complain about some of that deficit because if the gasoline tax is done away with, of course the deficit will increase. However, if it makes it easier for our primary producers, that is more important than the size of the deficit.

The Tories ought to quit crying about the federal deficit because what they are requesting in their motion will increase the federal deficit. I say, so be it, increase the federal deficit if it will prevent thousands of farmers, fishermen and little storekeepers from going bankrupt. Damn it, increase the federal deficit. But the Tories cannot have it both ways and we will call them on it.

The Acting Speaker (Mr. Herbert): That is the end of the ten-minute period for questions and comments.

Mr. Benjamin: No, let's continue.

The Acting Speaker (Mr. Herbert): On continuing debate, the Hon. Member for Ontario (Mr. Fennell).

Mr. Scott Fennell (Ontario): Mr. Speaker, it is an honour and privilege to speak on this agricultural motion this afternoon. This is an important subject, particularly in my riding of Ontario. Many people think that I come from an urban riding; many of my voters as well as some of the gentlemen at the table. I want to explain that my riding on a geographical basis

is 90 per cent agricultural and less than 10 per cent urban. I do have a constituency that is most concerned.

● (1540)

I want to mention another point. I have sat in this House for almost five years. My duty day has been Friday. Today is a low point in attendance. There are more people in the gallery than on the floor of the House of Commons. Something should be stated to shame the Liberals who are responsible for having 20 Members here at all times. It is a disgrace.

One of the basic problems facing our entire economy, not only agriculture, is that we have been totally misled by the Minister of Finance (Mr. Lalonde). On April 11 in New York City he stated we do not consume 90 per cent of private savings for fiscal expenditures. My researcher worked out the figures. He stated we only spend 25 per cent. The figure for 1982 was 83.7 per cent. Today it is over 90 per cent. It is the fiscal approach and fiscal misleading which has caused the trouble.

There are a number of small farmers in my riding. Most legislation has been of little or no benefit to them. For example, there was the creation of Canagrex. I would like someone opposite to tell me what Canagrex has accomplished. It has a staff and a budget and it spends money. It was intended to create revenue for Canada, but it has done nothing. It has tried to interfere with the private sector and has failed.

Members opposite are always knocking the private sector. The private sector is the only thing that will save this country, but the Government does nothing to assist it. I will give an example. I have spoken many times in this House and have asked many questions, but to date I have not received an answer about Canadair and de Havilland which have collectively cost this economy $6 billion. If a little piece of that $6 billion had been directed with equity and fairness to the farmers of Ontario, there would not be the problems we have read about in the papers in the last few years.

Part of the farmers' problems has come about because of Section 31 of the Income Tax Act. Section 31 was designed for hobby farmers. The Department of National Revenue has applied that to legitimate farmers with small farms, those trying to hold the farm together. The Department applied that Section to those who had to leave the land during the off season, or winter season. Together with help from their spouses and children, they did the chores in the morning and at night. This Section was imposed on these farmers who could not afford the expensive equipment when the price of their produce remained at a fixed level. Inflation affected the price of equipment. Applying Section 31 has, therefore, been damaging, yet the Government has collected very little compared to the tremendous waste in the aerospace industry. That industry could have been a success with proper management, but it failed. There is proper management in the agriculture industry. I do not know of any group of people with a better basic understanding of economics than farmers. I probably learned more from my neighbours than anybody I have heard in this House or from any papers I have read. They have a basic belief that unless you have, you do not spend. They believe you must save. If you cannot afford something, you find a way to pay for it.

I wish to give an example of the inequity of Section 31. If these people had incorporated in such a way that they could be paid by a corporation, that Section would have been applied to the farm corporation and they would not have been hurt. However, the Department of Revenue would have caught up with that. Many people use methods under the tax system to avoid tax which are not permitted to the farmers. I object to that.

I dwell on this point because the family unit in Canada is important. We have become dependent on the state. It is time that we became dependent on ourselves and on our own efforts. Farm people are dependent on their own efforts. They have been the creation of our society and the success of our export program. We have let them down. The way the Government invoked the Crowsnest Pass rate, if it had not been for this Party and our amendments, it could have been total destruction of western farmers. Also, it directly affects farmers in eastern Canada.

We have heard vague talk about the red beef stabilization program. Ontario could not wait for the federal Government so it brought in its own program. It could wait no longer. There was such ill treatment that they had to move on their own. If the provinces can bring in such a program, why not the federal Government? It is because the federal Government has not co-operated with the provinces. It will not sit down and work out joint programs. No wonder this country is so split apart. It is because there have been no federal-provincial negotiations. That is one of the first things our government will do after an election is held. We have friends from coast to coast. We are friendly with governments from coast to coast. We have a common purpose, to help Canada. All the Liberals plan for is retaining power, and the Canadian citizens be dammed. I hope the election comes soon.

There are two remarkable items in Ontario that have been accomplished by the Ontario Department of Agriculture, namely, egg advertising and pork advertising. It has assisted to a great extent. Pork producers in my riding could not have survived if they had not been brought together by the provincial minister to work out a program to assist in selling their product across the border. Pork has been somewhat unstable in price in the past. Because of the programs of the Ontario Government, it has stabilized very definitely.

There is another point which, as a previous speaker mentioned, affects Ontario and British Columbia. A ban was placed on fruit on which certain chemicals had been applied. That ban was domestic. It did not apply to vegetables brought into this country from other lands. I do not understand how we can treat our fruit farmers in a negative way, compared to those in other lands. This is an inequity in the system which has been created by the federal Government. It shows that the Government has no heart, it has no feeling for the people. To put something like that in place is wrong. What is good for the

goose is good for the gander. If it is good for people in the southern United States, then it must be good for Canadians. I agree that there must be some restriction on certain chemicals which appear to have toxic residue, but we should not impose that restriction only on ourselves.

● (1550)

An issue which has been close to my heart for many years is the possibility of irrigation in Ontario. The Province of Ontario has been blessed by having available to it approximately 50 per cent of the world's supply of water. We must address the issue of producing more food here in Canada and this can be tied into the remarks made earlier about the programs for greenhouses. A great deal of the food produced in Canada is not of as high a quality as the food brought from the United States because the food has not had the chance to grow. There are more facilities in the United States for irrigation than in Canada.

We must try to improve quality and I know that Canadian farmers are capable of doing so. However, they need assistance in order to implement irrigation. Irrigation is very expensive but it could guarantee supply and quality. This is a subject which must be dealt with through federal-provincial discussions. In the future, there may be another dust bowl like the one of the 1930s. It will be then that Ontario could become so important to the production of grain. I feel that this is another very important issue which should be approached.

I recently read an article about interest rates and farmers. As I understand it, the Farm Credit Corporation was created to help farmers get reasonable loans. Under the present program, any farmer who would borrow money on a 20-year term with a 15 per cent interest rate would not make a red cent. He should put his money in the bank so he could get a 15 per cent return on his money. These extended loans are ridiculous because they are being given to farmers at a cost which they cannot afford. If we are going to do something, we should do it in a reasonable way.

The Province of Ontario has a much smaller revenue base than the federal Government, but the provincial Government of Ontario has a program that assists beginning farmers. This program gives a rebate on Farm Credit loans with interest rates that exceed 8 per cent. At least the provincial Government is being realistic. It knows that a farmer cannot afford to pay an interest rate of more than 8 per cent. There has been much instability of interest rates, and that is why a return to Section 31 of the Income Tax Act is inequitable. I know that the Hon. Member for Sarnia-Lambton (Mr. Cullen) is fully aware that people are having to borrow money to make the interest payments on money borrowed for equipment purchases.

Many people have said that the Minister of Agriculture (Mr. Whelan) is marvellous, and how great it is that he has entered the leadership campaign. They hope he wins the leadership campaign, and then perhaps agriculture will benefit because he will be running the Liberal Party and will not have as much time to do anymore damage to the agricultural community in Canada. If he was serious, Mr. Speaker, he would have fought for reasonable interest rates. He would have fought in Cabinet to make sure that the Minister of Finance was aware of the situation of farmers. However, I do not believe he did so; if he did, he was not heard. I realize that dealing with the Minister of Finance is like beating one's head against a brick wall but I am sure that after four years, the Minister of Agriculture could have gotten the message across.

Such an important segment of our society has been severely hurt. Why has the Minister not brought in agri-bonds? He has known about that scheme for five years. We developed it in 1979 and he did nothing about it. It is very much like the SBDBs which the Government now uses for bankrupt organizations and for farmers who are on the verge of bankruptcy. That is having a negative impact, Mr. Speaker, and we want something with a positive impact. We want positive approaches; we need positive approaches to get the country moving and help the agriculture community. The people in my riding are sick and tired of this Government that really does not understand agriculture and really does not have any representation from the agricultural community West of the Manitoba border. I understand the feelings of those people.

Last week, I read the Budget of the Saskatchewan provincial Government. I will not dwell on it because I believe the Hon. Member who follows me will touch on it. However, I would like to say that every member on the government side should read that Budget which was brought down in March of this year.

Mr. Cullen: What is the deficit?

Mr. Fennell: The financial position is in excellent shape, and the deficit is a lot lower than the National deficit. That Budget has provided the fuel to ignite the engine of the economy. The Budget will help small business people, and it includes a program for the agricultural community which is probably one of the finest I have seen come from a provincial Government.

The Hon. Minister of Agriculture could have implemented such a program. He has failed his country. He has failed the farming community. He has not had a strong enough voice. He has not let the consumers know about the importance of the providers of food.

I have heard many people speak about inequities for farmers, but unless one has been there one does not know what it is like. I have heard it mentioned as compensation that farming is a wonderful way of life. It is a wonderful way of life. I myself live on a farm. I like the outdoors and I like to see the country side from my windows. However, it has become almost impossible for small family units to exist on a farm. If these family units cannot exist, that increases the number of unemployed people who must be provided for either through unemployment insurance or the welfare system. I do not know many farmers who would accept help from the welfare system because they are proud Canadians. They are a credit to the country and they should not have to be put in this position.

I saw your signal, Mr. Speaker, indicating that my time is up. I appreciate having been afforded the opportunity to

express the view of the agriculture community in the riding of Ontario and I hope that someone listens to some of the points we have made today.

Mr. Cullen: Mr. Speaker, I would like the Hon. Member to be a little more accurate about some of the points he made. He suggested that farmers should put their money into the bank at an interest rate of 15 per cent. I would like to know if that is the interest rate offered by the banks in the riding of Ontario.

Mr. Fennell: Mr. Speaker, no, but my point is that if the Government can charge 15 per cent, it can surely pay 15 per cent. I know that the spread is a little less than that, but if the Government is not paying 15 per cent, what right does it have to charge 15 per cent?

The Hon. Member knows perfectly well that he can make 15 per cent on his money through investments. This can be done, not necessarily through fixed income securities but with a combination of capital gains and fixed income securities. As an example, a farmer would be much better off to borrow money from his father than he would be to depend on the Farm Credit Corporation. However, that can not always be done. At interest rates of 15 per cent, farmers or small businessmen cannot survive. The burden of the carrying cost is too great and erodes the potential value of a business.

• (1600)

Hon. Bud Cullen (Sarnia-Lambton): Mr. Speaker, it is always a privilege to speak in a crowded Chamber on a Friday afternoon. I would like to say to the Hon. Member that I am rather surprised about it. This is an Opposition Day and the Hon. Member was bemoaning the fact that Liberals were not carrying their share of the quorum. But the fact is that this is their day. This is the day the Opposition has points to make.

Mr. King: We want to make them to you.

Mr. Cullen: Unfortunately we would like to know that there is more than a handful of people who want to make a particular point. I heard the Member from Regina suggesting the approach of his Party, which is one we have come to know all along. New Democrats really do not care about the costs. Once upon a time people in this House are alleged to have said, although it never was said, "what's a million?" The New Democratic Party does not have the responsibility to govern, it does not have the responsibility to raise taxes and it does not have the responsibility to go to the marketplace and say, "another quarter of a billion dollars". New Democrats really do not care about that.

I think what we really have to look at, and that is what a Government does in this particular case, is the over-all picture. A quarter of a billion here and there; do that twice and you have another billion to add to a deficit which I think is barely manageable now. To suggest that he really does not care is rather a callous approach to the problems being faced by the farmer. I was not really surprised because we have had that approach from the NDP in the past.

When the NDP is not required to govern, it is easy to say "Do as I say but not as I do." That is why I asked the Hon. Member about the size of the deficit in Saskatchewan. When it had an NDP Government it did not have a deficit. It had a surplus. It was managing the economy very well. It is rather ironic that a Conservative Government within two years moved from a position of surplus to a position, I think he indicated, of an $800 or a $900 million deficit—after three budgets. He did not seem to mind that as long as that lost government revenue was the result of reducing taxes on gasoline and things of that nature. My riding is not Sarnia, it is Sarnia-Lambton. I think on two different occasions here I have had to change the name of my riding when those powers that be constantly want to do this regrouping and describe my riding as Sarnia, but like the Hon. Member for Ontairo (Mr. Fennell) I do have a very large farm population in Sarnia-Lambton. At one time I had three townships. As a result of redistribution, I lost one of them, but I still have many friends in the area, many of whom were writing to me. Now, fortunately, the Hon. Member for Lambton-Middlesex (Mr. Ferguson), who knows more about farmers' problems and how to resolve them than probably most people in this House, represents the township I lost. It has been a privilege for me to represent not only urban, but as my friend from Ontario says, a good number of people in the rural community as well.

In addition to that I had the rare privilege of being the solicitor for the Corporation of the County of Lambton for some eleven years. During that time I also represented townships and villages in the rural area. It is not a new subject to me. Of great assistance, and I think an individual who has provided great leadership in the House as far as farmers' problems are concerned, is the Hon. Member for Lambton-Middlesex. He is a gentleman who served on various tribunals and boards before being elected to the House of Commons. He was a significant leader in the 4H movement. He attended university and I know that over many years he has operated successfully an excellent farm which he has expanded from year to year. It is like the Hutton Agency "when Ralph Ferguson speaks, Bud Cullen listens." He is a man who does have ideas. I was very happy to hear him speak this afternoon and put forth some ideas he has about things the Government has been doing on behalf of the farmer.

It is all right from time to time to look in isolation and say "what are you doing about this? What about this particular tax? What about relief for that?", without looking at the over-all picture and the number of things that have been done on behalf of the Canadian farmer. One has only to look at the last Budget to see some of the significant moves that were made by the Minister of Finance (Mr. Lalonde), who was approached not only by the Minister of Agriculture (Mr. Whelan)—and I give him full marks for that—but by many Members of the back bench.

A leading role was taken by the Hon. Member for Lambton-Middlesex. We know the Member for Lambton-Middlesex has a Bill on how to deal with farmers who are in difficulty, and the waiting period and the timeframe which they should have.

That is an excellent Bill. It falls short in a couple of areas perhaps, but I think if it were implemented right away it would operate to the benefit of many farmers who find themselves in significant financial difficulty.

The Hon. Member for Regina West (Mr. Benjamin) is not here. Knowing how far he has to travel, he probably had to catch a plane in order to get home and meet with his constituents. But one always listens with some interest to the Hon. Member. He parrots so often the NDP philosophy, namely, that the NDP does not worry about the cost. But seemingly when New Democrats get into power they do a lot more worrying about it.

The Prime Minister (Mr. Trudeau) today quoted former Premier Barrett with some approbation about being concerned about the cost of things. The former government in Saskatchewan was concerned about the cost of things. When it comes time to govern the New Democrats seem to take on a much more responsible position than they do here in the House of Commons when they simply suggest ways of making more money available for particular projects without having to account for it.

One of the things that interested me this week, Mr. Speaker, was the announcement by the Minister of Agriculture that he had received Cabinet approval of a tripartite stabilization program for the red meat industry. That represents an historic step forward in the Canadian livestock sector. Red meat producers have been plagued with marketing problems for years, and agreement in principle on a stabilization plan by producers, some provinces and the federal Government climaxes more than ten years of discussion, debate and negotiations. I think it was the Hon. Member who asked, "why did it take so long? Why do provinces have to move on their own?" If we are going to get into a Canadian stabilization program we have to deal with different provinces with different priorities and different ideas about how a stabilization plan can be made to work on behalf of the producers.

Agriculture is a shared jurisdiction by federal and provincial governments in Canada, and the achievement of a general agreement to proceed with a red meat stabilization plan demonstrates the ability of the federal Government and the provinces to co-operate for the benefit of farmers in this country. There has been co-operation through a whole series of fields between the federal Government and either individual provinces on a bilateral basis where that might be necessary, or on a multilateral basis where we have to bring all of the provinces in to a particular area because of the particular problems being faced by Canadians—in this case by the Canadian farmer, the red meat people.

Livestock producers have been particularly hard hit by the world wide recession and inflation. Unlike their colleagues in the poultry and dairy sectors, they have not had the protection of supply management to keep prices in line with their production costs. The new stabilization program will go a long way toward evening out the ups and downs in the red meat industry and allowing producers to plan their production with greater security.

That word "security" has a tendency from time to time to be over-used, and yet it is so important. I find that responsible union leaders from time to time are as much concerned these days about job security as they are with increases or pension plans being put in place.

When operating in the marketplace, where there are so many variables that are beyond the ken and the control of the red meat producer, I think it is appropriate that a stabilization plan be put into place. Whether this is the best one for Canada or Canadian red meat producers I do not know. I am not an expert or a professional in the field, but it seems to me that common sense would dictate that something along this line has to be done. We have seen it done, as I have said, on a province-wide basis, and now it is time to move, hopefully, to the Canada-wide situation.

I think it is important to point out that this plan was worked out in full consultation with the producer organizations. The Minister mentioned on Monday that an agreement on a red meat stabilization plan represents a minor miracle of co-operation among producers, federal and provincial governments. As I indicated earlier, we have a tripartite kind of agreement which is even more difficult than dealing solely with the producer or the provincial governments.

I think a few more minor miracles may be needed before the plan is fully effective for all livestock producers in Canada. I am advised that Members opposite can help in achieving those miracles by co-operating in speedy passage of the enabling legislation necessary for the plan to go into effect. This legislation I am given to understand is expected to be introduced in the very near future, most assuredly in my view before June.

● (1610)

As all Hon. Members know, we have an Agricultural Stabilization Act in effect, and have had for many years. Since 1978 the federal Government has put more than $200 million into the red meat industry in stabilization payments to beef, pork, and lamb. This is just one more indication of the kinds of money we are talking about in terms of helping Canadian farmers.

The new tripartite proposal represents a major step forward in several ways. First, it involves producer participation. Farmers will have a direct stake in this plan. Second, it commits all provinces which join the plan to the same level of support. Top loading by provinces and the balkanization of the industry which it has caused has been a serious problem. That has been one of the defects, the kind of thing the Hon. Member for Ontario raised, that a particular province or provinces had to go it alone, because it did lead to balkanization, which I believe in Canada is inappropriate, certainly not in the best interests of the producer.

How do we work out a plan which is Canada-wide and which wins the acceptance of the federal and provincial Governments and the producers themselves? That is no mean feat. While I sympathize with provinces wishing to help their producers, I am sure they must all realize that a uniform set of

policies for farmers across Canada is in the long-term interest of the industry.

I feel the most important benefit of the new program will be the speed with which it will respond to price fluctuations. Under the present Act, once a stabilization payment has been announced, producers have to submit their claims and those claims must be verified before the cheques can go out. Under the new plan, producers will be preregistered and their eligibility will already be established. In all the new plans, except the one for the cow-calf operators, support prices will be calculated quarterly. This means that when payments are warranted, they can be made quickly. I believe that has been the failing, Mr. Speaker, all too often of government programs, be it federal or provincial. When a program promises you something but you have to wait for it, there is a detrimental effect or a worrying effect on the people who are entitled to that particular payment and should not have to wait for it.

I ran into that, Mr. Speaker, all too often with unemployment insurance payments where people anticipated receiving a certain amount of money within a certain period of time. I must say, to the credit of the people who work for the Unemployment Insurance Commission, they have made many splendid moves which have brought about, in the vast majority of cases, prompt payment to people who have paid a premium for insurance.

If this program had been in effect last year, my information is that cow-calf producers would have received $29.7 million; producers of backgrounder cattle, $8.3 million; feed lot operators, $12.4 million; hog producers, $92.4 million and lamb producers $3.9 million. The key features of the new program are; first, that provinces and producers may join on a voluntary basis; second, that the federal Government, participating provinces and producers will contribute equal amounts of money to a stabilization fund; third, separate plans will be offered for cow-calf producers, beef backgrounders, slaughter cattle finishers, hog producers and sheep producers; fourth, payments from the fund will be made when market prices fall below the national support level; and five, the level of support will not be high enough to become an incentive to over-production.

Support prices for beef backgrounders, slaughter cattle and hogs will be based on a guaranteed margin approach, while support prices for calves and sheep will be based on an average weighted price reflecting the impact of inflation.

I am advised, Mr. Speaker, that in this kind of legislation, in this particular instance, the agriculture stabilization board will administer the new plan with guidance from a nine-member red meat stabilization committee. Like the plan itself, that committee will represent the three parties involved, the federal Government, the provinces and the producers. There will also be a consultative committee for each commodity, thus ensuring that those involved in production of red meat products have a continued input into the operation of the plan.

We must be careful, Mr. Speaker, in putting something in place to recognize that there could be defects and there should be some plan or means whereby that particular program can be improved upon and improved upon immediately. Sunset clauses all too often come in and wipe out the whole operation. I believe that is inappropriate, certainly for an operation like this. We must constantly look and check, and constantly pay attention to where the problems are, whether this is done by the consultative committee or by members of the stabilization board or the advisory committee. This is a situation where people will have an opportunity to determine where the program has flaws and to bring about improvements.

I want to emphasize, Mr. Speaker, that this is a voluntary program and full consultation with the producers and the provinces will be maintained throughout the next stages as the program develops. The enabling legislation, as I indicated earlier, will be introduced soon. I see this as a major step forward in support of a very important sector of the agriculture industry, and one which will be watched carefully by producers of other commodities and by other countries. I think it is fair to say, Mr. Speaker, that it is but one more example of the innovative, creative, consultative approach which this Government has taken to encourage the agriculture industry.

I learned a fair amount about farming, Mr. Speaker, when I served as the county solicitor, but I feel I learned a great deal more about politics. On one occasion I was with the Reeve of Alvinston, the late Clayton Cox. We had to go about some important county business in Alvinston. I drove from Sarnia to Alvinston, which is a fair distance, and met him at his home. From there we were going to the place where we were holding the meeting. He kept talking to people and shaking hands and I said, "Come on, Clayton, we have to get moving". He said, "Bud, this is a small town. If I lose that side of the street, I lose the election". They know what democracy is all about in the rural part of our country, Mr. Speaker.

The Acting Speaker (Mr. Herbert): There follows a ten-minute period for questions and comments. If there are no questions or comments, we will proceed to debate.

Mr. Fred King (Okanagan-Similkameen): Mr. Speaker, I have told many people lately that the only reason I do not get recognized in the House more often is because the Speakers cannot pronounce Okanagan-Similkameen and do not want to be embarrassed to show it. However, it is a famous area for apples, tree fruits, grapes, wine and cattle. It is just a famous area.

There were some rather interesting comments made today. One comment made me prick up my ears. I heard a Government Member talking about getting payments out on time when people need them. That is a very pertinent comment to the people of Okanagan and to the industry I represent, and, I am proud to say, myself. I still have my orchard. I received a letter from the Minister on March 5. He was very pleased to tell me about a stabilization payment for the 1982 apple crop. I am not sure that all the growers in the Okanagan have received their payments yet. The 1982 crop was fully harvested and in storage by November 1 and probably most of it was stored by October 15 of that year. The stabilization payments were triggered by very depressed prices in that year, and finally in 1984 the growers are receiving a cheque representing

the commitment of the federal Government to stabilize the price in 1982.

I was also interested in the dialogue between the Government Member and the Hon. Member for the New Democratic Party concerning deficits, whether they are good or bad, and whether they should be increased or decreased. The argument, from our standpoint, is not that we need to increase deficits in order to do some of the things which should be done in the country, but that we need a Government which is prepared to stop doing things which should not be done in the country and change its priorities for spending. I do not think we are participating in increasing the deficit, we are just going to displace about $5 billion now being misappropriated and put it to more useful purposes.

● (1620)

Mr. Cullen: Tell us what you would do.

Mr. King: We will demonstrate in less than a year's time if you guys ever get the courage—

Mr. Cullen: We have to get a leader first.

Mr. King: Well, you have quite a selection now.

The Royal Bank in advertising its Royfarm banking service for farmers in the magazine *Farm and Country* used a picture of a needlepoint wall hanging which very prominently states:

If you don't know where you have been and where you are, it's hard to plan where you're going.

I would like to hang one of those in the office of the Minister of Agriculture (Mr. Whelan). Perhaps we could have one hand made by some hard pressed farmer's wife as a constant reminder to the Minister: "If you do not know where you have been and where you are, it is hard to plan where you are going". Farmers across Canada generally have reason to doubt that the Minister knows where the farmer has been, what they have been through, and certainly we doubt that he understands where the farmer is presently at. As the motto says, it is hard, Mr. Minister, to plan where you are going under these circumstances. We would like to help him, but more particularly help the Canadian farmers.

In forming the next Government of Canada, the Progressive Conservative Party will do just that. It is appropriate indeed that we consider the motion put forward by the Hon. Member for Portage-Marquette (Mr. Mayer) on behalf of the Progressive Conservative Members of Parliament, the farmers' friend, I might add. The motion says:

That whereas the economic problems facing Canadian farmers today are largely the result of Government in-action and neglect, this House condemns the Government for its failure to recognize the importance of the agricultural sector and its contribution to economic growth in Canada—

The present Minister of Agriculture will be rather too preoccupied with his own leadership ambitions to put his energies and efforts to helping fulfil the ambitions of Canadian farmers. These days that ambition is simply to survive to meet their obligations, pay their bills and avoid losing their farms, homes, assets and their usefulness to society.

I was interested to see the interview by Pamela Wallin of the Minister of Agriculture on this morning's TV show. Her intuitive questioning of the Minister contained in it much of the reason behind the farmers' grave difficulties today. Her question was something like this: Why are you, the Minister of Agriculture, trying to become the leader of the Liberal Party of Canada, a Party that really has little interest in rural Canada and relates almost exclusively to urban Canada? Those are not the exact words but that is the gist of her question. I believe that demonstrates the root cause of the malaise in agriculture in Canada; a Government which really does not have that much interest in the subject. This is convincingly demonstrated by the statistics available to all which tell a very sad story of neglect by this Government.

We need look no further than the record of farm bankruptcies, Mr. Speaker, which provides an index of escalating difficulties experienced by Canadian farmers. In 1980 bankruptcies were up 77 per cent over 1979. In 1981 they were up a further 17.6 per cent. In 1982 they were up 57 per cent again. In 1983, up 19.6 per cent. In January and February, 1984, bankruptcies are up 58.3 per cent over the same period in 1983. If we assume the number of bankruptcies in 1975 as the base, or 100, the bankruptcy index in 1984 has now reached 620. That measures the degree of anxiety, anger and terror which exists out in the real world of agriculture; out there, Mr. Speaker, where the wheat is growing, the cattle are raised, the eggs produced and, of course, the apples, peaches and cherries are cultivated, nurtured and harvested. It is in that real world that the massive instability is ending in tragedy for a great number of farmers, and there is no prospect in sight of major relief from these difficulties. There is no prospect except the anticipated federal election which will change governments, change Ministers and change an entire philosophy toward government responsibility to agriculture in Canada.

In a statement of Members of Parliament dated April 11, 1984, the Canadian Federation of Agriculture said that surely a modest degree of assistance and assurance of reasonable stability in interest rates, plus reasonable measures of price stability, are a small price to pay to help ensure the preservation of the family farm structure of Canadian agriculture. If the family farm is to be preserved, Mr. Speaker, special farm credit measures must be taken. Today's interest rates are simply not affordable. The question might be asked: Does the Government recognize this fact?

I called the British Columbia Federation of Agriculture to ask them what their chief concerns in British Columbia were today. They gave me three subjects: Stabilization is first and foremost on the mind of B.C. farmers; Section 31 harassment by Revenue Canada is No. 2; third, the Farm Credit Corporation. They said there is a disenchantment that it has come to be the lender of last resort without adequate funding.

The B.C. Federation of Agriculture said recently that to achieve economic recovery and long term prosperity in British Columbia we must recognize and build upon our economic strengths. Agriculture is one of these strengths. The industry contributes $2.5 billion in wholesale sales to the 1982 gross

provincial product, a 4 per cent increase over 1981 and a 14 per cent increase over 1980. At a time when other resource industries were hard hit with declines in production and numbers employed, agriculture continued at pre-recession levels. Agriculture is the mainstay of rural communities, stabilizing regional economies. Approximately 65,000 people are kept working in the British Columbia agriculture and food industry. Fifty-five per cent of the food consumed in B.C. is produced in the province by less than 1 per cent of the population. That is the good news in B.C.

• (1630)

The bad news is that net farm income in B.C. is plummeting. The share of the consumer dollar which comes to the farmer is shrinking. The input costs of production to the farmer are skyrocketing. These are facts faced by farmers right across Canada. The dilemma is particularly acute in British Columbia where costs have outstripped ability to pay. These costs are outside the farmers' ability to control.

Take for instance the Okanagan tree fruit farmers growing cherries, apricots, peaches, apples, prunes and pears. Fruits so attractive and so mouthwateringly good must be retailing at a price which puts money in the farmers' pockets, right? Wrong. The 1983 peach crop returned 2.942 cents a pound from the market to the fruit farmers in the Okanagan. That is $58.84 a tonne for the best peaches produced anywhere in Canada, or anywhere in the world.

I first got into fruit farming on my own in 1955 in Kaleden where my father planted the first orchards in 1912. Back in the 1950s and 1960s we used to pick the peach crop and wonder whether we would get three cents a pound. Sometimes we got four cents, sometimes we got less. That was 25 years ago when orchard labour was 75 cents an hour or less as compared to $6 to $10 an hour now. The three cents a pound for peaches in 1961 meant that eight or nine pounds of peaches would buy a gallon of farm fuel. Today with the market returning three cents the orchardist must pick nearly 70 pounds to buy that same gallon of fuel. It is a tough world out there and someone must recognize that fact.

The Minister's response is to tell B.C. farmers that if their province helps them financially the federal Government will penalize them. What a farce. The federal Government is telling B.C. farmers that they are expendable and their situation is not recognized, so tough luck boys and girls.

There are so many little things the Government could be doing to encourage farmers. How about the elimination of the 9 per cent sales tax on fuels used in food production? That would not cure everything, but it would indicate a substantial interest in agriculture. How about taking note of the resolutions which came out of the sixty-second annual meeting of the Canadian Horticultural Council held here in Ottawa in March? A number of them dealt with the complexity and confusion which pertains to deductions; unemployment insurance, Canada pension, workmen's compensation, income tax and other mandatory deductions.

In a resolution the council asked for some uniformity in the formula of the hours worked and the amount earned that would trigger the deduction processes. I wish the Government would recognize the burden that this adds to the farming community. If very often increases the amount of work the farmer has to do in the evening after his daily chores on the farm have been completed.

The fact is that fruit farmers in the Okanagan have their backs to the wall. The industry that produces economic stability in that beautiful area of British Columbia may very well not survive in its present state through this decade. The large part of the competition for markets comes from Washington State where all cost inputs, fuel costs, costs of irrigation, insecticides, fertilizers and, most notably, the cost of labour, are dramatically lower. I would like to quote from the March, 1984 issue of B.C. *Country Life*, an article by Ted Noonan, entitled "Fruit Trends", which deals with the impossible cost situation faced by Okanagan farmers. He said:

—packing-house workers and employees working for Tree Fruits in B.C. received $12.50 an hour, while across the line in Washington State, the same workers receive $4.70 to $5.25 an hour.

Across the line in Washington State means just that. Farmers in B.C. are competing with farmers in the U.S. with whom they are immediate neighbours. In some cases they can actually talk over the back fence to each other. So we are not talking about some remote foreign country with an impoverished labour force. We are talking about a British Columbia economy that imposes circumstances upon the farming community not duplicated in other areas of this continent.

When I phoned—are we nearly through? We cannot be. I have not had 20 minutes.

If I might just have a minute, I will emphasize the concern which B.C. producers are faced with. They have costs which are totally unrepresentative of the balance of the nation. Yet they are being told that if the province recognizes these cost differentials they will be penalized by the federal Government in the matter of stabilization payments. I am sorry I have so much to say and so little time to say it.

The Acting Speaker (Mr. Herbert): There follows a ten-minute period for questions and comments. The Hon. Member for Sarnia-Lambton (Mr. Cullen).

Mr. Cullen: Mr. Speaker, I would just like to ask the Hon. Member one question. He indicated they were paying $12.50 for certain workers in his area and $4.70 in the United States. Those figures are not the Government's fault. Were they negotiated or imposed? How did it come about that you were unsuccessful and the others so successful?

Mr. King: Mr. Speaker, I think it must be recognized that B.C. is a well organized labour area in Canada. That situation pertains not just to orchard or agriculture labour. I will go on to read form this article because the writer points out—

Mr. Cullen: I am only interested in the labour part.

Mr. King: This is labour. It says:

According to a recent article in *The Vancouver Sun*, these food workers—

This is referring to people in Super Valus in retailing.

—are now approaching the second year of a two-year agreement which saw wages rise 85 cents an hour last year, and will see wages rise 76 to 83 cents this April.

● (1640)

These raises will bring the hourly wages of a part-time clerk stocking shelves in the store to $16.78 an hour, while full-time clerks in the same category will earn $618 for a 40 hour week; a total of $32,136 a year.

This is 29 per cent more than those in Ontario and 38 per cent more than in Manitoba.

And it is 51 per cent more than comparable jobs pay in Washington State—

If we are going to get labour into our orchards and fruit packing plants, we must become competitive with what is going on in the rest of the province.

Mr. Gustafson: Mr. Speaker, this week in the House has been very interesting to farmers. It has been interesting in the sense that, as the Member for Okanagan-Similkameen (Mr. King) mentioned in his remarks, there have been three occasions when the Opposition has asked the Government to consider issues that need such consideration.

Mr. Flis: Mr. Speaker, I rise on a point of order. It appears to me that the ten-minute question period is permitted in order to make comments on the preceding speaker's comments or to ask that Member questions. It is not for the kind of comments the Hon. Member is making now.

The Acting Speaker (Mr. Herbert): That is quite correct but I do not think the Member had a chance to develop the points. Of course, he should direct himself to the speech of the previous Member.

Mr. Gustafson: Mr. Speaker, I was about to do that. I was commenting about the speech the Hon. Member made in regard to the context of the motion. The motion simply states that it is most important to realize that the Government has failed to recognize that agriculture would stimulate the economy and other sectors in the country. This has been brought out in all of the speeches from this side of the House today. Agriculture is not only important to farmers, it is important in respect of the jobs that are being lost because the Government fails to recognize the importance of agriculture to the economy.

The Leader of our Party raised three issues with respect to agriculture this week. He rose in the House to ask a question about the federal sales tax of 9 per cent being removed. That was rejected by the Prime Minister (Mr. Trudeau). He raised the question of the Western Grain Stabilization Act and the fact that there was approximately $1 billion of farmers' money there which could stimulate the economy. Again, the Prime Minister rejected that, not only in the House but also in reference to a letter from our House Leader to the Government House Leader which requested bringing on this legislation quickly. Again today, when we asked a question about the initial price of grain and for the Prime Minister to clarify with the farmers exactly what the findings were, it was in fact rejected. I think it is most important that this not happen.

What does the Hon. Member believe the stimulation of the economy would be if the Government was to give priority to agriculture?

Mr. King: Mr. Speaker, I can tell the Hon. Member what it would be in the Okanagan. Agriculture is a very integral part of the Okanagan economy. There were situations in 1949, 1955 and 1963 when we had severe winters that significantly reduced the agricultural capacity of orchards. In some cases it entirely eliminated peaches, apricots and severely reduced cherries. It is the experience in my area that the whole economy of the valley suffers. As well, tourism is cut dramatically as a result of these crop failures.

I said recently in an article I wrote for the local papers that as agriculture goes, so goes the mainstream economy. I believe we can say in western Canada that as western agriculture goes, so goes the Ontario economy. I think we can say that with some justification.

I believe the answer to the question is simply that the impact of a depressed or viable agricultural economy and its effect on the mainstream economy of Canada has been totally underestimated by the Government.

The Acting Speaker (Mr. Herbert): The Hon. Member for Portage-Marquette (Mr. Mayer) for a short question.

Mr. Mayer: Mr. Speaker, the Hon. Member is well known for his expertise in the horticulture industry. I would be interested in knowing his concerns about the differences in the cost of production between Canada and the United States. As I understand it, there are some real differences in costs between the U.S. and Canada in his area of the country. Would he outline some of his concerns in this respect?

Mr. King: Mr. Speaker, I believe I indicated some of those disparities during the course of my speech. The fact is that the fruit producers in the Okanagan have great concern about the competition from directly south of the border. It is not only because of the difference in cost production. Another difference is the size of operations that are in place in the Washington-Columbia Valley which cannot be duplicated in Canada.

One of our main concerns is not with the cost of actual production, but the fact that Washington State and California products come to the counter at the market before our production is mature. As a result, the tail end of the market from California and Washington State very often sets the price for the peak of our production. The tail end of the market is when those who are merchandising their produce are getting rid of what they have left, very often at any price. We find it unfortunate that we cannot be protected from this type of dumping of tail-end products from the United States, particularly when it sets the price that our Canadian farmers receive for their product.

The Acting Speaker (Mr. Herbert): This is the end of the ten-minute period for questions or comments. Continuing debate.

Mr. Jesse P. Flis (Parkdale-High Park): Mr. Speaker, I am pleased to receive that welcome from the multitude in the House. I want to welcome back the Member for Okanagan-Similkameen (Mr. King). I know he had a brief bout in the hospital. It is nice to hear his voice in the Chamber again.

I had to laugh somewhat when the Hon. Member for Ontario (Mr. Fennell) was trying to shame the Liberals because of poor attendance. He said that he has been here for five years. In those five years he should have learned that when dealing with government business it is up to our side to provide the quorum, and if it is an Official Opposition day it is up to them to provide a quorum. When they started their debate this morning, they had three people here.

Mr. Nickerson: Mr. Speaker, I rise on a point of order. The Hon. Member for Parkdale-High Park (Mr. Flis) just brought to our attention something which is entirely new to me. It is the fact that on Opposition days it is supposed to be the Opposition which has 20 people here to form a quorum, and on government days the Government is supposed to make a quorum. Quite frankly, I have never heard of that order. Perhaps he would be kind enough to give us the reference from whence he gets this.

The Acting Speaker (Mr. Herbert): First, I do not consider that a point of order. It is a point of discussion. We will return to debate.

Mr. Flis: Mr. Speaker, I think it would make common sense that if they bring in a motion they should have the troops here to debate it—not three people. At 2.30 o'clock, one Tory Member was here. I have been watching their ranks all afternoon. That is the Party which was expressing its great concern about the agricultural sector.

• (1650)

Mr. Gustafson: Mr. Speaker, I rise on a point of order. I prepared a speech and obviously I will not be able to deliver it. I just do not understand the remarks of the Hon. Member. I think my point of order is well taken.

The Acting Speaker (Mr. Herbert): I am sorry to advise the Hon. Member that that is not a point of order.

Mr. Nickerson: A point of order, Mr. Speaker.

The Acting Speaker (Mr. Herbert): I will recognize the Hon. Member for Western Arctic (Mr. Nickerson) on a point of order, but I would appreciate it if he would come directly to his reason for rising.

Mr. Nickerson: Is it not a fact, Sir, that there are three times as many members of the Opposition presently in the Chamber as there are members of the Government?

Mr. Mayer: Four times as many.

The Acting Speaker (Mr. Herbert): That is not a point of order.

Mr. Gustafson: But it is a fact.

Mr. Flis: The motion of the Hon. Member for Portage-Marquette (Mr. Mayer) attempts to condemn the Government for failing to recognize the importance of the agricultural sector. Among other subjects, the motion makes specific reference to several initiatives affecting the western grain industry. I would like to draw to his attention the investment of the federal Government since 1973 in the purchase and leasing of hopper cars. This represents money saved for western farmers.

I have one eye on the clock, and I will save the time of the House by not giving the details of that, other than to say that total federal spending under the Crow which will go into branch line rehabilitation and hopper car purchases will amount to $8.9 billion in the decade between 1983 and 1992. The mover of the motion laughs when I bring this to his attention. He was the one who boycotted Bill C-155 all summer and all fall. He was the one who stalled. Now he and his colleagues want passage of a Bill in an hour, after they wasted months and months of the valuable time of this House.

Mr. Mayer: What a bunch of garbage.

Mr. Flis: This is what the Prime Minister (Mr. Trudeau) was talking about when he said to the Leader of the Official Opposition (Mr. Mulroney), "get your act together, show a little co-operation and we can pass a lot of Bills through the House".

Mr. Gustafson: Let the people decide.

Mr. King: Yes, let the people decide.

Mr. Flis: The Government hopes that this Bill can be passed before the start of the new crop year on August 1. Under the proposed amendments, the maximum advance for individuals will double from $15,000 to $30,000. Other changes include increasing the limit for emergency advances for drying tough and damp grain from $1,000 to $3,000, and for unthreshed grain from $7,500 to $15,000.

The Opposition motion urges the Government to resist the erosion of initial payments. Just this morning the Hon. Senator Hazen Argue, Minister responsible for the Canadian Wheat Board, announced in Regina initial payments for the 1984-85 crop year. Senator Argue said that on August 1 the initial payments for spring wheat will decrease $10 per tonne, for feed oats they will increase $20 per tonne, for feed barley and designated oats they will increase $10 per tonne, and that for durum and designated barley they will drop only $5 per tonne from levels set a year ago.

Mr. Patterson: Only!

Mr. Flis: The reductions in wheat payments reflect abundant supplies in relation to world markets and continuing pressure on prices, while the increases reflect more buoyant markets for feed grains.

Despite the difficult outlook for the 1984-85 crop year with respect to wheat, the Government has maintained initial payments as close to last year's levels as possible. That was the intent of part of the Hon. Member's motion. The Government's objective is to assist in maintaining farm cash flow at as high a level as possible, even if it poses a slightly higher risk of deficits in the pool accounts of the Wheat Board, which would have to be underwritten by the federal Treasury.

Even though some initial payments are slightly reduced, Senator Argue has indicated that he would be prepared, if market conditions significantly improve, to recommend that an adjustment be made in the initial payment levels either before August 1, if possible, or after the start of the new crop year.

In today's announcement, Senator Argue noted that once again this year grain exports are moving well—about 5 per cent ahead of shipments in the 1982-83 crop year. Car unloads are up about 2 per cent overall, including a 14.8 per cent increase at Thunder Bay.

Mr. Mayer: That is because the Hon. Member for Vegreville (Mr. Mazankowski) was Minister of Transport five years ago.

Mr. Flis: However, there is no doubt the situation in world grain markets is difficult and competition is tough. In these very competitive circumstances, the Canadian Wheat Board is doing an excellent job of marketing prairie grain. The long-term agreements negotiated by the Wheat Board with its customers guarantee minimum sales of 14 million tonnes. Also it should be noted that any substantial reduction in crops in main producing areas in the current crop year could bring about a strengthening of world grain prices.

The Opposition motion also urges the Government to pass urgently-needed amendments to the Western Grain Stabilization Act. Hon. Members will be aware that the Government made a commitment in the Speech from the Throne to introduce amendments to this legislation to make it more responsive to the needs of western farmers.

Mr. Mayer: When?

Mr. Flis: That need was recognized by this side of the House long before the Leader of the Opposition discovered the other week that western farmers have a problem. I am sure Hon. Members of all Parties will support these amendments when they are brought before the House in the near future.

Mr. King: When?

Mr. Flis: The Western Grain Stabilization Act was designed to stabilize net cash flow from seven major grains and oilseeds produced in the West. It has served that purpose quite well. However, in recent times increased grain marketings have tended to mask the fact that grain prices have fallen and production costs have risen. The program must be made more responsive to the actual financial situation of western grain farmers, and that is what the Government is proposing to do.

Mr. Mayer: When, when?

Mr. Flis: Another recent federal initiative to assist western farmers was the contribution of $10 million to the Protein Oil Starch Pilot Plant Corporation in Saskatoon. The POS Pilot Plant Corporation conducts research and development work with a view to developing new products and processes with respect to grains and oilseeds. POS is a joint federal Government-industry initiative. This recent contribution is intended to assist it over the next five-year period and to enable it, in conjunction with its industry clientele, to continue to develop a commercial base of operations.

There are many other positive initiatives and contributions which the federal Government has made to the grain and oilseed industry over the years. These are too numerous to mention here since I have only a few minutes remaining. The performance of the Canadian grain industry in exporting grain is one that is unmatched by any other industry and commodity in Canada.

Seven years ago the Canadian Wheat Board proposed an export target of 30 million tonnes of grain by 1985. Exports of grain and products in the 1982-83 crop year reached 29.5 million tonnes, just shy of the 30 million tonne target with two years still to go. I am confident we will achieve and surpass that target with a level of market returns to the producer which would not be possible with any other type of marketing system.

The Government has a good record with respect to recognizing the importance of the Canadian agricultural industry in general, and the western grain industry in particular. I believe the motion of the Hon. Member for Portage-Marquette is not well founded. He talks about government inaction. I have demonstrated, as have the Minister and other speakers before me, that we are a government with positive action for the agricultural sector of the economy.

He talked also about government neglect in his motion. If he researches carefully, he will see that we are a government which is sincere about the agricultural industry. We have great respect for the producers of this land. The philosophy of the Liberal Party is to care for all Canadians, to look after all sectors of the economy. It is not to pit one sector against another, one region against another, one Canadian against another, as the Tories like to do.

Mr. Mayer: What a bunch of garbage. We will send you home in a hopper car.

Mr. Flis: That is what the Tories like to do. They like to disunite the country, yet talk about Canadian unity. They talk bull on their Opposition day. It is the Party of against, of contras, of pitting one region of Canada against another and one sector of the economy against another. They talked about the aerospace industry. What does that industry have to do with the motion before the House? They pitted farmers against the aerospace industry. They should be ashamed of themselves.

[*Translation*]

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

This House stands adjourned until Monday at 11 a.m., pursuant to Standing Order 2(1).

At 5 p.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, April 16, 1984

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 62—TECHNOLOGICAL CHANGE

Mr. Jim Hawkes (Calgary West) moved:

That this House condemns the Government for its failure to work co-operatively with the provinces, business, labour, voluntary organizations and the educational community to provide adequate training and retraining opportunities that would enable Canadian workers to feel confident about their ability to deal with the challenges of rapid technological change.

He said: Mr. Speaker, it is a pleasure to stand in the House today and devote a full day of the time of the House to what I think may be the most important problem in the country which must be resolved if we are to have an economic future that is full of opportunity and hope for Canadians.

The Conservative task force which dealt with technological change, manpower training and retraining has concluded that those who tell us that the country will require two million new jobs by 1990 simply to retain today's unemployment rate are correct. We find ourselves in an era of rapid change. We on this side of the House have spoken many, many times about the fact that there are well over half a million young people in Canada today who are unemployed. What has not been said with enough frequency is that 73 per cent of those unemployed young Canadians have not been educated or trained beyond high school. In many cases, unemployed young Canadians have not even completed high school.

The fact that unemployed young people are not being trained beyond high school and that within six years we must find two million new jobs within the Canadian economy underlie the thesis advanced by the Conservative Party task force report. When those two facts are coupled with an awareness of the fact that 90 per cent of the people who will be employed in 1990 are already employed in the Canadian economy, we then begin to understand the degree to which we should already have embarked upon a priority program for the training and education of adults. Our failure to do so is inexcusable.

I brought with me today reports which have been prepared in the last four or five years which deal with this issue. At the top of the pile of these reports is a report entitled *In the Chips, Opportunities for People Partnerships*. That report was put out by the federal Department of Labour. I was vice-chairman when a report entitled *Work for Tomorrow*, a report of one of the first task forces set up by Parliament to study the issue of the Canadian work force and its needs for training and retraining, was made. That task force reported to the House over three years ago with well over 200 recommendations. However, the Government is very good at appointing task forces and study groups and employing consultants to provide it with answers and policy proposals, but it does not pay any attention to such things.

The next major report I have with me is in two volumes and is entitled *Learning a Living in Canada*. What has been done about that report, Mr. Speaker? I have with me a very recent report entitled *Learning for Life*. What has the Government done about that report? What has it done about the report of the Canadian Adult Education Association entitled *From the Adult's Point of View, What Should We Do About Education?* I have as well a report entitled *A Working Majority, What Women Must Do for Pay*. I have listed just a sample of the total number of reports and studies which have been produced in the 1980s containing advice for the Government. Nothing has been done about these reports.

It is particularly galling to see on the news or in the newspapers night after night leadership candidates like the Minister of Employment and Immigration (Mr. Roberts) talking about the need to use unemployment insurance funds for training. The Minister of State for Science and Technology (Mr. Johnston) has indicated that he has similar views. Those ideas were given to the Government well over three years ago by an all-Party committee of the House of Commons. When that advice was given to the Government, the committee also indicated that the need was urgent. Three years ago the need was urgent, and now we are into the spring of 1984 and the Government has done nothing about it.

• (1110)

The Minister of Employment and Immigration, a leadership candidate, rose in the House last week and said that any idea of the Conservative task force which was not already in place was regressive and startling. That told us more about the Minister and his knowledge of his Department and the advice given to it than anything else. That same Minister stood in the House and told us that $1 billion of unemployment insurance funds were going into the pockets of people so that they could take training, when the Main Estimates indicated $250 million or a quarter of that amount, and that the Government had the intention of cutting unemployment insurance funds for people to take training. To have the Minister stand in the House and tell us the opposite speaks volumes about the competence of

the Minister, the concern of the Minister and of the entire Cabinet. The ideas have been around for years. To this day the Minister gives us no indication that he understands those ideas or that he has a legitimate committee to the actualization of those ideas.

What about the educational challenge of the future? Those of us who serve society in the capacity of Members of Parliament of whatever political Party, those of us who have constituency offices in our neighbourhoods and communities, are in touch with unemployed Canadians. They telephone us and they come to see us. Many of them have a rather consistent history of unemployment which goes back a good many years. The common characteristic of those people is that they are not particularly well trained or well educated. Statistics Canada and OECD tell us that somewhere between 27 per cent and 30 per cent of the labour force in the country are functionally illiterate. They cannot read or write well enough to participate fully in training for the modern age. That is a large part of the problem of those who have experienced a great deal of unemployment in the last 10 years to 20 years.

Every Member of Parliament who serves in this Chamber is meeting with unemployed Canadians who have a lot of education, who have obtained master's degrees or doctorates, who have been engineers with 20 years of experience. They are family people with mortgages, car payments and all the obligations which are characteristic of people who have been successful in the labour force for 10, 15 and 20 years. It is those kinds of Canadians who represent the increase in unemployment. Personal anguish is always part of finding themselves suddenly or unexpectedly unemployed. It is that kind of personal anguish which produces statistics such as the following: that every 1 per cent increase in unemployment in society produces a 5 per cent increase in stress-related diseases such as heart attacks, alcoholism, suicide, severe depression and mental illness.

• (1115)

In the life of this Government over the last four years, the unemployment rate has been hiked by 4 per cent to 5 per cent. That tells us, Mr. Speaker, that there is a 20 per cent to 25 per cent increase in stress-related illness in this country as a direct consequence of unemployment. What do we say to those unemployed people today? We tell them that they can collect their unemployment insurance cheque, but do we tell them that while they are collecting that cheque, in a climate where jobs do not exist they can go to school and upgrade their skills? Do we tell them to prepare themselves for the jobs of the future? As a society, Mr. Speaker, we do not, and I suggest to you that it is time we did.

In our Canadian society we must begin to treat the utilization of social expenditures as an investment in people, as a necessary investment, as a wise investment and as a compassionate investment. We must begin to invest in people so they can have a sense of hope about the future. That is the first major shift in public policy which our Party is calling for.

I would like to contrast the Canadian experience with the Japanese experience for just a moment. One of the research findings in the world today is that the average Japanese adult scores ten points higher on an intelligence test than the average North American adult. Does that tell us that there is a genetic difference? I suggest to you that it does not. However, it tells us a great deal about the Japanese culture and its commitment to the educational process. In a nation like Japan, Mr. Speaker, when the economy goes down a little and there is less need for people to do the jobs, the Japanese people go into further training. They are not laid off or put out on the street. They are not told to sit at home and apply for jobs three times a week. They are encouraged to learn something more than they already know. That pays off across their whole society. When we look at the Japanese economy today and we see that it is healthy, that its unemployment and inflation rates are lower, and that it is succeeding in an increasingly competitive world market, we do not have to look much beyond the commitment to education and training to find a reason for its success.

I suggest to you, Mr. Speaker, that there are five changes in public policy indicated in this country. We should make those changes as quickly as possible and with as much strength and vigour as we can muster.

The first change, Mr. Speaker, is to increase educational consumerism. We have to change the tax system to make it as desirable to invest in people as it currently is to invest in property, machinery and buildings. Surely, Mr. Speaker, the strength of this nation is in its people. Nothing is built, nothing happens in the economy, without well trained, committed, motivated and skilled people. We must examine every piece of public policy with a view to directing our efforts towards increasing educational consumerism, the willingness of people to participate in educational processes.

Second, Mr. Speaker, we have to use these social assistance and spending programs to support adults in the pursuit of knowledge, in training and retraining. They need income help to make their mortgage and car payments while they participate in training.

Third, we have to move beyond our dependence on the public sector to be the sole provider of educational opportunity and encourage the private and non-profit sectors generally to become more active and more involved in the provision of knowledge. They can then pass on their knowledge to succeeding generations, young and old.

• (1120)

The fourth plank, Mr. Speaker, is to provide special support to those with the inclination and background which enables them to fill jobs dedicated and devoted to the creation of knowledge itself, those of technicians, scientists and so on. We talked about this as a commitment to research. If you conceive it broadly, then we are on the right track. But looking ahead to the creation of the two million jobs necessary, no one knows what they are going to be. We do know, however, that it is human creativity and inventiveness, built on human skills and

knowledge, which will produce those new products and services to employ Canadians who are looking eagerly for work. Therefore, the fourth plank is commitment to the creation of new knowledge and we must move quickly on that.

The fifth plank, Mr. Speaker, is really what I think of in a sense as an energy resolution. We waste so much energy in this nation of ours in confrontation between governments, between governments and labour, business and labour, and business and government. We have to re-examine many of the institutions in our society, always with the view to reducing confrontation and increasing co-operation. We will not solve major problems, in particular the training problem, we will not make the massive commitment necessary to training and retraining of our labour force, in the absence of an attitude characterized by co-operation rather than confrontation.

Throughout this day, Mr. Speaker, a number of Members from our Caucus will be standing in this Chamber and speaking to the issue we have identified in our motion. If I can just read it one last time before I sit down, it says:

That this House condemns the Government for its failure to work co-operatively with the provinces, business, labour, voluntary organizations and the educational community to provide adequate training and retraining opportunities that would enable Canadian workers to feel confident about their ability to deal with the challenges of rapid technological change.

Mr. Speaker, a recent survey in Canada told us that 40 per cent of Canadian firms are experiencing difficulty today in hiring people with the proper training to do the job. In a country where measured unemployment is 1.5 million people and true unemployment is two million people, we have jobs going begging because Canadians do not have the necessary skills to fill them. This is a national tragedy; however, it is solvable. I suggest to Members that as the day goes along it would be worthwhile to put on the table their ideas as to what we should be doing to solve that problem.

The Acting Speaker (Mr. Herbert): There follows a ten-minute period for questions or comments. If not, then the Hon. Member for Winnipeg-St. James (Mr. Keeper) for debate.

● (1125)

Mr. Cyril Keeper (Winnipeg-St. James): Mr. Speaker, I welcome the opportunity to participate in this opposition day debate. I want to commend the Conservatives for choosing this topic. I think it is important that this topic has been chosen for debate today because it is a crucial concern of all Canadians. The Official Opposition's motion calls upon us to pay attention to retraining as it affects the opportunities or lack of opportunities resulting from technological change. Although it is important to focus attention upon training and retraining as a result of the technological change that we are going through today, obviously a focus on training only is not sufficient. If we are going to train people we must ensure there will be jobs for people once they have the training.

Technological change, Mr. Speaker, does not only involve a few computer or software companies in the Ottawa valley or other kinds of high-tech industries being introduced into the Canadian economy. Technological change is an all-pervasive phenomenon that affects every institution, industry and sector of Canadian society. It is affecting the old and established industries which need to be retooled. It is a cause for the emergence of new industries and for a reshaping of the whole economy which involves a growth in the service sector.

Technological change promises the creation of new wealth. It is this promise of new wealth that is at the core of how we approach technological change. If this new wealth is simply going to be for the few, it is going to lead to continued polarization of society and continued injustice and we will be left with large numbers of people unemployed. We must address the question of the distribution of wealth that results from technological change.

One of the ways of approaching this is to look at it from the perspective of job creation and employment. Up until now technological change has resulted in massive job loss. Most of the studies which deal with technological change indicate that there will be more of this in the future. We must ask ourselves how we can assure that all Canadians have employment as we go through this period of technological change and job loss.

One of the concrete ways, Mr. Speaker, of assuring the fair distribution of wealth and jobs is to put greater priority on the concept of the introduction of a shorter work week. If technological change is going to produce greater wealth and raise the productivity of our economy, it should be possible within that framework to reduce the length of the work week. There would, therefore, be more people employed and the people who would otherwise be unemployed would not be bearing the burden of technological change.

However, moving toward a shorter work week will not solve the unemployment problems that will result from the social change that is occurring in our society right now. We will have very seriously to consider how we can create vast numbers of new jobs. One sector in which we can create new employment is human resources, whether as part of the Public Service or the volunteer sector. It is important to begin paying decent wages to people in these sectors. This includes people who work in daycares and those who take care of senior citizens in senior citizen homes, nursing homes or by assisting with chores that seniors cannot handle on their own.

● (1130)

Of course, in order adequately to compensate these people and ensure that enough are doing these jobs, it is necessary to find the money to pay for those services. I suggest this money should come from the increment in wealth that is promised as a result of technological change. Those companies which have increased productivity and therefore a greater share of markets, greater wealth and income should pay a fair share of the tax burden in this country so that we can see that human needs are being met and that our people are employed.

Fair distribution of wealth as a result of technological change brings into question the whole issue of fair taxation. It is a well known fact that over the last couple of decades in this country the burden of taxation has shifted from the corporate sector to the individual. The system for individual income tax

is so riddled with loopholes that it is no longer the progressive taxation system that it should be. These many loopholes in the taxation system permit people who earn over $100,000 a year to pay no income tax while the very poor people are faced with a heavy taxation burden. An important part of dealing with technological change in the future concerns implementing a fair taxation system.

Technological change also involves a great adjustment for workers. In order for people humanely to adapt to this change, it is necessary that a number of policy changes take place. For example, when new technology is introduced into an industry, it is important that consultation should take place with the workers so that they are involved in the decision-making concerning the introduction of new technology. The decision for these changes should not be left solely to the individual manager in particular industries; the involvement of workers must be enshrined in legislation. Furthermore, those who will be affected by technological change should be given sufficient notice of this change so that they can prepare for that adjustment.

We must ensure that when workers are laid off as a result of technological change, there are adequate severance pay provisions because the provisions now in place are simply inadequate to deal with the massive technological change that we are experiencing today.

Training is another element of technological change and social adjustment which people must face. Those who lose their jobs because of technological change must have adequate training so they can move into new employment that provides them with a fair and equitable lifestyle and income. In other words, people who are displaced by technology should not have to leave a good-paying job for a low-paying position. They should be ensured of a fair share of the wealth which will eventually come to our society with these changes. This can be assured by adequate training.

There have been a number of proposals for increasing the amount of training in Canada, particularly with respect to the private sector. Let me focus my attention on this subject. A recent report recommended the introduction of paid educational leave. This is an important step for Canadian society to take. It would allow employees to accumulate the right to a certain amount of training, depending on how long they have worked in the industry. Such a program would encourage industry to support the training system in Canada. This is a necessary step, given the over-all record of inadequate training in this country compared to that which takes place in Europe, for example.

Paid educational leave could also alleviate one of the fundamental social problems we face today, which is the serious problem of functional illiteracy. Many people today simply do not have adequate literacy skills in order to function in a modern industrial economy. This recommendation must be considered not only in the context of a productive economy but also from the point of view of social justice. There is no way that those who are functionally illiterate can participate fairly in the wealth of our society.

Women have already been severely affected by technological change and will continue to be affected by this change in the future. Women already suffer inequality since they currently earn approximately 60 per cent of what men earn in similar employment. Since technological change will affect those industries which predominantly employ women, this inequality will increase rather than decrease the difference between their wages with men unless deliberate steps are taken to give them adequate training. These women must have specific training programs to which they have adequate access so that they can share in the wealth that is produced by our economy.

Women are not the only minority group that requires training for our changing economy. The recent report entitled *Equality Now* focused attention on visible minorities. A productive society which produces wealth must assume social peace and consensus. This can take place only when everyone is treated justly, which cannot happen if some are excluded from sharing in the benefits of our society. The visible minorities require specific strategies in order to have access to the mainstream of Canadian society and good jobs. This requires an affirmative action approach to visible minorities.

• (1140)

Today we have unprecedented numbers of young people who are unemployed, who really have come to the conclusion that they have no hope for the future with regard to employment. Our training endeavours must include them. If we simply abandon a generation of young Canadians to a hopeless situation, then we are setting a time bomb for Canadian society in the future.

When I first started speaking, I mentioned that it was not sufficient to focus upon training alone. When we think in terms of adjustment, we have to think not simply in terms of the adjustment of individual workers but also in terms of the adjustment of the economy as a whole. We need to put in place an industrial strategy to see that we get a fair share of tomorrow's markets, and as technological change sweeps through our economy we must see that we have strong and productive industries. This cannot occur simply by happenstance. Nor can it happen if we leave it to the private market alone. We have to plan the ways in which we are going to ensure that Canadians produce the goods to meet the domestic needs we have and that we can produce goods in a way that allows us to have an adequate penetration into international markets.

We have to plan policies for adjusting the Canadian economy not just with the objective of economic growth but also in the context of full employment. We must aim all of our instruments of public policy at the objective of providing jobs for all Canadians. If we are going to put in place adequate training, then we have to ask, training for what? Therefore we have to plan for those jobs which have to be in place if technological change is going to serve people rather than people being oppressed by technological change.

Briefly let me say that the inadequacy of the Government's approach to technological change is visible in communities. It is visible by virtue of the fact that there are so many unemployed people today. The Government gives no evidence of introducing strategies that will be adequate to provide employment for Canadians. We know from experience that the Government's approach to technological change does not measure up. It is really totally inadequate.

The Conservatives have rightly introduced a motion today calling our attention to training to meet technological change, but the problem with the Conservative approach to technological change is that you have to ask the question, training for what? If you are going to train, you have to plan jobs. When you are hidebound by a free enterprise ideology and you simply leave economic development to the marketplace alone, then, Mr. Speaker, you are likely to end up with a situation no different from the situation from which we are suffering today, namely record high unemployment. I must remind my Tory colleagues that it is not only important to train people for work, but we have to plan the economy in such a way that we will provide work for all Canadians.

The Acting Speaker (Mr. Herbert): There follows a ten-minute period for questions or comments. The Hon. Member for Calgary West (Mr. Hawkes).

Mr. Hawkes: Mr. Speaker, I would like to congratulate the Hon. Member for bringing out the issue of notification of the introduction of new technology. Common sense tells us that in Canada today technology has been introduced into the workplace very, very successfully when there has been sufficient advance notification and when there has been a good collective bargaining process in place. I wanted to get to that, but I ran out of time and I thank the Hon. Member for bringing that issue forward.

However, the Hon. Member concludes his speech with the question "training for what?" I suggest to him that if he had spent the last six months, as I have, trying to look at the literature, meeting with representatives of industry, business and provincial governments, he would find that you are forced, in a common-sense way, to come to the conclusion that we do not know what the jobs of the future will be. We do know that we will not have them unless we are competitive and unless we have broad education which gives people sufficient background skills to be inventive so that they can bring forward the new products and services that will employ people.

In that context, I wonder why the New Democratic Party remains attached to the shorter work week. In nations where the shorter work week has been tried it is not producing the jobs that theory said it would. And I wonder why the New Democratic Party is still attached to the levy-grant system, Mr. Speaker. Surely the levy-grant system is a system dedicated to the promotion of the *status quo,* that is, the training of people for jobs which are most likely to become obsolete. That is the experience of other nations with regard to the levy-grant system, and that is the experience with the shorter work week. Could the Hon. Member for Winnipeg-St. James (Mr. Keeper) indicate to us whether or not the NDP supports the concept of broader educational patterns, things like computer literacy, not because we know what the jobs are going to be but simply because we know the computers are going to be involved in them? Therefore, a broader educational picture, a total societal commitment to more education for everybody, is better than a shorter work week and better than a levy-grant system.

Mr. Keeper: Mr. Speaker, it is clear and obvious that we have to have a very broad educational base for all Canadians if we are going to have people with the skills and abilities to operate in a technological society. That is a given. We have to have very broad-based educational programs. As a part of that we have to move governments to deal with the whole question of functional illiteracy. We have to have broad-based education so that people are functionally literate. We have to deal with the presently existing career problem of functional illiteracy. We have long been urging the Government to attack functional illiteracy.

With regard to the question of the shorter work week, it is a concrete, important step toward sharing the work in society and toward sharing income in society. Obviously it cannot be the only thing; it has to be part of the over-all package. It has to be part of an over-all strategy the aim of which is the provision of employment for all Canadians. I am surprised that my Tory colleague has rejected the notion of a shorter work week. As long as we bring in new technology, as long as we increase productivity, why can people not look forward to a share in that wealth? Why can they not look forward to more adequate holidays? Why can they not look forward to early retirement? Why can they not look forward to a more decent work week? I think the shorter work week is an essential element of a full employment strategy. We should not be operating simply on the basis of growth for growth's sake; we have to use economic growth to serve people.

With regard to the levy-grant system, this is a system which would be set in place in order to encourage training in industry by industry.

Mr. McDermid: Nonsense.

Mr. Keeper: One of the fundamental problems that we have as an economy is that companies do not do sufficient training. We do not train our own workers. We tend to import them, for example, from Europe.

Mr. McDermid: But not because of the levy-grant system.

Mr. Keeper: We can no longer operate that way and be competitive in international markets. The way the levy-grant system would encourage training is by sharing the cost of training equitably among all industries within a particular segment of the economy.

We stand four square for training in industry, for the levy-grant system, for a shorter work week and for full employment, Mr. Speaker.

The Acting Speaker (Mr. Herbert): I must ask Hon. Members to make their comments, questions and responses a little shorter in order to give everyone a chance to participate. The Hon. Member for Mississauga South (Mr. Blenkarn).

• (1150)

Mr. Blenkarn: Mr. Speaker, in his remarks the Hon. Member said that we could not dare trust the marketplace to determine what kind of jobs our young people and those who need retraining will have in the future. Whom would he like us to trust? Would he like us to trust the civil servants, the bureaucrats or politicians? Does he suggest that perhaps the New Democratic Party would be better to be trusted in terms of job creation and opportunities for young people? Is his idea that somewhere along the way the state, in its all-seeing wisdom, can create jobs and know where those jobs are going to be in a technological world? Is there some other place where we can look for expertise, other than the demands there will be for new products and so on? My son has a business today that two years ago did not exist anywhere in North America. We would not have that kind of development in his new world.

Mr. Keeper: Mr. Speaker, this is a typical Tory question which tends to distort rather than inform. It is not a matter of the market place or not the marketplace but a matter of planning in order to be effective in the world market. Individual firms plan. They have a strategic notion of where they are going. Likewise, it is important for a nation to plan where it is going. You cannot get to a particular destination unless you chart your way. What is missing in the Canadian economy is the laying out of a plan in order to indicate how we are going to achieve employment for all Canadians. How are we going to achieve the necessary economic growth that can put people back to work? It is not enough to leave it to the results of the marketplace without planning. We have to combine planning with the marketplace.

Mr. Hawkes: Mr. Speaker, following on the theme of who plans, I have here an article in *The Globe and Mail* of May 7, 1983, almost a year ago. There is quote after quote about Liberal federal Government planning regarding priority occupations, yet when people graduate with particular sets of skills there are no jobs. In the meantime, there are jobs but people with no skills. We have had decade after decade of central planning for training for occupations of the future.

I have one simple question. Is the Hon. Member willing to redefine the concept of work to include the concept of school and retraining? If he is willing to do that, does he hold to the position that the work week should be reduced? Does he believe that people should be engaged in productive activity, including school, fewer than 35 to 40 hours per week, or is he willing to redefine work so that a larger portion of a person's life cycle is spent in being retrained, re-educated and further educated?

Mr. Keeper: Mr. Speaker, obviously it is necessary for people to spend an increasing portion of their life in training and education. We need more flexible systems in order that people can get the training they need. This is not contradictory to the notion of a shorter work week; it is complementary to a shorter work week. If people can get the kind of training they need, obviously when they are training, others can do the job they would otherwise have to continue doing. The notion of paid educational leave would have a positive impact with regard to employment because when an individual recognized his right to train, someone else would have to be brought in to do the job. That would provide employment for more people.

The Hon. Member also talked about planning. He said that we had central planning and it did not get us any place. Planning does not have to be central planning. There are some decisions that have to be made centrally, but a lot more decisions have to be made locally. It depends on the framework and structure put in place to ensure that the planning is done in an intelligent way. Just because the Liberals have botched up planning is no reason to throw out the notion of planning. If we want our economy to serve people, we have to plan how it can be done.

The Acting Speaker (Mr. Herbert): That is the end of the ten-minute period for questions and comments.

Mr. John McDermid (Brampton-Georgetown): Mr. Speaker, I am surprised that the Liberals are not participating in this debate today. May I preface my remarks by congratulating my colleague from CalgaryWest (Mr. Hawkes), not only for bringing forward this very timely motion but also to congratulate him together with a colleague in the other place, Senator Nurgitz, on the release of an excellent report by the task force on technological change in manpower training. It is a Progressive Conservative Party report, I might point out. It is an excellent report with some excellent recommendations. The Government has been asking for some positive recommendations from our Party and has been receiving them. The last two have been on Revenue Canada and on manpower training. I hope the Government will take them to heart because they are well thought out, well researched, well reasoned and will work.

I want to go back into the history of training in our country and what has gone on in the past that leads us to where we are today. For far too long we in this country have been importing our skilled labour, primarily from Europe. It has been extremely easy for companies to get skilled people from Europe because of the training programs there. I say to my colleague from the NDP that it is not because of the grant-levy system. The apprenticeship program in Europe goes back many hundreds of years. Apprentices are guaranteed to complete their apprenticeship. That is the difference between European apprenticeships and those in our country today. In this country we use the last on first off principle. An apprentice starts his apprenticeship with a Canadian company not knowing for sure whether he will finish it or not. That is a major problem here which is not experienced in the European picture.

When a young apprentice in Europe applies, is accepted and starts the long journey to getting his journeyman's papers, he is assured that he will in fact complete his apprenticeship. A

job is not guaranteed with that company once he receives his journeyman's papers, but he does receive his apprenticeship.

I am told that in the manufacturing industry the first year of an apprenticeship costs a company some $60,000, what with the training, salary and loss of productivity within the plant for that period of time. That is a tremendous amount of money. When you look at something like that, you understand why companies go to Europe to import skilled labour. For $60,000 they can do a tremendous amount of looking in Europe for the skills required and pay the moving expenses of an individual or family to take a skilled labour job in Canada.

● (1200)

It is interesting to note that in this country training has primarily been undertaken by the small and medium-sized manufacturing firms as opposed to the large industries. For example, much to my surprise General Motors began an apprenticeship program within the last three or four years and has now set up quite a fine school in its Windsor plant. This was the first time that had been done.

When we were travelling around looking into the unemployment problem, officials of General Motors readily admitted to us that they had stolen all of their skilled labourers from small and medium-sized firms. In other words, they had let the small and medium-sized firms do the training and they took the expertise. That situation is changing slowly. Companies are beginning to realize that they do in fact have a responsibility to train employees and that it is very important to their increased productivity and competitiveness that they must in fact begin to train employees right here at home.

Another problem is that the skilled labour market in Europe has almost dried up. The remuneration and fringe benefits offered to skilled labourers in Europe do not motivate those labourers to come to a new country. The drop in emigration of skilled labourers has also forced companies in Canada to begin their own training programs and these programs must continue.

While I am on this subject, I would like to speak about the grant-levy system. Variations on this system can be found in Europe. France has a system which is entirely different from that in Britain but it is still called the grant-levy system. The theory of this system is that all of the manufacturing companies in one particular field pay into a fund, those who receive training can withdraw money from this fund to pay for the training and those who do not receive training simply pay money in without receiving any back. When we examined this program, we found that the grant-levy system was in fact not working and that it created a huge bureaucray. I can understand why members of the New Democratic Party like this system. It creates another huge bureaucracy and they love that kind of thing. That is their idea of job creation.

The policing that must go on within this system is phenomenal. People enter individual plants every week to make sure that training is occurring and that the proper forms are being filled out, et cetera. The people who participate in this system are so frustrated with the bureaucracy that they simply do not see it working. Others are happy simply to pay into the fund without receiving training because in the long run it saves them problems and the hassles of bureaucracy. Once a year they simply pay into the fund. I do not think that that is really the answer to the problem we are experiencing in Canada.

Another problem with the grant-levy system is that so many companies are exempt from it. Employers with fewer than 10 employees, those with their own programs and many other employers are exempt. It is a bureaucratic nightmare. If Canadian businesses are saying anything to the Government, they are telling the Government to stay out of their hair or whatever little of it they have left. I can see that the Hon. Member for Sarnia-Lambton (Mr. Cullen) is winding up to make a comment so I thought I would say that before he did, Mr. Speaker.

The grant-levy system has not proven to be the answer. It simply does not work. When it does operate, it creates an enormous bureaucracy. We visited the operation in Britain and found the administration of the system required its own building. There were regulations like we have never seen before. It was a very interesting trip. I am sure that if the Government looked into that program in any detail, it would find that the grant-levy system simply does not work.

I would like to speak for a moment about one of the findings of the task force which has been reported from time to time and that is the high percentage of people in the country who are functionally illiterate. When I was involved in the task force on employment opprtunities in the 1980s, one of the greatest shocks I received as a member of that task force was to learn of the high percentage of people who are functionally illiterate. I think all of us from all Parties who were members of that task force were very surprised by this. Unfortunately, when this finding was included in a report, the provincial governments and teachers' associations interpreted it as an attack on their ability to teach in the public school systems. However, it was not that at all.

There are many people in the country who, for one reason or another, leave school at a very early age. Perhaps they leave school to work with their parents in the fishing industry or the hunting and trapping industry. There are many new Canadians who have not experienced the luxury of an educational system such as the one in Canada and who find it very difficult to read and write in either one of the Canada's official languages, or in their own language for that matter, because they have not had the opportunity to do so. We desperately need an attack on this problem. At one time the federal Government had a national reading program and was very concerned with the problem, but lately it seems that the Government is not paying too much attention to the illiteracy problem in the country.

I am finding that there are many Outreach groups in communities across this great land of ours which are very interested in getting involved and helping the illiterate. It is sometimes difficult to identify those who are illiterate but the staff at local Canadian employment offices will admit that they can readily identify those who have trouble reading or

filling out forms and who need help. Before we can teach people the skills that are required for the times ahead, we must address the problem of illiteracy.

We read every day about the drop in the numbers of children who are attending school, about teachers who are being laid off and about schools which are being closed down. I know that schools have been closed down in the riding of the Hon. Member for Niagara Falls (Mr. MacBain). I believe we can use these facilities, not only as training areas for tackling this problem but also as daycare centres which will take care of children so that people can upgrade their skills. The challenge exists and I will return to that challenge in a moment.

I would like to speak about native people for a moment. Aboriginal people in the country are experiencing job discrimination; there is no question about that. The aboriginal groups are a great source of skilled labour. Native people must be given the opportunity to be trained and to receive the education that is available to the rest of Canadian society. I would hope that any national training program would pay special attention to the aboriginal people of the country who are experiencing the highest unemployment rate in the country.

When speaking about the unemployment rate, the 11.3 per cent or 11.4 per cent of the population who are unemployed today, one of the interesting things about that figure is that it does not include native people. If they were included, the figure would be much higher. Through any training program, aboriginal people must be given the opportunity to develop the skills that others have the opportunity of developing.

I would like to deal with co-operation for a moment. Because of the Constitution, education is the responsibility of the provincial governments. They guard that responsibility jealously. I cannot blame them; I understand. But when we are talking about training for skills which will be required in the foreseeable future and when we are talking about mobility of labour from one province to another, from one region to another, we must talk about co-operation.

• (1210)

I think twice a year the Council of Education Ministers gets together. There is very little federal involvement in that organization. When it comes to national training, the federal Government must participate more in a co-operative manner with that Council. There is a great necessity to involve labour and industry in meaningful discussions on manpower training. I have visited company after company in my riding and I am concerned when I see skilled workers becoming older and there are no younger ones to take their place. In a very short period of time the manufacturers will be coming to us and saying that they do not have any skilled labour and that they will have to go to England, Germany of France to find it. It is important that all levels of government sit down together and seriously discuss our training objectives and our training programs.

After travelling from the rocky shores of Newfoundland to Victoria, to the Northwest Territories and all places in between, visiting union halls, manufacturing plants, small businesses and high-tech industries, I realize that we have a fabulous opportunity in Canada to be a leader in many areas of industry in the world. We must remain competitive and to do that we must become more productive. To achieve those goals we must have better training in the country.

Canada has the greatest opportunity of any country in the world. I do not think any Member of the House would disagree with that. Anyone who has travelled around the world is happy to come back home. We must stop bickering and his combativeness which seems to have developed and reached a crisis porportion today. We must start co-operating and ensuring that training programs and the expertise of the nation are allowed to grow and to flourish.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Herbert): There follows a ten-minute period for questions and comments. The Hon. Member for Mississauga South (Mr. Blenkarn).

Mr. Blenkarn: Mr. Speaker, the Hon. Member shares a common region with me in Peel. In that area there is a program which has been ongoing for a number of years run by the Dufferin-Peel Board of Education. With the Hon. Member's interest in literacy, could he enlighten the House as to how he feels that program is working on a voluntary basis? Volunteers are recruited by the Board to teach one on one people who cannot read or write and therefore cannot apply for jobs or read ordinary headlines in the newspapers and so on. How has that program changed the situation and made it more practical for some of these people to be re-employed?

Mr. McDermid: Mr. Speaker, I am very familiar with that program. It is sponsored by the Dufferin-Peel Separate School Board. It has obtained funding through the Summer Works Program and the Winter Works Program, but unfortunately those funds have been cut because the Minister does not want programs to become dependent upon temporary funding. I agree with that but we must have—and I covered this in my speech—Outreach programs such as the one of the Dufferin-Peel Separate School Board. It has done excellent work.

One of my greatest thrills occurred after the first summer of this program. The students were required to write a letter to their Member of Parliament. This was the first letter any of these people had ever written in their lives. It was a magnificent experience. However, the program is too small; it only helped about 90 people and there are 500,000 people in the region about which the Hon. Member for Mississauga South (Mr. Blenkarn) talks. If we are talking about 25 per cent to 30 per cent—and there is some argument about the number of functionally illiterate—we can see that we have barely scratched the surface.

This is a program in which the federal Government could quite legitimately become involved without stepping on provincial toes. It can co-operate with the provincial governments to a great extent. I am very familiar with that particular program. I congratulate them on their success and only wish that we could help them more by reaching more people in a very positive way.

The Acting Speaker (Mr. Herbert): On a question, the Hon. Member for Bow River (Mr. Taylor).

Mr. Taylor: Mr. Speaker, I commend the Hon. Member for Brampton-Georgetown (Mr. McDermid) on his very excellent address. I was particularly interested in his comments on the education of native people. In my constituency we have a school called the Old Sun College. I have been delighted with its progress. Indian boys and girls are able to become mechanics, typists, et cetera. However, the Department of Indian Affairs is continually withholding funds or stalling with this college so that it never knows whether it will operate from one year to the next or otherwise. I agree with the Hon. Member that there should be some intensive programs for training native people. Many people bemoan the fact that they are on welfare, but here we have an opportunity in Old Sun College for people to learn trades and become self-sufficient. Would the Hon. Member enlarge upon his comments with regard to teaching trades and providing other educational facilities for our young native people?

Mr. McDermid: Mr. Speaker, first of all I must congratulate the Hon. Member for Bow River (Mr. Taylor) on his renomination on the weekend.

Some Hon. Members: Hear, hear!

Mr. McDermid: We were very pleased to hear that he was renominated and will be back in the House on the government side after the next election.

I am very concerned about our aboriginal peoples and training programs for them. There is no question that there is job discrimination toward our aboriginal people. It is because of a reputation that has grown up which I for one think is unfair. We have to approach the problem very seriously and return responsibility to Indian people for their own affairs. For far too long the Government has controlled their lives. This comes into play in the area of education. The Progressive Conservative Government will concentrate—

Mr. Dubois: Of Ontario?

Mr. McDermid: The Progressive Conservative Government of Canada after the next election will concentrate upon economic and cultural development for aboriginal people as opposed to the social welfare system upon which the Government concentrates. That is what has to happen. Education plays a very important part. We have to ensure that they have clear access to training programs, that they receive the same quality of education as everyone, and that, when they get out into the world, they are on an equal basis with every other Canadian. That is what the Progressive Conservative Government will do after the next election.

The Acting Speaker (Mr. Herbert): If there are no further questions or comments, on debate, the Parliamentary Secretary to Minister of Employment and Immigration (Mr. Dubois).

• (1220)

[*Translation*]

Mr. Jean-Guy Dubois (Parliamentary Secretary to Minister of Employment and Immigration): Since the beginning of the debate, Mr. Speaker, the Progressive Conservatives have created the impression that they are quite proud of the motion before the House. If, as they claim, the problem is that serious and if they have so much to say about it, how is it that their motion does not call for a vote? Just what do they have to say about the situation described in the motion? In any event, they may talk all day long about what they see as a crucial issue—they talk about their own future Government! They should not dream in colour nor count their chickens before they are hatched. With respect to new technology, or the rapid technological change, as the motion puts it, this will give us an opportunity today to consider what the Government has been doing these past few years, particularly since the adoption of the 1982 National Training Act which has paved the way for a new national program. Obviously, if Canadian workers want to have the highly paid future jobs, they will have to develop the skills required by industries in leading sectors, and this motion gives me an opportunity today to say what we have been doing. Mr. Speaker, we do not want to take a short-sighted approach, and that is why the Government was prompted by the worldwide economic crisis to provide Canadians with the National Training Program to make it a lot easier for our labour force to adapt itself to the new conditions of the labour market. The National Training Program is an offshoot of the National Training Act adopted by the House a little over two years ago. Having weighed the pros and cons of this program, Hon. Members—particularly our colleagues opposite—know full well that the Government did not spare any effort to improve vocational training and reassess its purposes. Our progress in that field stem from the National Training Program. Basically, Mr. Speaker, the Government had two objectives when it introduced the National Training Act in the House. I should like to mention them so that our Progressive Conservative colleagues will be able to refresh their memory and see for themselves just what has been done in answer to their motion of today. The first objective of the National Training Act was to create a pool of skilled workers needed by employers anxious to expand their operations. There cannot be any doubt about it, the future of our industries is at stake. The second objective, a sequel to the first one, is to help Canadian men and women become more competitive and more productive on the labour market. It stands to reason that the future of all Canadians is at stake. Those are the two objectives of the National Training Act, and discussions have already been held with the provinces, labour and management. In that respect, the Official Opposition Party has been doing a lot of talking and came out with its famous report at Mont-Sainte-Marie. The Minister himself referred to it in answer to a question in the House, explaining what the Canadian Government had done precisely to come to grips with new technology. The

Liberal Government considers new technology as something important, and that is why we have been trying to attract high technology industries in every province throughout Canada. Bell Helicopter immediately comes to mind, Mr. Speaker, and I can still recall that Members of the Official Opposition had scoffed at that suggestion. They were saying that perhaps it should not locate in Quebec, or even wondering why it should even consider Quebec in the first place. I do remember some of their questions! Well, Mr. Speaker, the Canadian Government thought in terms of high technology precisely because it wants to emphasize programs and industries such as Bell Helicopter.

In order to achieve the purpose of the National Training Act, the government of Canada has established a manpower training strategy the implementation of which is continuing under the act.

If I may, Mr. Speaker, I should like briefly to describe the key elements of the employment opportunity strategy which the government has elaborated for the 80s.

First of all, it is absolutely necessary to secure the best possible information available on job requirements. It is clear that if we lack this basic information in the area of advanced technology and do not know in what direction we should go, we are doomed from the start. In my opinion, it is of the utmost importance to know where we are going. To this end, the government is working in cooperation with business and labour to ward the establishment of the Canadian Occupational Projection System. Also, Mr. Speaker, it was equally necessary to amend our institutional training scheme to ensure the success of our initiatives. Training schools must adapt to the new conditions prevailing on the labour market to provide workers with useful skills.

Such an adaptation is difficult because the number of trainees is not increasing. Special funds, therefore, had to be allocated to up-date training facilities wherever necessary. Projects financed by the Skills Growth Fund under the National Training Act are starting to yield very concrete results of which we can be very proud, Mr. Speaker.

In this connection, Mr. Speaker, when we consider the use which is being made by our teaching institutions, such as the Quebec CEGEPs and similar institutions in other provinces, as far as grades are concerned . . . Recently, the minister had also announced allocations to the Skills Growth Fund in Ontario, in Quebec and throughout Canada. A number of Quebec CEGEPs have received as much as $8 and $10 million, both in Montreal and the surrounding area where there are advanced technology industries requiring workers which highly specialized skills. That is what we have done through the Skills Growth Fund, and that is why we have made funds available to it and they are available because the National Training Act has been passed.

I believe that, by falling in with the requests from these financial institutions, the Canadian Government is also answering the aspirations of businessmen and organized labour, who are well aware that, if we want to have high technology industries, keep those we have or attract new ones, we must have the skilled workers they call for. This is what we are doing through the National Training Act and the Skills Growth Fund.

The Government is constantly seeking to improve the amount and the quality of the training that is required by the industry. In particular, we must increase on-the-job training in the occupational fields essential for economic growth in Canada. The new programs for general industrial training and training in occupational areas where specialized manpower is in short supply are essential tools for bringing about the required improvements.

Other initiatives are needed, Mr. Speaker, to better integrate training programs within the institutions and the industries. We are working on it in co-operation with the Provinces, the employers, the unions and our specialists in the Department of Employment and Immigration.

In a fast changing world, workers will have to go on acquiring new skills throughout their career. Consequently, we shall have to find ways of allowing them the time to do so. Work sharing and development leave will have to be used increasingly for this purpose during the upcoming decade.

Mr. Speaker, the Canadian Government does not specialize in the closing down of plants as a means of solving the problems related to the upheaval that has been witnessed on the labour market in recent years. However, the Government is aware that we are entering an age where outdated industries will have either to modernize or be replaced by others better suited to the new labour market conditions.

• (1230)

Sure enough, this adaptation is hard to achieve in certain areas of the country where it is sometimes suggested that businesses are closing down. Mr. Speaker, we want to work at bringing in new industries and to offer retraining programs for these workers who, very often, do not have very many years of schooling and have been working for several years for companies which are closing down because of various problems. Naturally, it is not always easy. However, we have developed programs in certain sectors designed to help people who had to retrain or had to quit their jobs.

Of course, we must help industry which choose the lofty road to progress, and we must also provide special assistance to the workers of industries on the downgrade. Some businesses in high technology industries must get more generous assistance, because even though their order books might not yet be full, this government favours technological progress and must be willing to make the required efforts to prevent the industries with a future from sinking.

Mr. Speaker, we believe there are two factors that have a major importance when determining the impact of technological changes, namely those sectors in our economy which will be the most affected by these changes and the speed with which these changes materialize. In working out this concept in co-operation with the other Government levels, as well as with business and labour, the primary aim of the federal Government was to set up an early warning mechanism. Mr. Speaker, this mechanism is the Canadian Occupational Projections System.

As we have emphasized several times, flexibility is the key of success for the National Training Act, and I mean its flexibility to adapt to the ups and downs of the economy and the requirements of the labour market. The basic component of this flexibility is the Canadian Occupational Projections System.

With the information provided by industry, the unions, the Provinces and the federal Government, the Canadian Occupational Projections System, gets specific data on the trends in the labour market. Thanks to this system, fields of occupation which should have priority can be identified and the training grants provided by the Government can be directed to the appropriate disciplines. In other words, Mr. Speaker, we subsidize occupational training wherever it is genuinely needed.

Mr. Speaker, the substantial amounts available for occupational training in Canada shows the intent of the Government to guarantee that Canadian workers can meet the challenges of the upcoming decade. We still believe that the mainspring of the economy is the private sector, supported by practical and necessary initiatives taken by the Government. The economic interdependence of the industrialized and developing countries is a factor which we must more and more take into account in our projections because Canada has to be able to keep its rank as one of the most industrialized countries.

Mr. Speaker, let me now deal with one of the most important programs designed to help businesses face the challenge of new technology. I am speaking about the National Industrial Training Program, which is twofold. First, there is the general industrial training aimed at avoiding shortages of qualified workers, preventing lay-offs due to technological changes and promoting the training of specific groups within the industry. As an example, I could mention the programs for training women in non-traditional occupations, and those which provide training in skills where there is a shortage of specialized workers and which are aimed at promoting training in highly specialized fields of occupation, reducing chronic shortages in such fields of occupation and bringing the employers to enhance the skills of their own workers instead of recruiting foreign workers.

Under this National Industrial Training Program, the employer may be eligible for wage grants covering up to 100 per cent of the instructor's fees, up to 100 per cent of the costs of training aids, up to 75 per cent of registration fees for courses when training is provided by a public or private institution, up to 75 per cent of special general travelling and living expenses incurred by workers in training, and up to 75 per cent of the costs of course preparation.

During one year, Mr. Speaker, the employer is paid 50 per cent of the trainee's wages. This refund may even be more generous in the case of certain types of workers, such as the physically handicapped. Canadian employers are eligible for close to $95 million under this program in 1984-85.

In many respects, Mr. Speaker, our educational systems do not always make it possible for Canadian men and women to develop the skills required on the labour market. It does represent a serious problem because the Canadian economy is bound to stagnate unless people can indeed acquire appropriate professional skills. The National Industrial Training Program is the federal Government's major mechanism to enable Canadian men and women to acquire those new skills for which demand is very strong.

In 1984-85, Mr. Speaker—and this is in answer to those who censure the Government for remaining idle and failing to cooperate with a view to providing Canadian workers with adequate technological training—the federal Government will spend in excess of $902 million for the institutional training of more than 220,000 future workers. This program is more specifically aimed at young school drop-outs, women, native people and others who are at a disadvantage when it comes to employment. Here again, people will be trained in skills for which there will be a strong demand when their apprenticeship is completed.

Mr. Speaker, I would suggest that Canadians are aware that there are no simplistic solutions to the current need for new jobs, nor ready-made answers to the challenges of tomorrow's labour market. We do expect very positive results from our strategy to train people for immediate openings and to expand the labour market for the future. The efforts of the Canadian Government reflect the underlying principle to which we fully subscribe: job creation is first and foremost the private sector's responsibility. The role of the Government is to create the proper climate or environment to help Canadian workers and make it easier for them to face the challenges of the labour market. It is our duty as elected representatives to propose new structures to ensure the smooth operation of the labour market. I think we should also thank our colleagues opposite for their efforts to make the Canadian people aware of the situation, while at the same time reminding them that programs such as those I just mentioned and under which $902 million have been set aside for institutional training in 1984-85 are a giant step in the right direction.

As I said a few moments ago, Mr. Speaker, I think that this motion sets the high technology challenge in its proper perspective. Even before the Conservative Party set up their famous task force which made headlines last week, the Canadian Government had already established the foundation

required by the National Training Act which was adopted by the House two years ago and which just happens to be the answer to the need for more skilled workers and assistance programs geared to future progress.

The Acting Speaker (Mr. Herbert): A ten-minute period for questions and comments. The Hon. Member for Calgary West (Mr. Hawkes).

● (1240)

[*English*]

Mr. Hawkes: Mr. Speaker, the Hon. Member concentrated on COPS, the Occupational Projection System. The basic problem is that it takes three years for the system to work and we are in a rapidly changing world. Jobs change almost overnight. When one leaves this pinnacle called Ottawa to deal with people in the streets of the communities, one sees that they have very serious concerns about that system. This is true of the provincial governments and certainly of labour and the workforce. It is time that the Minister and the Parliamentary Secretary left Ottawa to go to the streets to find out what is wrong with jobs and the training programs in Canada today. They do not seem to pay any attention to the reports which they commissioned or to the good advice of parliamentary committees that meet with the people.

If the Parliamentary Secretary believes that this program is so good, why did the Member for Laurier (Mr. Berger) criticize the Government's commitment on the weekend? Why did the Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand), the Chairman of the Liberal standing committee, ask the Minister last week why the Government paid no attention to the report's recommendations in three years? Why are there still skill shortages? Why are the take-up rates for a lot of government programs so low? Why is the Government ignoring all of those briefs?

There is general agreement among business, labour and provincial governments that the present initiatives are not adequate. As well, past initiatives have all been characterized by failure. There is no adequate across the board public strategy to ensure that Canadians get the training they need. When 30 per cent of the workforce is functionally illiterate, why has the Government cut every dime of training for functionally illiterate people? Why did it make that policy decision two years ago, when 30 per cent of the workforce cannot read or write sufficiently to take training in the modern world? Why did it remove every dime from training for 30 per cent of the Canadian workforce? Let us have an answer to some specific questions.

[*Translation*]

Mr. Dubois: Mr. Speaker, my colleague wants to know where and when I meet people to discuss occupational training. Well, I should wonder about his whereabouts too, because I never see him when I do meet people.

Mr. Speaker, it is quite normal for my colleagues on the government side to state their concerns even if they have not been provided with all necessary data. I will not dwell of course on the inconsistencies of his own party on many programs and issues of public policy. However, with respect to the Adult Occupational Training Act and some decisions which he referred to, I wonder if he has forgotten about the Skill Growth Fund when he says in his motion that we have not taken any adequate step to improve the workers' lot.

We have provided some $902 million during the past six months for institutional training as he will note in numerous press releases about learning institutions which have received money from the Skill Growth Fund. He will then realize that the Government of Canada has been dealing with training problems and with industries requiring financial assistance to provide such training.

When he sees what funds are paid through the Skill Growth Fund to various provinces to CEGEPs in Quebec and to post-secondary institutions to the so-called community colleges in Ontario and other provinces, he will get the answer to his question. If he takes all those matters into account, he will realize what funds are made available by the government in co-operation with employers and employees as well as with educators and officials of Employment and Immigration. Not long ago, at a federal-provincial conference held in New Brunswick, the Minister discussed with his colleagues these very issues which we will continue to emphasize. That is why $902 million have been earmarked for 1984-85.

Mr. Speaker as for our programs, in spite of what my colleague said about alleged cuts, some adjustments were made, practical and concrete results were achieved to provide occupational training.

[*English*]

Mr. McDermid: Mr. Speaker, I was interested in the Hon. Member's answer. It is the stock Liberal answer—"We throw this amount of money at it". That is what the Liberals say every time a discussion arises on any program. It throws that amount of money at it in the hope that some of it sticks. That is not good enough.

Does the Hon. Member for Lotbinière (Mr. Dubois) agree with the statement that "today a diploma or a degree for a million young Canadians is a ticket to despair"?

[*Translation*]

Mr. Dubois: Mr. Speaker, the Hon. Member refers to stock Liberal answers. I say to him that we have been putting up in this House with stock progressive conservative questions for 20 years. They are always against something. Very seldom are they in support of anything. What they have been in support of on occasion, when they put forward a motion, is the death penalty for instance, but otherwise they are always against.

And when he suggests that in his mind his proposal addresses the issue of people's plight, I cannot agree with him because, in view of the various programs we have in place, he only has to look at the restructured programs, what, with job

creation and help provisions we have brought forward. If I refer specifically to his question and the motion, one has only to look at programs such as CAREER ACCESS for the young, CAREER ACCESS for people discriminated against under current employment conditions, because those people can go to the Canada Employment centres. Employers receive grants, not only under the Training Act but under our Job Creation Programs, to help face the lack of employment. Because the employer who gets the money definitely is in a position, over a number of weeks, to give skills to those individuals. This is what we are doing with the CAREER ACCESS program, both for the young and the hard core unemployed, either women or native people across the land.

As I said, Mr. Speaker, we are fully aware of the situation of our Canadian workers, and this is why high technology is such a priority for the Canadian Government.

[*English*]

The Acting Speaker (Mr. Herbert): The Hon. Member will have to keep his supplementary short.

Mr. McDermid: Mr. Speaker, the quote "today a diploma or a degree for a million young Canadians is a ticket to despair" is from John Turner, the Liberal leadership hopeful, at the Ontario convention a weekend ago. I am glad to see that the Hon. Member does not agree with what he has to say.

Recommendation 16 of the Employment Opportunities for the '80s report recommended, I might say most strongly, to the federal Government that Canada should adopt a ten-year national right to read program. A number of recommendations followed from that regarding the functional illiteracy problem that exists in the country. Why has the federal Government completely ignored those recommendations?

[*Translation*]

The Acting Speaker (Mr. Herbert): The Hon. Parliamentary Secretary to the Minister of Employment and Immigration has the floor. I would appreciate a short answer, please.

Mr. Dubois: Mr. Speaker, Hon. Members are quoting from statements made by our leadership candidates. For the benefit of my colleagues who will speak next, I could quote extensively from statements made by candidates to the June 1983 Official Opposition leadership convention, and my hon. colleague could very well learn some surprising facts concerning all these programs. As to all the whole series of situations mentioned by my colleague from the other side, I would like to tell him that we have put into place programs which adequately meet these needs. We certainly can try and improve on them. This reminds me of a question put by the Hon. Member's Leader to the Right Hon. Prime Minister (Mr. Trudeau) concerning tax exemptions for Western farmers and the like. What about the deficit? The Hon. Member's Leader says that the deficit must be reduced, that expenditures must be cut. Regarding moneys that we are allocating to these programs, Mr. Speaker, we are trying to be reasonable and to keep in mind the budgetary considerations. Let me tell my hon. colleague that he should take the trouble to examine the various programs implemented by the Department of Employment and Immigration, that he should seriously consider the stated objectives of the Skills Growth Fund and other programs . . . Since the Hon. Member worries about people who are having difficulties, he should consider programs such as Career Access Program and get some for information in a Manpower Centre in his riding. I am quite sure that Department officers would be happy to answer all his questions.

The Acting Speaker (Mr. Herbert): Debate?

• (1250)

[*English*]

The Acting Speaker (Mr. Herbert): The period for questions and comments has terminated. We will now continue debate. The Hon. Member for the Western Arctic (Mr. Nickerson).

Some Hon. Members: Hear, hear!

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, I hope I will be able to justify that round of applause by my presentation.

Mr. Reid (St. Catharines): You will.

Mr. Nickerson: I usually do!

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Nickerson: It is a pleasure to be able to speak on this motion today, Mr. Speaker. I notice that in the traditional style of Opposition motions it is framed in a condemnatory way. I do not think it is the intention to be condemnatory this afternoon, although we might point out some of the shortcomings and failing of the Government. Rather, the idea is to encourage debate on a most important subject, and hopefully some good ideas will come out of it.

I would like to read briefly part of the motion that we are discussing. The emphasis is "to provide adequate training and retraining opportunities that would enable Canadian workers to feel confident"—and I emphasize "to feel confident"—"about their ability to deal with the challenges of rapid technological change". It is not by accident that the motion uses those words. They express the idea of Canadians having confidence in their own ability to deal with changes that are in the process of occurring and will change in the future.

We on this side, unlike our socialist friends to the left, do not think it is the state that should be there to provide every last person in Canada with a job. I do not think that is a reasonable goal. What we can do as a national Government is provide the background and the framework in which Canadians can be confident in their ability to find work and to find meaningful and socially useful things to do. At present that confidence does not exist in Canada. If you travel around the

country, you will find that there is fear of the future, sometimes the very near future, as to what might happen. People know how difficult it is for them to be able to make the necessary changes.

In order to illustrate the way I think we should go as a nation, I shall retell a story which I read in a book in the Parliamentary Library when I was reading about Greek history and philosophy. It is one of my favourite subjects and I think I share that in common with another well known Member of this House. This was a story of a person who eventually became a very famous philosopher and teacher; I am sorry to say I have forgotten his name. However, when he was a young man, less than 20 years of age, he was shipwrecked somewhere in the Aegean Sea. He managed to make it to shore. When he arrived on shore in a state of near exhaustion, he had no money and no clothing on his back. He arrived there destitute. He had no friends. He really had nothing going for himself. After a period of months and years he was able not only to survive but to earn the esteem of the people where he lived. He became quite wealthy and well respected. Finally he found his way back into the mainstream of Greek life.

As a result of that experience in his further teaching down the road he stressed the point that his parents had wanted him to enjoy and to participate in life. Although he had nothing when he arrived on this island after being shipwrecked he was able to make a living, he was able to do something useful and he was able to be part of the mainsteam of existence.

I think that is the attitude we should have in teaching in Canada. We should not have to concentrate on finding a job for everybody, but we should make sure that whatever happens to people they will be confident and have the ability to make the best go of it themselves. Things like money, possessions and social status come and go. They are ephemeral. Ability, training and skill beget confidence and they last forever. That is the way we should go, Mr. Speaker.

There are now, as we can ascertain, changes in society and we expect these changes will continue. These changes are not only occurring in Canada but right across the developed world. They are no secret to us. Let me outline some of the changes that are taking place in society. I made a brief list. It is expected that people during the course of a lifetime will not have one specific job. A person will not be a mechanic in a certain factory and spend all of his or her working life doing one job at one location. A person will have several jobs throughout a lifetime. I will come back to this a little later.

There will also have to be flexibility in location. I am thinking specifically of the situation in Ottawa. It is pretty difficult to find anyone who admits to having been born in Ottawa. Most people come from somewhere else other than Ottawa. Many people do not expect to stay here for the rest of their lives. They look upon being in Ottawa as a period before moving on to bigger and better things elsewhere. In this day and age when you can leave Ottawa in the morning and within 24 hours be in Adelaide, Australia, it is something we can expect and it is something we will have to learn to live with. I do not take the parochial view which seems to be common in many areas of the land. I do not even take a national view. I see people travelling throughout the world in order to take the best advantages wherever they might occur.

Another point already mentioned is that education will have to be ongoing. A person will not leave school at 16, 20, or whatever, and consider that the end of his or her education. Education will continue on.

I see that the Steward is about to take the Mace from the Table. Perhaps we can call it one o'clock and I shall be here again at two o'clock, Mr. Speaker.

The Acting Speaker (Mr. Herbert): I would like to suggest that the Steward does not intend to take the Mace from the Table.

[*Translation*]

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

COMMUNICATIONS

REGULATIONS SOUGHT PROHIBITING PORNOGRAPHIC FILMS ON TELEVISION

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, I rise today on a very important matter. I would like to read and fully support the following motion sent to me by the Cochrane Presbyterial United Church Women:

> Whereas television programming that uses films portraying sex acts, perverted or otherwise, almost always degrades women and children; and
>
> whereas pornographic films tend to erode the basic moral values that have provided stability in our society, and
>
> whereas no person or animal should be abused or degraded for the amusement of others;
>
> therefore be it resolved that the Cochrane Presbyterial United Church Women urge the Minister of Communications (Mr. Fox) and the federal Government to formulate specific regulations that will prevent pornographic films and other forms of erotica from appearing on television.

This message that was sent to me by a group of concerned women in Timiskaming, and I too urge the Minister of Communications to produce legislation that will follow some of the points outlined in the above mentioned motion.

[*Translation*]

FEDERAL-PROVINCIAL RELATIONS

JOB-CREATION PROGRAMS

Mr. Gaston Gourde (Lévis): Mr. Speaker, during last weekend's convention of Quebec's Union of municipalities, reference was made to the last federal-provincial agreement concerning job-creation programs. The Canadian government is being blamed for signing agreements without coming up with the money necessary to implement the municipalities' projects.

This allegation is false, and I am sure our municipal elected representatives will not be fooled by such allegations on the part of dishonest individuals. In fact, the agreement which has just been signed is concerned only with CANADA WORKS and LEAD programs. For that matter, that is a major consideration. From time to time these programs are supplied with funds necessary for their implementation, and it is quite premature to say that these programs will not be adequately funded. The last time cuts were made in these programs was during the short tenure of the Progressive Consevative Party in 1979. The real problem as far the Quebec municipalities are concerned is Bill 38, and that is where the Quebec minister of municipal affaires should direct his efforts, instead of denying his signature or that of his predecessor.

* * *

[*English*]

AGRICULTURE

WESTERN GRAIN STABILIZATION ACT—CALL FOR AMENDMENT TO PROVIDE PAY-OUT TO FARMERS

Mr. Gordon Taylor (Bow River): Mr. Speaker, for months Hon. Members of the Progressive Conservative Party have been pleading with the Government to bring in the Western Grain Stabilization Act amending legislation to provide for a pay-out. But the Government is still procrastinating. This Liberal Government is stalling while farmers are going bankrupt—more than 400 in western Canada last year. The Government just does not seem to care. Three-quarters of our producers are tied into this plan. Cash flow is almost nil.

Close to $1 billion is in this fund which was built up to provide money to the farmers when things were tough. Well, with reduced income the last two years, with everything the farmer has to buy going up, and with aggravating federal taxes piled high on the farmers, any reasonable Government which had the interest of the country at heart would move instantly.

Is this Government trying to bring western Canada to its knees? How many more farms have to go belly up before this Liberal Government will take ten minutes to have this legislation passed?

This Government has raped the western farmers with its transportation Bill, ignored their representations on Canagrex, and is now forcing our producers in the West into receivership, while the Prime Minister (Mr. Trudeau) is saying in effect "Let them eat cake". Remember what happened when the same words were used in past history, and do not think for one minute it cannot happen here.

We do not want a lot of talk or deals. We just want the Act brought in and amended so that our farmers can stay alive and continue to produce. Will the Government act?

* * *

THE PRIME MINISTER

Mrs. Ursula Appolloni (York South-Weston): Mr. Speaker, I rise to recognize and record a significant milestone in the political life of our country. Today, April 16, marks the five thousandth, five hundredth and sixty-seventh day that the Right Honourable Member for Mount Royal (Mr. Trudeau) has served as Prime Minister of Canada. That record, Mr. Speaker, is exceeded by only two of our 16 Prime Ministers, Sir John A. Macdonald and Mackenzie King, and replaces Sir Wilfrid Laurier's record—

Some Hon. Members: Oh, oh!

Mrs. Appolloni: —as the country's longest-serving French-Canadian Prime Minister. Would you remind Hon. Members opposite to have some basic good manners, please, Mr. Speaker?

To have set this record in such turbulent political times is in itself a remarkable achievement, but those 16 years, Mr. Speaker, have been distinguished by quality as well as by quantity.

Mr. Lewis: And unemployment.

Mrs. Appolloni: During them we have seen the resolution of longstanding issues of nationhood, some of them issues which have frustrated a succession of earlier leaders. Most significant among these, Mr. Speaker, have been measures which have enhanced and strengthened our unique status as a bilingual, multicultural country, the patriation of our Constitution and the entrenchment of a Bill of Rights, the defeat of the Quebec referendum on sovereignty-association, and the growing role which French-Canadians have played in Canada's political and business affairs.

We should cite, as well, Mr. Speaker, the patriation of our energy resources, and the development of exploration policies which have brought new promise to our—

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

* * *

PORTS

PORT OF CHURCHILL—APPEAL FOR UPGRADING TO ASSIST GRAIN SHIPMENTS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I am sure you are aware that farm incomes in the Prairies have been

dropping and that farm costs and farm bankruptcies have been increasing in the last couple of years. One possible way of improving the situation for farmers, particularly in my area, is to have more money spent on the port of Churchill. I say that because my riding, along with the ridings of the Hon. Member for Dauphin-Swan River (Mr. Lewycky) and the Hon. Member for Mackenzie (Mr. Korchinski), and places like that, are very close to the port of Churchill. We would like to ship more grain through that port.

The problem, Mr. Speaker, is that the federal Government has not spent as much money as it should over the years in upgrading that facility which is very valuable to Prairie Canada. My appeal today is that more money be spent in upgrading the port of Churchill, and that can be done in many ways. It needs upgrading.

I would also like to make an appeal that more money be spent to improve the rail line facilities which lead to the port of Churchill, and that more money be spent as well by the federal Government in co-operation with the Province of Manitoba, to improve the hydro services to that particular port. If these things are done, Mr. Speaker, we could ship more grain through the port of Churchill, meet more contracts, and in the long run put more money in the hands of farmers of western Canada, which would be a great contribution to all.

I repeat, to my region, to my part of Canada, the port of Churchill is very important, and this Parliament should put more emphasis on improving that port for our farmers and, indeed, for all of Canada.

* * *

THE ECONOMY

DECLINE IN EXPORTS—EFFECT ON EMPLOYMENT

Mr. Girve Fretz (Erie): Mr. Speaker, 1984 is the year of the unemployed. In the riding of Erie alone, close to 600 jobs were lost in the past month. This saddens me greatly because many of the people laid off had fine records of service to their companies and to their communities, and now they reap a bitter reward. Our Government is having a great deal of difficulty coming to terms with this problem. It is throwing money around like there is no tomorrow, and yet it seems unable to adapt our economy to build a basis for future prosperity in a rapidly changing and competitive world.

Our problem, simply stated, is that our resource base, traditionally our strong point, has been eroded by foreign competition. For instance, our share of world nickel production has dropped from 80 per cent to 35 per cent during the 1970s. In the same period our share of world copper production has dropped by nearly a quarter. Our share of the world market for lumber has dropped from 50 per cent in 1970 to 40 per cent. A similar trend is seen in the manufacturing sector. Canada's share of the world's manufactured exports has dropped by more than a third, from 4.8 per cent in 1970, to 3 per cent in 1980. We seem to be exporting less and importing more. In 1970 imports accounted for 25 per cent of consumer purchases. The figure is now 32 per cent.

We are losing ground against other industrialized countries. In 1981 we ranked fifth in the western world. We are now eleventh. Such is the record of the Government. That is why an election should be called as soon as possible. We must get this country on the road to recovery with a Tory Government—

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

* * *

FISHERIES

CONDITION OF WEST COAST SALMON FISHERY

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, yesterday, April 15, marked the traditional opening day for commercial salmon fishing on the West Coast for all gears and in all areas. This year only the west coast of Vancouver Island was opened on April 15, and then only for troller men. Stocks are sadly depleted, and no Canada-U.S. agreement is in place to preserve what is left and share it equitably.

The West Coast fishery is not just in "Desperate Straits"; it is in "Crisis Passage, Depletion Sound", and "Gravity Gulf".

• (1410)

Matters are further complicated by the Minister's failure to get his conservation proposals through Cabinet where they now sit, we are told, like fishing boats waiting for the season's opening.

Millions of dollars are tied up on the West Coast in commercial fishing boats, sportscraft, fishing gear, and in back-up industries such as marinas, gear manufacturers, boat builders, and supply services in both the commercial and the sports fishery. Uncertainty about future prospects is causing increasing concern throughout the industry. When is Cabinet going to let it be known whether there are to be changes in the sports catch limit this year and, if so, what the limits are to be? What part will the native fisheries play this year? What catch allocations are to be enforced this year? What role is salmonid enhancement to play? What buy-back proposals are to be made this year?

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

* * *

RAILWAYS

ALLOCATION OF UPGRADING FUNDS

Mr. Doug Anguish (The Battlefords-Meadow Lake): Mr. Speaker, I rise today to urge the Minister of Transport (Mr. Axworthy) to conclude his consultations quickly with the railways, the Canadian Wheat Board, the major grain companies, the Canadian Transport Commission, and the Grain

Transportation Agency, and announce his decision to allocate railway upgrading funds for the coming years.

In a recent letter to me the Minister indicated that the Government has committed more than $1 billion to prairie branch line rehabilitation. The railway companies are waiting to do upgrading work, the grain elevator companies are sitting on their development plans until the rehabilitation plans are announced, the farmers along the lines are worried about the Transport Department's priorities and are hoping that the Minister's consultations will mean improvements along our lines so that they can effectively deliver increased amounts of grain this year.

The Minister has received many representations from the rail line users along the subdivisions in my riding—Big River, Meadow Lake, Robin Hood, Blaine Lake, Amiens, Turtleford, and Bolney subdivisions in particular. He also heard from me on many occasions.

In addition, the Minister is aware that elevator plugging is a problem which adversely affects the producers in my constituency. I urge him to advise the Canadian Transport Commission and the Grain Transportation Agency that grain car allocations in northwest Saskatchewan should be increased to ensure that producers can get their quotas into the elevator system. It is time for him to make his decisions and let the work begin.

* * *

EMPLOYMENT

NEED FOR GENERAL TRADES TRAINING

Mr. Stanley Hudecki (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, in this age when Governments in Canada at all levels are focusing on job creation, the emphasis is being placed on education and training in high technology and specialized trades. In doing so, Governments and Canadians as a whole are neglecting a serious need in the employment world which, for the want of a better term, can be called "jack of all trades" jobs. These are jobs which are in tremendous demand and which require only minimal training of people with an entrepreneurial spirit.

Canada, like so many of the industrial nations, has become a throw-away society, the reason that there are thousands of senior citizens and single parents, and those who are mechanically inept, who are in need of multiple small repair jobs within their homes and businesses. These consist, for example, of essential but minor carpentry jobs and minor electrical and plumbing improvements. In general, help for these people is not available without calling in a series of tradesmen who, for the most part, are over-trained for these more simple jobs, who charge a great deal for their services, and who limit their expertise to a very small fraction of the range of jobs that need to be done in the average household.

It is my opinion that young adults with a basic apprenticeship training in any of the contruction trades could adapt their skills to the many minor repairs that are needed in the average

Canadian household. They could provide such services when needed, at a price that could meet the pocketbook of the average person. Such a "jack of all trades" person would reduce the volume of throw-away articles—

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

* * *

WESTERN GRAIN TRANSPORTATION ACT

FAILURE OF RAILWAYS TO FILE RATES

Mr. Gordon Towers (Red Deer): Mr. Speaker, a March 8 advertisement by the Department of Transport promised $16.5 billion in investment and creation of 375,000 jobs from Bill C-155 for western Canada. The Minister knew at that time that the level of investment would be substantially lower. The Crow freight rate that the farmers pay for moving their grain will now be double the $4.85 a tonne by 1985, and five times as much by 1991, on top of which a $651 million annual subsidy which the railways will receive will put the railroads on the gravy train.

The Chairman of the Canadian Transport Commission is remaining aloof from the transportation problems of the prairie grain producer by stating to the Transport Committee: "I think that we agree in principle, and that is important. We will see for the rest later on."

Where is the assurance to the producer when the new freight rate regime specified that the railways had to file their new rates by November 1 if they were to take effect on January 1, which they did not do? Where is the assurance to the producer when the Chairman of the Canadian Transport Commission states: "I hope the Government is conscious that there are a lot of improvements to make"? What about some improvement for the grain producers' economic position?

ORAL QUESTION PERIOD

[*English*]

GRAIN

CANADIAN WHEAT BOARD—ANNOUNCEMENT OF INITIAL PRICE

Mr. Lee Clark (Brandon-Souris): Mr. Speaker, in the unfortunate absence of both the Minister of Transport and the Minister of Finance. The Minister will know that last Friday the Members of this House were unaware of the details of what the Canadian Wheat Board had done to western farmers. They were unaware on Friday that the initial price of grain had dropped in all cases. Unfortunately, it has dropped as much as 6 per cent with respect to spring wheat. Bearing in mind that the cost to the farmer has been increasing dramatically each year, and bearing in mind that farm bankruptcies are now double what they were last year, can the Minister

explain to the farmers of Canada why he is unprepared to take any risks to support them, while at the same time he is prepared to rescue such giants as Canadair and de Havilland?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I remind my hon. friend that he should look at the support the federal Government has given to the Farm Credit Corporation. He will find that over the last several years the support given by the federal Government has increased steadily. In fact the figures show that the increases over the last few years have been quite significant. I believe that over $800 million a year is now available under the Farm Credit Corporation. This is only one element in the kind of support the federal Government has been providing to the agricultural sector. I could enumerate a number of other areas, Mr. Speaker, but I see you standing to say this is not part of the Question Period as such.

REQUEST FOR ABOLITION OF SALES TAX ON FARM FUELS AND FERTILIZERS

Mr. Lee Clark (Brandon-Souris): Mr. Speaker, what the Minister of Finance failed to tell this House, and what farmers know very well, is that the Farm Credit Corporation in this last week raised interest rates to 14 per cent and 15 per cent. At the same time the Wheat Board dropped the price of grain by 6 per cent, or 27 and 28 cents a bushel. There are farmers I see every weekend who are going bankrupt, as are the small businessmen who serve them. The Government does nothing but increase the cost and reduce their revenue. Bearing that in mind, why will the Minister of Finance not follow up on a suggestion which the Minister of Agriculture has made on various occasions, and at the very least announce the abolition of the 9 per cent federal sales tax on farm fuels and fertilizers?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I remind my hon. friend that the Farm Credit Corporation is not setting the price of grain, as he seems to indicate. As to the increases in interest rates, the FCC has to follow the market. The Hon. Member knows this very well.

The Government has set up programs to help farmers. These programs are known to the Member, and certainly to the farmers who use them. My colleague cannot go on, like his Party is doing all the time, complaining about the deficit and at the same time wanting to increase the deficit by reducing taxes.

GOVERNMENT POSITION ON FARM ISSUES

Mr. Lee Clark (Brandon-Souris): Mr. Speaker, the farmers in western Canada are asking for some assistance to get them through this crisis. They ask for one of three things. They ask for decent grain prices and ask the Government to take some risk on their behalf; they ask for the abolition of the federal sales tax on farm fuels, or for a pay-out under the Western Grain Stabilization Act. What they get instead is a kick in the teeth from the Government. I ask on their behalf, is it that this Government does not care about western Canadian farmers? Is it somehow or other that they are second-class citizens?

• (1420)

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, my hon. friend is talking as though he did not know that the federal Government is supporting the farming sector, and the grain sector in particular, to the tune of close to $1 billion a year. I would say that that is some kick in the teeth. That is the type of support that the Government is giving to the grain sector, which in turn supports the farming community. The Hon. Member knows this.

The Hon. Member's Party opposed the improvement which we put forward in the Crow legislation, but the Hon. Member should realize that with that legislation goes substantial support to the farming sector and to the grain community. As to the level of the initial payment, my friend also knows that it is only an initial payment. There will be other adjustments made as the year goes on, related to the prices we expect to receive from exports and sale of grain. In the mean time our support is indicated quite clearly by the $1 billion we are giving to the farming and the grain sector at this time.

* * *

DISASTERS

STORM DAMAGE IN NEWFOUNDLAND

Hon. James A. McGrath (St. John's East): Mr. Speaker, my question is directed to the President of the Privy Council who answers to the House for the activities of the Emergency Measures Organization. The Minister is aware that, over the weekend, prolonged freezing rain caused major power disruptions in the City of St. John's and the populated areas of the eastern Avalon Peninsula. Over 1,000 hydro poles have gone down. Many areas are without power. For example, the Town of Belle Island, with a population of 6,500, has no power at all and is not expected to receive power for another week. Many other towns are in the same predicament. Many steel transmission towers which carry the main supply of power to St. John's and eastern Avalon are also down. Is the Minister in touch with the situation and can he report to the House on it?

Hon. Yvon Pinard (President of the Privy Council): Mr. Speaker, I certainly share the concerns expressed by the Hon. Member and other Members on both sides of the House about the situation in Newfoundland. The facts which he has just indicated are accurate, and I wish to assure the Hon. Member that it seems that the damages suffered in Newfoundland are considerable. If a request is made by the provincial Government, that request will be taken very seriously by the federal Government through its financial assistance program for cases of natural disaster.

REQUEST FOR EMERGENCY ASSISTANCE

Hon. James A. McGrath (St. John's East): Mr. Speaker, the Newfoundland Government is currently assessing the situation. I think the Minister now has enough information to measure the extent of the damage. I suppose the disaster that

could most nearly be compared to this situation in terms of the total impact on the community would be flooding. Many elderly people will suffer because of the lack of heat and lack of adequate distribution of water. All of these things would call for some input from and active involvement of the federal Government through the Emergency Measures Organization. I hope that the Minister will take such initiatives.

Hon. Yvon Pinard (President of the Privy Council): Of course, Mr. Speaker, and we have already offered assistance and in fact given assistance to the population of Newfoundland. I am told that the RCMP have been asked to help the provincial police in Newfoundland, and I am also told that we have provided beds for those who need them. Our regional director in Newfoundland is continually assessing the situation and answering positively to a request for federal Government assistance. I can assure the Hon. Member that that is being done, and will be done as long as required.

I will go even further than that. We are told by officials from Newfoundland that damages will exceed the thresholds provided for in our financial assistance program for natural disasters. From the information we have already obtained, it looks like the federal Government could contribute up to 90 per cent of the cost of the damages suffered in Newfoundland. I wish to assure the Hon. Member that Emergency Planning Canada is looking at the situation very closely and that the federal Government will do all it can to assist the population of Newfoundland provided, of course, that such a request is made by the provincial Government.

* * *

EMPLOYMENT

PLIGHT OF WORKERS OVER 55 YEARS OF AGE

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is directed to the Minister of Finance. The Minister of Finance well knows the situation that continues to affect so many of the older workers today when faced with lay-offs or dislocation as a result of plants having closed or moved away. Given that there is now a litany of cases that clearly point to the fact that workers over the age of 55 are having grave difficulty qualifying for or being involved in retraining programs, and given that workers over the age of 55 are faced with an almost impossible task when trying to find employers who will employ them, will the Minister recommend three things to the Government?

Will he first recommend that there be a mandatory substantial employer contribution toward early retirement programs for workers between age 55 and 65? Second, will he alter the pension legislation in order to make early retirement a practical proposition for people of that age? Third, will he co-ordinate those two things with the unemployment insurance programs in order that those people do not have to carry far more of the burden of cost than they should reasonably be expected to carry during this economic—

Mr. Speaker: I caution Hon. Members regarding the scope of questions which are placed during Question Period.

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I will take the question of the Hon. Member as a representation and I will study it with interest. I would like to remind him, however, that the federal Government is providing over $1 billion to special training programs for workers of all ages and that we have set up a Skills Growth Fund which concentrates particularly on cases similar to those mentioned by the Hon. Member. I believe the Minister of Employment and Immigration announced last week that additional funds will be allocated to deal with problems of this particular nature.

Mr. Deans: Mr. Speaker, it may not seem to be appropriate but I can assure you, Sir, that it is appropriate.

GOVERNMENT FUNDING

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, does the Minister not realize that for people over the age of 55 the possibility of being enrolled in job retraining programs is virtually non-existent? Given that the Government can find $20 million to give to Mr. Macdonald for his royal commission as he strolls around the country in an attempt to find a solution which is right in front of him, will the Government allocate direct funds now to ensure that those people to whom I have referred will not lose everything they have worked for simply because there is absolutely no corporate reponsibility evident in our country?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I must remind the Hon. Member there are already substantial funds allocated by the Department of Employment and Immigration to help workers, especially older workers, who have been laid off for various reasons.

Funding for those programs by far exceeds the odd $20 million referred to by the Hon. Member. I would invite him to find out about the programs that are now in place, and to help those very workers he is referring to, get acquainted with and apply for, those programs, so they can benefit from them.

The programs are there, and as I said there are very substantial funds allocated for this, and again I think the Hon. Member does not truthfully depict the reality of Government policies when he implies that there is no provision for such people.

[*English*]

Mr. Deans: Mr. Speaker, the Minister knows full well, as my colleague has said, that the answer for most of those workers is welfare, but they are not prepared to accept welfare.

EARLY RETIREMENT AID REQUESTED

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, does the Minister not recognize that all across the country plants are closing down and their workers are being treated worse

than cattle? Will the Minister bring forward a program which will allow the workers on whose backs this nation was built to retire with some dignity prior to the normal retirement age of 65? Will he bring forward a program with the allocation of sufficient amounts of money, both from the Government on the one hand and from corporations on the other, so that those people may have the idea that they will be able to live in dignity in Canada?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I have already replied to that question, and I wonder if the Hon. Member listened. All I can say is, to be perhaps still more specific, if he refers for instance to the textile, footwear and clothing industries, he will find we have set up a program similar to the one he mentioned. And further, as I said, the Minister of Employment and Immigration has announced substantial funds to help workers out of difficulties such as those the Hon. Member referred to.

I would once more invite him to get acquainted with the programs already in place, he will then realize there are tens of millions of dollars available to workers to help them out of their difficult situation. In fact, the overall funding available to workers for manpower training exceeds the billion dollar mark. Therefore, if the Hon. Member would look at those programs, he would realize that workers are being helped.

* * *

● (1430)

[*English*]

NATIONAL DEFENCE

PACIFIC PETREL PROJECT—DISCIPLINARY ACTION INQUIRY

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, my question is directed to the Minister of National Defence. I have been informed that five senior officers in the Department of National Defence have had reprimands placed on their files in consequence of the *Pacific Petrel* affair. Would the Minister confirm that this is the case? Would he advise the House of the names of these officers and their appointments, if they are still serving?

Hon. J.-J. Blais (Minister of National Defence): Mr. Speaker, the question of discipline is being addressed by the Chief of Defence Staff. However, because of the nature of the discipline which is being contemplated, it is not my intention to confirm or to comment upon that discipline.

TREATMENT OF SENIOR OFFICERS

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, the Minister seems to be dodging his responsibilities as the Minister of National Defence. That Department seems to have no qualms about Major Letson's case. He was court-martialled because of his alleged complicity in this matter. The court martial took place during the final week of his lifetime of service in the forces, and he was found innocent of all charges. When senior officers are involved, no names are to be divulged, and it is a complete cover-up. Would the Minister explain why there is a tough standard for majors and a much more benign standard for major-generals?

Hon. J.-J. Blais (Minister of National Defence): Mr. Speaker, the Hon. Member is drawing completely inaccurate conclusions. As he knows, I have made the report available to him. He has not seen it yet. I hope he would get information from the report on the *Pacific Petrel* affair in order to inform himself properly of the circumstances. Subsequent to that I would be pleased to deal with him on any of the aspects he wishes to raise.

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CANADIAN DEVELOPMENT INVESTMENT CORPORATION

STATUS OF ORDERS FOR DASH-8 AIRCRAFT MANUFACTURED BY DE HAVILLAND

Mr. Bill Domm (Peterborough): Mr. Speaker, my question is directed to the Minister of National Revenue who is responsible in the House to answer for the actions of the CDIC, which in turn is responsible for the de Havilland and Dash-8 aircraft. We were saddened to learn this weekend of the possible loss of $30 million worth of business from Air Atonabee to de Havilland on the Dash-8. My question stems from the fact that they are now about to lose a very large order from Time Air of Lethbridge, Alberta, and another large order from Norcan Air of Saskatoon, Saskatchewan, because this company has not been afforded the opportunity by the Crown corporation management to offer an aircraft at a competitive price with offshore industries.

Since they promised Air Atonabee, Time Air, and Norcan Air that they would be given assistance in the sale of the aircraft to these various companies, why are they holding back on that assistance program when they tabled today an order for five aircraft and they are unable to meet it because they are $2 million per aircraft higher than competitors from Ireland?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, the Hon. Member's question is interesting and I hope that he will abide by the same underlying principles in any future suggestions.

The Hon. Member is talking about a situation where very strong competition exists between several aircraft manufacturers. He knows quite well that in most countries considerable efforts have been made to support companies such as de Havilland or Canadair and the Government has also clearly undertaken to support those companies.

I hope that the Hon. Member, unlike his party, will support the efforts made by this Government so that the company will become more competitive and sell as good an aircraft as the Dash-8 on the international as well as the domestic markets.

[*English*]

FINANCIAL ASSISTANCE OFFERED TO AIRLINE COMPANIES

Mr. Bill Domm (Peterborough): Mr. Speaker, the Minister knows full well that when that order was placed with de Havilland by Air Atonabee, they were assured by the Government that there would be financial assistance to private companies in Canada interested in selling aircraft. The Minister has completely disregarded the question. There is an order today—not tomorrow or next week—for five of those aircraft, by Air Atonabee. There is another order worth $60 million to $100 million from two other Canadian aircraft companies, creating tens of thousands of jobs. Why will the Minister not live up to the commitment of the Government when the orders were originally placed, that there would be financial assistance in order that they could compete, knowing full well that very few Crown corporations can compete with the private sector dollar for dollar? Why is that assistance unavailable when it was promised by the Government in order that these badly-needed jobs could be secured, not only in the air industry but in supply industries which complement the air industry?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): It is very interesting, Mr. Speaker, to get support from at least one member of the Official Opposition for the Government policies to create and preserve jobs at de Havilland and Canadair.

However, I would like to remind the Hon. Member who is strongly interested in private enterprise that some regulations on domestic and international trade are set under the General Agreements on Tariffs and Trade. The Hon. Member should realize that we have to enforce those regulations while clearly supporting, as the Government has been doing, our Canadian companies, especially those in state of the art aeronautics.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF HIS EXCELLENCY GENERAL ANTONIO DOS SANTOS RAMALHO EANES, PRESIDENT OF THE REPUBLIC OF PORTUGAL, AND MRS. EANES

Mr. Speaker: Order. I would like to call the attention of the House to the presence in our gallery of very distinguished guests, Mr. and Mrs. Eanes.

[*English*]

PRESENCE IN GALLERY OF HON. LUCIEN LAMOUREUX, AMBASSADOR TO PORTUGAL

Mr. Speaker: I also draw to the attention of the House the presence in our gallery of a former Speaker of the House of Commons, Mr. Lucien Lamoureux, who is Ambassador to Portugal.

Some Hon. Members: Hear, hear!

* * *

INDUSTRY

PETROCHEMICAL TASK FORCE RECOMMENDATIONS—MEETING OF MINISTERS

Hon. Bud Cullen (Sarnia-Lambton): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. A report in *The Toronto Star* yesterday indicated that the Minister had met with the Minister of Energy for the Province of Alberta. I wonder whether such a meeting took place and, if so, was there a follow-up to the recommendations of the petrochemical task force?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Mr. Speaker, I had the occasion to meet on Saturday morning with Mr. Zaozirny, the Minister of Energy for Alberta. We discussed a scheme for an incentive price for natural gas in eastern Canada. We made good progress in our discussion and hope that we can reach a conclusion this week on an incentive price for new quantities of gas in eastern Canada, starting perhaps as soon as the month of May.

Some Hon. Members: Hear, hear!

* * *

EXTERNAL AFFAIRS

HONDURAS—PROVISION OF CANADIAN AID

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. We are glad to see that he has returned from his first trip to Central America and hope that he will make a statement on motions, because we would be very interested to hear about his 10-day trip.

Since Honduras is a major recipient of Canadian development assistance and is now the base for CIA-supported armed aggression against Nicaragua, could the Minister tell the House if in his discussions with Honduran authorities he made it clear that Canadian development assistance is contingent upon a recipient country not supporting, or making possible, acts of armed aggression against a neighbour?

Mr. Nielsen: Look out below.

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Mr. Speaker, I did not make that clear because that is not the policy which the Government of Canada has espoused, particularly in circumstances where it is very difficult to ascertain from the Government concerned the nature of its participation in such activities. I discussed that question quite fully with the successor to

General Alvares and I came away without any clear information as to the particular role of Honduras in the situation which the Hon. Member raises. However, if I were obligated to take that position with respect to Honduras, I would have to take a similar position with other countries in the area, including Nicaragua, about which allegations are similarly made with respect to its activities in neighbouring states.

● (1440)

DIPLOMATIC REPRESENTATION IN CENTRAL AMERICA

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, it is difficult in Question Period, I know, but could the Minister be a little more clear? Is it that he got no clear sense that the "contras" were not in fact based in Honduras? I wonder if he would make that clear? Are they or are they not based in Honduras?

Also, Mr. Speaker, since the Minister, I gather, indicated on the radio program "As It Happens", that the importance of having Canadian representation in the area had really struck him, and our diplomatic representation was inadequate, could the Minister say what further representation he envisages, particularly in Honduras and Nicaragua?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Mr. Speaker, I did make it clear that, in my view, it was important to have a Canadian presence in these countries, particularly, I thought, in Nicaragua, in light of developments there, so that we would be fully informed. We have taken steps, as the Hon. Member knows, to strengthen our personnel in Costa Rica, and the ambassador to Costa Rica and his staff are attempting to keep us completely in touch with the situation in Nicaragua. I would admit that it would be better if we could establish a full-time embassy in Managua, as we do in other countries in the world. However, that decision will have to be taken in the light of budgetary considerations and priorities elsewhere.

In principle, I would agree with the Hon. Member that it is important that we know what is happening in Nicaragua, not only that we know what their thinking is but that they know what Canada is thinking about with respect to quite a number of questions which are uppermost in their minds at the present time.

REQUEST FOR STATEMENT BY MINISTER

Mr. David Kilgour (Edmonton-Strathcona): Mr. Speaker, also in welcoming back the Secretary of State for External Affairs, may I ask would be indicate whether he is planning to tell either the House or the Standing Committee on External Affairs about his trip to Central America? Or would he at least tell us the main point or points he made on *Morningside* this morning?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Mr. Speaker, I believe it took me about 15 minutes to make those comments this morning. I doubt if that would be suitable at the present time. I will attempt to inform the House at the first opportunity, probably through the Committee, when that is feasible.

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CANADA POST CORPORATION

REQUEST FOR CANCELLATION OF CONSUMERS DISTRIBUTING PROJECT

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, in the absence of the Minister responsible for Canada Post I would like to direct my question to the Minister of Finance. I am sure the Minister is aware of the business community's opposition to Canada Post's expansion into the Consumer Distributing plan. They feel that this would be a direct intervention into the private sector and that businesses are having enough difficulty in Canada today. Does the Minister, or the Government, have any plans to ask Mr. Warren to drop this Consumer Distributing plan in light of all the opposition from Hon. Members on all sides of the House?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I believe that the Minister responsible for the Canada Post Corporation has already answered the question in the House, however, I will be pleased to draw the Hon. Member's question to his attention.

[*English*]

REQUEST THAT PROJECT RESULTS BE RELEASED PUBLICLY

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, perhaps the Minister of Finance would also bring to the attention of the Minister that Mr. Warren has informed the Canadian Federation of Independent Business that he will not release the results of the trial run he is conducting right now on Consumers Distributing. I believe the results of this trial run should be made available to all Hon. Members of the House, as well as to any business groups which wish to see how the trial run went. Will the Minister give a commitment that he will approach Mr. Warren to make this trial run public?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I will be pleased to pass on the Hon. Member's suggestion to the minister responsible along with the previous question.

* * *

[*English*]

VETERANS AFFAIRS

DIEPPE PRISONERS OF WAR—LEVEL OF COMPENSATION

Hon. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is directed to the Minister of Veterans Affairs. It is related to a proposition which was made to many of us by Mr. Giguère, President of the Dieppe Veterans and

Prisoners of War Association (Canada). The case with which this organization is concerned is that of a number of Canadian veterans who were imprisoned in Germany during the Second World War and suffered a very terrible experience, some for a few months and who received a bit of a pension.

The tragedy of the situation is that there were a number of these veterans who were prisoners of war in Germany for 33 months, almost three years, during which time they suffered a great deal. They do receive a pension, but it is very small. This organization feels that the least we might do for these veterans is to grant them a pension of 40 per cent. I ask the Minister of Veterans Affairs if he is giving consideration to this appeal?

Hon. W. Bennett Campbell (Minister of Veterans Affairs): Mr. Speaker, may I begin by thanking the Hon. Member for his question. As most Hon. Members of the House are aware, the subject of compensation for prisoners of war was the subject of a rather extensive study, known to most of us as the Herman Report, which was initiated by Doctor Herman. Within that study, Doctor Herman recommended that the levels of compensation should be geared to two factors, first, the period of incarceration and, second, the foreign power involved. While I can appreciate that the Dieppe prisoners of war feel that their level of compensation is too low, I would remind Hon. Members that, within the Herman Report, the level of compensation paid to Dieppe prisoners is the highest level paid to any prisoner of the German power.

REQUEST FOR MINISTERIAL CONSIDERATION

Hon. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I ask the Minister if he will consider further the appeal made by the Association, in view of its urgency? Will he give further consideration to this matter?

Hon. W. Bennett Campbell (Minister of Veterans Affairs): Mr. Speaker, I am always prepared to give consideration to these matters. However, it is certainly not a high priority of my Department at the moment. I would also indicate to the Hon. Member that if, as a result of being involved as a prisoner of war, these are disabling conditions which have been identified, those individuals are always entitled to make application to the Pension Commission to have the effects of those disabling conditions considered, in addition to the compensation already paid to them as prisoners of war.

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EXTERNAL AFFAIRS

SUGGESTED MEETING BETWEEN PRIME MINISTER AND UNITED STATES PRESIDENT

Hon. Sinclair Stevens (York-Peel): Mr. Speaker, my question is directed to the Prime Minister. Would the Prime Minister indicate if he has been invited in the next month or so to meet with President Reagan? Has he accepted the invitation? When will the meeting occur? And what are the subjects he anticipates will be discussed?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I only know that soundings were made with our embassy. The administration of President Reagan has given some thought to following up on the idea of trilateral meetings. I had on other occasions indicated that I would consider any such suggestion with interest. The answer was the same this time. I do not know if they are planning any particular date for a meeting. I just know that they have been told this time, as on other occasions, that the idea of trilateral meetings—which did happen once—would be one which I would welcome.

● (1450)

POSSIBLE AGENDA

Hon. Sinclair Stevens (York-Peel): Mr. Speaker, the Prime Minister says he would welcome the meeting. Will he indicate what he would like to see discussed as the main topics? I take it that would be the economic condition of Canada, the U.S., and Mexico, or perhaps trade. Can he indicate what agenda items he would most like to see discussed?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I must emphasize to the Hon. Member that the idea of an invitation did not originate with the Government of Canada but with that of the United States. In so far as there are any explorations, it is they who are making them. Therefore, I have not given any thought to an agenda of a meeting which I have not called and which I have not yet been invited to attend.

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RAILWAYS

LEVEL OF INVESTMENT BY RAILROADS

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, my question is directed to the Minister of Finance. In answer to my colleague from Brandon-Souris he said that $1 billion was being placed by the Government at the disposal of farmers through Bill C-155. Can the Minister explain why his colleague, the Minister of Transport, gave the rationale that investment by the railroads would be down some $4 billion from what was in Bill C-155 because the coal companies will be shipping 13 per cent less coal over the foreseeable future?

Mr. Siddon: They knew that last fall.

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the question was about grain, and I indicated there was up to $1 billion worth of support for the grain industry by this Government. My friend knows, for instance, that there is something like $652 million worth of benefits under the Crow program alone. I could go on talking about a number of other programs, whether they be branch line rehabilitation programs, the purchase of hopper cars, subsidies for canola oil, crop insurance for farmers, and so on. My friend can take the trouble of adding those figures and he will find very quickly that he will reach $1 billion of support this Government is giving to the grain producer in this country.

Oral Questions

SIZE OF INVESTMENT TO MOVE GRAIN

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, how does the Minister arrive at the $652 million as being only for the use of grain producers? Sulphur, potash, oil, and lumber travel over those tracks, as well as passenger trains. Could the Minister explain how the $1 billion invested by the Government is designed exclusively for the movement of grain? Is no one else using those tracks, or has he found another formula to double-track and triple-track?

Hon. Marc Lalonde (Minister of Finance): Does my friend realize, Mr. Speaker, that the farmers are not paying the commercial rate that the other groups pay for transportation? The difference comes from the taxpayers of Canada through the support given by this Government.

* * *

VISIBLE MINORITIES

USE OF GOVERNOR IN COUNCIL APPOINTMENTS TO INCREASE REPRESENTATION

Mr. Laverne Lewycky (Dauphin-Swan River): Mr. Speaker, my question is addressed to the Minister of State for Multiculturalism. Recommendation No. 21 of the House of Commons Visible Minority Report *Equality Now!* urges the federal Government to use Governor in Council appointments to increase the participation of visible minorities on federal boards and commissions. Can the Minister indicate what action he is taking or considering to see that this recommendation is carried out? Can he give me some specific examples, and I am thinking of things such as the CRTC?

Hon. D. M. Collenette (Minister of State (Multiculturalism)): Mr. Speaker, the practice of this Government has been to encourage the appointment to Governor in Council positions of people who represent a cross section of Canada from all backgrounds and all racial origins. Although I have not ordered a study to find out which particular ethnic or racial backgrounds make up the various positions, I believe the record is indeed a good one and a principle we will follow in the months ahead.

CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION VACANCY

Mr. Laverne Lewycky (Dauphin-Swan River): Mr. Speaker, my supplementary question is directed to the Prime Minister, who will probably be aware that there is currently one vacancy in the nineteen positions on the CRTC. This past weekend, at the Visible Minorities and Media Advertising Conference in Winnipeg, there was a strong recommendation that the Prime Minister consider the appointment of someone from the visible minority community to fill this position, thereby displaying sensitivity to this aspect of multiculturalism. Will the Prime Minister consider doing that?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will consider that as a representation and add it to the very many which are made on behalf of the various groups by the Minister responsible for multiculturalism.

* * *

INDUSTRY

PURCHASE OF CANADIAN MANUFACTURED AIRCRAFT

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, my question is supplementary to that of my colleague from Peterborough, to the Minister of National Revenue. Why is it that the Government, as a matter of policy, has hundreds of millions of dollars as export aid for other companies in other countries to buy goods, yet it has absolutely no money for companies here in Canada to buy planes from firms like de Havilland? Why is that so?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, my hon. friend should be aware of government policies in that area and he would then realize that if Canada, like most countries, has export aid programs, it is because our exports account for 30 per cent of our Gross National Product or 30 cents out of every dollar earned in Canada. As to our support of domestic industries, the Hon. Member knows that it takes various shapes and forms, but that Canada is bound to abide by its international commitments to other countries just as other countries are bound to abide by theirs as far as subsidizing their own domestic industries is concerned. These include the GATT agreements, which prohibit the use of subsidies for domestic purposes, something I urge my hon. friend to familiarize himself with. He would then realize that there are some kinds of domestic support which Canada can provide and others which it cannot because of the international agreements we have signed.

[*English*]

PROVISION OF ASSISTANCE SUGGESTED

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, Air Atonabee is a local Canadian company and this is totally a Canadian matter. I have flown on those Dash-7s because Time Air in Lethbridge has them, and they are a good plane. I do not understand why there is no support for domestic purchases of airplanes involving hundreds of jobs in this country, when there is money for jobs in other countries, like building monuments to socialism in Algeria?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I am interested to discover that at long last the Tories are repenting of their sin of 25 years ago when they cancelled the Avro-Arrow—

Some Hon. Members: Oh, oh!

Mr. Lalonde: —and brought about the demise of de Havilland which the Government of Canada had to rescue and take over. We have invested hundreds of millions of dollars in direct support for de Havilland. The Hon. Member knows his Party was attacking the Government for that support, not 25 years ago but as recently as last week and two weeks ago. The Tories cannot speak out of both sides of their mouth on this issue. This Government has supported the Canadian aeronautical industry while the Tories have been attacking Canadair and de Havilland week after week in this House.

PROPOSED BELL HELICOPTER PLANT—SALES PROJECTIONS

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, my question is also directed to the Minister of Finance and is concerned with Bell Helicopter. I am sure he is aware of the article in *Le Devoir* today which sets out some very incisive analysis on the Bell Helicopter purchase which led to the conclusion, in their words, that, "we may have a second white elephant at Mirabel".

The world helicopter market is very depressed. The projected average annual sales for the Bell project at Mirabel are equal to 45 per cent of total U.S. production in 1980, which was a record year, and Bell shares that market with ten other manufacturers. In light of that, does the Minister have any doubts that the sales projections made by Bell in support of the $275 million provided to them can be realized?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, here again we have another typical example of the attitude of Progressive Conservative Party members towards the development of aeronautical industry in Canada. They have relentlessly spent their time in the past attacking first the Canadair Corporation, then the de Havilland Corporation, and now Bell Helicopter Corporation, an American multinational seeking to establish itself in Canada, specifically in Quebec. My hon. colleague, as Progressive Conservative Party critic in industrial matters, began attacking the project the moment it was announced. He has been against this project from the very beginning, and his party's policy is to continue denouncing all advanced technology and aeronautical projects, especially in Quebec as is the case with Canadair and Bell Helicopter. I wi' o remind the Hon. Member that the projections which have been made public are those of Bell Helicopter USA and it is upon those projections that corporation has made its investment decisions. My hon. friend, therefore, should know better than to panic after reading a single article in a Montreal morning paper.

• (1500)

[*English*]

THE ECONOMY

STATEMENT ATTRIBUTED TO MINISTER OF ENERGY

Mr. Thomas Siddon (Richmond-South Delta): Mr. Speaker, does the Minister of Finance still concur with the rosy projections he has been making in the House, in spite of rising interest rates and a falling dollar? As reported in *Hansard* of March 29, the Minister said that the economy has moved from recovery to expansion. Or does the Minister agree with the Minister of Energy who, speaking in Vancouver last Friday, said: "The recent upward trend in interest rates, the slow recovery of commodity prices, the generally low levels of investment, mean that growth years will not return in the foreseeable future"?

Which way would the Minister of Finance have it? Who is stating the Government's position? Does he accept this outright repudiation of the policies of the Government by the Minister of Energy? Does the Minister of Finance think it is appropriate for Liberal leadership candidates to go around the country contradicting government policy the way the Minister of Energy and others have done?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, one could find a nice way of answering the question by referring to a document which I am sure the Conservative Party has not read yet. It is the International Monetary Fund's analysis of the world economic outlook. If my friend refers to page 46 of that document he will find that the rate of growth expected for Canada in 1984 is 5 per cent. That is the highest rate of growth for any country, together with the United States. Only Canada and the United States have that high a rate.

ROUTINE PROCEEDINGS

[*English*]

PETITION

MR. KING—NUCLEAR DISARMAMENT

Mr. Fred King (Okanagan-Similkameen): Mr. Speaker, I have the honour to present to this House a petition attesting to the alarm expressed by 380 residents of the federal riding of Okanagan-Similkameen. They are alarmed by the threat to the survival of humanity posed by the existence of nuclear weapons and the continuing arms race. They state that enduring peace cannot be built on the accumulation of weaponry. As a result of these convictions they pray and beseech the House to consider this vital issue and to introduce a Bill into Parliament to stop all nuclear-related activities, with due respect for life. And as in duty bound your petitioners will ever pray.

Order Paper Questions

CANADIAN INSTITUTE FOR INTERNATIONAL PEACE AND SECURITY

MEASURE TO ESTABLISH

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs) moved for leave to introduce Bill C-32, an Act to establish the Canadian Institute for International Peace and Security.

Mr. Speaker: Is it the pleasure of the House that the Hon. Minister shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

Mr. Speaker: When shall the Bill be read the second time? At the next sitting of the House?

Some Hon. Members: Agreed.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 7, 79, 377, 484 and 710.

[*Text*]

NCC—AMOUNT OF LAND EXPROPRIATED 1962-1983

Question No. 7—Mr. McKenzie:

1. For the fiscal year (a) 1962-63 (b) 1963-64 (c) 1964-65 (d) 1965-66 (e) 1966-67 (f) 1967-68 (g) 1968-69 (h) 1969-70 (i) 1970-71 (j) 1971-72 (k) 1972-73 (l) 1973-74 (m) 1974-75 (n) 1975-76 (o) 1976-77 (p) 1977-78 (q) 1978-79 (r) 1979-80 (s) 1980-81 (t) 1981-82 (u) 1982-83, what amount of land was expropriated by the National Capital Commission?

2. For each year, what was the total cost of expropriating the land?

3. For each year, what was the number of projects planned for the land and, in each case, how many (a) were completed (b) are actually under way?

Hon. Roméo LeBlanc (Minister of Public Works):

1.

Fiscal year	Acres of Land Expropriated	General Areas of Projects Planned
(a) 1962-63	460.00	LeBreton Flats Bridgehead Quebec Sussex Drive Misc. Ottawa Sites Hurdman Road Quebec Gatineau Park Philemon Wright Parkway
(b) 1963-64	157.80	Misc. Ottawa Sites Confederation Square Philemon Wright Parkway
(c) 1964-65	127.88	Colonel By Drive Deschênes Britannia Misc. Hull Sites Gatineau Park Confederation Square LeBreton Flats
(d) 1965-66	6.41	Confederation Square LeBreton Flats Eastern Parkway Ottawa River Parkway
(e) 1966-67	611.77	Quebec Gatineau Park
(f) 1967-68	.15	Ottawa River Parkway
(g) 1968-69	100.18	Hull/Lucerne—Misc. Sites
(h) 1969-70	17.16	Hull—Misc. Sites
(m) 1974-75	3,505.55	South East City Rideau River Parkway
(n) 1975-76	107.65	Gatineau Park
All other years	Nil	Nil

2. Annual expropriation costs through negotiated settlements or adjudications of the Federal Court of Canada, many of which predate 1962-63, are listed for each fiscal year. There is no correlation with the specific parcels of land included in the total amounts of land by project area as reported under (1), because a parcel of land expropriated in any given fiscal year may actually be paid for in a subsequent fiscal year allowing for the time required to obtain either a negotiated settlement of expropriation or a court decision.

Fiscal year	Cost
(a) 1962-63	$2,045,228.91
(b) 1963-64	$7,042,829.50
(c) 1964-65	$7,044,382.61
(d) 1965-66	$4,624,529.99
(e) 1966-67	$4,874,742.79
(f) 1967-68	$3,698,683.57
(g) 1968-69	$694,019.80
(h) 1969-70	$1,630,591.96
(i) 1970-71	$2,955,815.79
(j) 1971-72	$1,032,437.75
(k) 1972-73	$2,365,811.19
(l) 1973-74	$564,773.13
(m) 1974-75	$3,156,332.25
(n) 1975-76	$5,395,579.47
(o) 1976-77	$254,147.18
(p) 1977-78	$256,087.95
(q) 1978-79	$238,070.58
(r) 1979-80	$194,341.45
(s) 1980-81	$4,034,654.93
(t) 1981-82	$1,587,792.22
(u) 1982-83	$2,014,393.23

3. The data on specific parcels of land in general project areas on a project-by-project basis and their current status regarding completion is not readily available. The cost in time and effort required to trace and gather specific data for each expropriated parcel of land under (1) would be prohibitive.

DND—PERSONS ENGAGED IN PUBLIC RELATIONS

Question No. 79—Mr. Howie:

1. How many persons engaged in public relations, media relations or publicity are employed by the Department of National Defence?

2. How many Canadian Armed Forces personnel have public relations, media relations, publicity or editorial functions as their primary duty?

Mr. Stanley Hudecki (Parliamentary Secretary to Minister of National Defence): 1 and 2. Seventy persons, of which 59 are members of the Canadian Armed Forces.

OFFICE OF THE PRESIDENT OF THE PRIVY COUNCIL

Question No. 377—**Mr. Howie:**

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

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

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): 1. Twenty-nine persons, $725,000 (forecast).

2. 1982-83—$664,642—$664,642 (27 persons); 1981-82—$618,020 (26 persons).

CANADIAN FILM DEVELOPMENT CORPORATION

Question No. 484—**Mr. Howie:**

Since April 1, 1983, did the government pay any amount to the Canadian Film Development Corporation and, if so, what amount?

Hon. Francis Fox (Minister of Communications): I am advised by the Canadian Film Development Corporation as follows: The parliamentary vote 83/84 for the Corporation amounts to $4,764,000. Following the Broadcast Policy, the Corporation received $34,000,000 voted in July, 1983.

WINTER OLYMPICS, SARAJEVO, YUGOSLAVIA

Question No. 710—**Mr. Hnatyshyn:**

1. To the knowledge of the Government, how many Canadian athletes participated in the 1984 Winter Olympics in Sarajevo, Yugoslavia?

2. Did the Government incur any cost to (a) fund the athletes while in Sarajevo (b) transport the athletes to and from Sarajevo and, if so, in each case, what amount?

Hon. Jacques Olivier (Minister of State (Fitness and Amateur Sport)): 1. The Canadian Olympic Team for the 1984 Olympic Winter Games in Sarajevo was composed of 76 athletes who represented Canada in eight of the ten sports on the Olympic program.

2. The federal Government contributed approximately one-half of the costs of transportation and accommodation associated with the Olympic Team's travel to Sarajevo and stay in the Olympic Village during the Games.

This amount was contributed to the Canadian Olympic Association as part of the agreed upon formula for government support for Olympic Teams. The COA has responsibility for the Olympic Team during the actual Games (including transport to and from Canada), while the federal Government shares with each of the national sport governing bodies the responsibility for the training and preparation of Canada's international athletes.

The cost to the federal Government of the transport and accommodation for the Sarajevo team was $250,000 approximately, while a further $6 million was contributed by the federal Government to the national sport governing bodies during 1983-84 for program costs associated with the preparation of the athletes for the Winter Olympics.

[*Translation*]

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

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—TECHNOLOGICAL CHANGE

The House resumed consideration of the motion of Mr. Hawkes:

That this House condemns the Government for its failure to work co-operatively with the provinces, business, labour, voluntary organizations and the educational community to provide adequate training and retraining opportunities that would enable Canadian workers to feel confident about their ability to deal with the challenges of rapid technological change.

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, when I was interrupted by the luncheon break I was in the middle of discussing certain social changes that were taking place in the field of employment. The fourth point that I have listed, Mr. Speaker, is that in the future people will have to be more self-reliant. They will find that they will not be able to rely upon a single employer for employment security throughout their lifetime, nor will they be able to rely on governments. People who put their trust in governments generally end up falling flat on their faces at some point in time. They will have to become more self-reliant as time goes on. Our education will have to reflect that.

Another change that will occur in the future, and which has to a certain extent occurred already, is that people will not rely on one single specific job for a source of income. Presently most people in Canada have a principal source of income from a job and very little income from other sources. Maybe in the future, as the number of hours per week consumed by working at a specific job decreases, you will find that people will have other things to do. It is quite conceivable that they might work in the standard, accepted sense and do other things which will bring in additional revenue. It may be a second job in an entirely different field in which they have a great deal of personal interest. It could be investment income because

people will have time to do other things for themselves. It could be income from entrepreneurial activity of one kind or another, or from property ownership.

I have noticed that in certain professions this is going on today. Not too long ago I sat on the flight deck of a Hercules aircraft and spoke to the flight crew. Most of them worked a couple of weeks a month. They could only fly so many hours and after that they went back to their home bases. Most of them were involved in other things. They were involved in voluntary organizations as well as profit-making activities. I think that is a good trend to see. In the future people will not be tied to working 40 or 50 hours a week for one employer; they will have a series of sources of income.

This will blur the distinction that our socialist friends are at pains to keep. If people operate in the way that I have suggested, there will not be that clear distinction between what the NDP call the working class, the capital owning class, and other types. Everyone will be involved as wage earners, investors and entrepreneurs. The politics of the day will have to reflect this. It is happening today. We see support for the socialist party represented here waning day by day.

● (1510)

The developments that I have outlined appear to me to be exiciting developments. The Government should act in consort with these trends and not try to go out of its way to oppose them, as presently appears to be the case on occasion.

We still have very parochial thinking, particularly at the provincial level in certain provinces. I have been a party to this myself, but I think that on the whole we should take a Canada-wide or even an international view of matters rather than being restrictive in our thinking in terms of a single province or part thereof.

Again with respect to education, there is still a tendency on the part of government to look upon education as something that takes place between the ages of five and 20, or whenever one leaves university. The Government has not yet accepted the notion of education as being something that is ongoing and a process that will last a lifetime.

The Government is still very much involved with hand-out programs. It has not got around to addressing problems on a long-term basis. It considers that our current difficulties will go away and it simply throws a few dollars here and there into one of its various alphabet soup programs. It is not really addressing the long-term problems and long-term societal changes.

For these reasons I would like to congratulate the Hon. Member for Calgary West (Mr. Hawkes) on the task force report on technological change and manpower retraining, of which he was the prime mover. It is a subject to which he has given a great deal of thought, both presently with this report and also with other members of the parliamentary task force on the same subject.

Many of the ideas contained herein are not really new, revolutionary ideas, but the task force has collected and collated a wide variety of views from Canadians in all walks of life and has effectively crystallized these ideas out of the vagueness that existed before. It is a distillation of thought and an arrangement thereof in logical order. I am sure that in the future we will look back at this report and it will serve as a blueprint of what governments might do in the field of technological change and manpower retraining.

I do not propose to have all of the solutions to some of the problems I have raised, but I have a few which I would like to deal with later. In the next couple of minutes I would like to point out some personal observations about where we seem to be going at the present time. I have three illustrations.

The first deals with the manpower offices as they exist in my constituency. Some 15 years ago we did not have any at all and things seemed to be going reasonably well. There were not high rates of unemployment and maybe we did not need them. It is hard to judge which came first, the chicken or the egg, so to speak. However, there were no manpower offices or anything of that nature 15 years ago. Today, they must be staffed with a complement of somewhere between 50 and 100 people, when one considers the Territories as a whole. The problem has not been alleviated. If anything, the problem that did not exist when we had no manpower offices has now become a very difficult problem with which to deal. I am not so sure that the hiring of 50 to 100 people, the provision of office space and all the money that is spent on these things might be the best use of resources, human, financial and otherwise, available to the Government.

Another illustration is the difficulty people face if they want to give employment, particularly to summer students. I know that it used to be my practice some years ago to hire one or two summer students. Now, the roadblocks that are put in someone's place are almost insurmountable. I would not consider doing this today because I know full well what would happen. For the next five years I would be getting reports from Statistics Canada threatening to throw me in jail unless I filled them in. There are problems with the tax people and unemployment insurance people. There are all manner of problems and roadblocks which prevent small employers from hiring people, especially on a temporary basis. That is unfortunate because surely part of the training of young people, apart from schooling proper, is to get experience in work situations, particularly during the summer recess. It makes it very difficult and is unfortunate for the student when the Government erects all of these roadblocks.

You are signalling that my time is almost up, Mr. Speaker. I have several pages to go and I will not be able to get to my solutions. I like giving the solutions better than stating the problems. However, the last illustration is that of a silly make-work scheme. Last summer I travelled throughout my riding in which there were Summer Canada Works programs into which the Government throws quite a few thousand dollars. In two locations I noticed that there were unused fields in the middle of towns. They were about 15 acres each. Students were out there with little sticks with six-inch blades on them, cutting the grass or mowing the hay on these waste

areas. It was a scheme to employ perhaps a dozen young people for a period of six weeks. One man with a scythe could have done it all in one week and one person operating a power mower could have done it in one day. It represents a complete waste of government time and money and a waste of the talents of young people.

I believe my time has expired. It is unfortunate that you could not have heard all of my great solutions, Mr. Speaker. Perhaps I will be able to give them to you on another occasion.

Mr. Deputy Speaker: Order. Questions or comments?

Mr. McDermid: Mr. Speaker, I would be interested in hearing some of the solutions that the Hon. Member referred to in his remarks.

Mr. Nickerson: Mr. Speaker, it just so happens that the solutions take exactly ten minutes.

Mr. Deputy Speaker: Order. I must remind the Hon. Member, before he enters into his solutions, that both the questions and the reply must be brief and to the point. I could not, under any circumstance, allow him to continue for ten minutes.

Mr. Nickerson: Mr. Speaker, let me briefly put on the record some of those things which I consider would help in this area. First, I believe the Government should remove itself from administered programs. These programs include the illustration I just gave of these silly make-work schemes and the difficulties that they place before prospective employers or trainers. The Government can use its manpower and financial resources much more efficiently if it did not insist on running everything itself.

I believe the Government should concentrate on the basics, perhaps in the field of elementary education. While this is within the jurisdiction of the provincial governments, in my estimation government can do the most good by taking action on the basics, such as providing schools and teachers, especially in such areas as basic literacy, as we have heard on several occasions today.

I think the federal Government has a legitimate interest in sponsoring higher education. It is a shame that only the other day a Bill was presented to the Chamber and passed by the Government majority that would reduce assistance given to colleges and universities.

• (1520)

Another similar and related field that is especially important in my area is that of adult education. I think the critic of the Indian affairs and northern development portfolio addressed the need for adult education in his remarks to the House today. I think we should use the tax system to advantage, both industrially and personally. Employers might use this money for training in the plants. Individuals might set aside such funds for training purposes.

Mr. Breau: Mr. Speaker, I am very interested in the Hon. Member's remarks. Would he clarify for us whether he is indicating his own view or the view of his Party with regard to direct job-creation programs? He said he thought that a lot of the Summer Canada projects in his constituency were not very valuable. Could he indicate to us whether it is the position of his Party that direct job-creation programs, administered programs as he calls them, were not a good thing to have in areas of high unemployment, whether they are geared to young people or to other people who are unemployed? Could the Hon. Member clarify that, please?

Mr. Nickerson: Mr. Speaker, had we not got ourselves into the predicament we have, it would not be necessary for these make-work schemes to exist. However, because of the way in which the Government has looked at these problems in the past, instead of trying to rearrange the structure they try to throw a few dollars here and a few more there and patch things up. We now find ourselves in a position where it would not be possible to cut out of all these things overnight.

What we have to do now, and what we will do when a Progressive Conservative Government comes into office, is this. At the same time as rearranging things of a structural nature and getting Canada back on track, making sure there are employment opportunities for everyone who wants them, we would adopt a system of phasing out these Liberal stopgap, alphabet soup programs. It cannot be done overnight but it will be done over a period of time as a gradual phase-out.

[*Translation*]

The Acting Speaker (Mr. Herbert): Questions? The Hon. Parliamentary Secretary to the Minister of Employment and Immigration (Mr. Dubois).

Mr. Dubois: Mr. Speaker, the Hon. Member referred in his speech to the matter of summer employment, and also to what a Progressive Conservative Government would do. Maybe he was alluding to 1979. Could he tell us, since some of his colleagues, including the Hon. Member for Joliette (Mr. La Salle), have been calling for more money for Summer Canada, what his party's position is? Are they for or against job creation programs, and Summer Canada in particular? It will be remembered that before February 1980, more specifically during their short stay in Government, between May 1979 and December 13, when they were overthrown, they brought the axe to the summer creation programs, including Summer Canada, which the Liberal Government has brought back. Are they for or against summer employment programs for students? What would they do for students, in light of the fact that in 1979 they had to cut into those programs?

[*English*]

Mr. Nickerson: That appears to be precisely the same question as the one asked by the Hon. Member for Gloucester (Mr. Breau). The answer remains precisely the same, Mr. Speaker.

[*Translation*]

The Acting Speaker (Mr. Herbert): Are there further questions and comments? Shall debate continue? The Minister of State (Youth) (Mrs. Hervieux-Payette).

Hon. Céline Hervieux-Payette (Minister of State (Youth)): Mr. Speaker, I am pleased to participate with my colleagues in the debate on an issue which, to my mind, is basic, especially after travelling throughout Canada and meeting with employers, union members, voluntary organizations and young people, and then considering today the motion moved by the Progressive Conservative Party to single out our failure to work together with the provinces, business and labour organizations.

Mr. Speaker, it would seem that our colleagues do not work in the same country as we do, but there is indeed one undeniable fact: I am just back from a trip across Canada during which I visited the ten provinces and the Northwest Territories. The Hon. Member for Western Arctic (Mr. Nickerson) should make an effort to recall that I was in Yellowknife about three weeks ago to attend the Arctic Games and at the same time to meet with employers, union leaders and all those who are involved in youth employment, as far as I am directly concerned, and to discuss the employment situation in Canada generally.

I am here today, Mr. Speaker, to speak on my own behalf since I happen to be Minister of State for Youth, and on behalf of my colleague the Minister of Employment and Immigration (Mr. Roberts) who is now in Montreal to sign an agreement with a group called "EPOC" with which I met a few years ago and which is working with a group of Montreal businessmen to train young people and find employment for young drop-outs who are experiencing difficulties because they have been unemployed for several years or thrown out of the labour market as a result of their running afoul of the law, which does not make it any easier for them to land a job. Earlier today, the Minister signed an agreement with that dynamic group that, in nine cases out of ten, has been able to find employment for young people who have been rehabilitated over the past ten years through federal Government sponsored programs.

Today, I think we have not learned much from the report of the task force of our Progressive Conservative colleagues who said:

[*English*]

The task force reports that Canadian industry is slow to recognize much of the potential of merging technologies.

[*Translation*]

As if we were in 1940, Mr. Speaker.

[*English*]

The task force terms a disgrace the fact that the public educational institutions are often unable to afford needed equipment for training and hence make appropriate changes in curricula to reflect changing skill needs.

[*Translation*]

There again, Mr. Speaker, I think that, even after voting on the estimates and the expenditure items approved by this House, the Opposition Members do not even realize that we have a Skills Growth Fund worth several million dollars. I would at least ask them to read the official document.

On the other hand, Mr. Speaker, in my tour of Canada and as the Members opposite have pointed out in their report, I noticed that the labour market has been undergoing a major transformation because of high technology, silicone chips, robotics, and so on. Of course, when we see challenger's Canadarm, we realize that Canada is involved in the progress of technology and that all our young people and our working men and women in Canada are anxious to play a role in the many new jobs created in the high technology areas.

[*English*]

Most of us have already felt the impact of the new revolution in one way or another. One has only to look at the proliferation of home computers, automated bank tellers and home video equipment to realize how quickly and completely the new technology has taken hold. Under its influence, our industrial and business environment is changing rapidly. Combined with the economic upheaval through which we have been struggling in recent years, the implications for our human resources are far-reaching and critical.

More and more across the country, jobs are being defined using computer technology. Those of us not conversant with terms like Cobol, Pascal "C", Fortran, Bi Sync, Unix, and Ominel may react with the jitters when scanning today's roster of job qualifications.

Microelectronics will eliminate many unskilled and repetitive jobs, but it will create even more new and high-paying ones. In some cases, it will change the very concept of a skill. For example, with the transfer of a machinist's tasks to computer-controlled machines, the job of a machinist changes into one of monitoring the computer-controlled equipment. However, a machinist's job could be upgraded by combining his traditional mechanical skills with new computer skills. Much depends on how we choose to link existing skills with computer technology.

The high technology business is regarded as one of the healthiest and fastest growing. It is also widely recognized that Canada must encourage and support the growth of these industries to escape economic stagnation. So high technology is here to stay. As a woman, I recognize the usefulness of a microwave oven.

I feel we have to be optimistic about the changes occurring around us despite the growing pains and confusion that are part of this transition. At the same time, we have to be realistic enough to devise strategies that will overcome current problems and lay the foundation for the future labour market. An especially important strategy is to forge strong links between training and technology to overcome the skills gap and spur technological progress.

● (1530)

Good training programs that equip people to enter growth occupations temper their fears and anxieties about the effects of technology in the workplace. This makes training and retraining programs for new computer technology jobs both a social and economic necessity.

When all is said and done, skills are the building blocks of individual self-reliance and economic growth. They are the means of remolding our human resources to meet the new requirements. High levels of employment and productivity can be achieved if workers are equipped with the skills that will be in demand in the years to come. It is for this reason that the Government reorganized its training initiatives in 1982 and established the National Training Program.

The Government does intend to revamp the system where necessary and direct the bulk of federal funding to training high demand occupations. In the old days, some of our resources were clearly wasted on training for occupations which already had a surplus of skilled workers. We do not want that situation to recur. As a former president of a school board, I can remember this happening.

To prevent it, a number of initiatives have been set up under the National Training Act. These include the designation of occupations of national importance which are or will be in high demand and requires special training efforts to increase the supply of skilled workers. Sources of information in the federal and provincial governments and business and labour have been consulted to ensure that the list of occupations is on target. It will be reviewed and updated each year to reflect the changing labour market.

The need to channel workers into demand occupations is equal to the need to bring training facilities and equipment up to date. Undoubtedly, there is no point in designating occupations of national importance and embarking on a scheme to train people on sophisticated equipment which only a few facilities can afford. The Skilled Growth Fund is the obvious answer. The fund makes funding available to private and public non-profit organizations so that they can modernize facilities, buy equipment and develop courses to train Canadians in national occupations.

[*Translation*]

The need to set up a truly effective information system for the labour market is obvious to anyone who has ever had to determine manpower training priorities. Last year, the Government launched the Canadian Occupational Projections System for the purpose of undertaking the enormous and complex task of compiling and integrating data related to the labour market and obtainable from several sources in addition to the federal Government's own sources.

While this project is still in its early stages, it is already showing that it can be of great assistance in forecasting future manpower needs and identifying occupations where demand will be greater. Identifying and solving human resources problems will be vitally helpful in providing sound information about the labour market. Seven workshops have been established throughout Canada to ensure the exchange of information necessary for such an effort. Representatives of the private sector and of the various levels of government will be meeting for a day or two in seven Canadian cities to identify regional and sectorial problems in order to obtain the most recent data on available human resources and to suggest how we should better orient our policies. In fact, one of these meetings will open tomorrow in Halifax.

[*English*]

The human resource workshops illustrate an important point. The Federal Government cannot do the job of developing Canada's labour force by itself. What is required is a combined operation involving all levels of government, business and labour. I am sure Hon. Members would agree that what we clearly need in this country is a continuing exchange of ideas and information, a partnership of dialogue in spirit. We also need to make a commitment to work together for economic growth as economic partners. We already have the instruments and agencies through which this can be done, but we must take advantage of every opportunity for meaningful contact.

Nowhere is the need for partnership as acute as in the sphere of human resource development. We all have a role to play in managing change, in rising to the challenge that change presents. The onus is on individual workers to train for new occupations. Unions must help their members to cope with the transition to new work environments. Employers must contribute to the training and development of their employees. Training institutions must ensure that adequate and relevant programs are available. All of us must work together to make it easier to adapt to change.

This Government has given top priority to involving business and labour as key players in resolving labour-market problems. We have not only worked with them in attempting to find the answers to problems, but we have been content to step aside while they jointly pool their expertise.

A prime example of this approach is the recently formed Canadian Labour Market Productivity Centre. The centre, although financed by the Government, will be a completely autonomous body, operated jointly by the Canadian Labour Congress and the Business Council on National Issues. It will be completely free from Government intervention to assess such issues as the impact of high technology on the labour market and of the need to increase industrial productivity.

This marks the first time in Canada's history that labour and management have had their every own mechanism for dealing together with matters of national economic importance. The centre's findings and recommendations will be eagerly awaited by Government. I take particular pride in the fact that I was a member of a government which was able to bring labour and management together in such a positive way. I should also add that I have been very impressed by the calibre of academics expressing interest in working for the centre or being kept informed of its findings.

Perhaps at this point I should mention the extent of our financial assistance for training. This fiscal year we will be spending more than a billion dollars to help Canadians upgrade their present skills or learn new ones. More than half the total training budget is directed toward the purchase of courses in both public and private learning institutions for individual Canadians. This will provide training opportunities for some 220,000 men and women, and nearly half of them will be young people.

Of course this billion dollar figure does not include the vast sums of money the federal Government channels into post-secondary education, much of which has a direct impact on preparing young Canadians for careers in such fields as computer programming. In addition, in recent years the federal Government has increased its grants to education councils so that more bright young Canadians can attain Ph.D.s in scientific and technical fields. To do so, the Government inspired itself with good reports like the one prepared under the chairmanship of the Hon. Member for Notre-Dame-de-Grace-Lachine East (Mr. Allmand), the Dodge Report prepared in the Department of Manpower and immigration and the Wallace report on part-time and job-sharing. There was another good report prepared on educational leave.

This Government was very active in preparing for the jobs of tomorrow. We have also built training into our job creation and work-sharing programs. Two of our job-creation programs in particular, Career-Access and Job Corps, make it possible for young people to gain valuable on-the-job training. The work-sharing program has been modified to enable workers to take advantage of their day's off to undergo training. Once again we are taking the initiative in relating training to actual work situations.

I think in my remarks today I have shown how the Government is co-operating with the provinces, management and labour and develop training programs which will help individual Canadians adapt to rapid technological change. Many of the mechanisms we need, such as consultative processes, are already in place. Because of this, we are in a better position than ever before to modify our programs as required.

I was not impressed by the progress we have made in fostering provincial-federal co-operation in the training field. I was particularly pleased to respond positively to the suggestion that labour and education ministers meet before the fall to examine the recommendations of the National Advisory Panel on Skilled Development Leave, including the extent of illiteracy in Canada.

• (1540)

[*Translation*]

Mr. Speaker, some of the Opposition members may not be aware of recommendations concerning educational leave. Essentially, we are calling for a legislation which would give Canadians the right to accumulate educational leave credits with a view to acquire new skills while still earning a decent wage. I must stress that this kind of program exists in several European countries. I suggest the same could be done here in Canada.

I believe we can no longer expect that people will acquire during the first 18 or 20 years of their life all the education they will need in their lifetime. Within an ever-changing labour market, studying is a continuing process which musts be extended to the whole life of workers. Government must find means and take steps to make such a process possible without affecting the individual's career.

In conclusion, Mr. Speaker, I would like to invite my hon. colleagues to avoid negative criticism of a program such as Summer Canada which will help thousands of young people. At a cost of $200 million, exactly 81,000 young Canadian students, through this program and through Youth Employment Centres, will have access to a summer job.

I believe, Mr. Speaker, that the private sector has done its share last year by creating 330,000 jobs for youth. This was made possible by 1,600 young people who solicited these jobs, working within the Canada Employment Centres. I would like to remind the Hon. Member that this program enables young people not only to earn money to pursue their academic studies but also to gain experience which is a must. I deplore in these difficult times, especially hard for parents and young people, that Opposition members would reject any initiative taken by our youth. Young people may not be as experienced as their predecessors or their parents to establish a program and create jobs for themselves through the Summer Canada program; however, I can assure my colleague that 99 per cent of Summer Canada projects submitted are commendable initiatives and are quite remarkable efforts on the part of these young people. In my own riding, I can say that the work being done by these young people during the summer time enable them to pursue their academic studies and quite simply to gain a knowledge which they would not otherwise acquire through formal education.

I must remind my colleagues that I also call on the private sector to create jobs through the Summer Canada program. In my view, it would be a shame that such a Government program be criticized because of a handful of projects which may not have been profitable, while most of the thousands of projects which are funded bring enormous benefits at the community level to all beneficiaries of the services offered.

The Acting Speaker (Mr. Herbert): We will now have a ten minute period for questions or comments. The Hon. Member for Calgary West (Mr. Hawkes) has the floor.

[*English*]

Mr. Hawkes: Mr. Speaker, the Minister has indicated to the House that in her travels she has found that the Canadian industry is aware of advanced technology. The Science Council of Canada has said that even quite small economies have had a head start of at least four to five years with the kinds of studies and exhortations about a promising technology that began to

surface in Canada only in 1982. A recent study by the Ontario Government tells us that 24 per cent of the Canadian manufacturing industry is aware of the computer-aided design systems, 37 per cent is aware of the computer-aided manufacturing systems and 17 per cent is aware of the integrated CAD-CAM systems. If the Minister really does not understand those facts, then I think we have gotten to the root of one of the reasons for the inadequacy of government policy as it affects the issue of technology.

[*Translation*]

Mr. Speaker, I have a question for the Hon. Minister.

She claimed she held consultations with provincial representatives from labour, industry and the education sector. It matters little that consultations have been held in the past, since nothing has come out of them. This morning, I refer to the fact that the Liberal Party ignored report after report, study after study, work project after work project. Can you guarantee that this time, your consultations will yield concrete results rather than being ignored?

Mrs. Hervieux-Payette: Mr. Speaker, I want to answer the first part of the Hon. Member's question, where he referred to what seems to be the private sector's ignorance of some aspects of high technology implementation. I will remind the Hon. Member that there are special programs and provisions in my colleague's department of Regional Industrial Expansion, to promote the implementation of new technologies. But the issue at hand today is that of manpower, and it is my contention that in the present case it is a matter of adjusting manpower to our new technology. It cannot be said that the Allmand Report or any report, whether it be the Dodge Report or the Wallace Report, had no impact. I think your colleagues were part of the group that worked on the Allmand Report titled "Employment in the 80's", which gave an outlook and lead to the introduction of legislation to restructure vocational training financing.

On the basis of my experience as the former chairperson of a School Board that had to negotiate with employment centres concerning adult training, I contend that the new act, combined with moneys provided by the occupational skills development fund will make it possible to acquire highly specialized equipment, including computers, or more simply standard laboratory equipment biotechnology for instance. Therefore I feel that we did give labour and industry the means to adjust to new working conditions.

I am quite surprised, Mr. Speaker, at the Hon. Member criticizing the private sector because according to our Progressive Conservative opponents, private industry would be quite capable of creating jobs, while I have to fight to create the 550,000 jobs our young workers need. If anyone, the Progressive Conservative Party, the provinces or anyone else has a magic formula to propose I would be quite ready to recommend it as early as tomorrow morning to this Government. If they have not, there is no point in their criticizing the positive measures which have been taken and the $1 billion which is provided for vocational training each year, including $500 million for our young.

[*English*]

Mr. McDermid: Mr. Speaker, this is the first opportunity I have had to congratulate the Minister on her appointment and I wish her good luck. She was very flattering about the task force on Employment Opportunities for the '80s on which my colleague, the Hon. Member for Calgary West (Mr. Hawkes), my colleague, the Hon. Member for Jonquière (Mr. Marceau) who is present today, and myself served. That report contained 186 recommendations. I would like to ask the Minister three questions pertaining to the report.

First, has she read the report to which I have referred? Second, how many of its 186 recommendations has the Government implemented? Third, why was the chairman of that committee not informed of this debate today? Why did he have to rely on the Hon. Member for Calgary West to tell him about the debate during today's lunch hour?

[*Translation*]

Mrs. Hervieux-Payette: Mr. Speaker, in order to give a very accurate answer concerning the implementation of those 186 recommendations which relate to more than one Department, I would like to assure my colleague that I will be in a position to table a report in that respect. I am wondering why he has not raised that issue in the past two years, because the fact is that the report was made public at least two years ago. Since my colleague from Notre-Dame-de-Grâce-Lachine East (Mr. Allmand) is present, perhaps the Hon. Member should put his question to him directly.

[*English*]

Mr. St. Germain: Mr. Speaker, the Minister claims that we as an opposition have criticized the Summer Canada Programs. We merely pointed out the ineptness of the Government when we referred to these programs. These programs were created as a court of last resort because the Government opposite had created such massive unemployment and the private sector did not have any hope whatsoever of creating the employment that was required because of the situation brought on by the devastating economic policies of the Government opposite.

The Minister has cited Training Initiatives in 1982, the National Training Act, the Skills Growth Fund and the Canada Labour Productivity Centre. All of these initiatives were taken in the 1980s. For 16 years the Government opposite has been in power. Could the Minister indicate why something was not planned in advance? We knew of the technological changes which were coming. They are still coming today. Why did it take so long for action to be taken?

• (1550)

[*Translation*]

Mrs. Hervieux-Payette: Mr. Speaker, I might simply point out to my colleague that, when we talk about training, we mean education, and that happens to fall under provincial jurisdiction. Having worked in the provincial Department of Labour, I can state categorically that we did not have to take any orders from the federal Government when I was a provincial employee. That is why, I suggest, we cannot talk about consultation and cooperation without the provinces being party to it. But that is a far cry from imposing our views on training, Mr. Speaker, and I think we would be rather naive to think that we have to show the provinces how to train young people and pinpoint priorities. I think they know them just as well as we do. As to upgrading our occupational training legislation, I happened to be with the provincial Government when discussions were begun concerning changes, since I was with the Government in 1977-78. It is a process which has been carried out through federal-provincial conferences.

I must tell my colleague that I do not think the provinces were against increased training funds. On the contrary, they are making a commendable effort to equip their school systems with computers and all necessary facilities. I should say that we want to do a lot more than just criticizing the provinces, we want to sit down with them and combine our efforts. That is precisely what we are doing to anticipate labour needs in the way of high technology training.

The conferences and seminars scheduled for this spring call for full participation by the provinces, the unions and the employers, and it is with them that we will make an inventory of their needs. However, it is not an easy task, and very few organizations can predict with any degree of accuracy which categories of skilled workers will experience shortages in the coming years. I have been following this file for many years and I know it is not easy. All participants concerned are now trying to find a solution which will probably not be perfect since no one can claim to know the labour market inside out. Still, I think that the initiative of the federal Government in that field can meet the needs.

[*English*]

The Acting Speaker (Mr. Herbert): The Hon. Member for Edmonton West (Mr. Lambert) on a short question.

Mr. Lambert: Mr. Speaker, we have had 10 years of experience of band-aid programs in the wintertime and in the summertime which involve rather large amounts of money. They seem to satisfy the political psyches of some parts of the country, particularly the region from which the Hon. Minister comes; as long as the Government can say it is spending money people seem to be satisfied. Whether anything is done is another question. Since we are talking about formation, my first question to the Hon. Minister is: A formation for what?

[*Translation*]

Frankly, there ought to be a national goal with respect to formation, and that should flow from an agreement between the federal Government and the Provinces whose responsibility it is.

The Acting Speaker (Mr. Herbert): The Minister of State (Youth) is allowed a rather brief answer.

Mrs. Hervieux-Payette: Mr. Speaker, my colleague is referring perhaps to the master agreements on economic development which are now being concluded with various provinces under the direction of the Hon. Donald J. Johnston. In my opinion, the planning of economic developments must, of course, be carried out through those departments and, with regard to human resources, we respond to the demand.

I should add just the same, for the information of my colleague, that training will be provided at the provincial level. I do not think that the Government of Canada should set up another Department of Education. And with respect to job creation, I would like to see for myself the full employment policy of the Tories. It has been a long time coming. They keep talking of lowering the deficit, but I think that further training would be unnecessary, because there would not be any jobs left.

[*English*]

The Acting Speaker (Mr. Herbert): On a point of order, the Hon. Member for Calgary West (Mr. Hawkes).

Mr. Hawkes: Mr. Speaker, I rise on a point of order. I recognize that the 10-minute period for question is probably up. Since the Minister of State for Youth (Mrs. Hervieux-Payette) is the only Minister present today, there might be a predisposition on the part of Hon. Members to continue the question period for the purpose of edifying them as to government programs.

The Acting Speaker (Mr. Herbert): That is highly unusual and would certainly require the unanimous consent of the House. Is there unanimous consent?

Mr. Dubois: No.

The Acting Speaker (Mr. Herbert): There is not unanimous consent. On a point of order, the Hon. Parliamentary Secretary to Minister of Justice and Attorney General of Canada (Mr. MacBain).

Mr. MacBain: Mr. Speaker, I am advised that the House is disposed to returning to the tabling of documents, by unanimous consent, to permit me to file in both official languages this year's annual report of the Department of Justice.

Mr. Lambert: Why did you not do it at the proper time?

The Acting Speaker (Mr. Herbert): Does the House give its unanimous consent?

Mr. Jarvis: Mr. Speaker, the usual discussions have taken place and on behalf of my Party I give that unanimous consent.

The Acting Speaker (Mr. Herbert): Is there unanimous consent to revert to the tabling of documents?

Some Hon. Members: Agreed.

Mr. McDermid: The NDP agree too.

ROUTINE PROCEEDINGS

[*English*]

DEPARTMENT OF JUSTICE

TABLING OF FIRST ANNUAL REPORT

Mr. Al MacBain (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, I take the blame for not doing this at the proper time as someone asked. On behalf of the Minister of Justice (Mr. MacGuigan), I would like to table in both official languages two copies of the first annual report of the Department of Justice.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—TECHNOLOGICAL CHANGE

The House resumed consideration of the motion of Mr. Hawkes:

That this House condemns the Government for its failure to work cooperatively with the provinces, business, labour, voluntary organizations and the educational community to provide adequate training and retraining opportunities that would enable Canadian workers to feel confident about their ability to deal with the challenges of rapid technological change.

Mr. Robert Wenman (Fraser Valley West): Mr. Speaker, the Minister of State for Youth (Mrs. Hervieux-Payette) has just spoken. I awaited with great anticipation some of her answers. I must say that I was very disappointed to hear more of what we have heard for the last 20 years.

Mr. McDermid: Perhaps she did not even have the question.

Mr. Wenman: That is right, perhaps she did not even have the question. When referring to technology she asked, "Where have Members of the House of Commons been?" We have already felt the impact on our side of the House. She has, we have, the whole country has, as have 1.5 million unemployed Canadians. We have all felt the impact. It is the impact of the neglect of the Government over the last 20 years. That is what the impact is, that is what the neglect is, and that is the opinion of the public.

A good portion of those 1.5 million Canadian people are facing middle-age redundancy, and 500,000 young people do not even have an opportunity to face redundancy because they cannot find jobs in the workplace. However, they do face redundancy because their education has already proven to be inadequate and the possibility or probability for training or upgrading is closed to them. The Government has felt the impact, but why did it not do something about it? What did it do when it felt the impact?

Enrolment levels have increased of late. In other words, the youth of the country and those faced with redundancy are seeking ways through the educational system to obtain hopefully, retraining or a usefulness in the productive system. What does the federal Government do? It cuts back. The provinces will have less money for education because the Government brought in a Bill to reduce funding to educational institutions in Canada. Over the protests of the combined Opposition Parties, it forced the Bill through the House of Commons. There will not be more money to meet the training needs of these people next year, so that they will be equipped for the new technologies and new challenges. In fact there will be less. Of over $10 billion spent on unemployment last year, only 2.57 per cent went for training. I thought the Minister felt the impact. If so, how come only 2.57 per cent went for training?

● (1600)

One out of every five of those young people about which the Minister was speaking is today unemployed. They account for about 40 per cent of the total number of people unemployed in Canada. Of this 40 per cent, 73 per cent are at an educational level which does not exceed high school. We have read many reports about functional illiteracy. This Government two years ago, when facing this problem, showed great foresight and cut out all spending on training for basic literacy just to put these people back into the work force. We now have the impact.

I am disappointed, Mr. Speaker, in the Minister of State for Youth. She became defensive and described all the programs which Government had in place. But she did not listen to some of her own colleagues. We had a more honest and direct representation from the Hon. Member for Laurier (Mr. Berger). He indicated there had been a major drop during the last decade in the amount of moneys set aside for adult education and training. He saw this from the Government side of the House of Commons. He was a small voice back in the corner and the Government could not hear him. I hope that Hon. Member will hear our motion today, Mr. Speaker. I hope he will hear us address the basic problems, bringing forward some of the solutions which will, in fact, lead us into a better 1990 and beyond.

We should look at the solutions to this problems mentioned by the Minister. She announced that we were going to have a series of new meetings and workshops, city by city. That is commendable. She said we were going to have a new centre to study productivity. That is commendable. She said we were

going to have a national advisory panel on the subject. That is also commendable. She stood there and listed report upon report of things which could be accomplished, reports which are now sitting gathering dust on someone's shelf.

What the people of my riding want the Minister to know, and what the million and a half unemployed people in Canada want the Minister to know is that they cannot eat a report, Mr. Speaker. They cannot pay their mortgages with a conference. Students cannot pay their tuition fees with another meeting, with another conference or with another report. What we need, Mr. Speaker, is not more and more dollars spent on researching the problem. What we, in fact, need is action. We need action which is on the major economical ill which is facing the country.

I believe most of us have now identified that Canada's recovery is predicated on its capacity to increase its productivity. We must increase our productivity both in quantity and in quality on a per man, per hour basis. Once we increase that productivity, it is no good to store it in a granary somewhere, or in a warehouse somewhere, it has to be sold. It has to be sold on international markets.

Through that increase in productivity, through that trading and selling in international markets, jobs will be found, Mr. Speaker. But that is where jobs are also being lost. For every 1 per cent drop in international trade, we lose the equivalent of $6.5 billion, and that is not new trade which we cannot get, but trade which we used to have. Our share of world trade has dropped by 33 per cent, two and a half points. And that is where the jobs are lost and where the jobs must be found.

In our industrial, educational and job retraining strategies, we must recognize that that is where we must head. The orchestrated restriction to the flow of trade to Canada is threatening to wrap a tourniquet around Canada's lifeblood. The low level of research and development and the lack of retraining response to technological change has led to stagnation in our economy and to the high levels of unemployment which we all are experiencing and suffering.

The Minister is right, in that the post-industrial society has arrived and it is breaking all around us like a tidal wave. Canada has a nationwide need for retraining, innovation and research and development if we are to catch that wave towards prosperity. The challenge facing Canada is to apply new technology without massive job displacement and economic dislocation. Without the opportunity to meet and solve the challenges of that new technology, the work force will actively resist change. Therefore, we will have to work towards that change with new attitudes, new opportunities and new specific ideas.

The Hon. Member for Calgary West (Mr. Hawkes), who has already spoken, did not just talk about reports. He has made his report and has suggested from his report specific lines of action. This comprehensive study on the problem of technological change for manpower and retraining is the first breath of fresh air this House of Commons has felt for a long time. It is that kind of breath of fresh air which is going to carry us forward into the next Government of Canada. If the implementation of new technology means inevitably that some jobs will be lost, then those persons who are displaced must be adequately retrained so that they are full participants in the economic community.

Our Party has found that one of the main obstacles to solving the problem of technology lies in the vague wording of the Canada Labour Code, in particular, Sections 149 to 153. If you want an example, Mr. Speaker, of something which causes problems, which creates a tone of concern between labour and management, a lack of understanding, clarity and direction, it is the vague wording of the Canada Labour Code. The present Code does not satisfactorily address the problem of technological change today, much less the more comprehensive changes which will be required in the future. The present Code requires that the employer, who seeks to effect a technological change which affects the terms and conditions of security of employment of a significant number of employees, must give 90 days notice to the bargaining agent prior to the change.

I am not the first one, Mr. Speaker, on this side of the House to bring this problem to your attention. As I speak today, I want to recognize that this has been brought to your attention before by the Hon. Member for Perth (Mr. Jarvis), and I pay special tribute to him today for his distinguished parliamentary career. Hon. Members of the House will miss him. We wish him success. I hope that we will take the advice which he gave us as recently as a few months ago. He did address this problem but the Minister did not comment. Perhaps she should have talked specifically about what she can do now. She said she would listen to ideas from this side of the House but she did not listen to the Hon. Member for Perth. Perhaps she will listen today. We will try again.

This 90-day clause is of concern to us. The definition of technological change cannot possibly cover all types of changes in the way work is carried out as a result of new technology. However, the definition itself of technological change must be made more explicit. This section requires redress because the burden of proof lies on the employee to prove that the employer is introducing new technology and that it has an impact on his employment. The employee's task is virtually impossible if the employer does not provide the information on the change.

● (1610)

Phrases like "substantially and adversely affect" and "significant number of employees", are so vague that they do not allow the affected party to determine if notification is necessary. These phrases must be made explicit to avoid possible disputes that arise out of confusion because the definitions have not been clear. The opting out provisions of this section are unsatisfactory because they remove the compulsion to reopen bargaining. If an employer signs a collective agreement which gives notice of technological change prior to the conclusion of the last agreement, or has provisions which allow for the settlement of matters pertaining to technological change, or contains provisions to assist employees to adjust to the effects of changes, or if the agreement specifies that statutory provisions do not apply, then the employer does not have to

bargain with his employees. The problem is that both parties may not have had sufficient information on the impact of the change when the agreement was signed. Opting out also means that there is no mechanism for redress should a dispute arise.

As both I and the Hon. Member for Perth said, the 90 day notice period is simply too short to allow for negotiation of adequate adjustment policies or retraining agreements. Employers are not required to provide well detailed information of impending changes. A minor change like this sends out a signal to management and labour that we want to add clarity. From that we can add a tone of leadership which we can all co-ordinate to create this better environment we all know must be found in industrial relations.

Apart from the obvious negligence of the present Government in providing for adequate retraining programs, it is becoming increasingly apparent that our young people are not receiving the kinds of training they need in today's world. Canada suffers from a critical shortage of skilled workers in many sectors of the economy. Yet, in spite of those shortages, 1.5 million people are unemployed. Although international comparisons indicate that Canada has one of the world's best educated work forces, we are less well equipped educationally than some of our major competitors and the over-all trend is indeed discouraging.

For example, in our universities there are 200 vacancies in our management faculties, 200 in engineering, and 600 in computer science. We are graduating fewer Ph.D.s now in mathematics, engineering, agriculture and biological sciences than we did in 1974. Where is the direction, Mr. Speaker? Where is the leadership? In disciplines critical to our competitive future we are going backwards, not forwards.

The OECD estimates that between 25 per cent and 30 per cent of Canada's work force is functionally illiterate. The application of new technology will require higher levels of skill than our work force presently has. Clearly, with such a large functionally illiterate work place, the general knowledge will have to be increased before they can in fact develop the opportunities to participate in any new technological society to come.

We sit here and debate. We pile words upon words. It is like another report. I feel almost guilty doing it because I know that of the people in this House and those listening to us today there is not one person whose family is not touched by the impact of the technological society. There is not one person who does not know of someone who is unemployed, someone who has dropped out of school in grade 11, grade 12, is unemployed now and unemployed forever. He is cast from our society. I just wanted to end with the plight of that person listening today, Mr. Speaker. I urge the Government that now is the time for action, now is the time for programs. We are fed up with studies. We are ready to build a new country. I was going to detail the recommendations of the studies by the Hon. Member for Calgary West, but they are now public and available. We will send them wherever we have to. To him we offer congratulations, and we look forward to getting on with the job. There is new hope for that young person out there. It will not take long, it will be just a matter of months until there is a new Government with a new vision.

Mr. Miller: I have listened with interest to the debate. Many of the things said by the Official Opposition and my colleagues in the NDP are things which I think most Canadians are anxiously awaiting to see from Government, whether it be federal or provincial. The Hon. Member who has just spoken and I both represent ridings in the Province of British Columbia. We all know that our forest industry is in some very serious trouble because of a declining timber base and world competition. The B.C. Government is cutting back in the forest service by 500 employees at a time when there is a critical unemployment rate in B.C. and more people are coming out of colleges and universities with forest training and looking for employment opportunities.

Would the Hon. Member consider it a failure on the part of the provincial and federal Governments to come up with an agreement on funding for education, and also a lack of a forestry agreement? I understand the federal Government was prepared to offer $37 million to British Columbia for reforestation and silviculture and that it was rejected. Could the Hon. Member comment on why we are not getting that co-operation from the Social Credit Government in British Columbia at a time when young people need employment, our forests need reforestation, and a large number of unemployed workers could be in those woods creating jobs now and in future?

The Acting Speaker (Mr. Herbert): Order, please. I find it somewhat difficult to relate the question to the speech of the Hon. Member. Perhaps Members could keep that in mind. Questions and comments are supposed to be related to the speech.

Mr. Wenman: Mr. Speaker, I do not want to defend or attack other Governments outside of this House, but let me just say it was relevant because I made the point that the federal Liberal Government of Canada cut off all training programs two years ago for those who were functionally illiterate. This same federal Government has cut back on funding for education to all the provinces. It does not matter whether it is British Columbia, Alberta or Manitoba. What are the provincial Governments going to do to provide these programs when the Government of Canada is saying we are giving you less and less and less in these areas, which are its responsibility? The attitude is wrong, and the greatest wrong comes from the leadership process in this House. The Prime Minister (Mr. Trudeau) and the Government are supposed to set a tone of non-confrontation, a tone of co-operation. They are supposed to find and develop new and real programs which filter all the way down the line. It is a long cycle but it starts here; let us keep the buck right where it belongs, in this House of Commons.

[*Translation*]

Mr. Dubois: Mr. Speaker, I would like to ask my colleague who referred to skills and young people whether he is aware of

the Skill Growth Fund set up under the National Training Act. Could he tell us whether he is for or against the program specifically designed to assist young people? Is he aware of the program in the first place?

● (1620)

[*English*]

Mr. Wenman: The Hon. Member is aware that about three years ago in the House of Commons I first proposed that 25,000 unemployed young people be drawn into the reserves of Canada for the summer to have their skills upgraded and so forth. About six months after that a backbench Liberal got up his courage and took the idea that I had suggested in committee. He came in the House and said that is what the Government should do. The Government comes up with a program for 5,000 rather than for 25,000. When you have 500,000 unemployed, a program for 25,000 is relatively meaningless.

When the Hon. Member asks whether I know of programs, I can tell him that I know of bureaucracy piled upon bureaucracy trying to create jobs. We spend more money there than we do in the actual programs. I know of slush funds of Ministers on the other side that make my young people second class citizens. I know about those programs. They are too little too late and do not nearly begin to address the broader programs which have been addressed by the Member for Calgary West in his report. The Hon. Member should read that; then he would have some answers.

Mr. Hawkes: Mr. Speaker, would the Member like to comment on the fact that the Main Estimates tell us that the Government only intends to use $250 million out of $10 billion or $11 billion of unemployment insurance funds to support people during training? At the same time under the Special Employment Initiatives Program it spent $300 million to re-elect Liberals and less than that to support people in training with unemployment insurance funds. Would the Hon. Member like to comment on whether he thinks that is right?

The Acting Speaker (Mr. Herbert): A brief comment, the Hon. Member for Fraser Valley West (Mr. Wenman).

Mr. Wenman: Mr. Speaker, the question answers itself when you look at that percentage. I mentioned it in my speech, it has been mentioned in the question, and it is worth mentioning again. If you were a Government and really wanted to do something for people you would hopefully say that it is not good enough to leave them sitting on unemployment insurance. Hopefully you would not dole out the money to them from a fund of $10 million and tell them to sit there and collect their unemployment insurance. Hopefully you would spend 2.5 per cent of it to help the people get back to work by retraining them for jobs. The Government will not even do that. It will not allow people to collect unemployment insurance while attending a retraining program. If a person elects to take the retraining program the Government will not pay him enough to live on.

What can a 22 or 23 year old with a grade 11 or grade 12 education and almost no experience in the workplace do? The programs do not exist. The programs need to exist and the emphasis needs to exist. That is what the report that the Hon. Member for Calgary West prepared said. He said that the shortage of highly qualified teaching manpower can be alleviated by increasing funding to granting councils and private sector scholarships. We need private sector scholarships. Give that young person some money and let him get into the school.

He said that the availability of information is the key barrier to job mobility. Use of modern means of communication will enable us to provide information on job opportunities. That young person does not even know how to go and look for the job. He does not know what jobs are available. We are going to have to tell him. Those are the kinds of things that $10 billion should have been used for. It should have been used for so many things. It should have been used for an advertising campaign to make the public aware of the problems and solutions. We must get our society going and get with it. Young people must get training and jobs in order to create productivity. That productivity is sold in international markets. That gets our share of world trade back, and there are our jobs. It is difficult and it is simple, but it sure is hard to get that message across to the other side.

The Acting Speaker (Mr. Herbert): That is the conclusion of the 10 minute period for questions and comments. For debate, the Hon. Member for Thunder Bay-Atikokan (Mr. McRae).

Mr. Paul E. McRae (Thunder Bay-Atikokan): Mr. Speaker, I was listening on two occasions last week when the Leader of the Opposition (Mr. Mulroney) was on *The Journal* and on the program *The House*. On *The Journal* he seemed to be indicating that they have all the problems solved and when they come to power there will be a great deal more confidence by Canadians in the country and in the world. Therefore jobs will automatically flow and there will be some incentives. Then we will have a big training program and everything will be solved.

I just could not believe that Canadian people are so ill informed that they would believe this. I do not think they will believe that the problems which are facing most of the industrial nations in the world will no longer face Canada because we will have a Government in which the world has the greatest confidence. I do not think people will believe that with some incentives and training everything will be fine, they will all have productive jobs and that this is the answer to the problem. I am not suggesting that some of these things are not needed. However, the utter simplicity of it baffled me. The people who were interviewing the Leader of the Opposition were having a great deal of difficulty believing what they were hearing as well.

I read 15 or 20 pages of the task force report on retraining. I think there is a good deal of merit in the report. I do not think it contains anything unusual or new. Its merit is in restating

some ideas which must be restated from time to time. I do not see anything basic in the report. I can accept the fact that all people on public assistance should have the opportunity for retraining. I can accept the idea that UIC funds should be devoted more and more to this and other purposes along this line. We on this side have been working on this for a number of years. I think there have been a lot of things done with the UIC dollar, including training.

The point of the matter is that the idea is not new. It is good to bring it up again and again to give it more emphasis, but I do not see that anything great is going to happen because of this report. It is not a new idea that we should be able to predict what kind of jobs are going to be available for people coming into the labour market and what kind of training is going to be required to equip people for these jobs. The Government itself set up a group called the Canadian Occupation Projections System, or COPS, with the idea of attempting to make these projections so that training programs can be organized correctly.

I have been wrestling with this problem for close to 30 years, both in this House and in the field of education before I came to this House. After 10 years of misinforming students I learned that this was not an easy question to deal with. We were always looking into the future and trying to get the best advice we could from our educational authorities, the provinces, and the federal Government, about the kinds of occupations that students could go into when they left school.

• (1630)

As soon as an operation becomes rather large, with many people employed in a specific area, such as when there was a great sudden demand for people in social work, there is a bulge in the system, and many are trained for this specific field but they find there are no jobs. This experience has led me, as a school administrator, to carefully consider the type of training to give students a chance to fit into the working community upon completion of that stage of their education. I came to the conclusion that it was a mistake to lead students or those returning to the educational system into a narrow occupational field, because very often the jobs in that particular field may not be available.

I have great concern that the emphasis in the last two years on high tech training to narrow, spin-off fields related to computer science could be carried to the extreme. However, I believe a general knowledge of computer science is important in order to be able to adapt when a particular computer field becomes crowded. When I see the number of students involved in the spin-off technologies of computer science, I question whether we are repeating what took place many years ago when far too many people were trained in the field of social welfare. While these people were eventually needed, they were employed elsewhere by the time the jobs were available. We should concern ourselves with general training rather than specifics. This report does make some suggestions in this respect, although I think many of us have already seen and acted on many of those suggestions.

We must also take into account the basic training that people need in order to fit into a world where they must be able to adapt or be retrained. We are told that some people may have to retrain three or four times in a lifetime. Thus, we should be concerned that people have the basic skills for this training and retraining. These discussions have not taken place in the House or among governments.

There have been some recommendations. First we must acknowledge that people must have a basic skill in such things as the English language and mathematics by the time they have completed Grade 11 or 12. In addition to these very important basic sills, one must include some general information about computer science, electronics and other components of the new world of high technology. I submit that people should not be trained at that point in their education to become specialists in a highly developed field, but be able to cope and understand the implications of the computer without necessarily becoming experts.

I fear that we may have already developed far too many specialists in certain branches of computer science. However, the era of high technology is something with which we must live. It is a new field that has added a dimension to our working world and many other aspects of our society. I believe we must have a good grasp of the fundamentals of this technology without being involved in specialization.

I am always concerned that people who are trained for a very highly developed field will have to start from the beginning if that field becomes obsolete or replaced. That should not be necessary. We should be able to train our students at a level which makes it relatively simple to move to a different field of which they have a basic knowledge.

There are many young people who, for various reasons, have not completed high school. There are good reasons why some people should not be taking secondary school at the time it is available to them. However, I find it is very common that these same people wish to complete their high school education later on when they feel they are ready to do so. We, as a Government, have attempted to encourage this.

The report discusses functional illiteracy. It is hard to believe that many people come under this category, as functional illiterates. Rather than condemn people for not completing high school when they had a chance, we should be ensuring the opportunity for them to return and complete the education that they missed. There are many reasons why people are wise to leave school at a particular point, and that is why I am disturbed that in the last two or three years governments at all levels have shown reluctance to deal with this particular kind of program.

While the report makes good suggestions with respect to functional illiterates, that term denotes one group of people, yet there are those who are relatively functional illiterates but do not fit into that category. They too must be trained to a point where they can move into more specific fields.

While much discussion has concerned training, it is only one solution, and perhaps may not even be a major solution for 1.5

million Canadians who do not fit into the labour force. While there is no question that the serious problem of training must be addressed, I had the impression, when listening to the Leader of the Opposition, that this was the answer; if there was confidence, incentives and training, everyone would be working and the problem would be solved. I do not see that happening. I envisage, and suggest, putting more money toward imaginative programs for training and retraining people. They should be prepared for the broad variety of experiences they will likely have in their lifetime.

• (1640)

I look back to the month of February. It was a typical kind of month in terms of jobs and employment. We had growth in jobs and in the number of people being employed. It was something in the order of 0.5 per cent, or, at the rate of 6 per cent a year. This is a very , very rapid rate of growth in jobs. If that could be sustained over a long period of time, we would be creating a large number of jobs. In round figures, it would be something like 60,000 jobs in that month. At the same time we had 0.5 per cent monthly or 6 per cent on an annual basis growth in jobs, we had a little over 7 per cent growth in the number of people in the labour force. Even with a 6 per cent growth in the rate of the creation of jobs we had an increase in the employment rate simply because more people were coming on the labour market than there were jobs being created. I suspect, and most people who think about this will say, that this will be continuous, particularly with the onset of more and more high technology. High technology will not create jobs. It will reduce the number of jobs available.

Mr. McDermid: Nonsense.

Mr. McRae: One can expect over a period of time that growth in productivity will be attained by investment in high technology. But this will not satisfy the need for those people who want to work. I think we will find that high technology will replace many individuals. Therefore, some other alternative has to be considered.

I do not hear very much talk about things like renewing our forests and things of that kind which are tremendously important. Here we have a resource that exports in the range of $20 billion a year, more than agriculture, fisheries, and mining combined. We have not as a nation looked upon renewal of this resource, which is vital. In British Columbia if the resource is not renewed very shortly, we will not have an industry there. In Thunder Bay and throughout northwestern Ontario we have a situation which is very serious. In terms of the jobs that will have to be created to renew that force, these areas are labour intensive. It seems to me that is one of the areas at which we should be looking very seriously in terms of creating jobs.

I know the federal Government is in the process of putting together an agreement with the Province of Ontario and with the other provinces. I know the sums will be considerable, but even so, I do not think that will be great enough.

I know that my time is running out, but I would like to talk about the whole idea of work-sharing. I think the labour movement is pointing the way. We will have to start sharing work, perhaps by working shorter hours or taking early retirements. There may be many other ways in which work might be redistributed. I would like to discuss this at a later point.

The Acting Speaker (Mr. Herbert): There follows a ten minute period for questions and comments. The Hon. Member for Richmond-South Delta (Mr. Siddon).

Mr. Siddon: Mr. Speaker, I was very interested in the remarks of the Hon. Member for Thunder Bay-Atikokan (Mr. McRae). He expresses a general attitude that we see emanating from the Government side consistently when the question of technology is discussed, the notion that technology is just not going to be enough to pull the country out of this massive economic crisis we are facing where over 500,000 young people do not have any reason to hope for a long-term permanent career. I am disappointed that that is the notion. One would feel there are other alternatives to achieving economic prosperity and to restoring employment.

The Hon. Member said this question of retraining is a serious problem and has to be dealt with. In that statement he expressed his view that there were certain limitations on the recommendations that came forward in the task force report prepared by this Party. What specific solutions does he see? Other than keeping pace with the explosion of technological development in the world, does he see any other option for employing people other than to restore our forests? Frankly, if he does not see technology as the number one means of up-grading our industry, restoring productivity and keeping abreast with the competitive challenge facing us in international markets, then I think he is sadly mistaken. His ideas are what is leading this country down the tube to ruin.

Mr. McRae: Mr. Speaker, I suggest the forestry field is one field that we might look at. I am sure there are others that I do not have time to get into. My feeling about the approach you take is that there are some good ideas but they are not very basic. They deal with techniques on training, preparing teachers, and a lot of areas of this kind. They do not deal with what is an overall basic approach to an educational system which will provide the basis for retraining. Retraining becomes very difficult if you have very highly skilled individuals who have spent a lot of years in a very technical field and that technical field disappears. They have to go back to basics again. But if they have a good general background it is not so hard to retrain in another field. I think that is one of the major areas where I would suggest this. I do not know of any expert who can say that we as Canadians can continue to export, export, and export high technology because everybody else will be doing the same kind of thing. I am not convinced, and I do not know of anyone or of any authority who is saying that there is an unlimited high tech field. The technology itself, the robotization of things, is not basically an attempt to reduce the need for labour, and that is a good thing. It means in my books that, therefore, fewer and fewer people will be producing. Conse-

quently, distributing that productive effort becomes much more important in terms of bringing many people into it. I do not see and I do not know of any authority—

The Acting Speaker (Mr. Herbert): Order, please. I must remind Hon. Members again that questions and answers should be relatively short in order to allow everyone to participate. The Hon. Member for Perth (Mr. Jarvis).

Mr. Jarvis: Mr. Speaker, I have one comment and two questions that I think I can put quite succinctly. I would not want the Hon. Member for Thunder Bay-Atikokan (Mr. McRae) to underestimate the importance of confidence in terms of job creation. I am sure his riding is no different than mine. Two and a half or three and a half years ago, because of high interest rates, massive amounts of money went into that form of investment rather than into job creation spending, such as the purchase of motor vehicles, trucks and so on. That is one simple example of job creation or the lack of job creation because of lack of spending confidence.

My first question deals with what neither of us like to call functional illiteracy, but nevertheless that is the word used for it. Is the Hon. Member aware of the pilot programs in the United States run by volunteer agencies where retired teachers are recruited to assist in this type of program? If it can be done through the volunteer sector at less cost to the Government, it is something that I very much want to support. As an educator the Hon. Member may be aware of that. I have only been exposed to it through a couple of television programs.

The most important point is that the Hon. Member talks about the good general background, the academic training and up-grading from say grade nine to grade twelve or whatever. My experience has been that those seats purchased by Canada Manpower at various community colleges for academic training have been significantly less successful in terms of job procurement for those students than the narrow technical training. There is a welder's school in my riding. I disagree that someone trained in a very narrow field, as the Hon. Member puts it, has to go back and start over when that job becomes redundant. It is not a good approach to take because, first, that person has gone through the discipline of retraining. He has at least been exposed to an academic atmosphere. Second, he has at least had a job and is becoming aware that once one has a job, it is not secure until age 65 because in the eighties and into the next century all of us will have to go through processes of retraining. This will likely occur at numerous intervals during our working career.

● (1650)

Therefore, I have some serious difficulty with his approach of the good general background. I would far sooner put the carrot out and say to a prospective employee, if he is willing to go back to night school and get up to the Grade 12 or 13 level, he will have the first leg up on technical training with which we as a Government may assist him.

Mr. McRae: Mr. Speaker, I have had some experience in this field. Work is being done in the voluntary sector in dealing with functional illiteracy. It is one area which is very successful. I am not sure that I agree with the Hon. Member's basic problem. One difficulty with those who come into a particular technical field of trade, particularly in the high technology fields where some basic background is required, is that one has to learn how to function in terms of mathematics, for example. One has to be able to read and understand directions.

I am not one of the critics of colleges. I find that where the colleges are doing this the students are having greater success. I do not have any empirical data on which to base this. However, I believe if those individuals had to be retrained in another field there would be some advantage because of this. The quality of life can be embellished by this.

If you just talk about something that leads you to a $7 or $8 an hour job, it becomes very dangerous. There are things that flow from this. I would not want to see this kind of general background lost, even at the retraining stage. I do not believe it is enough to train someone for a specific job and leave it at that.

When those who are not functionally illiterate, but not very literate, drop out, it is usually because they have a large gap in areas such as mathematics. That has to be attended to if that individual is to function in other areas. It is sad for those who drop out. They do not drop out because they are unable to continue, but for all kinds of other reasons. We found that in the schools—

The Acting Speaker (Mr. Guilbault): Order. I regret to interrupt the hon. gentleman but this puts an end to the question period.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Guilbault): Order. It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie)—Canada Post Corporation—Request for cancellation of Consumers Distributing project. (b) Request that project results be released publicly; the Hon. Member for Broadview-Greenwood (Ms. McDonald)—Immigration—Replacement of court reporters with recording devices in immigration offices; (b) Quality of transcripts produced from tape recordings; the Hon. Member for York North (Mr. Gamble)—Income Tax Act—Taking of taxpayers' statements under oath—Minister's position.

Supply

GOVERNMENT ORDERS

[*English*]

ALLOTTED DAY S.O. 62—TECHNOLOGICAL CHANGE

The House resumed consideration of the motion of Mr. Hawkes:

That this House condemns the Government for its failure to work cooperatively with the provinces, business, labour, voluntary organizations and the educational community to provide adequate training and retraining opportunities that would enable Canadian workers to feel confident about their ability to deal with the challenges of rapid technological change.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, we are debating a motion today brought forward by the Official Opposition condemning the Government for its failure to establish adequate training programs in consultation with labour, programs which would fit Canadian workers to fill the jobs that will be created as a result of the introduction of new technology. We can support the motion, although to suggest that simply by a better system of training we will meet the problems of unemployment is oversimplifying the problem.

Let us look at the situation as it is today. At the present time there are 1.5 million Canadians unemployed, 40 per cent of whom are young people. There are probably another 200,000 or 300,000 unemployed who have not been counted because they are no longer looking for work; they have given up looking for work. Statistics Canada calls them the discouraged workers. The 1.5 million unemployed represents over 11 per cent of the labour force in Canada.

In 1969, a year after this Prime Minister (Mr. Trudeau) took office, only 4.4 per cent of the labour force was unemployed. According to the Minister of Finance (Mr. Lalonde) this 1.5 million unemployed will continue to grow for the next number of years. In his Budget forecast, he predicted that unemployment would stay at the double-digit rate of 10 per cent or more for the next four or five years.

If one can believe what one reads, hears and sees, we are in the beginning of a second industrial revolution. The technological changes which have been brought about by the microchip and computer have begun to have marked effects on employment in this and every other industrialized country. The effects are just beginning. As the computer and microchip take over, there will be tremendous change. In the manufacturing industry, the robot, microchip and computer are taking over. Thousands of workers are being displaced, and not just the unskilled worker.

This raises the question of what even the best training system would do. Thousands of the most skilled workers we have known up to today are being thrown on the unemployment scrap heap. Machinists, tool and die makers, molders, are having their job done better, more efficiently and cheaper by the computer and microchip. I am sure there is not a Member of Parliament who has not seen what the new technology can do in their offices with the word processors, xerox machines and so on. Much more work can be turned out with the same number of employees, or even with fewer employees. In large insurance and trust company offices and in the offices of all of the major industries and businesses which employ hundreds and thousands of people, it has been predicated by people who are knowledgeable and expert that hundreds of thousands of jobs will disappear. I have seen estimates which indicate that 40 per cent or more of these jobs filled almost exclusively by women will disappear in the next 10 or 15 years.

● (1700)

There has been an easy acceptance by many people in the Government and industry and, unfortunately in my view, by many academics that the era of high technology is coming and we cannot stop it. No one that I know of would want to stop it, but we are being told that it should be welcomed and that it will cause little if any dislocation. I am one of those who worry that the second industrial revolution which we seem to be entering will create as much havoc for the people of this country and every other industrialized country as created by the first industrial revolution. That revolution led to tremendous increases in productivity, but threw hundreds of thousands of people onto the scrap heap. In some cases, it took generations before these people were able to do productive work and live decent and comfortable lives.

If we are moving into a new industrial revolution, we must ask ourselves some very serious and fundamental questions. Let me pose three such questions about which we must think. First, how many new jobs will be created, and will as many new jobs be created in the new high technology industries as exist now in the traditional manufacturing industries? There is no indication that there will be as many workers employed in the new high technology industries as have been employed in the steel industries, the auto industry and the other industries in which so many of our people and the people of other countries have worked.

Second, we must ask ourselves where the new jobs will be located. It seems to me that if high technology industries do develop in Canada, it is likely they will be based in cities like Ottawa, where such a large proportion of the population is employed with the Government, and in cities like Toronto, Montreal and Vancouver. We must ask ourselves what will happen to the workers in the steel industry, for example. Will the steel industry in Canada suffer the same fate as the steel industries in the United States, France and Britain suffered? Even if productivity in that industry is higher than it was 10 years ago, employment has been reduced because of the use of new technology.

With the advent of new technology, what will happen to workers in Hamilton, Sault Ste. Marie and Sydney? What will happen to the farm machinery workers who live in Brantford? These are questions which must be addressed. If the old industries disappear, what will take their places in cities in which people have worked in the older mature industries for so many years?

Last, what wages or salaries will be paid to the people who will be working in the new high technology industries? Some studies have been done in the United States which indicate that in the new high technology industries the average wage is

$5,000 per year less than the average wage earned in the older manufacturing industries. That will have profound effects not only on the workers who will earn smaller wages but on all Canadians, because the purchasing power of the people who work in the new industries will be much less if we in Canada follow the same pattern as the United States.

The questions to which I referred are questions which must be addressed and understood, questions for which we must find answers. The Government has ignored these kinds of questions up until now and gives no indication that it will ever look at them seriously. From the Official Opposion, we get a motion which, if we can take it seriously, would seem to indicate that the only problem members of the Conservative Party see with the new technological takeover is that we have not trained people well enough. Of course we have not trained people well enough. Even if we had done so up until now, and even if we do so in the future, the fundamental problems which will be created by the introduction and wise use of new technologies will not be answered simply by providing training programs.

A famous American economist and Nobel prize winner, Wassily Leontief, when discussing the effects of new technology, said that he is afraid and predicts that the failure to redistribute the gains of automation and new technologies could condemn society to a paradoxical condition of rising productivity and rising destitution. There is no question that the new technology will permit and encourage a much greater level of productivity. However, hundreds of thousands of workers will be displaced and will have no jobs. As well, the people working in the new high technology areas will have to live with the lower wages paid. We in the New Democratic Party accept and support the motion which is before us today. Our training systems simply have not been good enough and are not good enough.

Let me take a moment to say that I was disturbed by the remarks of the Hon. Member for Thunder Bay-Atikokan (Mr. McRae). He spoke very briefly about illiteracy while ignoring the fact that if there is one area in which the federal Government has failed and ignored, it is the area of illiteracy. Looking at the training funds provided by the Department of Employment and Immigration over the last 10 or more years, one finds that less attention is paid and less money is allocated to training programs for basic skills education. The Hon. Member spoke about the millions of people who are functionally illiterate, but his Government, through its Department of Employment and Immigration, had ignored and thrown them on the scrap heap. The Government has refused to deal with this through training programs.

Let me make some very specific suggestions which we in the New Democratic Party believe need to be looked at in order to really face up to the problems of new technology.

• (1710)

We cannot deal with these questions without the fullest possible consultation among governments, federal and provincial, labour and management. We will not attain co-operation for any program if the people most directly affected have not been consulted, such as the many young Canadians who do not have jobs or those who have had jobs and still have jobs but will be displaced by new technologies.

If we are serious about trying to deal with the new technologies, the first step which any government must take is toward real, meaningful and continuing discussions, consultations and planning on the part of labour, management, educational institutions and governments, federal and provincial.

What we have seen on the part of the Government has been *ad hoc*, hit and miss programs, in which the Government unilaterally, or sometimes in consultation with an industry group, brings in new programs such as ILAP. There are so many programs one could use every letter of the alphabet just to list them. That is one example of how the federal Government has completely failed.

The Government ought to look at making the Canada Pension Plan much more flexible. Workers, by increasing their contributions by a relatively small amount, should be able to opt for working part time at age 60 or 61. Perhaps they could work two or three days a week and receive the balance of their income, that is what they would obtain if they were working full time, from the pension plan. That could open up jobs for thousands of young Canadians who are now unable to find employment.

A similar idea would be to allow young parents of minor children to spend five years working part time but receiving full-time pay. It would be a good social policy. It would allow such parents to remain at home during the formative years of child rearing. At the same time it would provide additional employment for others in the workplace.

We need to look at what is happening in the economy at the present time. There has been a tremendous increase in the number of part-time workers. According to the statistics, in 1983 there were 400,000 fewer full-time jobs and an increase in part-time jobs of some 200,000. In the past 30 years, part-time employment has jumped from 4 per cent of the total work force to 16 per cent of all jobs in the economy. The new technologies will encourage and permit vast expansion in part-time work. With the shift to part-time work come the problems of the incomes of working people dropping. More and more part-time jobs are unorganzed, poorly-paid service jobs. People are being pushed out of the industrial sector of society by machines.

Both the Liberal Government and the Conservative Opposition stand on the same side of the fence. They put technology before people. If the companies benefit, those benefits should be shared by ordinary Canadians. That is the only acceptable policy. The policy of working with people and co-operating with business, labour and the provinces to develop programs which will put people first and machines second, will meet the needs of Canadians.

The Acting Speaker (Mr. Guilbault): Questions or comments? The Hon. Member for Richmond-South Delta (Mr. Siddon).

Mr. Siddon: Mr. Speaker, I would like to pose a question to the Hon. Member for Winnipeg North (Mr. Orlikow). I find a lot of reason for pessimism in the presentation of the Hon. Member. He talked about worry, fear and somehow increasing the opportunity for employment without increasing the national well-being. He talked about work sharing and part-time work as if there were some magic pie in the sky banker who could finance it. He knows full well that if we do not increase our national productivity, we will not be competitive around the world. Canadians have lost 750,000 jobs in the last 10 years because our share of world trade in primary resource-based products has declined. The doomsayers have been around since the time of the industrial revolution, and I think we are hearing too much from them again.

There is hardly anyone in the country today who is not employed in a technologically-related job of one sort or another. It is not so much high technology or electronics that is of concern, it is the application of the technology to provide meaningful, long-term work for Canadians. Technology and its application are revolutionizing the world.

I am rather perplexed as to how the Hon. Member feels we should continue to enjoy the level of prosperity which he seems to take for granted when the country and the Government are near bankruptcy. How does he expect us to provide meaningful full-time jobs for Canadians unless we move into the technological era without fear or trepidation?

Mr. Orlikow: Mr. Speaker, I do not think the Hon. Member would find one sentence or paragraph in my remarks which would lead anyone to the conclusion that I oppose technological change or that I think we can somehow prevent it from taking place. We have to think about the results or the consequences of technological change. It is little comfort to steelworkers who have worked for 25 years, who have earned a good living and helped build the country, to be told that that industry can now produce as much or more steel with half the workforce of the past.

As I said, as we move into the technological revolution, we have to think of how the people who have been displaced will be able to work, produce, earn a living and live decent, comfortable lives. That is the point. Members of Parliament and everyone else must consider that problem. That is all I said. I did not suggest, nor would I ever suggest that we can or should stop this process. I have simply said that if it is to come about, it should be done with consideration for the people who will be adversely affected.

The Acting Speaker (Mr. Guilbault): Are there any more questions? On debate, the Hon. Member for York-Sunbury (Mr. Howie).

Hon. J. Robert Howie (York-Sunbury): Mr. Speaker, whatever the specific detail of the present program structure, it is clear that the combination of government employment programs and the responses of the private and public sectors have not set in motion a sustained employment process in the have-not provinces of Canada.

The Atlantic provinces lead our nation in the human tragedy of more people seeking employment on a per capita basis than any other region of Canada. The hardship, frustration, disillusion created by lack of work and an inability to find employment are difficult to describe. However, possibly the most tragic dimension is the feeling of helplessness on the part of the head of the family who is unable to clothe, feed, house and educate his children properly. The impact on his children is a genuine cause for concern on the part of thinking Canadians everywhere.

● (1720)

The ugly tenacles of unemployment strike at single parent families, two parent families, widows, widowers, children, working mothers and working fathers. There are no exceptions to this human tragedy. There are a million and a half Canadians looking for work and another 300,000 who are not included in those statistics. Behind every such statistic is a human being worthy of the best efforts this Parliament can make in resolving this horrendous problem.

Recently in Saint John, New Brunswick, a new hotel opened offering 150 jobs. Two thousand people lined the streets of Saint John to apply for those jobs. In my constituency of York-Sunbury, because of educational, government, military and health institutions, we have a better employment rate than many parts of New Brunswick, if not all parts of that province. We also have 8,244 people collecting unemployment insurance benefits at the Fredericton office. These are active files on the roles today. The Youth Summer Employment Program which, like Career Access, is a good program, will employ 198 young people this summer. That figure will probably be increased by one-third because of the recent announcement by the Minister of State for Youth (Mrs. Hervieux-Payette).

Being an educational centre, my constituency has over 5,000 young people, many of whom will be looking for work in our community. I support every job-creation program which the federal Government announces to the very best of my ability, and I applaud every job which is created. However, I tell you frankly, Mr. Speaker, that with a slender private sector economy there are just not enough jobs to go around. Where hundreds of jobs are provided, thousands are needed.

We have to rejuvenate our country, offer hope instead of despair and rekindle the initiatives, energy and knowledge of our people. We must encourage the new technology to rebuild our competitive position, generate the resources to finance our economy and expand our international trade. We have the means to build a new Canada, a Canada of which we can all be proud, a Canada we can all feel part of, where we are happy and secure and in which we can have confidence for the future. There must be a massive commitment in co-operation with labour, management, and government at all levels, to the development of the most thoughtful and generous manpower retraining program which a civilized society has ever put together. More specifically, there are basic themes which form elements of that description. Development policies must contemplate a concentration on people and productivity as well as

on hardware and facilities. The key to the future is adaptation and innovation, product and process development and in techniques of management and marketing. We must promote a more effective role for smaller enterprises. We must recognize that the general level of skills in our population is inextricably linked to our rate of economic growth.

We have pursued the enhanced training of people in institutions but we have not always given appropriate attention to the need to relate certain kinds of training to the actual requirements of the work place. We need a very substantial emphasis on on-the-job training, not only in the conventional trades where this is already happening, but also in almost every other facet of enterprise. We must remember that training on the job uses industry as a carrier, and with the slender manufacturing base in the maritime provinces it does not address the need to the same extent as it does elsewhere in our country. This underlines the importance of institutional training and training in small businesses in the maritime provinces, and underlines also the tragedy of the fact that now that Bill C-12 is passed, each of the maritime provinces receives less money for educational training than it would have received if Bill C-12 had not been passed.

An altered view of the role of educational institutions to increase their relevance to community and economic development requirements is important. For example, an increase in emphasis on continuing adult education, and a design of business administration programs which have a greater small business orientation, are possible directions. Here I would like to commend the Hon. Member for Laurier (Mr. Berger) on his observations on the major drop during the last decade in money set aside for adult education and training.

A major theme which is essential is the need to adapt to changing conditions. We need new programs to encourage innovation in business such as a better transfer of information between the patent and licensing office in the business community in order to promote new technology. We need grants to industry and trade associations to promote and cost-share the running of management training seminars. Among other things, these seminars would familiarize business men and women with existing government programs. We need incentives to increase the supply of risk capital in underdeveloped areas. We need an expanded and altered mandate for research and further incentives to encourage process redesign and innovation. We need a stronger marketing orientation in the program structure specifically aimed at more effective penetration of local, regional, national and international markets. We need an improvement of incentive programs, enriching location grants for target industries and allowing tax holidays for companies locating in underdeveloped regions. We need an altered view of competition and of the role of the smaller enterprises.

Small production units are characteristic of the maritime provinces, and good export performance, effective research and development are often absent and require economies of scale. We need to achieve such economies but without, at the same time, destroying the distinctive positive qualities of smaller enterprises, effective employment generation, adaptability and responsiveness. We have to supplement our heavy emphasis on natural resources, at least in part, by an emphasis on people's skills and productivity.

Although we have perceived the need to move beyond the traditional industries, we have not always moved into better production in marketing techniques, more sophisticated higher quality versions of existing products, new products related to our existing basic skills or material expertise in marketing channels. We gain little when our agricultural products are shipping outside New Brunswick to be purchased back later as canned vegetables, meats or jellies, with good jobs going to other areas. We gain little when our forest products are shipped abroad to be purchased later as furniture and building materials. Deck hardware, navigational aids and fishing gear are purchased but not always manufactured in New Brunswick. More of these products should be manufactured in that province and more jobs should be created for the people of New Brunswick.

Building on our competitive advantages of resources, location and market access, we have done a great deal. The Japanese, however, have taught us that we can be successful without an abundance of material resources when people and organizations work together, particularly in the information economy. In order for people to receive the benefit of new technologies and advancement, it is essential that policies be developed in advance to enable the new technology to improve and expand the economy in order that more jobs can be created to offset the current trend of seeing jobs lost through mechanization.

Although federal initiatives, like the Skills Growth Fund program, provide an opportunity to offer advanced technological training, the difficulty remains that in a province like New Brunswick, and other small provinces, it is difficult to avoid coping with a continually changing list of nationally designated occupations, to the extent that we often have very little lead time between when occupations are newly designated and when training in those occupations must be delivered.

The relationship between technological change, employment maintenance and human resource planning is highly complex. In the case of New Brunswick, this complexity is further heightened by the lack of information which enables us to define with reasonable accuracy the economic sectors and activities in which technological applications should be actively encouraged, and to forecast the accompanying human resource needs. Clearly, the province's small population and economic base dictates that resources should be focused wherever our natural advantages would give our industries an optimal chance for success, and this focus should extend far beyond the technological field per se.

Against this background, the fundamental need for New Brunswick, the maritime provinces and Newfoundland, at this point is for quality information upon which we can base our training or retraining responses to technological change, and the financial resources to program effectively those responses.

• (1730)

On another aspect of this problem, there are two buzz words in Japan today that no self respecting small city mayor dares ignore: technopolis and teletopia. The words sound grand and futuristic but the idea behind them is simple. Japan's government wants to take high technology rapidly to the underdeveloped corners of the country and is designating a string of outlying model cities as a way of getting it there. Some will essentially be high tech industrial parks and research centres. Others will be fitted with advanced communication systems linking businesses, homes and government offices.

The technologies envisioned for the revamped communities are generally no more advanced than those found in North America today, and despite the space age titles, designated communities are not expected to become pioneering examples of urban design. What is expected is that promotion of high technology in communities off the beaten path will encourage Japan's unified entry into a new era of advanced industry and communications. Industries are to include electronics, biotechnology, software development and robotics. These will also include interactive video systems, high speed computer communications, expanded use of fibre optic cable and teleconferencing.

Communities like those in New Brunswick and the other Maritime Provinces will be allowed to offer special tax breaks and low interest loans to high tech companies locating in their industrial parks. The first group is scheduled for completion in 1987 when upgrading roads and airports, new housing and facilities for research staff and a core of high tech industries are to be in place. This is indeed good planning, and we should take a page out of the Japanese book, and take it now. It requires a conscious decision of government to bring it about and that decision should be taken now.

Finally, I feel we should significantly expand wage subsidy programs such as the career access program. We should institute a program of refundable employer tax credits. We also have to provide training and retraining in high technology skills in order to avail ourselves of the jobs that do exist. We have to work with universities, industry and labour, to ensure that Canadians are not victimized by technological change. We have to act long before the changes take place.

We have to greatly improve information exchanges through which people become aware of job opportunities. Too many young people graduate from training programs and cannot find work, not because their skills are not in demand, but because they cannot make contact with the employer who needs them. We have to remedy this defect. We have to institute programs specifically designed to address the chronic unemployment which tragically plagues certain regions of Canada like the Maritimes.

In the Province of Newfoundland 37 per cent of young people, that is 37 per cent of persons between 15 and 24, who were seeking work are without jobs. In New Brunswick and Nova Scotia the figure is 27 per cent, and in Prince Edward Island, 26 per cent. Wage subsidies and refundable employment tax credits are good incentives but may not always be of maximum benefit in these regions because of the slender industrial economy. Therefore, in these areas we should also institute programs of community based entrepreneurial development. We have to assist individuals and groups wishing to start new enterprises to raise capital, cut through red tape, indentify markets, train workers and establish constructive working relationships with local workers, educators and financial institutions. We have to offer what has been denied over half a million young unemployed Canadians and a million adults—a future.

[*Translation*]

Mr. Gilles Marceau (Jonquière): Mr. Speaker, in rising to take part in this discussion, I feel that I am fulfilling my first and foremost duty as a parliamentarian.

Can there be a more serious problem or a greater tragedy than that of a man or a woman who cannot earn a decent living or make a contribution to his or her family and to society? On the other hand, is there a more difficult problem to solve than that of reducing the current unemployment levels?

I have been listening since this morning to all those who have taken part in this debate and I have a feeling that we are all convinced of the seriousness of the situation and worried by the lack of any genuine solution to the problem. I am giving all the Members, wherever they may be sitting in this House, the benefit of the doubt, and I know they realize that, faced with such a serious problem which has reached proportions that can only be termed as tragic, what is most important is to call on the goodwill of everyone in this House and every group in our society, including the employers, the unions, the voluntary organizations, as well as the provincial, federal and municipal governments. People tend too easily to apportion our collective responsibility where unemployment is concerned. This is probably the basic reason why ideological, partisan and jurisdictional walls prevent us from doing anything and this is a failure we must all admit in the face of the increasing number of unemployed. I would like to invite my colleagues in this House, where we often have more work than we can handle, to make a collective effort to co-operate and face this increasingly serious problem of unemployment.

Mr. Speaker, one thing I do appreciate today is to be among my friends and former co-members of the task force on job opportunities for the eighties. I know the sponsor of today's motion, my colleague and friend, the Hon. Member for Calgary West (Mr. Hawkes). I am sure his intentions are good, but I would have liked him to be less radical in the wording of his motion. If the Hon. Member for Calgary West had simply said that the Government should do more to co-operate with voluntary organizations, business, labour and the educational community to provide adequate training and retraining opportunities that would enable Canadian workers to have confidence in their ability to deal with the challenges of fast technological changes, if these simple words had been used to

ask for the co-operation of both sides of the House, I would have been happy to support the motion. However, I still agree with the thrust of the motion, which calls for this co-operation which I mentioned earlier, this co-operation which is the only way to bring about the decrease in unemployment that we all want.

Of course, this debate provides us with a golden opportunity, Mr. Speaker, as we are given a chance to refer to the amount of $1.2 billion that the Canadian Government is allocating this year to the important area of occupational training under its new National Training Program.

Naturally, nothing is perfect, especially when technological changes are causing an upheaval in the industrial sector. It is precisely for the purpose of discussing possible improvements to this program and other initiatives developed in co-operation with the Provinces that the Minister of Employment and Immigration (Mr. Roberts) has announced right here in this House that he intends to have further discussions with his provincial counterparts in June or July of this year.

● (1740)

On the other hand, Mr. Speaker, this very interesting debate also concerns, rather strangely in my opinion, what the Official Opposition considered last week as an occupational training program, which they did not however call official and whose costs they certainly did not reveal. According to the Members opposite, this program would bring about a phenomenal increase in the number of jobs for reasons which remain totally unexplained except in the sense that it calls for a change of Government.

Yet, Mr. Speaker, I think that, on both sides of the House we all know that a change of Government does not constitute a solution in the eyes of the public. The polls show that, no matter which party is in power, the current serious unemployment problems would still exist. These problems exist because of the international juncture, the conditions prevailing in the United States, and the situations locally and regionally.

Mr. Speaker, I would like to appeal to my friends opposite, some of whose comments I have found very offensive. When my friends opposite ask for the elimination of some job-creation programs such as Canada Works or summer programs, I am ready to give them the benefit of the doubt. However I would like them to understand that in remote areas such as ours, particularly in these difficult times, the only solution is job-creation programs providing temporary work. Of course, they are not permanent jobs, but they give needy families the support and assistance which would otherwise be denied to them.

My friends opposite are inclined to plan their programs and their action for large cities. Big cities certainly play an essential role in the future of a country such as ours. However, I would like to remind all members of this House that in dynamic areas such as the one I have the honour to represent and in several others if not throughout the country, we usually find the vitality, the inventiveness, the spontaneity, the devotion and the labour necessary to keep and preserve a country as great as ours.

I make this appeal, Mr. Speaker, because I know that not only the members opposite but also some government members often take this attitude which I find disturbing when they feel that the answer to a problem is solely to be found in urban centres. I do not deny their importance and value but I think that they can only provide a partial answer.

When we find Canadians at work throughout the land, from coast to coast, our country will then be thriving, having recovered its strength and vigour. I am sure that it will recover in the years to come for in spite of our present problems. I have confidence in our future.

Mr. Speaker, in this program that is put forward by our friends in the Official Opposition, a program which they had the opportunity to discuss and refine over a weekend, I find that there are, on the one hand, some aspects which are already in force and on the other hand, some other aspects which seem unfeasible to me. For example, Mr. Speaker, the Progressive Conservative Party has suggested that we provide for the creation of education savings plans, contributions to which would be tax-deductible as is the case for Registered Home Ownership Savings Plans. This kind of proposal obviously benefits higher income earners. In fact, the National Training Program already entitles people in training to direct financial aid equal to tuition fees. In my view, this is a completely different and more satisfactory method than the one recommended by Official Opposition members.

Let me give another example, Mr. Speaker. The Progressive Conservative Party has recommended the federal Government give loan guarantees to people in need in order to enable them to benefit from training and other educational programs. Yet, lowest income earners are not even required to pay registration fees for these institutional training programs. They receive an allowance equal to tuition fees.

Mr. Speaker, the Progressive Conservative Party has also recommended that fiscal incentives be given to employers to compensate for the cost of training and retraining of their employees. Yet, the Industrial Training Program already provides for direct reimbursement to employers of most of their training costs as well as half the trainee's salary. Training costs are already tax-deductible at the present time. I could list a dozen other examples of this kind, which would confirm that some of the proposed solutions are already in place.

Will all due respect for my friends opposite other proposals seem unfeasible in my view.

I have noticed, with considerable pleasure, that several of the solutions listed in the Conservative program originated from the task force in which we had participated and which I have referred to. I know that the hon. member for Calgary

West was a member of that task force, together with others, such as the hon. member for Winnipeg North (Mr. Orlikow) who made his comments a while ago. His contribution was very much appreciated, and so was the contribution of the hon. member for Brampton-Georgetown (Mr. McDermid) who also did an excellent job. Partisanship has its place on certain occasions of course, however I feel that in this instance we have put forward very interesting solutions which have resulted in 186 resolutions now partially implemented. And when the hon. member for Winnipeg North asked a while ago just how many resolutions had been implemented, I felt that was a very relevant question I should direct to the Minister of Employment and Immigration.

Getting back to other suggestions from the Opposition, already implemented in the training programs, Mr. Speaker, there was the idea of using the Unemployment Insurance Fund. That is now a reality, for $259 million from the Unemployment Insurance Fund will be used this year for training purposes. And that, not to mention the federal contribution to a Quebec pilot assistance project for young welfare recipients under the Bégin-Marois agreement. Recently I had the opportunity to comment on this and emphasize the fact that we are contributing $58 million over a two-year period to cover at least 50 per cent of the costs involved in the Quebec program which aims at helping young welfare recipients who are able to work.

In the Opposition scheme many references are made to the tax cuts and special incentives for the purchase of equipment and improvement of training courses. This suggestion is already being implemented, Mr. Speaker, thanks to a properly operating formula. I am referring to the Skills Growth Fund through which we will pay directly for this year alone, $86 million to teaching and training institutions to up-date their equipment and training facilities and overcome the serious skill shortages resulting from technical and technological changes.

In that respect, Mr. Speaker, I would like to quote from a special article on robotics by Mr. Lucien Piché published in the April issue of the *Commerce* magazine, which I have just received and had a quick look at. The author talks about the "handouts contributed to the CEGEPs by the federal government", and goes on to say, and I quote: "since the Canada-Quebec agreement on adult occupational training was concluded in 1982-83, the CEGEPs have been literally showered with grants. The Skills Growth Fund established by the federal Manpower Department in February 1983 has already agreed to some Quebec projects for a total of $36 millions." In the few seconds left to me, Mr. Speaker, I would simply point out that the Jonquière CEGEP had submitted a projet. As you know, those projects must also be approved by the Quebec government. However, due to the latter's inaction and obstruction, the Jonquière CEGEP lost $2 millions because the Quebec government refused to give the go-ahead already given by Ottawa.

In conclusion, Mr. Speaker, I hope that all Hon. Members will put partisanship aside and will turn with confidence to the future, all working together to reduce, if not elimininate this tragic problem of unemployment all across Canada.

The Acting Speaker (Mr. Guilbault): Are there questions or remarks?

• (1750)

Mr. Dubois: Mr. Speaker, I listened with great interest to what my colleague had to say about the Skill Growth Fund.

On the basis of the motion now before us, I would like first to ask him a question about his region. About the Jonquière CEGEP, can he tell us in fact, in what field did the CEGEP in the riding which he has represented in this House for several years now, want to specialize? And is it not one of the programs launched by the federal Government through the Ministry of Employment and Immigration to encourage people to further their schooling in that high technology field and to make sure that educational institutions offer students courses preparing them for the labour market where new technologies are in demand?

I know that for some time now there is in his riding a new pulp and paper mill, which belongs to a company from the Eastern Townships; high technology has surely some importance in the project. The Papier Cascade company bought a plant in his region and he talks to us about the CEGEP. Can he tell us in fact if, contrary to what the opposition says, the federal Government, through the Skills Growth Fund in the case of the Jonquière CEGEP, would have not agreed, had an agreement with the Quebec Government been secured, to a request for a job creation program in high technology because in his riding as well, they are trying to overcome unemployment and to improve their economic situation?

Mr. Marceau: Mr. Speaker, I wish to thank the Parliamentary Secretary for his excellent question, and commend him for his work as Parliamentary Secretary.

I would like to suggest that I am quite pleased indeed that he touched on the matter of Papier Cascade taking over a plant in our area. The Lemaire brothers, as they are called, are Quebec leaders, people with entrepreneurship, and I am very happy with this takeover. The Canadian Government contributed $1,250,000, and I think this bodes well for the future.

In answer to the Hon. Member, I must state that what the Jonquière CEGEP proposed was a training capacity increase in the area of computer assisted design and manufacture.

That proposal had been developed over many months. It enhanced the Jonquière CEGEP, which is playing a major role in that area on the regional level.

This was an opportunity for people in Jonquière, especially the CEGEP people, with the help and assistance of local firms, which brings us back to the motion now before us—local people as I said, whether Alcan or Price, to show they were interested in working very closely with the CEGEP to put in place those facilities so that our young, may get involved and work in keeping with technological change.

Therefore, this was an excellent opportunity for local heads of institutions of higher learning, and also young people to show that it is not only in larger cities that major projects can be launched. And the Government perhaps did more, by recognizing the needs of our regions and ensuring that in communities such as ours, people do not feel left behind. The Development Fund Progam would have made the implementation of this project possible.

Unfortunately, Quebec said no! It is our hope they will change their minds, because we are going to put forward another proposal. We will not let matters stand. We are going to try again, and it is our hope that Quebec will bear reason, at least for once.

The Acting Speaker (Mr. Guilbault): Order, please. It being 6 p.m., it is my duty to interrupt the proceedings on the motion, pursuant to Section 62(11).

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

IMMIGRATION—REPLACEMENT OF COURT REPORTERS WITH RECORDING DEVICES IN IMMIGRATION OFFICES. (B) QUALITY OF TRANSCRIPTS PRODUCED FROM TAPE RECORDINGS

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, on January 30 I asked a very straightforward question of the Minister of Employment and Immigration (Mr. Roberts) regarding changes in staff and staff policy in immigration offices. What is proposed is that some very skilled court reporters who work in refugee and immigration hearings be replaced by transcribing machines from which the court records would subsequently be typed by typists at a considerably lower rate of pay.

There are two problems with this policy of the Government. One is that women will lose more skilled jobs at a higher rate of pay, and be replaced by machines and other employees at a lower rate of pay. The other is the quality of the work itself. Peoples' lives depend upon accurate records for immigration and refugee status hearings. The quality of product which comes by the use of machines without having a person there to check on the material has been found wanting. We know from other places, that the records are not adequate and have caused problems.

The Minister said he would look into the matter. The union is pursuing it. There has been a grievance on the question. The grievance has now gone through two stages and has been turned down. It seems the department is going ahead to replace these skilled women with machines and other employees at a lower rate of pay. We have not managed to stop that.

I would like to point out, Mr. Speaker, that throughout all of this the department concerned has a policy on technological change. It has a personnel policy which would direct it in quite a different way. Let me quote from that policy:

> The Canada Employment and Immigration Commission/Department recognizes that technological change, and technological improvements generally, offer great scope and the ideal opportunity for the organization to not only improve the quality of the services and programs it offers to the Canadian public, but also to extend the capabilities and opportunities available to its staff and, to the fullest extent possible, improve the quality of the Commission/Department's work environment for the benefit of all employees.

Yet, here we see some employees who will be clearly disadvantaged by these changes which are in process, and certainly the quality of the service will go down. Let me continue quoting from the policy:

> In order to ensure that the maximum benefits to be derived from the application of technological change are earned and shared by all staff, the Commission/Department is fully committed to ensuring that the introduction of such changes in its work locations are both approached and accomplished in a manner which will minimize any possible adverse impact for employees whose work environment is to be affected.

Then it says there will be full consultation with representatives of the employees at all organization levels.

Further, the policy goes on to specify a number of principles which must be respected. It states that full and ongoing consultation to ensure the negative impact of the introduction of technological change on long-term employment is kept to an absolute minimum. Employees affected by the introduction of new technologies will be provided with an opportunity to acquire the necessary knowledge and skills to enable them to take advantage of new jobs emerging from technological change. But here we have people being deskilled; not being trained to do more difficult and higher paid jobs, but being deskilled. That is the opposite to what the department talks about when it has its fine principles on paper.

Further, this same department has an affirmative action program. Here we have a lovely affirmation action program, but it is on paper. It talks in very fine language: "It is our intention through this program to eliminate employment barriers faced particularly by women and other groups." It talks about the need for a stronger commitment on the need of federal employees to eliminate discrimination or discriminatory employment practices and develop a work force that is representative of the work force of the public it serves. Yet while it talks about all this, it is going in precisely the opposite direction, deskilling jobs, seeing that women have fewer job opportunities than in the past.

One job opportunity that has become open at the same department is for immigration counsellors. The first job description for this would have screened out these very women who are losing their jobs through technological change. Fortunately the employment and immigration union of the Public Service Alliance of Canada fought this procedure and a new definition for the job search has been set up. These women will now have a chance to apply for these jobs. That is a very

small victory indeed. The very fact that this had to be fought so that women would have an opportunity to apply for these better jobs shows the mentality of the Department.

• (1805)

Finally, other people will suffer as well as the employees. The records that come out of these tribunal hearings are enormously important. Refugee and immigrant status will depend on what is written down at these hearings. This is supposed to be a service to the public. It is absolutely vital. Where machines are being used in other places there are notations of "inaudible", "sic", misspellings and all kinds of problems that lawyers for the people concerned have noted with the record. I urge very strongly that this matter be reconsidered, that the deskilling end and that quality service be provided by the Department for the people so vitally concerned.

[*Translation*]

Mr. Jean-Guy Dubois (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I would like to elaborate on the answer given by the Minister of Employment and Immigration (Mr. Roberts) to the Hon. Member for Broadview-Greenwood (Ms. McDonald) on January 30, 1984.

There are 19 court reporters in Toronto and 15 in Mississauga, all of them classified ST-COR-1. Under the Commission's global strategy to reduce by March 31, 1987 the backlog of enquiries and applications for refugee status, the Ontario region plans to install electronic recording equipment in all courtrooms and to hire typists to transcribe the recordings which now exceed present capacity. The executive director for the Ontario region met with union representatives on December 6, 1983, in order to get their views on technological change. Later, on December 16, he confirmed the following in writing to Mr. William Fisher, Regional Manager of the Employment and Immigration Union, and I quote:

As far as implementation of electronic recording in the immigration group is concerned, and in accordance with clause 9 of the ST collective agreement dealing with technological change, I am pleased to confirm the commitment I gave your Union at our meeting. Management put in use electronic recording equipment to process enquiries and assess applications for refugee status in order to reduce serious backlogs in the Ontario region and particularly in the immigration districts of Toronto and Mississauga. Additional resources have been allocated for the present fiscal year and other resources have been requested for 1984-85 and 1985-86 in order to help with recruiting clerk-typists and take care of the backlog before March 31, 1986. Court reporters working presently with the Department will still record enquiries using either head phones, a transcription machine or shorthand and will then type required texts. Classification level for court reporters will not change. They will keep their status of employees hired for indefinite period and will still get the pay rate applicable to court reporters in the ST category.

Grievances were filed following that decision and they are being dealt with according to established rules. Besides, a study is being made of means to give present reporters the benefit of some opportunities for promotion. In the meantime, it is believed that the union had ample opportunity to make its opinion known on that matter and that the requirements of the ST's collective agreement regarding technological change were complied with. Those consultations were also held according to instructions pertaining to technological change in EIC and the policy relating to personnel. The training aspect has also been considered, because management has promised to make sure employees will be taught how to use more sophisticated typing and reproduction equipment when it becomes available.

In conclusion, as concerns the quality level of the work done with this equipment, the Quebec Region has been using it for several years now and no loss of transcription quality has been detected. So I hope this fully answers the Hon. Member's question.

• (1810)

[*English*]

CANADA POST CORPORATION—REQUEST FOR CANCELLATION OF CONSUMERS DISTRIBUTING PROJECT. (B) REQUEST THAT PROJECT RESULTS BE RELEASED PUBLICLY

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, I directed a question to the Minister of Finance (Mr. Lalonde) today in the absence of the Minister responsible for Canada Post. My question regarded the expansion of Canada Post service as it relates to Consumers Distributing, a direct invasion into the private sector. This invasion has been opposed by government Members as well as by members of the Conservative Party.

I would like to read into the record tonight some of the concerns of interested parties. We have received correspondence from Home Hardware in Souris, Manitoba. That letter reads:

Why should I, as an independent retailer, subsidize through my tax dollars a large company like Consumers (Distributing)?

The Canadian Retail Hardware Association which has member stores right across Canada points out the following in a letter of March 1, 1984:

The members of this association—over 2,000 hardware and home centre stores across Canada—will be significantly and adversely affected by this move. On their behalf, we register extreme displeasure and plead for an immediate review of the policy which has allowed such an "arrangement" to develop. Our concern is centered in three distinct areas:

1. The entry of Canada Post into this area does not serve any demonstrated need of the Canadian public. There is then, no reasonable rationale for a Crown corporation to enter this area of free enterprise.

2. The existence of Canada Post offices in virtually every community of Canada would immediately give one player in the competition game—Consumers Distributing Limited—access to all of these markets. The other players in the game in each of those markets is required to make significant community investment. The competitive balance will be upset. Legitimate retail businesses will suffer.

It is not the purpose of Government, Mr. Speaker, to be interfering in the private sector in the first place. I shall continue reading from the letter:

3. Canada Post has monopoly power to provide normal postal service in Canada. The monopoly implies an obligation on Canada Post to provide the best postal service of which it is capable. It is clear that Canada Post needs to concentrate on improving its level of service in postal handling and delivery. This is the challenge which should preoccupy postal authorities.

I could not agree more.

A letter to the President of Canada Post from the Pembroke City Council was reported in the Pembroke *Observer* of March 20, 1984, and reads as follows:

A meeting of the Pembroke and area Chamber of Commerce representing the interest of over 250 member businesses, was convened on March 9, 1984, to discuss concerns with regard to the pilot project recently undertaken by Canada Post and Consumers Distributing.

During the meeting it was decided that: whereas Canada Post was established and capitalized by the taxpayers of Canada,

Whereas the traditional mandate of Canada Post is to operate an adequate mail delivery service,

Whereas we believe the aforementioned pilot project is not in keeping with this mandate and is in fact an unwarranted intrusion into the private sector,

Whereas we strongly believe this arrangement will result in a reduction in the quality of the postal service,

Therefore we must vehemently oppose this type of arrangement and request that it be discontinued immediately.

I believe that it should be discontinued immediately, Mr. Speaker.

● (1815)

In the March 20, 1984 edition of the Pembroke *Observer* the following letter to the President of Canada Post from MPP Sean Conway appeared:

I wish to express my strongest disapproval of the arrangement which Canada Post has struck with Consumers Distributing to participate in their mail order business. I do not think it proper for a Crown corporation to involve itself with a private company actively competing with local businesses. If Consumers Distributing wishes to establish in the Pembroke area, we would be pleased to welcome them as a free standing enterprise. If however, Consumers Distributing is to enter our market area as a subsidiary of Canada Post, then such an arrangement is unfair and unacceptable. Tax paying local businesses should not be forced into competition with a joint venture which they are, in fact, subsidizing.

Also the following was reported on CHRO News in Ottawa on March 20:

Today, when the agenda of the Chamber of Commerce meeting in Pembroke turned to Canada Post's experiment with Consumers Distributing one could feel a definite charge run through the rooms. These people, many of them small business operators, are angry. They feel that having Consumers Distributing in the post office is the same as government subsidized competition. The Chamber received five more letters today from business people and consumers opposed to the experiment and correspondence was produced from one of the Quebec communities involved in the Canada Post experiment. The Chamber's President stated "We've just received a letter from Noranda and I'm glad to say that it's not only ourselves in Smiths Falls in Ontario that are objecting but also the test areas in Quebec. They have circulated a petition in their area and we're hoping to do the same."

Some of the correspondence I have received as official spokesman of the Opposition of Canada Post has come from cities such as Pembroke and Smiths Falls, from Home Hardware, the Canadian Retail Hardware Association and the Canadian Federation of Independent Business. Other individuals have written from across Canada. Mr. Speaker, I am sure you are also receiving mail in opposition to this intrusion into the private sector.

A letter to the Canadian Retail Hardware Association from the Chairman of the Board of Canada Post indicated:

The advent of new technologies will compel the corporation to alter its services in the future. If the corporation is to become self-sufficient, it is necessary that we do more than solely deliver "traditional" forms of mail.

They will be stopping the private sector from becoming self-sufficient. I suggest that the Government should force Canada Post to drop this proposal.

[*Translation*]

Mr. Normand Lapointe (Parliamentary Secretary to Minister of Labour): Mr. Speaker, I am pleased to clarify the matter raised by the Hon. Member and to disprove certain erroneous ideas about the services that have been tested by the Canada Post Corporation in co-operation with Consumers Distributing.

First, Mr. Speaker, let me state once again the three main objectives which the Parliament of Canada has set for the Canada Post Corporation. Here they are: the Corporation must enhance the postal services, bring labour relations into line, and attain financial self-sufficiency.

As you can see, Mr. Speaker, the legislation that established the Canada Post Corporation provides that it must become financially independent. Besides, what matters is that in several areas, emphasis is being laid on the need to keep up with the times and supply products and services best suited to the requirements of the Canadian people.

Canada Post Corporation is responsible for the operation of a postal service involving the collection, transmission and distribution of messages, courriers, monies and commodities without accountability. It is expected, of course, to adjust to the changing needs of the Canadian users.

The tentative services which were set up in co-operation with Consumers Distributing and its clients is only the harbinger of what will be common practice in the 21th century. That company realized that postal services have always been a good publicity medium and have always managed to dispatch direct postal orders, money orders or parcels efficiently. By developing new processes, the Corporation has been able to offer new services specifically designed to Consumers Distributing and generate new revenues.

Canada Post Corporation is not doing at all what the hon. member is suggesting. It did not move into the retail business. It does not buy, own, stock or sell commodities and it does not offer any warranty or install material. In other words, it does not do the retailer's job. It dispatches written material, monies and parcels and carries out activities which have always been the responsibility of the post office for the last two centuries.

If we are to consider Canada Post as a retailer—

The Acting Speaker (Mr. Guilbault): Order, please. I must interrupt the hon. Parliamentary Secretary as his time has expired.

● (1820)

[*English*]

INCOME TAX ACT—TAKING OF TAXPAYERS' STATEMENTS UNDER OATH—MINISTER'S POSITION

Mr. John Gamble (York North): Mr. Speaker, on March 22, I asked the Minister of National Revenue (Mr. Bussières)

a question to which I expected a reasonable reply. The question related to the application of Paragraph 231(1)(c) of the Income Tax Act and the consequential effects of that particular paragraph upon the liberty of the subject. That paragraph permits officers of the Department of National Revenue, in the course of undertaking their investigation, to obtain from taxpayers statements, including statements under oath.

My observation was that, having regard to that provision, there was the real likelihood that a taxpayer who had, in fact, complied with that requirement under Paragraph 231(1)(c) might later be prosecuted for tax evasion, having made a self-incriminating statement. The response of the Minister is found at page 2335 of *Hansard*.

In reading the response again, I suspect that never was there a better illustration of why we need these adjournment debates—because of the unsatisfactory nature of the response given to me. The Minister said, and I quote:

—perhaps the Hon. Member would care to examine various provisions of the Income Tax Act which are very specific and reflect the very nature of this legislation and the kind of tax system we have in Canada.

Well, of course, I did examine the provisions of the Income Tax Act. If I had not, I would not have raised the specific issue to the Minister which I did. I would have thought by now, having been in his post as long as he has, the Minister which he is responsible for administering. Yet that does not seem to be the case. He continued by saying:

If he does—

That refers to me.

—he will see that these provisions exist because of the nature of the legislation and the tax system we have in Canada.

It is because of that tax system that I raised that question. I suspect if we were to ask the people of Canada they would almost unanimously agree that the system itself is offensive and should be changed.

One of the offensive provisions is in the very section to which I made reference. I will not read the section, Mr. Speaker, because I briefly explained the intent and purpose of it, but let me read from the Act, under Part XV thereof, which is headed "Administration and Enforcement". The first subsection, 220(1) reads as follows:

The Minister shall administer and enforce this Act and control and supervise all persons employed to carry out or enforce this Act—

It is the Minister of National Revenue, Mr. Speaker, to which reference should be made with respect to administrative provisions, and not the Minister of Finance (Mr. Lalonde) who may be responsible for the generation of revenue in the country. Yet this Minister seems to be completely ignorant of the provisions of the very Act for which he is clearly responsible.

What are the implications of Section 231, and in particular, paragraph 231(1)(*c*) which, as I indicated, obliges taxpayers to give statements under oath? If one looks further under Part XV one finds under subsection 238(2) the following:

Every person who has failed to comply with or contravened subsection—

And there are a number of subsections listed including subsection 231.

—is guilty of an offence and, in addition to any penalty otherwise provided, is liable on summary conviction to

(a) a fine of not less than $200 and not exceeding $10,000, or

(b) both the fine described in paragraph (a) and imprisonment for a term not exceeding 6 months.

Looking further, Mr. Speaker, at paragraph 239(c), for example, it reads:

Every person who has

(c) made, or assented to or acquiesced in the making of, false or deceptive entries, or omitted, or assented to or acquiesced in the omission, to enter a material particular, in records or books of account of a taxpayer,—

is guilty of an offence and, in addition to any penalty otherwise provided, is liable on summary convictions to

(f) a fine of not less than 25% and not more than double the amount of the tax that was sought to be evaded, or

(g) both the fine described in paragraph (f) and imprisonment for a term not exceeding two years.

● (1825)

Then, Mr. Speaker, Section 239(2) says that every person who is charged with an offence described in the Section I just read may, at the election of the Attorney General of Canada, be prosecuted upon indictment and, if convicted, is, in addition to any penalty otherwise provided, liable to imprisonment for a term not exceeding five years and not less than two months.

These are serious matters, Mr. Speaker, not to be taken lightly. We are dealing with the liberty of the individual. When I make reference specifically to an offensive provision in this Act, I do believe that it is appropriate for the Minister responsible for the administration of this Act to stand in his place and give a decent, honest answer. This Section clearly should be amended or repealed so that the liberty of the individual is preserved.

Mr. Al MacBain (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, the Hon. Member for York North (Mr. Gamble) may or may not be aware that the Department of Justice is carefully reviewing the Income Tax Act, as well all other federal statutes to identify possible conflicts with the Charter of Rights. Given this Government's commitment to that Charter, the review is of the most searching kind. I can assure the Hon. Member that Section 231 of the Income Tax Act is included in the review, and I thank him for his interest.

I am well aware of the Hon. Member's expertise in the tax field, and his keen interest in the validity or otherwise of such sections as Section 231 of the Income Tax act is understandable. That having been said, it is not my intention this evening to throw any doubt whatsoever upon the constitutional validity of Section 231 of the Income Tax Act, or any other aspect of the said Act. My intervention this evening is merely to assure

the Hon. Member that the section he referred to will be subject to departmental review.

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

At 6.27 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, April 17, 1984

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

CANADIAN INSTITUTE FOR INTERNATIONAL PEACE AND SECURITY

MEASURE TO ESTABLISH

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs) moved that Bill C-32, an Act to establish the Canadian Institute for International Peace and Security, be read the second time and referred to the Standing Committee on External Affairs and National Defence.

He said: Mr. Speaker, I am pleased to propose to the House an Act to establish an independent institute which will make a major contribution to Canadian understanding and discussion of international peace and security issues. This proposed Canadian Institute for International Peace and Security should be seen in the context of increased concern in Canada over the state of East-West relations.

There have been some signs of improvement recently. However, we have not achieved an atmosphere in which conflict between East and West can be ruled impossible. The threat of nuclear war continues to loom. These spectres are of immediate concern to all Canadians. Fortunately there exists a broad-based, non-partisan consensus among us all that Canada has a right and indeed a moral obligation to play a lead role in efforts to reduce these tensions.

Canada has not stood on the sidelines. Since the Second World War, successive Canadian Governments have striven to achieve international peace and security. Highlights of this long road include Louis St. Laurent and Mike Pearson's contribution to peace-making and peace-keeping at the United Nations and Howard Green's dedication to nuclear disarmament. The valuable and timely initiative launched by the Prime Minister (Mr. Trudeau) last Autumn was another demonstration of Canada's commitment to improved East-West relations and increased global security.

In last December's Throne Speech, this Government vowed to create a publicly funded centre to gather, collate and digest the enormous volume of information now available on defence and arms control issues. Fresh ideas and new proposals, regardless of source, will be studied and promoted. That was the statement in the Speech from the Throne. This Bill makes good the Government's commitment in that Speech from the Throne.

The purpose of the institute is two-fold. First, it will increase knowledge of issues related to international peace and security with particular emphasis on defence, arms control and disarmament. Second, it will encourage public discussions on international peace and security issues. The institute should not and could not duplicate the vast range of work already done abroad. It will develop Canadian understanding and expertise. It will bring a Canadian viewpoint and Canadian concerns to the issues of peace and security.

At present the principal sources of information on defence and arms control questions lie beyond our borders. This means that public judgment in Canada is shaped by perceptions of security devised by others and for the most part reported by others consequently. Issues of special importance to Canada have not received adequate coverage, nor have the concerns of Canadians been fully appreciated.

• (1110)

We cannot any longer rely in part or wholly on work done abroad. We must do more to explore these questions from a Canadian perspective. The proposed institute represents a major infusion of energy and resources by the Government of Canada. By complementing and assisting existing institutions, this independent institute will both add to the debate and increase the funds devoted to international peace and security in this country.

A prime goal will be to improve the quality and quantity of research and information available in Canada on peace and security. The institute will collect and disseminate information and ideas. The first priority will be to set up a library and data base for the voluminous published material on these questions. It will draw together and make available information. It will be a central resource for research and interest in this field by individuals as well as by groups and institutions.

The institute will promote scholarship in these areas and thus expand the pool of such talent in our country. As such, it will complement the excellent work already done, for example, in the five chairs of military and strategic studies at Canadian universities. These chairs will, of course, suffer no adverse consequences in terms of support, financial and otherwise, by the Government. The institute will have a limited inhouse research capability. It will depend largely in its early years on research by experts and institutions already existing in Canada.

The institute will not compete with existing groups, organizations and institutions. I assure the House it will not swallow

up nor reduce government funding available to existing organizations. Neither is it our intention that this new institute would seek funds from non-governmental sources. It must not and it will not crowd out such worth-while bodies as the recently established Canadian Centre for Arms Control and Disarmament or overshadow the excellent work of universities from coast to coast. It will stimulate the levels of interest in peace and security to the benefit of all.

To encourage public discussion of these central issues, I expect that the institute will sponsor or hold conferences and seminars in all parts of Canada. The publication of the results of its research and activities will contribute to informed public debate in Canada. It is our intention that the institute will act as a major resource for scholars and the general public who are concerned with these issues.

The institute will be financed on an annual basis by appropriations from Parliament and will be funded equally by grants from the Department of External Affairs and the Department of National Defence. Financing for fiscal year 1984-1985 is projected at $1.5 million, rising to $5 million by 1988-1989. The Government intends this institute to be apolitical and a centre of excellence which will serve all Canadians. It will be governed by a board of directors composed of men and women who are knowledgeable in the field and who can be relied upon to carry out their functions in a completely non-partisan manner. In this vein, myself and my colleague, the Minister of National Defence (Mr. Blais), will seek nominations from the Opposition Parties before any recommendations are made to the Governor in Council regarding appointments to the board of directors.

It is our intention that the institute will have maximum flexibility and independence. It will be free to engage in research and information gathering and dissemination as it sees fit. It will specifically be free to publish the considered findings of its researchers. It will be publicly accountable to Parliament. An annual report on its activities and finances will be submitted to Parliament through the Minister. Naturally, this report will then be referred for examination to the Standing Committee on External Affairs and National Defence.

• (1115)

A country like Canada, which does not have nuclear weapons, depends on the persuasiveness of its ideas on defence, disarmament and arms control rather than any military leverage it has to affect these questions. The Government wants to be able to tap this new source of knowledge and ideas. It may on occasion request advice and research from the institute. In this way future governments will be able to benefit from this additional source of expert knowledge. In so doing, it will increase Canada's ability to propose realistic and imaginative solutions to the difficult and complicated questions of arms control.

The institute will be devoted to both peace and security, to defence and arms control, and disarmament. This Canadian institute will neither be exclusively devoted to strategic studies nor to peace research. In our view, arms control and disarmament are inseparable from security.

The institute is only one manifestation of our commitment to peace and security. To encourage more public involvement in these questions we intend to increase funding for voluntary associations and private research groups. As an initial step, the Department of External Affairs disarmament fund has been increased from an original $338,000 last year to over $700,000 effective April 1. As well, funds for the study of verification procedures which are critical to successful arms control negotiations and agreements have been doubled to over $1 million.

The foundation of this institute, Mr. Speaker, is a reflection of the abiding interest of all Parties in the House and the response to many Canadians who are deeply troubled over global peace and security in the nuclear age. In planning for the institute we have sought the ideas of a wide range of Canadians and I would like to thank them for their views. This Bill has benefited from a number of constructive ideas which the Leader of the Opposition (Mr. Mulroney) has put forward in correspondence with the Prime Minister. A number of specific changes were made which accommodate these concerns. The New Democratic Party also has put forward positive suggestions which merit serious consideration in this debate and at the committee stage. In a spirit of consensus and co-operation among all Parties, we remain open to suggestions for further change to the Bill.

In conclusion, Mr. Speaker, I want to say that a nation's greatness lies in the power of its ideas, not only its armed might. Concern is not enough; it must be accompanied by informed views and constructive ideas. It is our hope that this institute will make a major contribution to deepening Canadian understanding of the fundamental questions of international peace and security.

Mr. Stevens: Mr. Speaker, I would like to put one or two questions, if I may, to the Minister. As the Minister knows, Clause 3 states that a corporation is hereby established—

The Acting Speaker (Mr. Guilbault): Order, please. I regret to interrupt the hon. gentleman but our Standing Orders do not provide for questioning at this time. We first have a round of three speakers, one from each Party, and then speakers will enjoy a 20-minute period for their remarks which would then be followed by a 10-minute question and answer period.

We are back in debate. The Right Hon. Member for Yellowhead (Mr. Clark).

Right Hon. Joe Clark (Yellowhead): Mr. Speaker, I am pleased to be back in debate. I am pleased to be able to rise to speak on this Bill because I think there can be no question anywhere in the country that the concept of the establishment of a peace institute centred in Canada is of great importance to us. That concept enjoys wide support.

• (1120)

I think I owe it to the House to say at the outset that we believe the Bill that has been presented which sets up this particular institute is fatally flawed. While there have been some consultations to date with regard to improving the Bill, those consultations have not resulted in the kinds of changes that we hoped to see. We need changes that will guarantee the independence of this agency, changes that will guarantee its accountability to the House of Commons and Parliament, and changes that will ensure, more than the words of the Minister have, that there will be a complementing of the activities of agencies and institutions already engaged in the field of peace research in the country rather than a supplanting, directly or indirectly, of those agencies.

The House will know that last fall the Leader of the Opposition (Mr. Mulroney) asked me to undertake certain inquiries with an eye to making recommendations to him as to the policy that would be useful for a new government to follow in the field of arms control and disarmament. I have interpreted that mandate to involve public hearings across the country.

I come to this debate from five public hearings in five Canadian centres—Vancouver, Montreal, Halifax, Edmonton and Toronto—in which we had the opportunity to receive some 70 briefs from Canadian organizations and hear 92 witnesses. The most particularly valuable witnesses were those who came forward in an open session to make their contributions and to participate and express their views on an issue which they considered to be of deep concern to them. I have also had conversations with a wide range of Canadians and people outside the country regarding appropriate policies and institutions which should be established.

Without question, there is in Canada a deep and growing concern about the possibility of nuclear conflict and a deep and growing concern about whether our country is acting as effectively as it might to inch the world away from nuclear destruction. I will be reporting fully to the Leader of the Opposition later on my inquiries and recommendations. I think it might be helpful as we consider this institute if I touch on some of the testimony and bring to the House of Commons some of the views I heard in public hearings from concerned Canadians across the country, people who are not sitting in the House of Commons and are not part of the policy making, but who consider themselves very much affected by the issues that we are here discussing.

I would like to begin with a reference to testimony from a young woman who came from Great Island to the open forum at the hearing in Halifax, Nova Scotia. She came at considerable inconvenience to herself because she felt involved in these issues and wanted an opportunity to have her views expressed. She said that where she lives unemployment and poverty were very high. She said that disillusionment, apathy and despair were widespread, especially among the young, and that that disillusionment, apathy and despair were based primarily upon a deep sense of powerlessness. She suggested that many of her neighbours believed that the hearings which we were holding were simply meant to try to defuse the public's concern and play to their undying belief in the democratic process, but that nothing would be done. That was her fear when she came. She said that she came nonetheless because she dissents from that prevailing cynicism. She believes that governments and parliamentarians will listen to people on the peace issue and will try to translate the wishes of concerned ordinary Canadians into realizable policy. She said she would go back to her community and try to convince her neighbours that it is not hopeless, that parliamentarians and governments will listen and will respond.

• (1125)

She spoke for herself, but she spoke for much more than herself. She spoke for a wide feeling of powerlessness, concern and a sense of being isolated in the country. As we discuss institutions today which we might establish, we, the Parliament of Canada, must be conscious that we are responding to the concerns of Canadians like the woman from Great Island and others who have nearly given up on the system and who may give up on the system if they see us put in place something that appears to be strong but in fact is not, something that appears to be independent but in fact is controlled by the Government.

One of the startling pieces of evidence that came before our hearings concerned the growth of fear among children in the country. Many of us who have children know from our own experience the extent to which they are preoccupied and concerned about these questions. My daughter, who is seven, began one or two years ago to ask me when the war is going to come, when is the world going to end? I have no recollection of putting questions of that kind when I was six or seven, nor do most of us in the House.

That is not just random observation. That expression of fear is now common in the country. Coming before our public hearings across the country were trained psychologists, some of them based at McMaster University where there is now a cross Canada study being conducted of the effect of the threat of nuclear war upon the attitudes of young people. Most of the evidence that has now been gathered is evidence that has come from the United States. It is compelling! In a study published in 1982, 3,500 American children were asked what they expected if there were to be a nuclear war. Most responded eloquently and simply by saying "I will die. We will all die". They expressed bitter resentment against adults who had already lived a full life and were putting their chance for a full life at risk.

J. C. Mack, publishing in the *Bulletin of the Atomic Scientist* in 1981, after a survey of 1,000 schoolchildren, concluded:

> —young people are growing up without the ability to form stable ideals or the sense of continuity upon which the development of stable personality structure and the formation of serviceable ideals depend.

In Vancouver we heard from the Physicians for Social Responsibility whose testimony in part I will read to the House:

Scientific data indicate that a nuclear war would result in a catastrophe of degree and magnitude beyond comprehension, and that there could be no meaningful medical response to such a catastrophe. We believe that it is our responsibility, as physicians, to do all in our power to prevent what would be "the final epidemic".

There is a very real fear in the country among the sophisticated and among the innocent that we will destroy ourselves. I recognize, as does the House, that fear is no basis for foreign policy. But we recognize also that that fear is a wholly understandable reaction to a situation in which negotiations between the superpowers are broken and suspended. The number of nuclear weapons states is growing, not reducing, and the world is vulnerable to nuclear terrorists or accidents.

Canadians have cause to be afraid and, as their representatives in government and Parliament, we have a duty to address and reduce the causes of fear. I believe there is not much point in spectacular gestures. I believe we are more likely to find real progress by proceeding in a steady, sober, consistent, balanced way.

The second concern that was raised during the hearings quite consistently was a concern about how effective Canadian policy is now in responding to concerns that exist in our public and around the world. I want to summarize some of those concerns about our effectiveness that are germane to this debate.

● (1130)

One that was repeated frequently is that Government interest in these issues is sporadic and not well co-ordinated. That testimony is saying two things. It is making the observation that one year we have for a while a suffocation policy, then it lapses. Later we have proposals for a five-power conference, a tour and consultations, and then they lapse. But there is none of the persistence now in Canadian policy which helped former Governments achieve agreement on test bans, which helped the former Prime Minister, Mr. Pearson, contribute to the establishment of the United Nations peace-keeping operations. They are saying that there is a sporadic, inconsistent nature to our public positions on policy.

Second, there is the concern that expertise is spread around in Government. Internal expertise is not co-ordinated. Much of it is concentrated in the Department of National Defence, for example, whereas the Department of External Affairs is supposed to be the lead Department.

A second theme that was consistent is that we have a greater capacity than we are using to develop and advance specific responses to particular problems on the path to peace or on the path away from tension now. Canada is, of course, doing important work in a multitude of fields, but we are not organized to contribute up to our potential.

A third concern has to do with individual Canadians, whether they are experts or simply worried citizens, who believe that they are outside our system, that they are affected by our failures, but have no impact upon the policies we follow. They have neither the information they require nor the influence they require.

Finally, and it is very important in the context of this debate for it to be understood, there is a very real concern—the Minister made reference to it—that there is an imbalance between the emphasis on defence studies funded and encouraged by the Government, carried on across the country, and the need for studies that deal particularly with the question and with the perspective of peace, and that that imbalance has to be corrected if we are going to be as effective as the country can be in moving the world, in inching the world, away from conflict.

I think these concerns provide a useful context for the consideration of this Bill. We are not discussing here a series of policy initiatives. There was to have been a resolution presented to the House. That resolution was the subject of extensive consultation among the Parties, but that resolution has not come forward. It dealt with the general question. We are here dealing with a very specific question. We are dealing with a specific Bill to establish the Canadian Institute for International Peace and Security. It is a Bill to establish one agency in a field where several agencies exist. It is a Bill that has to do with one initiative on a question where several initiatives are needed.

I make the point to the House that what we do with this institute will affect what we are able to do in other ways to increase security and world peace. If the widespread concern of Canadians over the possibility of nuclear war is addressed, if what I call the fear issue, the force of fear in the country, is addressed, that can be a means of bringing Canadians into our foreign policy debate generally.

This involvement of Canadians should not be seen, as a threat to Canadian policy. It should be seen as it is, as an unparalleled opportunity if we choose to avail ourselves of the strong, sophisticated, deep interest that exists in these questions in the Canadian public.

On the other hand, if we choose to ignore public concern in the hope that it will simply go away, we run the risk of souring the public on the ability of their elected representatives to provide leadership on this crucial issue. They will turn then, in my view, from the tone of seriousness, of sophisticated responses, a tone that marked the hearings I held, and opt for more radical or for more unilateral solutions. It is essential that we find ways to bring interested Canadians into the discussion of what their country should do in a field of policy which affects them vitally.

Of course, the issues are complex. That complexity is not only a limitation to the participation of Canadians outside Parliament; that complexity is a limitation upon the ability of Members of this House to be as informed and as effective as we should be. Elected representatives, as well as the general public, have a great need of being better informed on the technical issues relating to peace and security questions. In short, the essence of the challenge facing elected representatives is to improve the quality of knowledge upon which we might act and then enlarge, in the country and in the House, the will to act.

What is needed is an institute designed to encourage and facilitate informed debate and to produce independent, non-partisan research and information, a world-class research and public information institution on international peace and security questions, not merely on the narrower question of arms control.

[*Translation*]

Mr. Speaker, we believe that the Canadian Institute for International Peace and Security could play a very useful role. It can make a very positive three-fold contribution to world peace and the Canadian policy: by helping the world nations to draft policies and plans likely to minimize the risk of nuclear conflict; by keeping Canada's own politicians and population well informed so as to increase their influence over public policies; finally, by symbolizing the commitment of the Canadian Government and Parliament to make the quest for peace one of our great national priorities.

Those are all worthy endeavours. In the course of this debate, we must stress the fact that the institute must have the independence, credibility and determination required to take up that challenge. In our view, this Bill does not give it the necessary independence and, therefore, restricts its credibility.

We also believe that we are duty-bound to establish clearly to what extent the activities of that organization would mesh with our national objectives to foster international peace and security. Other measures must be taken as well. The Government's internal structure must be much more coherent about any peace-related issue. The independence and integrity of research institutions already active in Canada must be maintained and protected. The Government itself must be much more open with Canadians and aware of the deep and sincere concerns about international peace.

[*English*]

I think it is very important, Sir, that we distinguish very clearly in this debate between the idea of an institute and the proposal that exists in this Bill. In our view it is important that there should be an independent institute centred in Canada to study peace and security. That is unquestioned; that is very clear. But we have a very deep and profound concern about this Bill, Mr. Speaker.

There have been extensive inquiries by the Government prior to this proposal being brought into the House of Commons. I rather regret that the full conclusions of those inquiries, the full range of alternatives, prepared for the Government were not presented to this Parliament. This, after all, is a parliamentary matter. We are establishing here a Canadian institute, not simply a governmental institute. It would have aided immeasurably the parliamentarians who have to make decisions on this question to have had access to the recommendations presented to the people making the inquiries by the Government and indeed to have had access to the recommendations made to the Government by those representatives.

There are, as the House will know, broadly two kinds of agencies, broadly two kinds of institutes in the world, two kinds of models, speaking generally, of approach to this question. One focuses internally. It is inward-looking. It serves the Government. It is, for example, like the National Security Council in the United States. Its purpose is to pull government advice together. Its purpose is to ensure that there is a balance in government decision-making internally to protect, for example, against an unusual influence from the military side or an unusual influence from somewhere else. It is an internal agency. That is one model which could be followed by an institute established by this Parliament. The other model is external—encouraging independent research, encouraging public information and having its focus beyond government rather than being locked into government.

• (1140)

Those are the two models, broadly, which exist in the world. They play very distinct roles. They are very different. However, what we have here in this institute is an attempt, in effect, to combine both approaches—not to have an agency which is strictly internal, not to have an agency which is independent and external, but to have one which combines features of both.

Our concern as we look at this Bill is that, in attempting to combine features of both, the Government creates a very real confusion about exactly what kind of agency we will have here. That confusion will almost certainly continue. That confusion, if it does continue, as I believe it will, could cripple the institute. If we are not careful in debate today, we could place upon this institute, if we adopt the Bill as it sits, restrictions which will severely, perhaps fatally, handicap its future. This institute has to be done right the first time.

Mr. Trudeau: Could you tell us how? Could you be more precise?

Mr. Clark (Yellowhead): Yes. I am pleased that the Prime Minister (Mr. Trudeau) is involved in the debate. Yes, I will be telling him how. The Prime Minister already has some recommendations from the Leader of the Opposition, most of which he has ignored. I will come to that later on.

Mr. Trudeau: Most of which have been listened to and respected.

Mr. Clark (Yellowhead): "Listened to"; that is exactly the point. That is exactly the fear one has here, and that is exactly why it is so important to have an independent institute. We do not want to have something which goes around listening to people and then ignoring them.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): The Prime Minister has put his finger on the essence of our concern.

Mr. Trudeau: Yes.

Mr. Clark (Yellowhead): Well he should and well he could, because it is a concern which is born in part by the practice of

the Government in so many other fields. We cannot afford to sacrifice this institute, which is so important to goals shared by all people in the House, to the practice and the fear of independent activity which exists on the Government side. This institute has to be independent or it is nothing. That is the point.

Some Hon. Members: Hear, hear!

Mr. Trudeau: Tell us how to make it more independent and we will do it.

Mr. Clark (Yellowhead): All right. If that is a serious offer—

Mr. Trudeau: Yes.

Mr. Clark (Yellowhead): You will do it, all right. I would like to see the clause which indicates that the Minister can direct the institute as to what it should do—

An Hon. Member: Clause 28.

Mr. Clark (Yellowhead): I will depart from the normal rules since I have been asked a question by the Prime Minister and quote precisely the clause. Clause 28 now reads:

> On request therefor, the Institute shall undertake research for or provide advice to the Minister in relation to any issue involving international peace and security.

I would like to see the word "shall" changed to the word "may", because that leaves the decision in the hands of the independent institute.

Mr. Trudeau: Just move an amendment.

Mr. Clark (Yellowhead): Oh, no, I do not want an offer from the Prime Minister that we move an amendment. I want an undertaking from the Prime Minister that he will accept that amendment. Do I have that undertaking?

Mr. MacEachen: Come to the committee.

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): We are not discussing here a detail. We are discussing the fundamental independence of this institute. We are discussing a fundamental principle which affects the effectiveness of this institute. The Prime Minister has intervened. He has said that he will act on what we propose. I have just made a proposal which would guarantee, or take a step toward guaranteeing the independence of this institute. Will the Government accept that proposal?

Mr. Trudeau: If that is all you want, yes.

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): No, but it is a start; it is a start.

Mr. Trudeau: That is what we want to hear. Don't tell us about the ladies in Halifax.

Mr. Clark (Yellowhead): The ladies in Halifax, the women in Halifax, have an interest in this issue because it is their lives and the lives of their children which are affected by what we do here. It is their future which is limited—

Mr. Trudeau: They do not want you to talk out the institute, which is what you are trying to do.

Mr. Clark (Yellowhead): —if we create here an institute which is not independent, which is not credible and which intrudes upon the independence and credibility of agencies already in the field. They are very much involved. The Prime Minister would serve us all well if he showed less contempt for the women of Halifax, for the people of Canada and others who are very much concerned about this issue and this institute.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): I was saying that this institute has to be done right the first time because institutions define their nature in their very early days. This Bill has the following faults. First, it is confused as to what kind of institute the Government wants. Second, it is far too dependent upon government. Third, it is not accountable to Parliament. Fourth, it is not clear, despite the Minister's words, how this institute would relate to other agencies which now exist in the field.

Those are all major flaws which have to be corrected now while we are defining the nature of the institute. It would be irresponsible to let the measure proceed with these defects which could be crippling. Those of us who unfortunately have had experience in this House with offers across the floor which are not backed up in practice will require a little more than casual statements by the Prime Minister from his seat before we will be satisfied that we have an institute which guarantees the independence that is essential to this kind of undertaking.

Let me very quickly review some of the limitations upon the independence of the institute in the Bill as it now sits. I have spoken about the most dangerous of them, Clause 28, but there are also others, Clauses 6 to 8 speak about the appointment of a board of directors. Under this provision Cabinet will appoint the directors and the executive director. We have had an offer that there will be consultation with the Opposition Parties. What use is consultation when the Government makes the decision alone? This Bill gives the Government the power to make this decision by itself. There has been a proposal put forward—and the Prime Minister is interested in proposals—which would have the board of directors appointed by consensus of the standing committee of the House interested in external and defence policy. That would provide independence. That empowers the committee to appoint. It does not merely permit them to be consulted, it empowers them to appoint. That gives a much greater degree of independence than does the present measure.

Clause 14 of this Bill, which limits the kind of independent institute that we need, gives Cabinet alone the power to fix the fees of board members and fix the terms and conditions of

employment of the executive director—very powerful instruments in the hands of Cabinet. The Cabinet determines where the principal office will be. That is a fairly minor matter, but why should Cabinet decide it? Why should that not be decided by some agency more independent than the Cabinet of Canada?

In Clause 26 Cabinet has the power on its own to direct the board to make, amend or repeal any of its by-laws. In other words, what the board does after due deliberation, Cabinet can come in and has the power to undo. The effect of Cabinet coming in and undoing it is final. In effect Cabinet controls the by-laws of this institution.

I have spoken about advice to Ministers under Clause 28. Clause 29 regarding funding indicates that the institute's funding will come from "moneys apropriated by Parliament for the purpose", so it says. No other details are given, but in our view if we want to guarantee some kind of independence, consideration should be given to provisions for funding on a basis longer than one year to facilitate longer-term planning and, again, to promote the institute's independence from the Government's priorities for research.

• (1150)

We have had very serious and disappointing experiences with the problems of agencies that are supposed to be independent but in fact are not. There is, for example, a very clear danger in this Bill as it is written that this institute would be encumbered with political appointees who will either be reluctant to provide objective, independent analyses of, and information about, peace and security issues where such analyses would conflict with government policy or, should they be inclined to show that kind of independence, they could find themselves in the kind of situation that Doris Anderson found herself in when, as President of the Canadian Advisory Council on the Status of Women, she dared to suggest that the Charter of Rights and Freedoms as originally tabled in the House did nothing for Canadian women.

We have had too much experience with agencies that were supposed to be independent but were not independent in fact. We cannot afford to risk the independence and credibility of this institute by imposing upon it the kinds of restrictions and limitations which have so weakened institutions in other fields of policy in the country.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): The Prime Minister and the Secretary of State for External Affairs (Mr. MacEachen) suggested that we should approve this Bill in principle here in the House and then work out the details in committee. What the Prime Minister and the Secretary of State for External Affairs called details go to the very heart of this Bill. They concern fundamental questions of independence and accountability. This Bill as it is written would allow the Government to control absolutely the work of the institute. The Government alone appoints its directors. The Government alone decides how they are paid. The Government alone has the right to dictate to the institute, to tell it what to do and then require it to do so. That is not the kind of independence which Canadians expect of this institute, nor is it the kind of independence we were led to believe this institute would have.

This Bill creates an agency which the Government can transform gradually, easily and completely into an instrument of government propaganda or indeed into an instrument of Party propaganda. If a government chose to do what this bill gives a government the power to do, the effects would spread well beyond this particular institute. This Bill effectively gives the Government the power to limit the independence of existing agencies which are working now for peace because the institute we are discussing here can move very quickly to centre stage. It will have an immediate and permanent profile high above private agencies already working in the field and it can become the standard against which they are judged.

I remind the House that this institute has behind it more than the power of example. It has the power of money. If this institute which has the power to fund other agencies or individuals is to be truly independent, no strings will be attached to that funding. But can it be truly independent when the Government alone appoints its directors, when the Government alone sets its salaries, when the Government alone can tell it what to do? That, Sir, is not independence. Without independence, this institute has the power to do more harm than good. The power this Bill gives the Government to control this institute and, by extension, to influence unduly the tone and direction of research carried out by other agencies interested in peace and security is one fatal flaw in this Bill.

Another fatal flaw in the Bill is that while this Bill gives the Government the power to control the institute, it does not give Parliament the power to hold the institute accountable. There is no accountability provision here. The Minister may lay on the Table a report. Many reports are laid on the Table of Parliament. There is no accountability of this institute to Parliament. There is instead tight and very fundamental control by the government of the day. That is inconsistent with the purposes of the Bill and is a very unfortunate aspect of it which we simply must see changed.

Reference was made to consultations that have occurred and to recommendations that have been made by the Leader of the Opposition, some of which have been adopted. Clause 5(a) of this Bill as it now reads reflects a recommendation of the Leader of the Opposition to create a national library and data base on peace and security agencies. Clause 5(e) reflects a recommendation of the Leader of the Opposition to provide facilities for conferences, seminars and funding for some other bodies.

There have been other important but minor agreements to proposals put forward by the Leader of the Opposition as a result of consultations. However, we must ask two questions about those consultations. Why did the Government agree only on the relatively minor questions and not agree on the questions which provided accountability or independence for the institute? Why did it agree only on the minor matters and disagree on the major ones?

The other question we must ask is why did the consultations end so quickly? The Prime Minister knows that there was a long process of consultation with regard to a resolution on the peace initiative, a consultation in which views were put forward by the Leader of the Opposition and the Leader of the New Democratic Party, many of which were accepted. The Prime Minister shakes his head. Am I incorrect? I can speak only for the proposals put forward by the Leader of the Opposition. The Prime Minister now tells me that I am correct. I appreciate his correction.

There was a very fruitful process of negotiation on that question. I gather that problems with members of the NDP have made it difficult to bring the resolution forward, but agreement was reached on major matters between the Government and the Official Opposition in the House of Commons. The process of that kind of genuine consultation works. It began in relation to this Bill but was then suddenly stopped. Why was it stopped? Why did the Government bring this Bill into the House now rather than carry on the discussions that had begun to be fruitful regarding the production of a Bill which could come into the House and be accepted by all Parties in the House?

The Parliament of Canada approves the concept of a peace institute. We want to see something established along the lines of what was referred to in the Speech from the Throne. What we have here is something very different from what we were led to believe by the Speech from the Throne would be brought forward by the Government. It is different because it is not independent. It is different because it is not accountable. It is different in fundamental ways that go to the heart of the capacity of this institute to be seen as a credible institution in the Canadian community.

Because we have had too much experience to do otherwise, we are going to require from the Government some guarantees now that it is prepared to make this institute independent and that it is prepared to build in accountability. We do not want to see the Government sabotage its own institute by imposing upon it limitations that will kill its credibility in the country. If we do not do this right the first time, the institute may well be doomed. We think the issue is too important to allow the Government's concerns about independent activities to doom this institute.

Some Hon. Members: Hear, hear!

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, as the Prime Minister (Mr. Trudeau) and the Secretary of State for External Affairs (Mr. MacEachen) will know but apparently as the Right Hon. Member for Yellowhead (Mr. Clark) does not know, we in the New Democratic Party have been pursuing the subject of the Canadian Institute for International Peace and Security. We have been pursuing the subject of having peace research chairs to complement the chairs on strategic studies. We have been listening to the Canadian public for the last many years about their concerns with the nuclear arms race. We have participated actively in the reference in the standing committee on security and disarmament which, of course, the Right Hon. Member for Yellowhead would not know about. Therefore, it is a bit of a surprise to me to find out that the Conservative Party has just discovered the issue and the public's concern with this issue.

A Conservative Party task force held hearings in five cities and the Party discovered that the Canadian public is very concerned about the issues of international peace and security. I welcome Conservative members. I am glad they have finally discovered this.

The Minister knows that we did have an excellent series of sessions in the standing committee dealing with our reference on security and disarmament two years ago. He will also know the great importance that attaches to concerned citizens having their voices heard when it comes to such an important matter as setting up an institute for research in these subject matters. I will come back to this in a moment.

• (1200)

I just want to preface my remarks with not being too hasty. We agree with the Bill in principle. We agree with much of its content. I have half a dozen fairly important amendments to suggest and I will suggest them today. They will be discussed in committee. I urge the Minister and the Prime Minister, whom I am glad to see here, to ensure that the committee and its chairman, who is here as well, has time to hear the Canadian public and seriously to address amendments that would strengthen this Bill.

The Prime Minister will recall that when the International Development Research Centre was established, first reading was in the late fall of 1969. The Bill then went to the Standing Committee on External Affairs where it remained for several months. Several extremely important amendments were made. Indeed, final reading establishing the IDRC did not take place until the fall of 1970. Even the title of the centre was changed in committee. Many members on that committee took a very strong interest in the IDRC. Perhaps we cannot take that long, but I do urge that the committee not only have hearings for the members of the Canadian public who are concerned in this matter, but that it also have the careful, detailed discussion that the Bill needs when it comes to making some amendments.

There are two matters that bother me about the Bill, although it has a lot of pluses. It has not articulated in a sufficiently Canadian way the purpose of the institute. Second, Clause 28 seriously undermines the independence and the hands-off relationship that must exist between the Government and the institute.

From what the Minister said in his speech, I think he would agree that the institute must reflect the Canadian viewpoint on international issues of peace and security and start providing our own data base, information gathering, analysis and assessment. We have never had very much of this in the Government of Canada.

There must be a way, and I will not go into detail on this, in which we can make clear in Clause 4 that what we are looking for is a Canadian-based analysis and assessment of issues of

international peace and security. We are not like SIPRI, the Swedish institute, looking primarily at the whole global range of issues of international peace and security from every possible perspective.

The Minister and the Prime Minister have argued, and I agree, that we need a more Canadian perspective. In a sense we have lost our independence in this country because we are so derivative, so dependent on the information and analysis of other countries, particularly the United States. There should be more mention in that clause of the hope that the institute will look at these matters from a Canadian perspective.

In the "purpose" clause, I would put 4(d) first, "foster, fund and conduct research on international peace and security issues of particular interest to Canadians or to the Government of Canada". That is the intention of the Government and should be the intention of all of us to emphasize.

Putting (a) first, "collect and disseminate information and ideas on international peace and security", instead of in the next section under "powers", does not give the clauses enough vigour. We hope this will be a go-getting organization doing basic and fundamental research, not just collecting information, and doing it in accordance with the needs of Canadians and from some Canadian perspective, whether it is talking about the nature of the Soviet threat or whatever. The purpose could be strengthened.

The other main area in which I have concern is Clause 28. The Right Hon. Member for Yellowhead also referred to this. He suggested that it could be made more acceptable to him and his Party by changing "shall" to "may". The clause would then read:

> On request therefore, the Institute may undertake research for or provide advice to the Minister in relation to any issue involving international peace and security.

I heard the Prime Minister call out that he would be quite willing to change that word from "shall" to "may". The Right Hon. Member for Yellowhead went on ranting and raving. If the Prime Minister did say that and if the Government is willing to do that, it should properly take out the clause entirely. It can remain silent. Anybody, Mr. Speaker—you, I, a citizen or group—may request the new institute to undertake something. An ordinary MP could make the request. I would hope the standing committee might do that occasionally. Anybody may request the institute to undertake research or provide advice. The institute's board would then meet and decide yes or no.

There is no reason that the clause should be in the Bill. It is not in the IDRC Act. What happens if the Government wants the IDRC to undertake something? This happened with the Conservative Government when the Hon. Member for Kingston and the Islands (Miss MacDonald) was Minister. When it wanted the IDRC to do something, it had to put in a request. This was in connection with an international science and technology conference. The board met and the IDRC said: "Yes, we may do this, this and this under these conditions". This was in the 1979 period. It was perfectly all right. However, that can be done without any clause at all. I was going to raise this point independently, that if you change "shall" to "may", you do not need the clause at all. You simply remain silent.

That is at the nub of the independence question. I do not agree with the Conservative argument; there are many other clauses in the Bill with regard to the appointment of directors by Order in Council and so on and the fact that you must have more than the tabling of the annual report and studies by the institute in Parliament and before the committee.

I judge this on the basis of similar Canadian bodies and a body like SIPRI where there are almost identical provisions. It has to report through a Minister and table its reports in Parliament. IDRC has the same arrangements, with one important exception in the choice of board of directors.

As I look back on Canadian history, I do not feel that the Government, whatever government has been in power, has abused the right to appoint directors and so on. That right may be terribly abused in appointments to the other place, but quite frankly I do not think it has in this instance. Maybe we could do as IDRC does and have a provision that two members of the board of directors may be MPs or members of the other place. That sounds terrific. I do not know whether Senator Steuart knew about this when he resigned from the IDRC after being made a senator. He could have stayed. That Act allows, as the Prime Minister will remember, up to two members of the board drawn from either House, and that might be a good idea. I feel we should explore it in committee.

• (1210)

What I am saying is that the other points raised by the Right Hon. Member for Yellowhead regarding the board, the executive director, appointments and parliamentary accountability, I believe, frankly, are adequately protected not only by this Bill but by the traditions of Canadian Governments, both Liberal and Conservative, when one talks about the Economic Council of Canada, the Science Council of Canada, the IDRC and so on. However, I do feel there is one change which might be made, and that is that after the first executive director is appointed, subsequent executive directors are chosen by the board. That is a suggestion I would make, and I have other minor suggestions in that connection.

However, it seems to me that we do not want to take away from what is the most important goal for this institute, and that is that it should freely engage in short, medium, long-term research; that it should foster such scholarly activities elsewhere, which we badly need in Canada; that it should be absolutely free to publish; and that if it is asked for advice or to do research, it may or may not do so and it may or may not do so whether the request comes from the Minister or from you or me, Mr. Speaker. That is what is particularly vital and that is why it is not even necessary to amend Clause 28. One simply removes it.

Therefore, we can liven up the purpose, make it more clearly of concern to Canadians, and in that connection, by the way, I really do not see why the Government copied the IDRC in one respect, namely, having non-Canadians on its board of direc-

tors. I believe that was and is essential for the IDRC but I do not believe it is essential for this institute. I believe this institute will be looking primarily at the Canadian perspective on international peace and security issues. In fact, if someone like George Ball or Paul Warnke or someone like that were asked to be on the board, I believe it would be of some embarrassment to them. The institute can always get their advice and, indeed, I am sure it would, as we all do. However, I am not at all sure that that particular copying of the IDRC legislation was necessary or desirable.

I will have specific clauses to help strengthen the purpose section. In the powers section we would put the collecting and disseminating of information. In connection with the publishing of studies, I would draw the attention of the Minister to Clause 5(c). This is kind of a mixed up clause. It states that the institute may:

—publish studies and reports prepared for the use of the institute and publish or otherwise disseminate scientific, technical or other information as it sees fit;—

The words "scientific, technical" came from the IDRC. I would say that that clause should simply read that the institute may "publish or otherwise disseminate reports, studies or other information relevant to its purpose". That is nice, clean wording. The phrase "for the use of the institute" is not, I believe, what the Government intends.

There are three kinds of studies and reports which the institute might undertake. It might do inhouse research. It will have a small inhouse research capacity. It might contract out research for its use. However, there might be research done out there—and the Minister pointed out how anxious he would be that this would complement rather than supplant research and scholarly activity—and the institute might well pick up a piece of research done out there, think it extremely valuable to its purpose and agree to publish it, even though it was not for its use, if the outside person wanted it published. Therefore, I simply guard against the use of the words "for the use of the institute". In fact, I would remove them entirely, and have clause 5(c), a very important clause, simply read" publish or otherwise disseminate reports, studies or other information relevant to its purpose".

While I am on Clause 5, I have another small point I would like to make. In order to ensure that the institute itself is not going to seek funds in the private sector, it would be quite simple to change Clause 5(g) from "acquire any property, money or securities by gift" to "accept any property". That is a more benign phrase, and I will be putting forth that amendment in committee. I am just giving the Minister lots of notice on these amendments.

Clause 7 reads:

The Executive Director shall be appointed by the Governor in Council to hold office for a term not exceeding five years.

Any executive director, subsequent to the first director who would be appointed in this way, should, I feel, be appointed on the recommendation of the board of directors.

With respect to Clause 18, I have already mentioned the question of non-Canadians on the board and I would appreciate a response to that at some time. As I said, I believe that is entirely appropriate for IDRC. It is certainly entirely appropriate for SIPRI. By the way, SIPRI responds to a Minister, the Minister lays its reports before Parliament and SIPRI is extremely independent. So we should take another look at Clause 18.

I have already discussed at length why Clause 28 should be removed. I agree with all other speakers, including the Minister himself, that one of the most important things is that the institute should have an arm's length relationship with the Government, and that it should be genuinely able to decide for itself on the research it does and the advice it gives.

On the financial side, the Minister mentioned that the funding would be $1.5 million in the present year, rising to $5 million by 1988-1989—it could well rise more than that, I assume—and that it would be jointly funded by annual grants from the two Departments, the Department of National Defence and the Department of External Affairs.

Again, going back into history, if I may, to IDRC—and the reason I compare it so much with IDRC is that it is so similarly structured—as I remember, IDRC was initially funded from an appropriation by CIDA, but it very soon achieved its own separate line item. I would hope that the same would be the case here. Frankly, I believe it should start immediately with its own separate line item, and I will have an amendment to that effect when we come to committee.

In summary, this Party has been in favour, is in favour, and shall continue to be in favour of such an institute being established, a Canadian Institute for International Peace and Security. We believe it is badly needed. Far from suffocating other bodies engaged in this goal, we feel it will encourage them, help fund them, and will produce a good deal more scholarly material. I believe, frankly, it is superior to the Australian institute, which I received information about yesterday, which is tied solely to the Australian national university. I believe, if the purpose is made clearer, that this institute will for the first time—and perhaps this is something which governments should have done long since—provide a scholarly Canadian assessment from a Canadian perspective as well as from a world perspective on the issues of international peace and security.

I like the emphasis, as we all do, on peace and security issues. Of course, as the Minister has said, this will include strategic studies, although we have more accomplished in that field already. We want the Standing Committee on External Affairs and National Defence to have time. That is what worries me more than anything else.

Mr. Prud'homme: We give you one month.

Ms. Jewett: The Chairman is here. I know the Committee controls its own timetable because every time we ask the Government for something, it says it is in the hands of the Committee. I am glad, come to think of it, that they have always said to us: "Well, the Committee has the power; it is in the hands of the Committee".

• (1220)

Mr. Prud'homme: Five days a week for one month if you want.

Ms. Jewett: Well, what a commitment! We also have to hear from Canadians, as I say, because they are concerned about this. The fact that the Minister did not mention Clause 28 in his speech, Mr. Speaker—and it is so important that we not have Clause 28—

Mr. MacEachen: I want to argue about that.

Ms. Jewett: —I hope indicates that he, too, realizes that a Minister could destroy the institute. Not this Minister, of course, but a Minister could. He could have it so busy doing research for him and giving him advice that it would never do anything else. I am sure he will be the first to agree, when he speaks again, that if this is to be the first-class institute I know he wants and we all want, then it should decide, the institute should decide what research it does and what advice it gives.

[*Translation*]

The Acting Speaker (Mr. Laniel): Order, please. The Hon. Member for Edmonton-Strathcona on a point of order.

Mr. Kilgour: Mr. Speaker, since the Chair indicated a while ago that under our Standing Orders the House cannot question the minister at this time, could I ask for unanimous consent so that we may have a brief question period on this bill?

[*English*]

The Acting Speaker (Mr. Laniel): The Hon. Member will realize this is an extraordinary request. However, the House being master of its rules, I might ask if there is unanimous consent.

[*Translation*]

Does the House give unanimous consent to a question period?

[*English*]

There does not seem to be unanimous consent.

[*Translation*]

Mr. Jean Lapierre (Shefford): Thank you, Mr. Speaker. I am very pleased to speak today on second reading of this Bill to establish the Canadian Institute for International Peace and Security, particularly after listening to the arguments of our two Opposition colleagues. I know full well that the former Leader of the Opposition had spoken at length on the question of independence, and particularly on the appointment of members of the new institute's board of directors dealt with in Clauses 6 to 8.

As I was listening to his remarks and his suggestion about Committee members reaching a consensus and making recommendations concerning appointees to the institute, I could just see him and the Hon. Member for York-Peel (Mr. Stevens) being on the same Committee, and I was wondering how we might possibly reach a consensus if those two sit on the same Committee.

Mr. Speaker, I do think we would be expecting too much if we thought that the Committee might agree on 27 appointments. Should the Right Hon. Member for Yellowhead (Mr. Clark) have a precedent in mind, perhaps he would enlighten us before the Bill is referred to Committee for consideration. I noticed that he and our colleague of the NDP did not see any need to dwell upon the first few clauses of the Bill dealing with the purpose and powers of the institute.

Therefore, we can safely assume that the two Opposition Parties see nothing wrong with the principle of the Bill and that their complaints bear on minor details. As I said earlier, the matter of appointments did come up—I can still recall the position taken by the Hon. Member for York-Peel during the Committee study on Latin America. Once again, how could he go along with a consensus on appointments? History usually repeats itself, Mr. Speaker, and that explains why I feel that such a solution is unrealistic.

Besides, our colleagues opposite always talk about the responsibilities of the Government concerning foreign corporations. In that respect, I think that the Government should indeed take its responsibilities. Given the impartial nature of the activities of the institute, the Prime Minister gave the Leader of the Opposition and the Leader of the New Democratic Party the assurance that they would be consulted about the appointments. I do not see what more can be said at this stage but, in the course of Committee proceedings, we might come up with alternative solutions which would be more practical than the one advocated by the Member for Yellowhead.

With respect to Section 28, I think that many Members are concerned about the fact that the Minister can ask the Institute to give him advice or to undertake research work. Mr. Speaker, considering that public funds will have been allocated to an institute, whenever the Minister needs some advice to develop policies, the best source of information will certainly be this institute. The latter will certainly be in a position to provide him with ideas, not necessarily ideas that will please him, but well informed advice. Everyone in this House will recognize the need to establish an agency which will make a regular, in fact an ongoing examination of issues as important as international peace and security. I do not know to what extent the Minister may be criticized for asking the advice of this institute. Should this agency be established only to be ignored, either by the Government, by the Members of the Committee or by the public? I believe that the Minister should have the privilege of using the valid advice of the Institute in developing his policies, and, for this reason, I have no difficulty in accepting that the Minister should be allowed to ask for the advice of the Institute, even though, in fact, he does not necessarily have to follow such advice. The Institute will strictly be a major source of information for him. Since the

Canadian public will be paying for the Institute, I think that it would be . . . Would it be better were the Institute to refuse to provide advice to the Minister, who would then have to spend additional public funds to have the same research done elsewhere? I wonder to what extent this can be considered as limiting the independence of the Institute since the contents of the advice given will not be dictated by the Minister. In this regard, I believe that the Minister should in fact be able to avail himself of the good judgment of the Institute and I have no difficulty in accepting that.

As far as salaries and benefits are concerned, I know that they do worry the Hon. Member for Yellowhead. Are we going to ask the Committee to set this gentleman's or that lady's salary, to approve the Institute members' expense account? The Hon. Member for Yellowhead said that he did not want the Government or the Cabinet to set either the salaries or the expense accounts. Who will do it then, Mr. Speaker? Should we ask, for instance, the Committee on External Affairs and National Defence to determine how much money this or that person will be paid, as he suggested initially? I believe that, first, this would be asking the Committee to get stuck in red tape, and second, that it would be quite irresponsible for the Government to delegate this administrative responsibility to people other than those who, finally, are accountable to the public for it.

Section 26, which also seems to worry our friends of the Official Opposition, concerns the by-laws which will be passed by the Institute. The responsibility always comes back to the Government in the end, but, in any case, I believe that this type of provision is quite common and has already been applied to nearly all the Crown Corporations established to this date.

As we all know, this is not done regularly or routinely. It is the kind of unusual action which must be warranted and which in any case has not been the current practice these last few years, namely that the Government should issue Orders in Council which go against the by-laws of its own corporations, institutes or agencies.

I therefore do not share the concern of our friends opposite about the methods or the relationship between the Government and the Institute. I believe that the Canadian public feels the need for a group specializing in these matters which affect all of us. The Canadian public needs more information, and we do expect to obtain data of a less complex nature than those which come to us from all kinds of sources, especially foreign sources. This is one of the purposes of the Institute. Everyone is concerned by this issue. There are bonafide groups from all across the country which certainly want to have access to such an agency. In particular, I know hundreds of students who are concerned by the issue of international peace and who will certainly want to use the data, the library facilities and all the information compiled by the Institute.

In such wide-ranging negotiations, Mr. Speaker, the way a country is knowledgeable and familiar with the issue at hand probably weighs more heavily than the sheer number of its population or its political views. It is in that sense that, in my opinion, with such an institute, Canada will play a much more significant role than we would expect in terms of its current political, demographic or economic power. If our politicians on both sides of the House really know the issue inside out and can count on applied research done by experts totally dedicated to this cause, we as a country will certainly have greater influence on the international scene and more input in drafting our own defence and peace policies.

A lot of energy is being spent right across the country in the quest for peace—we know that some people are deeply committed to that endeavour—and the various groups will finally discover the kind of outlet they need—not within but close to the Government—to exchange ideas, air their views and propose their own solutions. Those discussions will certainly be launched from coast to coast and be of great use to all those who have public responsibilities. In that sense, I am glad to see that our colleagues opposite are generally favourable to the establishment of the institute. Once in Committee, they will have every opportunity to debate at length the various aspects that bother them, but I would hope that they will not tie up the proceedings by arguing about insignificant details. I know that our NDP colleague intends to introduce a series of amendments. Since the institute will not be the exclusive realm of the Government, because the main issue is much more important that any political faction, I am convinced that the proposed amendments will be given due consideration.

On the other hand, we should not attempt to come up with an organization so far removed from reality that we would defeat our own purpose. I heard the Member for Yellowhead (Mr. Clark) insisting that the institute must be independent and, in the same breath, urging that it be consistent with our national goals. How can he reconcile that? That is what he said, and the blues are there to prove it, but I can see that it is not going to be easy. They also said that the institute must be accountable. Well, Mr. Speaker, that should not cause any problem since an annual report will be tabled in the House and, as we all know, such reports can indeed be taken under consideration since they are automatically deemed to be referred to the appropriate Committee. In other words, the members of the Standing Committee on External Affairs and National Defence will have all the time in the world to scrutinize the reports of the institute.

This is a new procedure, of course, so perhaps it slipped the mind of our colleague from Yellowhead, although he is usually aware of the intricacies of our Standing Orders. As a matter of fact, if he were to sit on the Standing Committee on External Affairs and National Defence, he would certainly be in a position to read the annual reports and insist that they be gone over with a fine comb during Committee proceedings.

I have no qualms about the financial accountability of the institute. For instance, he spoke about two models—an instrument of internal information and an instrument of external information—and said that those were the only possibilities, yet he concluded that we are trying to have a little bit of both. In fact, Mr. Speaker, if we can at last establish a direct link between the people who are genuinely interested in this cause and who often are experts—some of them may be self-appointed experts—and the institute first, then with Parliament and the Government which will certainly act upon the recommendations of the institute, I think, Mr. Speaker, that that would complete the full circle. I am therefore convinced that, by operating along the lines proposed in this Bill, the Institute will certainly influence Government policy and the views of the Opposition, and this will be important. The Institute will be at the nerve center of all the activities related to the quest for peace and disarmament and actually everybody will benefit from it. As for the groups, and I know that the Right Hon. Member for Yellowhead has probably met with hundreds of them which are concerned with disarmament, they always feel somewhat at a loss when they have to gain access to the system. I for one, I believe that the Institute can certainly be a window opening on the system with a capital "s" since some of these groups now deal with the Department of National Defence while others call on the Department of External Affairs without really knowing who is mainly responsible for such matters in the system. In this regard, the Institute will certainly be an access to the system for all these groups and individuals.

These groups will also certainly be useful to the Institute. I am certain of it. The Bill mentions the possibility of having research work farmed out or of using the results of research carried out by others, and there are about fifteen groups in Canada which are particularly interested in research in this field. The Institute can certainly use them. Finally, the Institute will be able to work in co-operation instead of always looking for confrontation.

The Members opposite claim to be against confrontation, but, to this date, I believe that in the quest for peace, there often is a high degree of confrontation. We know that there is a communications gap, especially where the pacifist groups are concerned, even though they often pursue the same objectives as we all do. The fact that the Institute will distribute information, develop ideas and communicate with these people will certainly bring about the new consensus we all need. I believe that our energies must be gathered together, and the focus of this concentration will certainly be the new Institute.

Mr. Speaker, I am more than happy to see that the commitment voiced in the Speech from the Throne is on the point of becoming a fact and that we are finally going to be able to pass this Bill with the co-operation of our friends opposite within the next few weeks. I am convinced that, in committee, with the suggestions put forward by both sides of the House, we shall be able to finalize the text of the Bill to make it as acceptable as possible to all without taking anything away from the very concept of the Institute. We already agree on what the purpose and the powers of the Institute should be. All that remains to do is therefore to work out the administrative details.

Mr. Speaker, I believe that the House is dealing today with a subject which will certainly interest today's generation, as well as all future generations. In fact, the closer we come together, the greater the degree of confrontation there is and the more we look for some way to break the deadlock. This Bill represents a commendable effort on the part of the Government, and with the support of the other political parties, we can all do our share and contribute to the debate. I am convinced that the originality of the studies and the Canadianization of solutions will contribute to the international exchange of views. This is why, Mr. Speaker, I await impatiently the opportunity to examine each section of the Bill in committee. I am convinced that we shall be able to arrive at a peaceful compromise.

The Acting Speaker (Mr. Laniel): Order, please. Questions and comments.

• (1230)

[*English*]

Mr. Stevens: Mr. Speaker, could the Hon. Member indicate for the benefit of the House whether there is a model for this institute to follow? Is there another type of institution in the world that would be the Hon. Member's model for the Canadian version to follow?

[*Translation*]

Mr. Lapierre: Mr. Speaker, I should like to reply to the Hon. Member that the Government has selected a model with special powers which would meet our expectations as a Government, Parliament and a country. Not being an expert on such institutes, I can only suggest that what the Government is proposing here is neither the internal nor the external models described by the Hon. Member for Yellowhead (Mr. Clark), but a sort of bridge between all interested parties. Although I am not aware of such a model, I am sure it does exist; we would have to ask our researchers to find out.

[*English*]

Mr. Stevens: Mr. Speaker, could the Hon. Member indicate whom he would feel might be a suitable chairman for the new peace institute?

[*Translation*]

Mr. Lapierre: I am not qualified to say who might be a suitable candidate to chair such an institute, Mr. Speaker, but I know for sure who would not be suitable.

[*English*]

Mr. Skelly: Mr. Speaker, the Bill before us today proposes to develop a Canadian peace research institute and it is certainly commendable. However, I fear that we are looking at another example of government hypocrisy. There is no doubt that research on peace and disarmament is necessary and the NDP will support it.

In addition to research, however, action and integrity on the part of the Government is also extremely important. One cannot advocate peace and disarmament and at the same time test the Cruise missile.

The Acting Speaker (Mr. Laniel): Order. I just want to know if the Hon. Member is asking a question, making a comment or making a speech. This is a period for questions and comments.

Mr. Skelly: Mr. Speaker, it is a brief comment to which I would like the Hon. Member to respond. One cannot advocate peace and disarmament and test the Cruise missile. One cannot advocate peace and disarmament and build components for nuclear weapons. One cannot advocate peace and disarmament and stand idly by while the Americans savage sister countries in Central America with what are illegal activities. Would the Hon. Member comment on that basic hypocrisy in government policy?

[*Translation*]

Mr. Lapierre: Mr. Speaker, the Hon. Member is giving me an opportunity to keep the record straight. In my view, establishing a Canadian Institute for International Peace and Security does not necessarily mean becoming irresponsible. To that extent, I submit that with his comments, the Hon. Member is trying to score cheap political points when he should be considering the bill itself.

Certainly, the Cruise missile problem could be examined by that Institute, as well as other arms-related problems, possibly in the light of American involvement around the world. In my view, the Institute could enlighten the Hon. Member and the whole Canadian people on those issues. I think the Institute will proceed with the studies the hon. member unfortunately did not have the time to make.

[*English*]

Mr. Skelly: I certainly do not think that the question of scoring points is the issue here. What is at issue is the apparent division between the Government's effort in terms of creating this peace research institute and the serious questions raised by the kind of activities it will be involved in and, on the other hand, its apparent attitude and activities in terms of permitting the testing of that Cruise missile. We in the House know the history of the proposals on the suffocation of nuclear delivery systems.

• (1240)

We are extremely concerned about the building of nuclear components in this country, the Government's attitude toward sister nations in Central America that are trying to free themselves from dictators and oppression there and the activities of the United States. These are not cheap political points, they are matters of extremely serious concern for the Canadian people. The Government would do well to respond in an effective manner to those concerns.

[*Translation*]

Mr. Lapierre: Mr. Speaker, the same comments exactly were made by the Hon. Member. Instead of criticizing, he should be happy that we took action along the lines he advocates. When he refers to the Cruise missile, or the suffocation theory, or the manufacture of nuclear components, he should welcome this initiative that he is apparently supporting. Hopefully, the Institute will yield enough influence, so that in the future that kind of thing will not happen anymore, but we should not be living in a dream world the way the Hon. Member would like to.

[*English*]

The Acting Speaker (Mr. Laniel): Does the Hon. Member have another question? Debate.

Mr. John Bosley (Don Valley West): Mr. Speaker, Bill C-32 is an extremely important and timely Bill. It is timely because of the widespread and growing fear and concern that is felt and expressed by thousands of ordinary Canadians that not enough is being done to move the hands of the nuclear clock back from midnight. It is also important because that fear and concern is justified.

Less than ten years ago I had the privilege of being part of an annual Remembrance Day service when it was possible to say with hope and gratitude that, for the first time since World War II, no wars were being fought anywhere in our world. Although the world was not calm, at least it was, for once, at peace.

Today, less than ten years later, the world is at war in far too many places. Tension, military confrontation and the concomitant risk of resort to the use of nuclear arms are greater threats than any of us can possibly believe we can afford.

The Bill is important because an institute for peace and security could contribute greatly if its mandate is designed properly. Imagine the progress toward true peace that effective research into conflict resolution and verification procedures alone could have. Canada is especially poised in the world as it sits today. We are one of the very few nations left with sufficient credibility around the world to produce such research and have it seen to be objective and intended purely for the development of international peace and harmony.

As Members of the House know too well, credibility is much harder to obtain than it is to lose. It is precisely because of that credibility that we have two obligations. The first is an obligation as a nation to do all that we can. An institute with a proper mandate is an important part of that goal. It is for that reason that we on this side believe that a Canadian institute

designed to research ways to make peace happen should be created.

The second obligation arising from that first obligation is to make sure that as we debate this Bill and create this institute we are doing the right thing. It is to make sure that we are creating an institute that, by the very nature and words of its creation, can have credibility. That is why the issue that will be raised by our side consistently throughout this debate will be the question of the quality of the independence of this institute.

Let me divert and talk about the process of arriving at non-partisan agreements. Since coming to the House I have been privileged on two occasions to witness Parties in the House being able to resolve issues or resolve their own conflicts. One such case was referred to by the Right Hon. Member for Yellowhead (Mr. Clark) when he talked about the way at least two Parties in the House were able to come to some agreement on the potential of a peace resolution. The other involved a decision by the Minister of Communications (Mr. Fox) to allow the question of broadcast strategy to be referred to the Standing Committee on Communications and Culture prior to the adoption of a firm position by the Government. I believe he did so because some of us told him that the Committee could do good work if it were given a chance. This, the Committee did. It adopted a unanimous report. Much of that report has shown up in the Minister's broadcast strategy.

• (1250)

I find it offensive that the opening comments of the Hon. Member for Shefford (Mr. Lapierre) contained an assumption in advance of any debate in the Standing Committee on External Affairs and National Defence that consensus is not possible. If that is the attitude, Mr. Speaker, that will be carried into the Committee, then, of course, consensus is not possible because it is that attitude which makes consensus impossible.

I want to put all my comments on the question of independence and the quality of research that needs to be done in the context that I believe consensus is possible. I believe consensus on this issue, among others, and perhaps on this issue above all others, is preferable to conflict. I suppose that is one of the reasons the process which led to the introduction of this resolution and the termination of a conversation between the offices of the Leader of the Government and the Leader of our Party concerns us, and why that conversation terminated so quickly. It should be clear to Members of the Government that an agreement worked out which would have overcome what is sometimes a natural tendency to mistrust each other would have been infinitely preferable.

Let me come to the Bill briefly, Mr. Speaker. Let me say a couple of words about what the Secretary of State for External Affairs (Mr. MacEachen) had to say. I think what is instructive in his speech is that within five seconds of opening his speech today he thought it was important to refer to the creation of "this independent institute". It was his opening phrase and he returned to that phrase at least three times to my knowledge; the blues may show more. One cannot be surprised, therefore, as we read the Bill that has been tabled in the House and we know the question of independence is apparently important in the language of the Minister and that the question of the quality of the independence was part of the discussion between the Leaders' offices, if we ask where are the changes from the draft Bill to this Bill to guarantee that independence? They are not here.

The Minister indicated that the primary purposes of this Bill were, in his words, to increase knowledge of issues and to encourage public discussion. Both of those are positions we support. Both of those are terribly important these days. But, Sir, if the purpose of the institute is to do those things, then how can it be reasonable to argue that the institute should have an obligation to conduct research for the Minister at the Minister's suggestion? The Hon. Member for New Westminster-Coquitlam (Ms. Jewett) in her comments indicated that perhaps the answer was to abolish Clause 28. That may well be. But it must be clear to the Minister that we believe the Government should understand very early in this debate that it may ask this institute on behalf of Canadians to be one of two things, not both of two things. It can ask this institute to conduct research, to do issue-based research, to make comments to help Canadians and others perhaps understand these issues, or it can perform as a research arm of the Minister advising the Minister. But it cannot, with credibility, do both.

If the Secretary of State for External Affairs looks a little perplexed when I make this point, then let me take him back, through you, Sir, to a debate that occurred, again in the broadcast and communications committee, about two years ago on a similar kind of matter when the Government brought in its estimates of funding for the Social Sciences and Humanities Research Council and, for presumably good reason, announced it was prepared to permit an increase in the funding of that Council provided that that agency began to do research into specific areas that the Government wanted researched. If the Minister wants to check, he will find that the hue and cry and furore that created in the academic community was unequalled in the five years previous, because the perception was created that the Government proposed to use an independent research agency to do the work the Government wanted done, not the work which the research community believed needed to be done.

We have exactly the same question here, Mr. Speaker. It is not going to go away. The quality of the credibility for all of us—for all the folks in the world—of the research that comes out of this institute will depend upon the degree to which it is perceived to be free from the possibility of direction from the cabinet and government of the day.

Let me go back for a moment to an example, if I may, Sir. In this world the greatest issue confronting us is to find a way to reduce tension. The way, in my view, to do that is to do everything we can in the area of conflict resolution. The quality of the work done on conflict resolution, if it is perceived as being dependent upon the Government or if it is perceived as being directed through Government policy, will

suffer. It must be independent and be seen to be independent. Let us make that point over and over until it is adopted. Alone in the area of reasearch, if I may stay with it, I think there is a legitimate concern as to the degree to which this institute, for the best possible reasons, may impact upon other research agencies in the areas of defence, arms control and strategic studies.

It will be very important in committee, I say to the Minister, that the words he used which are different from the Bill, namely that this institute will have "limited inhouse research capability", be clarified. I may say to Members of the House—I say this with a sense of humour for the moment, not in a partisan way—that we are getting used to Liberals clarifying their comments. But I say seriously to the Minister that this issue of the degree to which this agency will complement and be guaranteed to complement in research terms is an issue. Some people outside as well as some people in this House have a fear that some other Minister, at some other time, will talk about the funds in this agency as meeting the Government's commitment to increased research as opposed to what we believe it should be—an independent, important and special project delivered with public funding through this institute. I never want to see anybody being able to turn to the research community of Canada and say: "We haven't really reduced funds for research in this country because look at the total, including this". That is a concern I have personally, Mr. Speaker.

While I am on that point and just before breaking for lunch, the Minister ought to know that in a way he has in fact introduced a note of confusion today. I may say it is a shame that Members of the Liberal back-bench chose to stop the practice of asking questions of the Minister today because that might have helped the whole debate. But the question will be asked of the Minister, if this agency is to do the work it is supposed to do, why does he talk about separate funding, doubling, for apparently separate work and verification procedures? Presumably if the Minister wants to argue that this institute may do what it wants to do, then presumably if it decides that verification needs to be studied, it must have that right.

May I call it one o'clock, Mr. Speaker?

[*Translation*]

The Acting Speaker (Mr. Laniel): Order. It being one o'clock, I do now leave the Chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

FINANCE

IMPACT OF TAXATION ON BUSINESSES

Mr. Ron Stewart (Simcoe South): Mr. Speaker, the results of a recent study by the Canadian Federation of Independent Business confirm that excessive taxation by all levels of government is driving businesses and jobs out of Canada.

Almost half the 300 smaller Ontario manufacturing firms contacted responded to the survey. Of those 16 per cent already have a plant or branch in the United States and a quarter of them have investigated such a move. John Bulloch warns that 75,000 manufacturing jobs are at risk in Ontario alone.

The businesses contacted believe that Canadian labour costs are at least 10 per cent higher than those in the U.S. They know that the cost of meeting labour standards is higher here and that municipal, business and payroll taxes greatly exceed those in the U.S. Excessive government regulation at all levels is at the top of the list. All levels of government share responsibility for taking the action required to keep businesses in Canada.

The federal Government has the responsibility to take the lead by reducing the onerous burden of payroll taxes and by seeking the co-operation of all levels of government to stop this drain of jobs into the United States.

* * *

[*Translation*]

THE MEDIA

NEWSPAPERMAN'S ALLEGATIONS ABOUT CHICOUTIMI

Mr. Marcel Dionne (Chicoutimi): Mr. Speaker, I wish to advise the House that the people of Chicoutimi and the Saguenay area are incensed over an article published in the *Toronto Star*. A newspaperman, David Miller, has insulted them when he tried to make the English-speaking readers of that newpaper believe that Chicoutimi is the poorest city in Canada. It is dishonest to compare any city of Canada with Markham in Ontario which is allegedly the most prosperous city in Canada.

Why did that reporter launch an attack against Chicoutimi? The worst part of it is that, after checking the facts, it appears that all the individuals named in that article except one are nothing but figments of his imagination.

Finally, the article on Chicoutimi was entirely negative, the reporter giving no positive fact at all.

I wish to remind the *Toronto Star* that Chicoutimi is a university city with one of the best business schools in Canada. Its hospital complex is one of the most important in Quebec. A

federal building of several million dollars will be erected to bring together 400 employees working in 20 federal departments in Chicoutimi. Moreover, Chicoutimi is a business city, having two large shopping centres with 250 shops and stores.

The people of Chicoutimi can rightfully demand apologies from the *Toronto Star*. They could demand a more balanced report which could easily show that Chicoutimi is on the verge of becoming—

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

* * *

[*English*]

AGRICULTURE

POTATO INSPECTION SERVICES IN PRINCE EDWARD ISLAND

Mr. Mel Gass (Malpeque): Mr. Speaker, today I would like to discuss an issue of utmost importance to the potato industry on Prince Edward Island concerning the inspection of potatoes. Potatoes exported from P.E.I. have achieved a standard of high quality throughout the world. It is this reputation which has made the potato industry so important to P.E.I. Good inspection practices for potatoes are essential to keep this reputation. Unfortunately the P.E.I. potato industry has been on a backslide due to the decline in the quality of these inspection services.

The reason for this has been the program of cross-utilization of inspectors which has been used over the past few years. Cross-utilization of inspectors, the use of table stock inspectors to inspect seed potatoes and vice versa, does not work. This is leading to disaster within the industry, as potatoes are being placed on the market which will damage P.E.I.'s reputation for high quality.

There is a continuing downgrading of inspection services on P.E.I. which is placing the industry in jeopardy. Not only has cross-utilization of inspectors hurt the industry, but the federal Government has indicated that it may be cutting back further on mandatory potato inspection. One government official has stated that the reason for further cutbacks in inspection services is due to the lack of available funds. I find this explanation totally unacceptable. The federal Government can find money for countless, less worth-while projects which are not nearly as important to the economy. The Prince Edward Island Potato Producers' Association has pointed out that the honour system does not work, that we need only look to Maine as an example of this, and that should these cutbacks occur we will certainly lose our world renowned status. I urge the Minister of Agriculture (Mr. Whelan) to study this serious situation surrounding inspection practices.

S.O. 21

[*Translation*]

TRANSPORT

IRON ORE COMPANY'S DECISION ON RAILWAY SERVICE BETWEEN SEPT-ÎLES AND SCHEFFERVILLE

Mr. André Maltais (Manicouagan): Mr. Speaker, the Iron Ore Company has given notice to the Canadian Transport Commission of its intention to discontinue entirely its railway service between Sept-Îles and Schefferville.

Mr. Speaker, I strongly object to this decision of the Iron Ore Company to discontinue rail service between Sept-Îles and Schefferville because following a parliamentary committee meeting we were assured that the service would be maintained.

Mr. Speaker, I feel that in this intance we are faced with a major social and economic problem, and before the CTC has the opportunity to look into the representations submitted by Iron Ore it is of the utmost importance to hear what Indian band councils, as well as local unions and hunters' committees have to say about this problem, a local problem with an economic dimension. Such a decision is totally unacceptable.

Also, I suggest that the Leader of the Official Opposition (Mr. Mulroney), who knows quite well the Iron Ore people, should contact them to make sure that the railway service is maintained as long as all interest parties have not been heard. Because the Iron Ore Company had made a commitment to the Indians to provide them with this service, it would be unfair at this stage to accept its representations.

* * *

[*English*]

FINANCE

CALL FOR ESTABLISHMENT OF PEACE TAX

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, two years ago the Queen proclaimed our new Constitution along with the Canadian Charter of Rights and Freedoms. This guarantees to all Canadians freedom of conscience and religion. Canada has long recognized freedom of conscience as a valid reason for refusing to serve in the military. In the two world wars many conscientious objectors found alternate ways of serving their country.

Today many Canadians are concerned about the spiralling arms race and Canada's part in it. They object to paying taxes for this insanity which threatens our world with nuclear holocaust. People who object to supporting the arms race with their taxes want a positive alternative which will neither do violence to their conscience nor destroy their reputation as good citizens.

I call upon the Government to establish a peace tax fund which could be used for such items as peace research and promoting international understanding. People who contributed would receive a 100 per cent income tax credit up to the percentage of their tax normally allocated to defence spending.

S.O. 21

A peace tax fund would not only make freedom of conscience a reality, it would also make a positive contribution to Canadian security and world peace.

* * *

TOURISM

EFFECT OF CUSTOMS SEARCH PROCEDURES ON INDUSTRY

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, Canadian tourism is suffering at the hands of Canada Customs border officials. I have received correspondence from as far away as Florida where newspaper articles have slammed Canada Customs in no uncertain terms.

The *St. Petersburg Times* quoted Barry Pitegoff, Director of Research for the Florida Division of Tourism, who was harassed at the border. Ironically, he was heading to Charlottetown to present an address on hospitality at the annual meeting of the Tourism Industry Association of Canada.

In another instance, country music singers Shelly West and David Frizell have vowed never to return to Canada to perform. They were subjected to a strip search at a border crossing at Windsor, and were left embarrassed and devoid of personal dignity. Press coverage of this nature in the United States is doing untold harm to the Canadian tourism industry as a whole.

Reports claim that female customs officials tend to be the most severe with travellers. I am aware that the constant search for illegal goods must take place, but the situation is out of control. I would ask the Minister of State for Small Businesses and Tourism (Mr. Smith) to speak with his colleagues at Canada Customs on this pressing and urgent matter. The present situation is counter-productive to reversing the sky-rocketing tourist deficit.

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ADMINISTRATION OF JUSTICE

NON-ENFORCEMENT OF FAMILY MAINTENANCE ORDERS

Mr. Lee Clark (Brandon-Souris): Mr. Speaker, I would like to bring to the attention of the House a case which dramatically illustrates the serious inadequacies of the present system for enforcing support and maintenance orders.

● (1410)

Ms. Kerry Moore, who resides in Brandon, Manitoba, is owed more than $5,000 in maintenance payments by her ex-husband, money she has been unable to collect despite numerous legal proceedings which began in January, 1982. Meanwhile she struggles to support herself and her daughter. Her husband has failed to appear in court on more than one occasion, he has ignored court orders to make payments on his arrears, and at present his whereabouts are unknown.

Divorce is difficult enough without the added complications which result when one spouse does not meet his or her maintenance obligations. All too often women are the victims of this system and many of them, because of their financial circumstances, find it very difficult to pursue legal action. I regret that some have simply given up.

The Government has, at long last, indicated its willingness to establish a central registry which would keep track of all maintenance and support orders. That would be a good start. But as Kerry Moore's case demonstrates, it is not enough. Along with it must go the power to enforce the orders. Otherwise, single parents like Kerry Moore will continue to be caught between courts which tell them they have legal rights, and a system which offers them little means to protect those rights.

* * *

AGRICULTURE

CONDEMNATION OF GOVERNMENT PRIORITIES

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, we are dealing with priorities. During the last year western grain producers have been given a good indication of how low their priority really is with the Government. First the grain freight rates were raised by 20 per cent on January 1, and we can expect a raise of another 300 per cent in the next couple of years. Meanwhile the railways are guaranteed a 40 per cent profit on the movement of grain.

Branch lines are being abandoned, and each abandoned line increases farmer costs and decreases railway costs. Taxes on petroleum have pushed the cost of farm fuel and fertilizers up by 300 per cent or more. Meanwhile the oil companies are given billions of dollars in incentives and tax concessions.

Farm Credit Corporation interest rates have been increased to 14 per cent and 16 per cent. Meanwhile banks are increasing profits because the inflation and the real interest rate spread. Initial grain prices have been lowered.

The Government is unwilling to take a chance on farmers, while it risks billions of dollars on Massey-Ferguson, Chrysler, and other large corporations. Western grain stabilization money which could help many farmers survive sits idle while the Cabinet twiddles its collective thumbs. All these facts, Mr. Speaker, indicate that the Government's priorities are far from the prairie farm.

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UNEMPLOYMENT INSURANCE

DENIAL OF ELIGIBILITY TO FORMER OVERSEAS VOLUNTARY WORKER

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, one of my constituents is a married civil engineer who selflessly undertook voluntary work overseas for a period of time which proved to be over a year. He received no remuneration for this work other than food and lodging. Upon returning to Canada and being unable to find work, this man learned that he was

ineligible for unemployment insurance benefits even though he had accumulated many times the number of sufficient insurable weeks prior to his departure overseas.

Section 18 of the Unemployment Insurance Act stipulates that an extension to the 52-week qualifying period of 20 insurable weeks within the 52-week period prior to a benefit claim may be granted if the claimant proves to the Unemployment Insurance Commission that he or she was not employed in insurable employment during that time because he or she was incapable of working due to a prescribed illness, quarantine, or pregnancy, was in jail, was in attendance at a prescribed course of instruction, or was in receipt of temporary worker's compensation benefits. The qualifying period would thus be extended by the number of weeks a person was in jail, ill, or so forth.

I am suggesting that we treat this formerly employed Canadian at least as well as we treat criminals. The same fate awaits graduate students who study abroad for over a year, or teachers and professionals who are on extended sabbaticals. Is it just to extend the qualifying period for criminals, persons who already place a great strain on our national economy, and do nothing for individuals such as my constituent who contribute to our national and international well-being by volunteering their expertise in countries less fortunate than ours?

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PENSIONS

PLIGHT OF SINGLE WOMEN PENSIONERS

Mr. Neil Young (Beaches): Mr. Speaker, Canada's pension system remains a mess. Though criticized and debated for many years, this hard fact remains. Canadians do not have access to fair pension arrangements. Old Age Security with the guaranteed income supplement is the single greatest source of income for the elderly. Fully half of those over the age of 65 must accept income-tested GIS benefits because they do not have adequate pension income from other sources.

The pension system is failing to protect the elderly, and the burden is falling on women. Three-quarters of single pensioners receiving GIS, the poorest of the elderly, are women. Most have incomes well below the poverty line. Even with the Government's announced increase of $1.66 per day, the majority of single pensioners will receive a yearly amount which is over $2,000 below the poverty line.

The Government's response is shamefully inadequate. Changing the rules affecting occupational pension plans will not affect the more than 60 per cent of working women who do not have access to a company pension plan. The RRSP changes will benefit most those with an income averaging $86,000 per year, yet less than 2 per cent of women ever earn that amount in a single year.

The Government says that it has no money and that therefore pensions must wait. At the same time it issues Budgets which grant new corporate tax breaks worth $2.4 billion and provide full inflation protection for certain investments. In addition, the Budget of February 15 will provide tax breaks of up to—

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

ORAL QUESTION PERIOD

[*English*]

CROWN CORPORATIONS

DE HAVILLAND—CANCELLATION OF DASH-8 ORDERS

Mr. Bill Domm (Peterborough): Mr. Speaker, I would like to direct my question to the Minister of National Revenue. However, in his absence I will direct my question to the Minister of Finance. I learned this morning that Richard Barton, the President of Time Air of Lethbridge, Alberta, has now cancelled orders for four of the Dash-8s which cost $6,900,000 each, for a total of $27.6 million. This news comes on top of an already threatened cancellation by Air Atonabee of another $34.5 million worth of aircraft, not to mention another possible cancellation by Norcanair of Saskatoon. In light of the fact that this threatens 2,500 jobs at de Havilland, not to mention the thousands of jobs in the spinoff industries across the country, what does the Minister of Finance intend to do about it?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, it is touching to hear the Hon. Member speaking for members of the Tory Party in this manner after their attack on de Havilland. The support that the federal Government has given to de Havilland to the tune of hundreds of millions of dollars has been consistently attacked by members of the Conservative Party.

I would like to tell the Hon. Member that we have provided support to de Havilland and we will continue to provide support to make sure that this company is actively producing planes. Obviously, however, the Canadian Government cannot guarantee the intentions of every single company which is considering purchasing those planes.

Regarding the information to which the Hon. Member has referred, that is obviously a decision that a private entrepreneur can make on his own, for all kinds of reasons. He can decide whether or not he wants to put in an order for, or buy, a particular plane. That is a decision that is in the hands of the private entrepreneurs concerned.

Mr. Domm: Mr. Speaker, with all due respect, the Minister of Finance obviously does not understand that it was the Liberal Government that made the commitment to these aircraft companies that it would assist them if they placed orders for de Havilland Dash-8s.

Oral Questions

AIR ATONABEE—OFFER OF INTEREST TERMS

Mr. Bill Domm (Peterborough): Mr. Speaker, my supplementary question is directed to the Minister of Finance. In light of the fact that an Irish company came to Canada and offered an interest rate of 7.5 per cent to Air Atonabee if Air Atonabee would switch their order over to that company, and in light of the fact that that particular Irish-built aircraft costs over $2 million less than the Dash-8, how could the Minister of Finance have stood in the House yesterday and, in answer to questions, said that Canada must respect its international commitments to other countries? If it is all right for an Irish company to offer 7.5 per cent interest rates to Air Atonabee, why is it not all right for the Canadian Government to offer 7.5 per cent interest rates to Air Atonabee?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, it is again interesting to hear that the Tories are recognizing that it is this Government which has guaranteed support to de Havilland, contrary to the attitude of members of the Conservative Party in that regard. I must remind my colleague that we are not only giving support to de Havilland but we are giving domestic support to a large number of firms through various fiscal incentives. We believe that the Dash-8 is an excellent airplane and that it compares favourably with other airplanes which provide the same kind of service. However, de Havilland must compete in the market.

• (1420)

GOVERNMENT ASSISTANCE INQUIRY

Mr. Bill Domm (Peterborough): Mr. Speaker, the Minister obviously does not understand that they are sitting with $100 million worth of orders and they are blaming the situation on the fact that they are members in the GATT agreement. These companies from offshore are coming in and disturbing the market where we need the jobs. The Minister says we are not in a position to help. If the Government is not going to help de Havilland in this situation, then the Government does not care. It is high time the Government honoured its commitment to these airlines when it said: "Order from de Havilland, the Crown corporation, and we as a Government will make the necessary incentives available in order that we will be competitive." Why don't you say it? You can't run an airline. You never could run an airline. Why don't you make some of those—

Mr. Speaker: Order. The Hon. Member should direct his remarks to the Chair.

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, not only is the Hon. Member losing his cool, he is looking more and more ridiculous. The Conservatives have opposed support for de Havilland. This Government has provided support to the tune of hundreds of millions of dollars. The Conservatives can talk out of both sides of their mouth as much as they want on this issue. The record is clear as to where they stand on support for the aerospace industry. They have attacked Canadair, de Havilland, and Bell Helicopter. The record is clear. We have supported the aerospace industry in this country to the tune of hundreds of millions of dollars, and we are going to continue that support.

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SCIENCE AND TECHNOLOGY

MACDONALD COMMISSION'S APPROACH TO CHALLENGE OF TECHNOLOGY

Mr. Thomas Siddon (Richmond-South Delta): Mr. Speaker, my question is for the Minister of State for Science and Technology who seems to have found time to return to the House. Yesterday the Macdonald Commission produced a list of problems and choices, but little by way of solutions. In fact if McDonald's ran their restaurants the way Don Macdonald wrote his interim report, it would be all bun and no beef for the customers. Is the Minister happy with the ambivalent approach which Macdonald takes to the challenge of technology, or does he still support his submission to the Commission where he said that Canada must raise its commitment to research and development in a major way in order to create thousands and thousands of new jobs for Canadians?

Hon. Donald J. Johnston (Minister of State for Economic and Regional Development and Minister of State for Science and Technology): Mr. Speaker, clearly I stand behind the submission I made to the Macdonald Commission. From what I have seen of the report, and I have not had the opportunity to study it in great detail, it does raise these issues. It seems to me the purpose of a report at this stage is to raise these issues for the attention and commentary of Canadians, those in public life, universities and industry. I believe the preliminary report will indeed serve that purpose.

Mr. Siddon: Some of us believe that, by the time Macdonald gets his act together, many of the solutions will be well on their way to accomplishment.

GOVERNMENT INVESTMENT IN RESEARCH AND DEVELOPMENT

Mr. Thomas Siddon (Richmond-South Delta): Mr. Speaker, does the Minister have an explanation for why, in the two years he has been Minister of State for Science and Technology, Canada's investment in research and development had dropped from 1.29 per cent of our Gross National Product to 1.28 per cent this year? According to Statistics Canada, it will only reach 1.24 per cent of GNP next year. That is totally at variance with his commitment, and his Government's commitment, to create additional jobs by increasing that investment to 1.5 per cent GNP by 1985, only a few months away?

Hon. Donald J. Johnston (Minister of State for Economic and Regional Development and Minister of State for Science and Technology): Mr. Speaker, there are several points I would like to make in which the Hon. Member may be interested. First, the Government's commitment to research and development has been consistent. The Government's com-

mitment is the only one that in fact has not decreased during that period. Second, during a recession it is unfortunate, but understandable, that in the industrial sector R and D suffers. We all know that. It is unfortunate, but that is one of the outcomes of any recession. It is one area where cuts are made. Third, the economic growth during the period, and this is the good news which I am sure the Hon. Member will want to hear, exceeded the anticipated rate of growth, and hence the percentage of R and D as measured as a percentage of GNP obviously declined.

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BANKS AND BANKING

BANK OF MONTREAL—CHANGES IN EXECUTIVE POSITIONS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Minister of Finance. It concerns some very serious changes that are taking place in the managerial level of the Bank of Montreal. Yesterday we learned that the Government has given approval for upwards of 50, 60, and perhaps more positions in that Canadian bank to be taken over by American citizens, including the chairman of the bank, who is an American citizen and who recently said of the Bank of Montreal: "The bank is no longer a Canadian bank with international appendages. It is an international bank that happens to be based in Canada." Is the Minister concerned that this Americanization of key positions in that bank will lead to banking decisions being made in Canada that are not in the national interest of Canada?

Hon. Marc Lalonde (Minister of Finance): No, Mr. Speaker. I will give a little explanation. The Bank of Montreal has indeed become a very important international institution. In that sense I certainly welcome the fact that Canadian financial institutions are going to be able to take on other institutions on a world-wide scale. This country can afford large institutions that are able to compete around the world.

As to knowing whether decisions would be made contrary to the national interest, I remind my colleague that banks in Canada are very heavily regulated. They are supervised by the Superintendent of Banks. Also, they are in constant contact with the Bank of Canada.

As far as management in that institution is concerned, at the present time there are 196 officers in Canada with the rank of vice-president or higher. Out of that number, 19 are non-Canadians, including 12 Americans. In posts abroad, there are 15 Canadians in senior positions. I am not nervous about there being 19 foreigners working for the Bank of Montreal in Canada. There are 15 Canadians working abroad for that bank, in senior positions. This is 19 out of 196 positions. We should let those institutions try to recruit the best people for the job, realizing that there are people in Canada for those jobs, as 90 per cent are now Canadian citizens.

INVESTMENT IN UNITED STATES BANK—LEGAL CONSEQUENCES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the people of Canada will certainly be reassured to learn that a Canadian bank operating abroad has Canadian people in key personnel positions. The Minister says that as though we should be surprised. Most of us would take that for granted.

The Minister knows the Government has given approval for a whole batch of additional Americans to take on senior positions in the bank. Since he is not concerned about the decisions being made by the bank, I would ask about its current plans to invest some $700 million in the United States to take over the Harris Bank in that country. Will the Minister confirm that, if this operation is successful, the Bank of Montreal, allegedly a Canadian bank, in all of its operations abroad will be subject to American law?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the Hon. Member is asking for a legal opinion. He knows that under the rules I cannot give a legal opinion in the House.

REQUEST FOR MINISTERIAL ASSURANCE ON EXTRATERRITORIAL APPLICATION OF U.S. LAWS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I am not asking for a legal opinion. I had hoped that the Minister of Finance, who obviously did some homework in anticipation of this question, had looked into this crucial question, because 80 per cent of the profits of the Bank of Montreal come from Canadians. We expect that bank to operate according to Canadian law, not according to U.S. law.

• (1430)

Will the Minister assure the House that he will look into this matter, and if the Bank of Montreal has managed to take over this U.S. bank, will he confirm that it will be subjected to U.S. law, not Canadian law? If this has not yet happened, will the Minister give us his assurance that the Government of Canada will take steps to stop the Bank of Montreal from moving into this kind of U.S. operation and ensure that Canadian banks, with Canadian money in them, will be operating according to Canadian law?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I want to tell my hon. friend that he knows, or should know, the position of the Canadian Government about extraterritorial application of legislation, particularly American law. We have taken a consistent position in that regard over the years.

As far as asking for particular legal opinions is concerned, he knows that this is not permitted under the rules. I can assure him that indeed I have examined the situation and I am not going to take any steps to prevent the takeover of the Harris Bank by the Bank of Montreal. I believe this is a development which is a normal part of business and one which should be encouraged in terms of building strong multinationals in this country. I am not leaving the multinationals only to foreigners and foreign countries.

Mr. Broadbent: But subject to American law.

Mr. Lalonde: We should have strong Canadian multinationals based in Canada, and I will support such developments if they happen.

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AIR TRANSPORT

PURCHASE OF EASTERN PROVINCIAL AIRWAYS BY CANADIAN PACIFIC

Mr. Pat Nowlan (Annapolis Valley-Hants): Mr. Speaker, my question is directed to the Minister of Transport. In view of the widespread interest and concern over the Canadian Pacific takeover of Eastern Provincial Airways could the Minister tell this House whether, before the sale or the purchase was announced, he had conversations with top officials at CP and what assurances were given that the service in the region affected by EPA would be continued and there would be no displacement of jobs?

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, I think the Hon. Member is quite right, that the purchase by Canadian Pacific of EPA is a very important step. We want to make sure that there is every protection of the interests of the Atlantic region. As we understand it, the commitment by CP is to maintain the headquarters and maintenance facilities in the Halifax region, and to maintain EPA as a full subsidiary. It will not be merged into the normal operating lines of CP itself, but will provide a subsidiary feeder system, and the full maintenance and activities will be retained in the Atlantic region. That, of course, will also be part of the examination the CTC will have to undertake when it approves the sale, as it must do under the National Transportation Act. That will be a proper opportunity for any conditions like that to be completely and quite clearly finalized as far as that sale is concerned.

CANADIAN TRANSPORT COMMISSION HEARINGS

Mr. Pat Nowlan (Annapolis Valley-Hants): Mr. Speaker, I thank the Minister for that answer. However, would he just go one step further? In terms of my question, he did not quite touch on the assurances which were given to him or his officials. Were the assurances given by the President of CP, at that level? And because of the public interest affecting such a large area of Atlantic Canada, would he expedite whatever hearing procedures there are before the CTC so that there can be public input at that hearing?

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, I should explain that I was out West when the announcement came, so I did not talk directly to the CP officials. However, officials of my Department did, and did report to me that, in fact, there were very clear commitments. I should say as well, Mr. Speaker, because of the interest of the Hon. Member, that one of the advantages of that particular purchase is the commitment by CP to invest substantial amounts of capital in the refitting of the EPA fleet. I believe the Hon. Member knows, because he has raised it in committee, that there has been some concern expressed in the Atlantic region about the equipment problems. CP is now prepared to invest money in its upgrading. However, we will make sure that those hearings are proceeded with as rapidly as possible. As the Hon. Member knows, if there is any question of public interest, then the CTC has a right to call public hearings in that respect.

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WESTERN GRAIN STABILIZATION ACT

REQUEST FOR AMENDMENT TO PROVIDE PAY-OUT TO FARMERS

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, I would like to direct my question to the Minister of Transport. The Minister, I am sure, is aware that farmers enrolled in the Western Grain Stabilization Act are presently in the fields making an effort to produce grain and food for a hungry world. Many of those farmers, Mr. Speaker, are unable to secure the credit or the money to purchase the needed inputs for production. They do not have that ability because of falling grain prices. Is the Minister prepared, today or tomorrow, to bring in an amendment to the Western Grain Stabilization Act, which can be passed, in order to trigger a pay-out from the $1 billion fund?

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, I certainly share the Hon. Member's admiration for the work of western farmers. I was in his province yesterday and fully regarded the intense activity in which those farmers are engaged. I would say to the Hon. Member that this Government equally respects that activity. We are considering changes to the Western Grain Stabilization Act and, as soon as Cabinet has had a full opportunity to look at it, I know that the Minister of State responsible for the Canadian Wheat Board would be in a position to make an announcement. However, obviously there would have to be full cabinet consultation before that takes place.

REQUEST FOR EARLY INTRODUCTION OF LEGISLATION

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, on April 5 the House Leader for our Party said that we would pass seven Bills for one so that the Government could clear the Order Paper to bring in this legislation. The President of the Privy Council on April 5, as reported at page 2763 of *Hansard*, stated: "The Government is responsible for the House business". I ask again, will the Government, which is responsible for House business, order that business so that the producers of food for a hungry world will have the ability to do what they are best at—producing grain?

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, as the Hon. House Leader said in the first week of April, we are always pleased to have the Opposition make offers of co-operation. It happens so infrequently that it does catch us sometimes by surprise. However, the fact is that we are always open to overtures of that kind.

As I explained in my first answer, the matter is very much a priority with our Government and very much a priority with Cabinet. As soon as we are in a position to complete the quite complicated discussions about what is the best and most effective way of dealing with amendments to that Act, they will be, I know, announced by the Minister of State.

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IMMIGRATION

RECRUITMENT OF FOREIGN EXECUTIVES BY BANK OF MONTREAL

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I would like to direct a question to the Minister of Employment and Immigration. The Minister knows that the Bank of Montreal in the last few years has recruited two dozen or more senior executives who are non-Canadians. It also has authorization from the Minister's Department to recruit another 25 or 30 people. Given the fact that the Government of Canada, and the provinces, in recent years have spent tens of millions of dollars for post-graduate studies at our universities, turning out thousands of economists, graduates in business administration, and chartered accountants, many of whom cannot find jobs, will the Minister explain why his Department has been so generous in giving the Bank of Montreal permission to bring people into the country? That is the kind of generosity which no other company in Canada has been able to get.

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, I do not think it would be accurate to characterize this as some extraordinary generosity. The Hon. Member, I hope, will recognize that the bank is engaged in international activities. If we expect to employ Canadians abroad in the bank offices which are undertaking those activities outside the country, it is reasonable to expect that we should have some people entering the country from outside to take positions in Canada as part of their regular career development. If one were to look at the balance between the number of Canadians working abroad for the bank and the number of foreigners who are working in Canada in the bank, you would not find it was particularly favourable to the entry of foreigners, on balance.

The fact is that we have here an international operation which employs Canadians outside the country and we should, I believe, expect it would be natural that a reasonable number of foreigners would be operating within Canada as part of the career pattern they are following in the international activities of the company.

PERMISSION GRANTED BY GOVERNMENT

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I am sure the Minister knows that the Bank of Montreal is neither the biggest nor the most profitable bank in Canada, and the other banks have not followed this procedure. I say to the Minister that what we are looking at is not just the granting of temporary employment positions, but permanent employment positions. The Minister and every other Member of Parliament have had requests from constituents, from small-business people who have asked permission to bring people in and have been turned down. The Department has said that if there is a Canadian who can fill the job, it will not give permission. Why does the bank receive the kind of permission which no other company or individual in Canada has been able to get?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, there are other companies which make use of the same kind of provision.

Mr. Blenkarn: Not very many.

Mr. Roberts: I really cannot understand the basis of the Hon. Member's question. Is he really saying that it is desirable to have Canadians employed outside the country and absolutely refuse to have the same operation employ people from outside the country in Canada? Is he really suggesting that we can insist only Canadians be employed, both inside and outside Canada? There has to be a reasonable balance. If we expect Canadians to be employed in our banking activities outside the country, I think it is reasonable to accept that we are going to have to employ some people from other countries in the banking structure within Canada.

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● (1440)

ENERGY

NEWFOUNDLAND OFFSHORE RESOURCES

Mr. Doug Lewis (Simcoe North): Mr. Speaker, my question is for the Minister of Energy. John Turner was quoted yesterday as saying that under his leadership Newfoundland would get the lion's share of offshore revenues, and a more friendly reception in offshore talks with the federal Government. He also bragged that he had no battle scars. This statement may be clarified or changed today, Mr. Speaker, but can the Minister tell the House the Government's current position?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Mr. Speaker, I will wait for the clarification.

Some Hon. Members: Oh, oh!

Mr. Domm: Great stuff, Jean.

Mr. Lewis: Mr. Speaker, you are going to think we got together to write that.

OFFSHORE OIL INCENTIVE GRANTS

Mr. Doug Lewis (Simcoe North): Mr. Speaker, recently the Minister of Economic Development questioned whether or not incentive grants are the best way of bringing in offshore oil. Can the Minister clarify the confusion this conflict is creating in the minds of the Canadian people, with his Cabinet col-

league's statements on the one hand and the Government's position on the other?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Mr. Speaker, the grants were established in the NEP so that it would be possible to Canadianize the oil and gas industry in Canada. That was the only mechanism available to give more grants to a Canadian company than to an international or multinational. You cannot do it by tax incentive because it is not permissible under the law. That is why we went with the system of grants.

If you want to depart from that system, Mr. Speaker, you more or less sacrifice a big aspect of the NEP, that of Canadianization. That is why it is the policy of the Government to carry on with the PIP grants.

Mr. Munro (Hamilton East): And frontier development.

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TOURISM

GOVERNMENT FUNDING—STATEMENT ATTRIBUTED TO MINISTER

Mr. Otto Jelinek (Halton): Mr. Speaker, my question is directed to the Prime Minister and relates to a statement issued this weekend by the Minister of State for Small Business and Tourism. He said: "If the tourism industry gets more bitchy or complaining, it will be hard to persuade the Cabinet to continue this current level of funding". It seems to me that a stupid statement like that qualifies the Minister to join the group of Liberal leadership candidates. Therefore I ask the Prime Minister if it is government policy not to allow the industry to voice its concern in public. If not, will he ask the Minister to withdraw that silly statement?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have not seen the statement, but I will gladly take notice of the question and try and see what was said.

TAX ON ALCOHOLIC BEVERAGES

Mr. Otto Jelinek (Halton): The Minister of Tourism may not like it, but I will raise a concern by way of a question to the Minister of Finance. The major concern facing the tourism industry is cost competitiveness, which last year alone resulted in a staggering $2.1 billion deficit. Will the Minister consider allowing hotels, restaurants, and tourist resorts to buy liquor and beer tax free? According to most studies this would not only help stimulate the industry but create a greater net return to the government Treasury? Would he consider such a move?

Hon. Marc Lalonde (Minister of Finance): No, Mr. Speaker.

REGIONAL ECONOMIC DEVELOPMENT

NEED FOR FORESTRY AGREEMENT WITH BRITISH COLUMBIA

Mr. Ted Miller (Nanaimo-Alberni): Mr. Speaker, my question is directed to the Minister of Finance. He and his colleagues often stand up in this House and brag about how well their job creation programs have worked. The city of Port Alberni has tried all of the Government's job creation programs, including NEED, EBAP, CCDP, CRP, Canada Works, and Summer Canada. We have even had an ILAP program. Despite the best efforts of the community, we still have 3,000 people on unemployment insurance and 2,500 people on welfare in the Port Alberni Valley.

Will the Minister now tell the people of that area what plans the Government has, beyond these short-term job-creation programs, to reduce dependency on UIC and welfare? Will he indicate if he is prepared to open negotiations with the Province of British Columbia on a forestry agreement so we can get people back to work in that industry?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, we have undertaken discussions with most provinces about economic regional development agreements. We certainly are quite ready and willing to sit down with the Government of British Columbia also. Agreements have been signed with a number of provinces, and in some other provinces they are under negotiation. The same rule applies to British Columbia as to any other province.

Mr. Miller: Obviously one of the suggestions from a forest community is to see people go back to work in reforesting the land, Mr. Speaker.

VOLUNTARY EARLY RETIREMENT POSSIBILITIES

Mr. Ted Miller (Nanaimo-Alberni): Mr. Speaker, I would like to pursue a question asked by my colleague from Hamilton Mountain yesterday. Some 1,400 people in Port Alberni indicated they would be interested in early retirement through the Labour Assistance Benefits Program. Will the Minister consider looking at the possibility of early retirement at age 60 on a voluntary basis, and what mechanism he can provide people in the age bracket of 55 to 60 who are unable to find work or get job retraining?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, it seems to me that the Hon. Member's question is really directed to the possibilities of ILAP adjustment relating to workers in situations he has described. These matters are before Cabinet at the present time, and I think he can expect an announcement forthwith.

CANADIAN NATIONAL RAILWAYS

REQUEST THAT SUBSIDIARY OPERATIONS BE PRIVATIZED

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, in the absence of the Minister of Transport I will direct my question to the Minister of Finance. If the Minister has had an opportunity to go over the financial statement of Canadian National Railways he will note that everywhere the railway operates in competition with private industry, as in the hotel, trucking, and express businesses, it loses money. Given that, can the Minister tell us why the Government does not direct the CNR to privatize its hotel, trucking, and other operations which cost the corporation and the Government money?

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, the CNR, along with other Crown corporations, has been contacted by me to discuss how to provide adjustments relating to various subsidiary operations. Their boards of directors are addressing this question at the present time. I would be quite happy if the Hon. Member wished to attend the committee, I think it is this afternoon, to discuss it. We could do so with more length, more leisure, and more edification than we can in Question Period. I invite him to join us this afternoon.

GOVERNMENT POLICY

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, can we take it that it is the policy of the Minister and his Government that the CNR will get out of these money losing businesses and turn them over to private corporations which will operate them at a profit? They only lose money because they are so inefficient and poorly directed. The hotel operation, for example, is a disgrace and, as the Minister knows, has been for some period of time. The Minister knows we have been losing money for dozens of years on CN hotels. Why do we still operate that business?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Mr. Speaker, I do not have to draw to the attention of Members of this House that this Government most often shares a different point of view from the Hon. Member. We believe that there are often very good reasons for supporting a transportation service which is vital to the economic development of a particular region. I would draw to his attention the great importance of the maritime freight rates where the Government of Canada supports a major subsidy program for the railways. That in itself is a major source of jobs and economic development. I hope the Hon. Member might talk to some of his colleagues from the Atlantic region and learn something about how valuable the support of transportation services really can be.

• (1450)

CANADA POST CORPORATION

CHARGE IMPOSED FOR RECEIPT OF GOVERNMENT MAIL

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, my question is for the Minister responsible for Canada Post. Last Friday I was approached by a very irate constituent. He had been charged 10 cents by the Post Office before he could get his government cheque. It was explained to him that this was charged because the letter was non standard mail. When he asked why it was non standard mail it was pointed out to him that his postal code was not evident in the window of the envelope. When and why did the Post Office decide to charge this so-called double deficiency charge on benefit payments sent out under government programs?

[*Translation*]

Hon. André Ouellet (Minister of Labour): Mr. Speaker, I am quite surprised by the hon. member's statement. I had always thought that the cheques issued by the Canadian government bore the proper postal code. I am going to verify this, but I would be extremely surprised if indeed these government dispatches were not correctly addressed.

[*English*]

NON-APPEARANCE OF POSTAL CODE ON SECURITY CHEQUE ENVELOPES

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, my supplementary question is for the Minister of National Health and Welfare. Did the Post Office inform her that all benefit recipients would be subject to this double deficiency charge every time the postal code happened not to appear on the face of the envelopes?

Hon. Monique Bégin (Minister of National Health and Welfare): Mr. Speaker, it did not come to my attention, but I will check with officials.

* * *

CONSUMER AND CORPORATE AFFAIRS

DRUG INDUSTRY—PROPOSED ROYAL COMMISSION

Hon. Jake Epp (Provencher): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. It is with regard to the proposed royal commission on the drug industry. Has the Minister in fact been planning such a royal commission? If so, when would that royal commission be reporting? In the interim, will the policy on generic or no name drugs, which had been enunciated by the former Minister of Consumer and Corporate Affairs, apply?

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Yes, Mr. Speaker, we are planning a commission. It has not been announced yet. I will release details when that announcement is made.

Oral Questions

GOVERNMENT POLICY ON GENERIC DRUGS

Hon. Jake Epp (Provencher): Mr. Speaker, my supplementary question is for the Minister of Consumer and Corporate Affairs. When her predecessor considered the question of no name or generic drugs, he had a plan whereby there would be a longer period of time on a payback for companies that had developed drugs. Is that policy, which her predecessor announced prior to her assuming the porfolio, the policy of the Government, or has she backed off from that policy as well?

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Mr. Speaker, obviously the commission will be looking at all facets of it. Until the recommendations come forward there will be no changes in policy.

* * *

WESTERN GRAIN STABILIZATION ACT

REQUEST FOR INTRODUCTION OF AMENDING LEGISLATION

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is for the Government House Leader. Would he consider bringing forward amendments to the western grain stabilization fund before the Easter break? If he would, we would be prepared to sit this evening, and perhaps again tomorrow evening if necessary, in order to pass it.

Hon. Yvon Pinard (President of the Privy Council): Mr. Speaker, I will consult with the Minister of Agriculture. I think I will be in a position to give the Hon. Member an answer when we come back after the recess.

* * *

ENVIRONMENTAL AFFAIRS

GASOLINE CONTENT REGULATIONS

Mr. G. M. Gurbin (Bruce-Grey): Mr. Speaker, my question is for the Minister of the Environment. The United States is considering putting further restrictions on, or even banning, the use of leaded gasoline, because the EPA has estimated that approximately 12 per cent of Americans are switching from the unleaded form to the leaded form due to price factors. Is the Minister familiar with the number of people in Canada who would be switching from unleaded to leaded gasoline because of price? What sort of compliance factors do we have in Canada for the regulations that are now in place?

Hon. Chas. L. Caccia (Minister of the Environment): Mr. Speaker, the practice of switching comes under the responsibility of provincial Governments. I raised that matter at the last meeting of Environment Ministers in Winnipeg. It is a subject of continuous examination. It is my intention to raise it again next fall, to ensure that the practice is kept under control and ultimately reduced to a minimum.

ASSESSMENT OF COMPLIANCE WITH REGULATIONS

Mr. G. M. Gurbin (Bruce-Grey): Mr. Speaker, my supplementary question is for the same Minister. I appreciate that there are provincial controls in terms of the regulations. However, certainly there is a federal interest and responsibility in terms of the concentration of lead in the atmosphere, and the total effect. Would the Minister consider asking the advisory committee which he appointed in December, 1983, or in fact the Department of the Environment, to undertake an assessment of the amount of compliance with the regulations which are in place now?

Hon. Chas. L. Caccia (Minister of the Environment): Mr. Speaker, first we must assess the exact extent of the problem. That is a matter for the provinces to establish and convey, hopefully at the next meeting of CCREM. If that does not become the case, I will certainly consider the alternatives.

Mr. Speaker: The Hon. Member for Yorkton-Melville on a supplementary to a previous question.

* * *

WESTERN GRAIN STABILIZATION ACT

REQUEST FOR HOUSE LEADERS' MEETING ON INTRODUCTION OF AMENDING LEGISLATION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my supplementary question is for the Government House Leader. In reply to the Hon. Member for Hamilton Mountain he said he would consider this after Easter. In view of the plight of the prairie farmers who are starting seeding very shortly, would he not consider meeting the two opposition House Leaders with a view to getting this amendment to the western grain stabilization plan passed before the Easter recess, perhaps by sitting this evening or tomorrow evening, so we can have a pay-out this spring?

Hon. Yvon Pinard (President of the Privy Council): Mr. Speaker, I have not had the time to consult with the Minister of Agriculture since the Hon. Member for Hamilton Mountain asked the question. Therefore, the answer is the same.

* * *

[*Translation*]

INDUSTRY

ARTICLES PUBLISHED IN MONTREAL PRESS ON BELL HELICOPTER PROJECT

Hon. Roch La Salle (Joliette): Mr. Speaker, my question is directed to the Minister of Finance.

Yesterday, the Minister of Finance answered a question that was put to him by my colleague from Etobicoke Centre concerning the future of Bell Helicopter; the Minister merely took the opportunity to make a statement which I consider quite partisan.

The Minister of Finance is fully aware that an investigative study by Charpentier and Provost is making headlines in a Montreal daily newspaper. In light of commitments made by Bell Helicopter and in light of requirements stated by the Government—and I would like to state unequivocally that I am most interested in the success of this business venture—could the Minister of Finance, with a view to giving complete information to all Canadians, make an assessment of the study conducted by the authors of these articles published in a Montreal newspaper, articles which seem to me to be quite negative as to sales projections? In my view, this would be the best way to reassure the people of Quebec concerning the future of Bell Helicopter.

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I did not make any partisan statement yesterday. I have simply put into the record the approach and the position stated by the Progressive Conservative party's official critic for industry. The critic, who appeared in various interviews on television and other media, has stated on behalf of the Progressive Conservative Party a position which is quite negative concerning the Bell Helicopter project.

The Hon. Member could look up quotations on this matter, and if he is too embarrassed to ask, I will be very pleased to provide them to him. He will realize that the official position of the Progressive Conservative Party, as stated by the Official Opposition critic, was extremely negative regarding the Bell Helicopter project. I must say the Opposition was also very critical about Canadair on various occasions. I will be pleased to provide those references as well.

Conservative Members are now changing their mind because they realize that they have put their foot in it; they realize that they were being blamed by the population of the province of Quebec because of their attitude about both Bell Helicopter and Canadair.

Regarding the question put by the Hon. Member, I would invite him to read a speech which was to be delivered today by a spokesman from Bell Helicopter stating their answer to the allegations published in the papers.

REQUEST THAT MINISTER REASSURE QUEBECERS AND OTHER CANADIANS

Hon. Roch La Salle (Joliette): Mr. Speaker, I have a supplementary question.

The Minister is well aware of the fact that my party has made a point of speaking against Canadair and de Havilland's mismanagement; it now expresses the wish that Bell Helicopter be well managed. Never has my party denounced the idea and the objective of developing advanced technology in Canada generally and Quebec in particular. That is my party's position. I think the Minister should respond to these articles in a Montreal daily and state unequivocally whether there is any basis to these articles and whether the assessment made by the authors—who seem like responsible people—is appropriate. In order to reassure Canadians and Quebecers on Bell Helicopter's future, could the Minister deny these articles, unless he has no choice but to recognize that they are partly founded.

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, my hon. friend should acquaint himself with the position taken by the official critic of the Progressive Conservative Party on industry, trade and commerce matters—

Mr. La Salle: On management!

Mr. Lalonde: —and I do realize how unhappy he must be with them, because the Progressive Conservative Party has systematically denounced the support which the government has given to Canadair—

Mr. La Salle: To the management! Senator Argue has given ample evidence of that and you know so!

Mr. Lalonde: —and the support given by the government to Bell Helicopter. The fact of the matter is that the Hon. Member is already complaining about the mismanagement of Bell Helicopter—

Mr. La Salle: That is not true!

Mr. Lalonde: —which is not in operation as yet. We know what is the position of the Progressive Conservative Party on this. Whenever the government is considering a major development or advanced technology project for Quebec—

Mr. La Salle: How dishonest can you get!

Mr. Lalonde: —his party has been against it, and the record is clear on this.

The Hon. Member, therefore, should find out about the positions of his own party generally, and read the statement which Bell Helicopter's representatives have made concerning this—

Mr. La Salle: I thought you were more responsible than that.

Mr. Lalonde: —to know exactly where his party stands on the Bell Helicopter project.

An Hon. Member: Listen to his reply!

Mr. Lalonde: This project will be developed in Quebec against the objections of the Progressive Conservative Party.

● (1500)

[*English*]

PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Lévis (Mr. Gourde), by filing it with the Clerk of the House on Monday, April 16, 1984, and the petition presented by the Hon. Member for Okanagan-Similkameen (Mr. King) on Monday, April 16, 1984, meet the requirements of the Standing Orders as to form.

* * *

POINT OF ORDER

MR. McDERMID—UNPARLIAMENTARY LANGUAGE

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Mr. Speaker, I made note of your remarks with respect to the unparliamentary nature of my remark directed to the Hon. Member for Brampton-Georgetown (Mr. McDermid) the other day. Naturally, I wish to withdraw it, although may I add that it was one of the few remarks—

Some Hon. Members: Oh, oh!

Mr. Munro (Hamilton East): —that I made in the House that received so little controversy since it was made. However, I withdraw it.

* * *

BUSINESS OF THE HOUSE

Mr. Les Benjamin (Regina West): Mr. Speaker, I rise on a point of order. As a result of exchanges earlier, I think I must ask the Minister of Agriculture if he is prepared to advise the Government House Leader whether or not he has amendments to the Western Grain Stabilization Act ready—

Mr. Speaker: Order. On one day of the week there is a traditional question relating to House business. The Chair would entertain the question at that point, but it is not a point of order. Since we adjourn tomorrow, the Chair would be prepared to consider questions relating to House business tomorrow.

Mr. Benjamin: Mr. Speaker, since we are not sitting on Thursday this week, may I ask—

Mr. Speaker: The Chair has indicated that it would be prepared to consider questions relating to House business on Wednesday instead of Thursday this week.

Mr. Benjamin: Mr. Speaker, in order to prepare for the possibility of dealing with this matter tomorrow, I request the indulgence of the Chair in order to ask the Minister of Agriculture if he would be prepared to submit amendments to the Western Grain Stabilization Act to the Government House Leader and we will volunteer to meet tonight, tomorrow night or, if necessary, Thursday morning by special agreement.

Mr. Speaker: This places the Chair in a certain difficulty. There is a traditional way of dealing with House business. There are the usual channels by which information is transferred and discussions take place relating to House business. Regretfully, I must rule that this is not a point of order. It is not a question which the Chair will consider at this point.

ROUTINE PROCEEDINGS

[*English*]

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

PRESENTATION OF THIRD REPORT OF STANDING JOINT COMMITTEE

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Mr. Speaker, I have the honour to present the third report of the Standing Joint Committee on Regulations and Other Statutory Instruments in both official languages, to which, pursuant to Standing Order 69(13), the Committee requests a comprehensive response.

* * *

Mr. Speaker: Statements by Ministers.

Mr. McKnight: Mr. Speaker, I rise on a point of order. I would like to ask whether the Minister of Agriculture would be prepared at this time to make a statemement on motions regarding the Western Grain Stabilization Act.

Mr. Speaker: The Hon. Member is not raising a point of order. The Chair has called for statements by Ministers and the Minister has not risen.

* * *

PETITION

MR. BRADLEY—TAX ON TOBACCO PRODUCTS

Mr. Bud Bradley (Haldimand-Norfolk): Mr. Speaker, it is my privilege and honour to present a petition signed by some 14,700 constituents of southern Ontario who are extremely concerned with the effects federal taxes are having on the tobacco and related industries in this country.

The petition of the undersigned residents of Canada, who now avail themselves of their ancient and undoubted right thus to present a grievance common to your petitioners in the certain assurance that your honourable House will therefore provide remedy, humbly sheweth that the federal excise tax

placed on tobacco products is therefore a serious threat to employment and economic viability in the tobacco industry and the communities involved.

The petitioners hope that in your examination of the petition you will find the petition in order and that you will exercise the discretionary powers vested in the Office of the Speaker of the House of Commons to allow discussion and referral to a committee at the earliest possible time in order that employment and economic viability in this region of Canada may be preserved.

* * *

NATIONAL FLAG OF CANADA MANUFACTURING STANDARDS ACT

MEASURE TO ESTABLISH

Hon. Allan B. McKinnon (Victoria) moved for leave to introduce Bill C-234, an Act to establish standards for the manufacture of the national flag of Canada.

Mr. Speaker: Is it the pleasure of the House that the Hon. Member shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. McKinnon: Mr. Speaker, the purpose of this Bill is to ensure that a high quality of material, design and colour will be used in the manufacture of the Canadian flag. The objective is to reduce fading and other signs of wear which render our flags unsightly after a short period of use.

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

Mr. Speaker: When shall the Bill be read a second time? At the next sitting of the House?

Some Hon. Members: Agreed.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 148, 373, 472 and 605.

[*Text*]

ATTENDANCE AT MEETING

Question No. 148—**Mr. Crosby:**

1. Did Mr. R.A. Bandeen, as President of the Canadian National Railways, refuse to attend the hearing conducted by the Canadian Transport Commission relating to the acquisition by Canadian Pacific Limited of the Dart shipping group and, if so (a) for what reason (b) was a legal technicality involved and, if so, for what reason did he not appear on a voluntary basis to explain relevant matters?

2. Was Mr. Bandeen paid fees or other remuneration by the CAST shipping group with respect to services provided as director, officer or otherwise and were any of the funds paid to him returned to the CNR?

Order Paper Questions

Hon. Lloyd Axworthy (Minister of Transport): The Management of Canadian National Railways advises as follows:

1. Mr. R. A. Bandeen, as President of Canadian National Railway Company, did not attend the hearing conducted by the Canadian Transport Commission relating to the acquisition by Canadian Pacific Limited of an interest in the Dart shipping group on the basis that both his appearance at the public hearing and the information requested of him, with respect to the CN/CAST relationship, was totally irrelevant to the terms of reference of a public hearing which involved the acquisition of an interest in a totally different shipping line, namely Dart, by a totally different railway company, namely Canadian Pacific Limited.

In addition, the subpoena contemplated that Mr. Bandeen would bring certain documents with him relating to the earnings resulting from CN's holdings in the CAST organization. It was Canadian National's position that, in addition to that information being irrelevant for the purpose of the public hearing, it was also confidential and privileged in nature since (1) CN's holdings/investments are in connection with private companies which do not disclose their financial statements and in which Canadian National holds only a minority shareholding interest and (2) that disclosure could only be detrimental and cause serious financial harm to these companies and their shareholders.

2. Mr. Bandeen was not paid fees or other remuneration by the CAST shipping group with respect to services provided as director, officer or otherwise.

COST OF COMMERCIALS

Question No. 373—**Mr. Huntington:**

1. To date, what was the total cost to the taxpayer or to any Crown corporation or agency of the production and screening of television commercials referring to Canadian National Limited which were shown on the CTV morning program "Canada AM"?

2. What (a) was the total cost of advertising on each morning program (b) was the total cost of production of each one-minute commercial (c) company or companies were employed to produce the commercials?

Hon. Lloyd Axworthy (Minister of Transport): The Management of Canadian National Railways advises as follows:

1. All costs associated with placing television commercials on the CTV program "Canada AM" were paid by CN. The total for the two years 1982 and 1983 was $444,470.

The appearance of CN television commercials on "Canada AM" is part of a larger campaign that CN has had underway since 1968. The costs for any particular TV program are not readily available for the years prior to 1982 because earlier records were not maintained in such manner. However, the above sum represents a typical level of exposure that CN has purchased in recent years.

2. (a) Average cost per programme:

1982	$651
1983	$773

(b) All English language commercials produced for our advertising campaign each year appear in rotation on "Canada AM". The proportion of the total production cost relative to their exposure on "Canada AM" is $10,500 for each of the years 1982 and 1983. This is an average because expenditure is based on commercials having a two-year span of usefulness.

(c) SDA and Bob Harwood Productions.

REVITALIZATION PLAN

Question No. 472—**Mr. Howie:**

1. To the knowledge of the government what was the total cost of the downtown Moncton, New Brunswick, Revitalization Plan and did the government pay any portion of the cost and, if so (a) what amount (b) under what programs was the assistance given and, in each case (i) what amount was allocated (ii) how and when were assistance applications filed?

2. Did any department oversee the federal role in the project and, if so, which department?

Hon. Roméo LeBlanc (Minister of Public Works): 1. The Revitalization of Downtown Moncton Plan dated July 27, 1983 was prepared by municipal staff. The federal government is not aware of the cost to produce it.

(a) and (b) Not applicable.

2. Not applicable.

FISHERMEN IN NEW BRUNSWICK

Question No. 605—**Mr. Corbett:**

Are there any licenced eel fishermen in New Brunswick and, if so, what are the names and addresses of such fishermen in (a) Queen's County (b) King's County (c) Saint John County (d) Sunbury County?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Yes (see attached list).

Following is a list of licenced eel fishermen in New Brunswick:

(a) QUEENS COUNTY DISTRICT #56

Bruce Allen	R.R. #1	Gagetown, N.B. E0G 1V0
Carl A. Allen	R.R. #1	Gagetown, N.B. E0G 1V0
Allan Chapman	R.R. #1	Cody's Queens Co., N.B. E0E 1E0
George Chase	R.R. #1	Gagetown Queens Co., N.B. E0G 1V0
Gary Robert Cormier	123 Gould St.	Dieppe, N.B.
James Lloyd Murray	R.R. #1	Gagetown Queens Co., N.B. E0G 1V0
George B. Robinson	R.R. #1	Cody's Queens Co., N.B. E0E 1E0
Reginald G. Robinson	R.R. #1	Cody's Queens Co., N.B. E0E 1E0

(b) KINGS COUNTY DISTRICT #55

Terry Hugh	R.R. #2	Clifton Royal Kings Co., N.B. E0G 1N0
Hugh Raymond Cunningham	185 Adelaide St.	Saint John, N.B. E2K 1X2
Chester H. Murray	R.R. #1, Box 10	Grand Bay, N.B. E0G 1W0
Joseph D. McAulay	P.O. Box 132	Grand Bay, N.B. E0G 1W0
Robert McGuire	R.R. #2	Clifton Royal Kings Co., N.B. E0G 1N0

(c) SAINT JOHN COUNTY DISTRICT #48 & 49

Bernard W. Brown	93 Germain St. West	Saint John, N.B. E2M 2G2
Donville E. Cormier	131 Riverview Dr.	St. John West, N.B. E2M 1M5
William Curtis Cormier	109 Riverview Dr.	St. John West, N.B. E2M 1M5
Roy Elmer Dixon	P.O. Box 756	Hampton, N.B. E0G 1Z0
John Frederick Green	33 Glengarry Dr.	Saint John, N.B. E2J 2Y4
Harold Mang	R.R. #1	St. Martins, N.B. E0G 2Z0
Michael O'Donnell	280 Duke St. West	Saint John, N.B. E2L 1P3
Norman J. Richard	52 Saint John St. West	Saint John, N.B. E2M 2C9

(d) SUNBURY COUNTY DISTRICT #57

Alcide Cormier	123 Gould St.	Dieppe, N.B.
Wendell E. Coy	R.R. #1	Gagetown, N.B. E0E 1V0
Neil L. Smith	R.R. #3	Oromocto, N.B.
Donald B. Perry		Coles Island, N.B. E0E 1E0
Ronald J. Nowland		Pokemouche, N.B. E0B 2J0
Leo Robert Rivers		Pokemouche, N.B. E0B 2J0

[*English*]

Mr. Speaker: The questions enumerated by the Parliamentary Secretary have been answered.

Mr. Taylor: Mr. Speaker, could I ask the Parliamentary Secretary when we might expect an answer to Question No. 759? I realize that it was only put on the Order Paper on March 26 but I would like to have the answer in time to deal with an adjournment debate shortly. If the Hon. Minister could give an answer quickly, we would certainly appreciate it.

Mr. Evans: Mr. Speaker, I will bring that to the attention of the Minister to see if we cannot get an answer to that question in time for the Hon. Member's proceedings.

I ask that the remaining questions be allowed to stand.

Mr. Speaker: Shall the remaining questions stand?

Some Hon. Members: Agreed.

• (1510)

GOVERNMENT ORDERS

[*English*]

CANADIAN INSTITUTE FOR INTERNATIONAL PEACE AND SECURITY

MEASURE TO ESTABLISH

The House resumed consideration of the motion of Mr. MacEachen that Bill C-32, an Act to establish the Canadian Institute for International Peace and Security, be read the second time and referred to the Standing Committee on External Affairs and National Defence.

Mr. John Bosley (Don Valley West): Mr. Speaker, this morning we had laid before the House our general support for an institute of this nature. We had indicated our reservations about the independence which this Bill appears not to grant to the institute proposed. I had come in my remarks to some concerns about research in general.

It seems appropriate, therefore, to refer Members of the House to an article in today's *Toronto Star* written by Mr. Adam Bromke of McMaster University. The very concern about this institute's relationship to research organizations is raised and very clearly expressed.

I left off referring to what I think is a confusion caused by the remarks of the Secretary of State for External Affairs (Mr. MacEachen) and I would like to return to that briefly. The Throne Speech talked about the need for an organization to digest, disseminate and collate information. It had a second paragraph which talked about the Government's intention to increase its funding for voluntary associations and private groups. I think most members of the community read those two paragraphs as one, as part of the same organization.

I was confused, Mr. Speaker, and I am sure I am not alone, in fact I know I am not alone in my confusion, when the Minister in his comments earlier today referred to the Government's intention to proceed whith this Bill as it stands and, at the same time, increase funding for private organizations and double separate research funds for verification procedures. Clearly at some point the Government will have to answer the question as to what the relationship is between the institute and its research activities and private sector organizations.

I want to put on the record something that is of personal concern. I would hope that this institute will honour as completely as possible the words the Minister actually used even though the Bill does not use the words. The Minister said that this institute should have a limited inhouse research capacity. It is my personal view, and I hope we will be able to deal with this in committee when we get there, that it is important in terms of this institute's relationship with the universities and with the other research institutions of Canada that to the greatest extent possible this organization be a funder of research in Canada more than a doer of research. I think that is essential if the other research institutions are to believe that this institute is not in fact a competitor and a threat. I am confused by the Government's words in the Minister's speech. I make that point because I think it is essential that it be clarified.

Finally, in the couple of minutes I have left, I want to deal with a few points made by the Hon. Member for New Westminster-Coquitlam (Miss Jewett). She raised what I think is a most interesting point with regard to the apparent similarity of the appointments to the board of this proposed institute and those of the IDRC. The point she was making, I take it, was that while there may be some justification in the other operation for non-Canadian appointment, there may not be, in her view, that justification here. That is a point which had not occurred or been brought to me before. I think it is important. I think we will have to be very careful on that point in committee.

I was confused by the Hon. Member's comment that she was not worried about the total control of appointments to the board by the cabinet of the day, given her apparent willingness to allow the cabinet of the day to make those appointments. I think it is essential in understanding all of the concerns which the research community has, that we have and several of the organizations deeply interested in peace have, that if one is to understand the importance of independence, Mr. Speaker, then one has to deal directly with the degree of potential control, not just the degree of actual control that is available to the cabinet of the day with regard to this proposed institute.

I want to stress to the Hon. Member for New Westminster-Coquitlam and to all Members of the House that here non-partisanship is of the essence. It is absolute in dealing with peace matters. I want to put right back on the record that I think the Hon. Member for New Westminster-Coquitlam should rethink that concern.

It would be extremely useful if we could come to an agreement across the floor of the House to allow some body other than the Cabinet to have a deep and serious say, and preferably control on a consensus basis, regarding the appointments that are made to the board. I think that if Members were to understand the potential value of having the external affairs committee make those appointments on a consensus basis, it would be invaluable both for the institute in appearing to be independent, and invaluable for all of us in being able to say it is independent. If we can come to an understanding of that, at least we will have gone a long way toward taking what we all believe in its conceptual framework is an important and useful idea and making it what it really ought to be—an organization as non-partisan as possible to be of use in what I think we all believe is extremely important, the search through whatever means possible for an everlasting peace.

Mr. Deputy Speaker: Order, please. Questions or comments. The Parliamentary Secretary to the Minister of International Trade (Mr. Blaker).

Mr. Blaker: Mr. Speaker, I noticed that the same references were made by the Right Hon. Member for Yellowhead (Mr. Clark) and by the Hon. Member for Don Valley West (Mr. Bosley). I am a bit confused about the concept of indepen-

dence. If it is the intention of both Members to ensure the independence of a peace institute, the difficulty I have with that is that on the one hand both Hon. Members have expressed the view that that independence can best be guaranteed by recommendations, made, I take it, by the Standing Committee on External Affairs and National Defence, as to appointments within the institute, or possibly by Parliament as a whole. My understanding is that the Prime Minister (Mr. Trudeau) had indicated to the Leaders of both Opposition Parties that a consultative process might be available. I am a little lost as to the specifics of how to appoint the chairman, executive director, and board of such an institution in a way that the Opposition might feel is non-partisan. I would encourage the Hon. Member for Don Valley West to express the mechanism in detail by which it might be done.

Mr. Bosley: Mr. Speaker, I thank the Hon. Member for his question. I will try to answer it in two parts. One is the concern we have about the proposed method of appointment, and then I will try to answer directly his question about what we believe would be better.

There is always a concern in terms of the Cabinet when by Order in Council appointments may be seen to be or may in fact be not as non-partisan as they should be. I think the Member would understand that. I think we are somewhat reluctant to accept the simple statement that the Leader of the other Opposition Party and the Leader of Her Majesty's Loyal Opposition will be "consulted" as to whether that is good enough. On this issue we do not believe it is. What we believe ought to be done and what we should look for is a method whereby the Standing Committee on External Affairs and National Defence could be asked to make appointments to the board on the understanding that the Committee had to operate on a consensus basis and not on a simple majority vote basis. We believe that out of the process of coming to agreement would come non-partisan appointments.

That is the process we believe should be used to make these appointments. The Hon. Member may ask whether Parliament could do that. I know of no mechanism that allows Parliament to do that as a whole. That is why I think we believe the committee should have that power.

Mr. Skelly: Mr. Speaker, in this House the Conservative Party is on record as voting in favour of testing of the Cruise missile. The Conservative Party is on record as supporting the construction of components for nuclear weapons delivery systems. The external affairs critic and a number of other caucus members have publicly endorsed the position of the United States in Central America. Could the Hon. Member for Don Valley West (Mr. Bosley) explain the contradiction of how the Conservative Party can in fact be supporting peace and disarmament on the one hand, while in fact in this House and on the public record it is supporting and endorsing activities which certainaly are not, in the minds of most Canadians, conducive to this nation's movement toward peace and disarmament? Could the representative from the Tory Party explain that contradiction?

• (1520)

Mr. Bosley: Mr. Speaker, we are also on record as supporting NATO. I presume the Hon. Member would go further in his comment and suggest, as he has argued before, that support of NATO is in conflict with the view we in this Party share which supports peace and disarmament. If the Hon. Member finds that there is confusion, I believe it is in his mind.

The issue for us, and I hope for the Hon. Member, is that whatever one's view about the appropriate defensive posture a country must take—and it is our view about NATO and some other positions—it is our firm desire to reduce tension in the world and to reduce the need to resort to military defence. That is the position which this Party has consistently supported. That is why we support this proposal, at least in its conceptual form. We believe deeply that we cannot simply attain disarmament or a lack of tension by saying that we want it. We have to do what we believe is necessary in the time and place. At the same time we have to find some way to create dialogue, a reduction of tension and a conflict resolution which will make it possible for all countries in the world to reduce their arms build-up and their reliance upon military measures.

I see no conflict, as the Hon. Member may, between our support for matters which relate to current situations of conflict and crisis and our desire to find a way to reduce the underlying tensions which lead to those conflicts. What we are saying here is that the importance of peace can never be over-estimated. We want to take whatever steps or measures we can to ensure that the institute created to inch us back, as the Right Hon. Member for Yellowhead (Mr. Clark) indicated, from the nuclear chasm will work. That is what we are trying to say today.

Mr. McRae: Mr. Speaker, I would like to ask the Hon. Member for a clarification of the word "independence". I have great concerns about this particular organization. I feel very strongly that it should go through, and I will be speaking on it in a few minutes. The independence I am worried about is that it be completely independent of Government Departments such as the Department of National Defence or the Department of External Affairs and that it functions independently in that way.

I am beginning to get the feeling that the Hon. Member is talking about political independence, that it be sort of non-partisan. I think it should be too, but I am wondering whether the Hon. Member is thinking about both kinds of independence, whether it be a Liberal thing, a Tory thing or something like that, or whether basically he is thinking about an organization that is quite independent of other parts of government in terms of coming to its own decisions. This kind of independence is crucial, and I think the other kind of independence can be easily worked out in the way we work out the Bill. However, there are two different kinds of independence. I would like the Hon. Member to distinguish between one or the other. Perhaps the Hon. Member could indicate whether he is in favour of

this organization functioning without being dependent upon other organs or departments of government.

Mr. Bosley: I would be happy to try to answer the question. As I understand the system, Departments report to Ministers and Ministers are responsible for Departments. Therefore I find the concept of distinguishing between independence of Departments and independence of Ministries to be a null distinction.

If I may put it in a context which I know better, we believe that no Minister of the Crown of any political stripe, including our own, should have the right to tell the institute what it must research or to create an impression in the mind of the institute that it must do something in order to obtain the Minister's blessing.

If I wanted to put a parallel to the Hon. Member, it would be this one. For a series of extremely good reasons, we have over the years granted the Canada Council maximum possible independence from ministerial control, from governmental control and from departmental control, so that when it makes grants to people in the artistic community it is to the greatest possible degree seen to be acting independently of governmental, political or departmental control. I believe we are espousing that exact principle in terms of our proposals with regard to this institute. I repeat that we want this institute to be seen to be and to be independent of departmental, ministerial and political control, not for the sake of the government of the day but for the quality of research which will result given that independence.

Mr. Sargeant: Mr. Speaker, unfortunately I was not able to be here this morning to hear the opening of the debate because of other commitments. The Hon. Member for Don Valley West (Mr. Bosley), in his few minutes of wrapping up after the luncheon adjournment, made a comment upon which I would like to ask him to elaborate. He may have done it this morning. If so, I apologize for asking him to repeat it.

He said that he would rather see this institute being a funder of peace research than a doer. Would he elaborate a little on that and indicate what are his concerns? I do not necessarily agree with his comments, but I would like to know his reasoning for them.

Mr. Bosley: Mr. Speaker, I thank the Hon. Member for his question. I want to be clear so that he knows I make no particular fuss about the institute doing some of its own research. However, I have a concern in terms of the academic institutions of the country, if the new direction for research is seen to be that the Government creates an industry which uses government research money to do research exclusively. My instinctive reaction would be that I think to the greatest degree possible we have two opportunities here. One is to increase the amount of money directed at "peace research". The second is to use that money to support institutions specializing in research by directing to the greatest practical degree possible the talent and resources to do the research and by asking the agency to do as much as it can in institutions which conduct research and to restrict its inhouse research activities to those areas where it has no other choice.

That is what I am trying to get at. I believe we would be risking support in the academic communities if we said that the Government's intention was to move its research funds exclusively into the area of inhouse research.

Mr. Deputy Speaker: Order, please. For debate, the Hon. Member for Thunder Bay-Atikokan (Mr. McRae).

Mr. Paul E. McRae (Thunder Bay-Atikokan): Mr. Speaker, I am very pleased to participate in this debate because I feel there is a great degree of urgency in establishing this institute. On a number of occasions I have written to and spoken with members of the Government, the Prime Minister (Mr. Trudeau) and so on, about the need for a very independent institute to conduct studies in peace and security. I am delighted we have finally arrived at the point where we can get around to establishing this institute. I hope there will be no difficulty and that in the next month or so we will be able to put it together and have it operating certainly by the summer.

I attended a meeting of 500 or 600 people in Toronto a couple of weeks ago at which United States Admiral Carroll was the speaker. He was asked about how much time he felt we had before a war would occur, or if a war would occur. His answer was that yes it would in about eight years and that the basic growth of very, very dangerous weapons and the attitudes of the two superpowers were such that this was a very real possibility.

This is something about which I have been very apprehensive. I find it difficult to accept that the House has spent so little time on this most important of all issues. We have a situation today where there are in excess of 50,000 nuclear weapons, nuclear warheads, that are pretty well distributed. There is a little more on our side than on the Soviet side, but theirs are larger ones. One way or another, there is an area where we have general parity. What I mean by general parity is that each side has the capability of destroying the other side almost completely and then being destroyed themselves. No one side could destroy the other side without they themselves being destroyed as well. That is the situation we are faced with.

● (1530)

There is in existence today something like 5,000 times the explosive power that was used in all of World War II. I simply do not understand those who say that we are not strong enough and need to build more arms. It is completely beyond my comprehension that we need more arms when we already have 5,000 times the fire power that was available in World War II.

We are told by some very eminent scientists on both sides of the Iron Curtain that we need to worry about more than just the explosive effects of these weapons. In total, these weapons have 100,000 times the destructive power of the weapons that destroyed Hiroshima. We have the situation of the explosive power and the nuclear fallout which, if the bomb did not hit Canada, would still kill about 12 million Canadians. More

people from my own community of Thunder Bay would die than died in all of Canada during World War I and World War II. However, in addition to this, we are told by these eminent scientists that the effect of these explosions, even if only a small portion of them were used, would be to create a nuclear winter which would probably destroy most of the plant life in the northern hemisphere. Millions and millions of Canadians would then die from the cold and from famine. Civilization as we know it would cease to exist. Yet a retired American admiral, along with his friends, retired American generals and admirals, are saying that this can happen and that it can happen within the next seven or eight years. It can happen because the weaponry that is being built at this particular time can create a situation in which this can happen simply through computer error.

I would remind the House that as we sit here this very moment, a few Pershing II missiles have been installed in West Germany which have a six-minute to eight-minute time span between firing and destroying a target in the Soviet Union. The Soviets tell us that they now have weapons based six to eight minutes from the shore of the United States. We find ourselves in a situation in which a computer error could result in a mistaken firing which could result in return firing and a launch-on warning. This is the situation today and it is only beginning. It will become much worse. Shorter trajectory times and greater accuracy will be built into many weapons and the threat of a pre-emptive or first strike could cause the other side to strike in a crisis. These are the situations which exist today. It is possible that the world could be destroyed within 30 minutes.

It is absolutely essential that Canadians and people all over the world do whatever is possible to make sure that this kind of destruction is prevented. This is the reason why I support the need for this Bill. If we are to be successful as peace makers, then we must have access to good, solid, objective information. We should not have information from only one source like the Pentagon or another source like Soviet publications but we need good, solid information from all sources. There is an organization in Sweden called SIPRI which is set up to provide this kind of information. In the research I have done over the last three or four years, I have found that the information from that source has been very valuable to us in assessing the claims of both sides.

We have a situation where one side is saying the other side is superior and vice versa. Of course, all of the information available to me and the information from other sources like the Scowcroft Commission would point to the fact that there is no superiority, that we are in a situation of general parity and that now is the time to slow things down.

The Prime Minister (Mr. Trudeau) has done a great deal of travelling and has spoken to a great many leaders all over the world. He made a speech in the House on February 9 and came to the conclusion that there are about 10 major ideas which are common to the superpowers. We should begin to work with those common ideas. I will not deal with all of those ideas because I have only 20 minutes in which to speak, but I will mention two or three of them. One such idea is the agreement that a nuclear war cannot be fought and cannot be won. There is agreement that we must get rid of destabilizing weapons and there is agreement that the other side exists, will continue to exist and that there should not be an attempt to depose the other side. These ideas are very vital and were common threads which ran through all of the discussions the Prime Minister had with all of the world leaders including the leaders of both superpowers.

In order to make these common ideas work, we must know what we are doing. We must have access to good, independent information. It seems to me that there is a very direct relationship between the kind of thing the Prime Minister and others throughout the world have been attempting to do and the kind of thing that we hope to do with this Bill. I am particularly interested in seeing that, through this Bill, we set up an independent organization. To me, an independent organization means one which will not rely only on the Department of National Defence or the Department of External Affairs. An independent organization will not follow only the demands of those two Departments.

I would agree entirely with Members of the Opposition and particularly with the Right Hon. Member for Yellowhead (Mr. Clark) who said that from Clause 28 of the Bill, the word "shall" should be removed. I think the Prime Minister as well agreed with that. If not, the Department of External Affairs and the Department of National Defence could very well ask this organization to respond in a certain way or to do a certain study. That is a legitimate request, but certainly the obligation to do such a study will not, in my opinion, give the organization the kind of independence it needs. I think that the word "may" is probably more applicable to the situation.

I would disagree with the Hon. Member from the NDP who suggested that that clause should be removed entirely. I believe that the word "may" at least indicates that the Department cannot force certain things on this organization. If the clause were not included in the Bill at all, there might be some assumption that the organization could be forced by the Department to do things. I think it would be just as well to leave Clause 28 in place and replace the word "shall" with the word "may". I think that would give to the organization the kind of independence it needs.

I spent some time looking at what they are doing at the Swedish peace institute in Stockholm. I looked at the structure of that institute and I believe that this is a model at which we should all take a good look. That institute has established itself in a number of basic areas and, in my opinion, a number of things about the structure of that organization give it a great deal of independence and the kind of independence we would like to have here in Canada.

First, that institute is funded by the Government and not by the private sector. I would not object to private-sector funding for various peace institutes, but I think the institute to which the Bill refers must be funded by the Government partly because there is a need for credibility when dealing with both sides. If we are to study Soviet-American relations, we must be

credible to both those groups. We must have an organization with that kind of credibility. If we are dealing with the Soviets, we will not be credible if the foundation is a legitimate one but is funded by large corporations from the private sector. It is important that we do it this way. It does not mean that other organizations, peace groups and study groups should not be funded by the private sector. This is one area where it is important that the funding come this way.

● (1540)

I may be running into some problems with the Opposition on this, but the Swedish Institute has an international board. It includes people from Sweden and also has an international component. I disagree with the Hon. Member for New Westminster-Coquitlam (Miss Jewett) who spoke about keeping this institute Canadian. I have had a great deal to do with the peace movement over the last few years, the last three years in particular. One of the dangers is the tendency to become pure, just to worry about what Canadians are doing, making sure that we are pure, not doing anything wrong and in no way contributing to nuclear armament, not worrying about what is going on outside.

I have had a great deal of concern about the testing of the Cruise. If this testing does not take place in Canada, it will take place somewhere else. It does not make much difference where it has been tested if a war should occur. It is important in terms of how we feel about ourselves.

It is nice to advocate that Canada be a nuclear free zone. We can feel good about that. However, if there is a nuclear war, we will be in the centre of it. It will come to us. If we declare that we are nuclear free, that does not mean we will not have to worry about the war.

I feel that Canadians are becoming a little bit too concerned about appearing pure rather than being concerned about preventing a war between the superpowers. Therefore, it would be a mistake if the board were to be entirely Canadian. It requires an international flavour. I believe that the structure of the board should include Canadians and a number of people from other countries. That is tremendously important. If we are serious about preventing nuclear war, we must have an organization with global concerns. We cannot solve the problem just by being pure. We have to be concerned about the two superpowers and how they can be brought together.

While we have talked about the structure of this organization, we have not talked about its role. Earlier I referred to the 10 points which the Prime Minister presented as areas where we could get agreement. Canadians have to focus on the nature of the two superpowers.

We are very close to the United States and know a great deal about it. Many of us worry about the present U.S. Government. We feel the worries would go away if the Democrats were in power. At least that is my feeling. Basically we understand the situation. We understand some of what has to be done to bring the two superpowers together. We do not have a good understanding about the Soviet Union. We do not understand them. Their ideologies are different from ours. We tend not to want to know very much about them, what they are like and what their Government stands for. We have a situation where it is impossible to destroy that Government. It is not possible to do very much to change that Government. We have to understand their Government and the people there.

I hope the institute is set up fairly soon because the situation between the two powers is critical. Basically they are not speaking to each other. There are some talks going on in Stockholm. They are going on not too badly, partly because the superpowers are surrounded by other powers, including ourselves. They are not really confronting each other in areas where they should be talking.

If we develop these studies, particularly in the area of understanding the superpowers, we can use this information to bring other middle powers together and develop a negotiating team which could work between the two superpowers to reduce the tension. This could be done along the lines suggested by the Prime Minister, beginning in areas of common interest, concern and agreement. There are the 10 points, and others could be added to the list. If we could learn how to deal with them, if we could have ideas through third power groups, possibly we could bring some kind of sanity to the two superpowers.

If we do not do this in the next few years, then Admiral Carroll and other knowledgeable people on the subject will be correct that a nuclear war, which has never occurred in the history of mankind, will take place and we will be destroyed. The stakes are so great that this is absolutely essential. Even though it is a small step, we should take it, pass this Bill and set up a good independent organization.

Mr. Deputy Speaker: Questions or comments?

Mr. Stevens: Mr. Speaker, I listened to the Hon. Member quite closely. Several times he said how important he felt it was that the organization should be independent. Will he indicate if he feels in that context that it should be a government institution?

Mr. McRae: Mr. Speaker, I thought about this a good deal. I have been saying that it should be independent in the sense that it cannot be set up in such a way that the individual Departments, particularly DND and External Affairs which are the two most vitally concerned, have a strong influence on either the day to day or long-term operation. This is tremendously important. This is why I strongly support the Conservative amendment that will replace the word "shall" with the word "may". The problem that I see from the speeches we have heard today is that this could be done on a partisan basis. I do not want to see that. It does not have anything to do with partisanship. I do not see how we can set up this institute, without some government action. The point is that we have to do this together. The word "consultation" has to be worked as it has never worked before in terms of how we set up this organization. Who is on the board is terribly important. You can have the best structure in the world but if the people in it do not want to succeed, you will not achieve anything. That is

terribly important. I believe, through the workings of the committee and so on, we can get to a point where we can be pretty independent in the way it is structured. Once it is set up on its own then I feel it is terribly important that it be set up in such a way that it cannot be influenced at any given stage. That is why I feel that word "may" is important. It is important to leave "may" in there. It should not be taken out as an Hon. Member suggested earlier, because if it is taken out there could be some suggestion that the word "shall', would be quietly implied. We know that the word "may" means that the organization itself can reject any suggestions of the Government. It seems to me that is the key point.

• (1550)

As far as setting up this institute is concerned, I believe one has to go along with the notion that there is an executive in every government. A Party which hopes, and I suppose expects, to come to power in the next little while is going to find that the executive has to act. However, I believe there is no difficulty in this situation if we are all concerned, and I know we are. I know Hon. Members who spoke this morning are very concerned.

Mr. Deputy Speaker: Order. The Hon. Member is taking a little too much time, in my opinion.

Mr. Skelly: Mr. Speaker, on the question of this peace research issue being debated today, I would like to raise with the present speaker the matter of the conflict in Canada's role in Central America. Tension reduction has been talked about, but I would like to know the Hon. Member's opinion on how that conflict results, say, from the sale of Buffalo aircraft to Honduras that could be used for military purposes against Nicaragua, and the idly sitting by of the Government of Canada while the CIA and other paid apparatchiks of the U.S. Government mined the ports in Nicaragua? Canadians have failed to take a full measure of the responsibility—

Mr. Deputy Speaker: Order. I regret to interrupt the Hon. Member but I should remind him that questions and comments must be pertinent to the Hon. Member's speech. I do not see the relationship. I may have missed the point, but in any case would the Hon. Member clarify his question?

Mr. Skelly: Certainly, Mr. Speaker. I believe the previous speaker knows well that there are a number of key points where this Government has failed to take action which would reduce tension. Today Hon. Members opposite are attempting to put forward what would appear to be a worthwhile initiative, but will not provide some action which will demonstrate this Government's good wishes and goodwill in terms of establishing peace and tension reduction in the world. I would like to hear the Hon. Member for Thunder Bay-Atikokan (Mr. McRae) explain that, and possibly explain as well the Cruise missile issue and the defence production material, where we are producing components for the Cruise missile.

Mr. Deputy Speaker: Order. I do not believe the Hon. Member should invite the speaker to introduce an entirely different matter into the debate. The questions must be pertinent and relate to the points raised by the speaker and not new matters. I do not feel I should allow the answer on this one.

Mr. Kilgour: Mr. Speaker, my question is addressed through you to the speaker. Would the Hon. Member tell us, please, whether he thinks, in terms of the all-important question of independence and non-partisanship, the endowment route would not be better than the year-to-year funding by the Department of National Defence and the Department of External Affairs? While he is answering that, would he perhaps tell us the reason for the sudden rush seemingly to get the Bill through before June 16? Why was it not brought in, in his view, months ago? Why are we suddenly being asked to get it through now quickly, in his opinion?

Mr. McRae: Mr. Speaker, in answer to the endowment part of the question, I believe the Hon. Member has a very good point. I personally would have preferred an endowment partly because one does not have to go from year to year on a set fund which has been established, having to go back to the appropriate Minister. I believe an endowment has some advantages and, personally, I believe that it is worth negotiating. I am not sure of the Government's view on this particular point. I feel there are some negotiable items here, but since I am not part of the Government to the degree that I can say, "This is the way we should go", I will just say that I feel this is something worth looking into.

Mr. Kilgour: Why the seeming rush to get it all done and through the committee before June 16?

Mr. McRae: I suppose if the issue had arisen a year or so before, and if the Prime Minister's moves had been made a year or two earlier—and I believe the Prime Minister's moves had a lot to do with a number of factors—I feel it would have been nice to get this thing going before. However, I consider that, having gone through all of this and having laid out these points, now is the time to try to get this particular piece of legislation through. It seems to me that there has been negotiation going on for several weeks on this legislation and other related matters. I still believe there is no great rush. I think the time available between now and the end of this sitting in June is more than adequate to deal with this particular legislation. I just do not see that this is being done in a rush. The Chairman of the committee was sitting here this morning and he indicated quite clearly that we could sit five days a week for a whole month, if necessary, and it may very well be. I believe the Bill is very simple, but certainly we should have a great deal of public input. The people of this country should be able to participate and there should be an occasion for a real discussion of this particular point. But I do not believe the time is too short.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, I would like to ask the previous speaker to give us his thoughts on the internationalization of the directors of the board of governors. He seemed to make quite a point of that. Is that related to the

role he sees Canada playing as the honest broker or mediator in trying to resolve the problems of East-West relations?

Mr. McRae: Mr. Speaker, I believe that is precisely what I had in mind. However, I do not mean that Canada alone is going to do this. It seems to me that we can participate. In the first place, just geographically we are sitting between the two superpowers. We are sort of the meat in the sandwich, if you will. It seems to me that we have some very strong reasons why we should play a role, and I believe that if we are going to play a role we must have good, solid, objective information. We must have good studies going on. I believe also that the international board will give us an ability to function in a larger arena. More than anything I was worried about the fact that we would become just Canadians and look upon the solution with the idea that as long as we are pure, everything else will be fine. There are many middle powers, particularly, who are very concerned about this, and I believe we can make a contribution to those middle powers and with those middle powers. I believe there is a very strong role to be played by the country which sits between the two superpowers.

Mr. Deputy Speaker: Order. The time allotted for questions and comments has elapsed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Erie (Mr. Fretz)—Labour Conditions—Lay-offs by INCO at Port Colborne. (*b*) Job retraining inquiry; the Hon. Member for Dauphin-Swan River (Mr. Lewycky)—Visible Minorities—Use of Governor in Council appointments to increase representation. (*b*) Canadian Radio-Television and Telecommunications Commission vacancy; and the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly)—Fisheries—Cowichan estuary—Government policy. (*b*) Application of policy.

GOVERNMENT ORDERS

[*English*]

CANADIAN INSTITUTE FOR INTERNATIONAL PEACE AND SECURITY

MEASURE TO ESTABLISH

The House resumed consideration of the motion of Mr. MacEachen that Bill C-32, an Act to establish the Canadian Institute for International Peace and Security, be read the second time and referred to the Standing Committee on External Affairs and National Defence.

Mr. Deputy Speaker: Debate.

Mr. Stevens: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for York-Peel (Mr. Stevens) on a point of order.

Mr. Stevens: Mr. Speaker, my point of order arises out of the form to be followed in the questioning of an Hon. Member following his remarks. I put one question. Then I had two supplementary questions. I am looking for advice. It seemed to me that what I really wanted was to come back with the thrust of my question; but the Chair did not give me the opportunity to ask my second or third questions.

• (1600)

Mr. Deputy Speaker: The Chair would like to compliment the Hon. Member for York-Peel for the brevity of his questions. He is playing exactly by the rules, the intent and the spirit of the reform. However, the Chair noticed a number of other Members rising at the same time, and so as to allow the widest possible exchange during this period, the Chair felt it ought to go to other Members. If a Member has one, two or three points to make, I think it would be incumbent upon him to condense those remarks or comments in the one opportunity provided to him. The Chair cannot guess whether the Hon. Member intends to follow up with other questions especially when a number of other Members rise at the same time wishing to be recognized.

However, the Chair is always in the hands of the House. If the House is disposed at this time to allow the Hon. Member for York-Peel to ask his additional questions, so be it. Does the House agree?

Some Hon. Members: Agreed.

Mr. Stevens: I thank Hon. Members and yourself, Mr. Speaker, for your and their courtesy.

As you will recall, the main thrust of my question was whether the Hon. Member felt that this new peace institute should be a government organization. I took from the tone of his response that he found this to be a very difficult question. He referred to what had already been dealt with, Clause 28, and the changing of the word "shall" to "may".

My second question deals with Clause 32. He will note it has the effect of adding the new peace institute to a schedule entitled "Other Government Institutions". Clearly the Government intends this to be another government institution as the legislation is now drafted. Is this something the Hon. Member would like to see changed?

Mr. Deputy Speaker: Having complimented the Hon. Member, I must remind him that at second reading stage his comments should be of a general nature and not go into the detail of the Bill, which study is reserved for committee stage. However, the question was put.

Mr. McRae: Mr. Speaker, I just do not quite follow the line of questioning. I understand what I have been asked but I am not so sure that I understand what the Hon. Member is attempting to get at. There are various kinds of government organizations, some of them fairly close to the Departments where they function, some at arm's length. For example, the IDRC is a fairly independent organization. What I am saying is that it has to be a body which is independent of government Departments. The degree of independence is the crucial point. There must be a way of funding so that once the institute is on its own it will function independently. But it is still a government organization.

I hope the Hon. Member is not suggesting that it should be funded by the private sector as some kind of a foundation. That is not what I want. I want this to be a government-funded organization but with the Government at arm's length.

Mr. Stevens: Mr. Speaker, would the Hon. Member then agree that the Library of Parliament might be a better model in that it is responsible to the Speakers of this and the other place, as well as to a joint committee, and is funded by a direct appropriation from Parliament? In short, it answers to Parliament, not to the Government of the day.

Mr. McRae: Mr. Speaker, I have not thought of that particular model. It seems to me we could look at it. That might very well be just as easy, although if you had an endowment it might be simpler.

If a Government is in power—and the Hon. Member and his colleagues beleive they may at some point come into power—the Government tends to direct Parliament. We are a parliamentary system, not a Republican system where you have separate executive and legislative branches. It seems to me that even though we are a parliamentary system, there would be quite an independent approach through the committee. Fundamentally, in our system the Government has to be in charge. If we want to change the system, that is a whole different ball game, but the Government tends to be in charge of Parliament. It has the votes to do what it has to do. Therefore, I just wonder if we are getting into something that does not mean very much.

Mr. Deputy Speaker: For debate, the Hon. Member for Victoria (Mr. McKinnon).

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, I have followed the debate with considerable interest since it began. I would like to compliment the Minister for his paticipation. I understand he has been travelling a lot lately and his speech was, in relation to the length of his trip, short, I suppose.

Mr. Nowlan: Inversely proportional.

Mr. McKinnon: Yes. He made a couple of remarks which indicated he was perhaps exhausted. He referred to a country like Canada which does not have nuclear weapons. That will be a great joy to many people who have been wishing for years that we get rid of nuclear weapons, if he is telling the truth. Otherwise he does not know about the nuclear weapons we have in various parts of the country as air to air missiles, and which have been a source of considerable conflict.

Mr. MacEachen: They are on the way out, you know that.

Mr. McKinnon: The Prime Minister (Mr. Trudeau) announced in December that they would be out of Canada by the first of July. I am rather surprised that the Secretary of State for External Affairs (Mr. MacEachen) does not listen to his Prime Minister as carefully as I do.

Mr. MacEachen: Split some wood, not hairs.

Mr. McKinnon: The other remark he made, which leads me into the main part of my speech, was that this institute could not and should not duplicate work done abroad. There are an awful lot of institutions in the world, 264 by count, which do work similarly to what we envisage. Most consider themselves to be international institutes. I noticed that the title of the Bill puts the word "international" in a different place in the sentence. It says, "the Canadian Institute for International Peace and Security", whereas a world-famous institute calls itself the International Institute for Strategic Studies.

I notice the U.S. has 60 or 70 of these institutions. Some are more prominent than others, and most are prominent because they have established a record of precise, objective work. Everything else tends to fail in this field or else becomes the Bible of single purpose groups who can read what they want to read in some of the inferior books and papers published by the lesser known institutions.

• (1610)

I would like to speak for a moment about the International Institute for Strategic Studies. If we are going to have an institute that is supposed to study international affairs, I believe that we should have a good one. It is difficult for me to understand at the present time exactly what the Canadian Institute for International Peace and Security is going to do, what its main role is going to be and what its subsidiary roles will be. They seem to change with every speaker. I think the International Institute for Strategic Studies is the top institute of its kind in the world. That institute says it has three major functions: research, information and debate. They put out some publications, namely, *The Military Balance, Strategic Survey, Adelphi Papers* and *Survival*. These come out as

glossy books filled with tables. They are certainly accurate. The Stockholm International Peace Research Institute puts out a larger book which is similar but has much more in it than the tables. Those are the two best of the breed.

We want to avoid books such as the pair I have in my hands. One is entitled *Soviet Military Power* and the other *Whence the Threat to Peace*. They are very similar to each other. One would have to know the books to guess which one is published by the Soviets and which by the United States. Those two books are not used as reliable references. It is not that they ever lie to anyone. Everything in there is true. However, they are very selective about the truths they tell. A description of Soviet power described by the United States bears a remarkable resemblance to American power described by the U.S.S.R. However, when they describe their own power they are always on the weak side. They are just little country kids trying to get along in this world. I would recommend that neither one of them be taken seriously.

We should stick with the International Institute for Strategic Studies and SIPRI, the Stockholm International Peace Research Institute, and we will not go far wrong. You can check them against each other. Their tables always agree with each other. SIPRI discusses the terrible armament sales to Third World countries, which is one of the black marks in our society these days. These lists cannot be found in the publications of the International Institute for Strategic Studies. I notice that Canada is listed. We stand sixteenth as a producer of arms. Our main customer in the world is the Ivory Coast, which may surprise a few people. We really are a very small player in that particular international scene.

It may be worthwhile to understand the funding of these various organizations. The Stockholm International Peace Research Institute is funded by the Swedish Government in its entirety, as far as I can understand from reading the foreward. It has an interesting method of control. If we are going to produce a world class organization, I doubt if we will do it with even a preponderantly Canadian board of control. The Stockholm International Peace Research Institute is an independent institute for research into problems of peace and conflict. It was established in 1966 and is financed by the Swedish Parliament. The staff, the governing board and the Scientific Council are international. As a consultative body, the Scientific Council is not responsible for the views expressed in the publications of the Institute. So there is a difference between the Council and the Institute. Of their governing board, the chairman comes from Sweden and the vice-chairman is from the United Kingdom. Mr. Tim Greve is from Norway. The next two gentlemen are from the German Democratic Republic. The next one on the board is Professor Mates from Yugoslavia. There is also Professor Röling from the Netherlands and the director, who is presumably an executive director. He is Dr. Frank Barnaby from the United Kingdom. That is one system of organizing it and it works very well for them. I realize Canada is interested in having a majority, but I do not think we will get recognized internationally for our dependability and breadth of vision with an all-Canadian group, much as I wish that we could.

When I look around the national scene to see whom we could put on the board of directors, I find that the list is pretty short. We could have people such as Dr. Lindsey, who is an internationally renowned judge of armament and disarmament. Perhaps we could have Professor Dan Middlemiss, who is an objective viewer of the scene and knows what he is talking about. If we want to look for someone younger, Nick Stetham is a good man.

The International Institute for Strategic Studies is a slightly different organization. The structure of its council is composed of 30 members headed by a Chairman, a Vice-Chairman, an honourary Treasurer, President and four Vice-Presidents. Fifteen countries are represented. They have a staff of 25 people who are paid. They are financed by members' dues, which are $50 or £25 for a full member, $50 for an associate member and $240 for a corporate member. They are also financed by sales of publications, grants from American, British, German, Italian and Japanese foundations as well as donations. The budget for this year is £460,000. That is not all that different from what our budget is going to be for our organization. I hope we can turn out something as good as they do.

I am rather disappointed that in this older entry there is no mention of Canada's contribution. Our National Defence Department has made a contribution of $50,000, I believe, to this organization. The Minister worried me when he said in his speech that we could not have the institute duplicating work and that it should be complimentary to the organizations that are present here. I would have wished for a co-ordinating role for this organization that will be paid for entirely by the taxpayer. The forecast for the 1983-1984 defence budget indicates expenditures of $27,000 for the military and united services institutes, $586,000 for military studies at Canadian universities, $50,000 for the Canadian Institute of Strategic Studies, and $50,000 for the International Institute of Strategic Studies. They certainly see the value of the organization in London.

Another organization of a totally different type is the Centre for Defence Information in the United States. It is one of the 50 or 60 institutes they have there and is probably one of the best known. It operates entirely on donations. Its Director, Rear Admiral Gene La Rocque, boasts that it is "the only organization of its kind that does not accept government money or money from defence contractors". The Centre for Defence Information was set up by Admiral La Rocque in 1972. After reading its work I feel that it has, unfortunately, some bias against the present Government of the United States. I do think it operates with a political bias, as do several other organizations.

To try to set up this institute with the Bill which we have in hand is going to be extraordinarily difficult, particularly with the powers that are vested in the Cabinet. I believe that is what most of the controversy is about at the present time. The Cabinet has decided that it will do most of the picking and

choosing of the people involved. For example, the Bill states that:

> The Directors . . . shall be appointed by the Governor in Council to hold office for such term not exceeding three years as will ensure as far as possible the expiration in any one year of the terms of fewer than half of the directors so appointed.

This is probably the exact same thing that covers the board which is appointed by the Governor in Council to run Canadair and de Havilland. Those are government boards appointed for running organizations which they know nothing about. If that is the way it will be, there will be one extremely important person and it will not be the chairman, who will also be appointed by the Governor in Council. I shudder to think of some of the people the Government might pick.

● (1620)

The executive director is the chief executive officer of the institute. He is also appointed by the Governor in Council. His function is to run the organization and hire the staff. What kind of staff would there be if the executive officer was the Hon. J. P. Goyer or someone like that? I am very concerned about that position and the fact that there will be no input unless one is a Cabinet Minister in the current Government.

I very much favour this amendment taking the selection of these people out of the hands of the Cabinet and giving it either to the Standing Committee on External Affairs and National Defence or a meeting of the House of Commons where the various options could be presented to us.

The Vice-Chairman will be elected by the board. Clause 10 states:

> The Board shall elect one of the directors, other than the Executive Director, to be Vice-Chairman of the Board.

According to this Bill, that is the only duty given to the board. After they elect the vice-chairman, they can go back to wherever they came from while the executive director continues to run the firm on direction from the Cabinet. I do not believe that that is the proper procedure.

I would prefer that the Bill be changed. While the purpose of the Bill is exactly what we need, in order to have a world class organization we must be very careful about how it will be structured, how people will be selected and what their terms of office will be. Will they have independence from the Cabinet? I do not believe that Canadair has independence from the Cabinet or from the Minister of Transport. I doubt very much that the provisions of this Bill will permit the organization to have independence from the Minister of National Defence and the Secretary of State for External Affairs. The directors themselves have a sinecure that might make them happy, but I do not think it will do much to increase the knowledge of Canadians about External Affairs at the present time.

I believe the only two items of importance in Clause 4 which lists the purposes are Clause 4(1) to "collect and disseminate information and ideas on international peace and security", and Clause 4(d) to "foster, fund and conduct research on international peace and security issues of particular interest to Canadians or to the Government of Canada". These are strange words to use. How can matters be of particular interest to Canadians when we are talking about world peace? It is rather difficult for me to understand.

I am also totally baffled by the funding of this institute. While there is provision for $1.5 million in the coming year, which is to go up to $5 million, I notice that a small section of Clause 5 provides that the institute also have the authority to acquire any property, money or securities by gift, bequest or otherwise. Presumably this means that it would be open to public funding, if someone wished to contribute money to it. I am not sure whether in hard years the Government might not use that provision as a barometer and cut down on government funding and tell the institute that it would have to do as the local museum does and raise money on its own. It is not satisfactory to allow the possibility of public funding without responsibility for deciding whether it will use it or not.

My main concern lies with the selection of officers. We would like to have it taken out of Cabinet hands, particularly at this stage in our political life when an election is coming, whether the Government wants it or not. It is not the time to leave behind three years' worth of political hacks for the rest of us to deal with.

Mr. Deputy Speaker: Questions or comments?

Mr. Sargeant: Mr. Speaker, I generally agree with much of what the Hon. Member has just said, especially about his concern about who might be appointed to this board if it is left in the current definition.

Could he expand a little on how he would prefer to have members of that board appointed, including the executive director? His colleague from Don Valley West (Mr. Bosley) suggested earlier today that this be done by the Standing Committee on External Affairs and National Defence on a consensus basis. I question how that would work. What would happen, as might well be the case, if no consensus is obtainable in the committee? We know that these committees are set up with the majority of the Members being government Members. What would happen to the board if this process became stalemated in committee? Might it produce a stalemate in the entire operation of the organization?

Mr. McKinnon: I think the Member's question reflects the analogy of a man at the age at 90 who said he rather likes the life he is leading when he considers the alternative. That is how I feel in this case. When we look at the possible difficulties of the committee's selecting someone, let us consider the alternative, which is the Cabinet picking a friend or defeated Liberal candidate. There will be many of them available in the months to come.

However, I would trust the committee to do the right thing before I would trust the Cabinet to do the right thing with respect to selecting those people, particularly if it is in a period when we are getting closer to an election and some of the monolithic group over there would possibly get some urging toward freedom and decide to stand up for their principles.

Mr. Skelly: The comments about the funding mechanism available for the peace research institute was fairly interesting. Is it the Conservatives' philosophy that the organization will have to collect funding through bake sales, or would a Conservative Government guarantee an appropriate level of funding for the peace research institute? I was apprehensive about the Hon. Member's comments that funding would be flexible and it may have to depend on private charity. Would he clarify his position in that respect?

Mr. McKinnon: Mr. Speaker, my objection to the funding as provided for in this Bill concerns the vagueness of the clause which permits it to acquire property, money or securities by gift, bequest or otherwise. It leaves it up in the air. I assume that is the purpose of it, to make it flexible. I would prefer to see it funded entirely by the Government.

To put it in another way, I do not understand why the Government wants to give it the ability to acquire property, money or securities. If we are going to have this group and it is to be appointed by parliamentarians, then Parliament should pay for it. I would prefer that to having the Cabinet pay for it under Cabinet direction by two Ministers.

Mr. Blaker: Mr. Speaker, I was somewhat puzzled by the remarks made by the Right Hon. Member for Yellowhead (Mr. Clark) earlier today and subsequently by the remarks made by the Hon. Member for Don Valley West (Mr. Bosley). I would like to understand what proposition is being put forward by the Hon. Members of the Official Opposition about how this factor of independence can best be achieved, given the fact that we have the British parliamentary form of government, known otherwise as responsible government.

Would the Hon. Member for Victoria (Mr. McKinnon) tell us what he believes could be an alternative organism to Cabinet for appointing the chairman, board of directors and executive director of this institution? I say that not in an argumentative sense. I say it because I have sat here today and I would love to understand what alternative option is available and justifiably available. If the Hon. Member is suggesting that it would require the Members of the Standing Committee on External Affairs and National Defence to make an appointment of the executive or the board of directors and chairman of this institution and then he refers to a consensus, I begin to lose track of what he means. I do not know of a system of parliament or a system of government, either one of them, that has been used in that sense. I have never heard of that type of appointment system before. I would love to be educated on it.

• (1630)

Mr. McKinnon: Mr. Speaker, I sympathize with the Hon. Member about his confusion with the word consensus. He has not had an opportunity to find out, but Cabinet committees operate on consensus. Although that itself bears some argument at times as to what a consensus is. It is generally thought of as being very close to totality, but not necessarily so. It keeps individuals from having a veto in committees.

As far as the funding goes and the organization that should look after this, recommendations have been made by the Leader of the Opposition (Mr. Mulroney) to the Prime Minister, and I understand a recommendation by the Leader of the New Democratic Party (Mr. Broadbent). I am not privileged to divulge them. This afternoon the Hon. Member for York-Peel (Mr. Stevens) made a suggestion that the institute could operate in the way the Parliamentary Library does, which is operating, as far as this side is concerned, very, very well indeed. The Library has a good executive director. He picks a good staff and they do well. I cannot see any reason why we could not do the same with this proposed institute.

Mr. Blaker: Mr. Speaker, does the Hon. Member for Victoria (Mr. McKinnon) not understand that funding for the Library of Parliament is accessed through the Standing Committee on Management and Members' Services? The fact is that the Library is run under the management of the Commissioners of Internal Economy, all of whom are Cabinet Ministers. That is our principle of responsible government. How does the Hon. Member propose to fund this committee? How does he propose to appoint members to this institution? How does the Hon. Member propose to run it? The example he gives confirms perfectly that in a responsible sense of British parliamentary democracy it is Cabinet Ministers who have to dispose of funds. Now the Hon. Member is proposing some committee of the House of Commons—or should we perhaps ask the Library of Parliament research committee whether or not it feels it should fund the peace institute? We would like a little clarity if we could.

Mr. McKinnon: Mr. Speaker, it is not my duty to write Bills because the Government is unable to write one that is satisfactory to Parliament. I think the group on this side of the House would prefer to have as much independence as possible for this institute. We feel that it would be absolutely impossible for the institute to have its independence if we go along with this Bill, which will give the Cabinet an ability to put its finger into the business of the institute at any time it wants. Indeed, there is a particular exception for the Secretary of State for External Affairs. If the Secretary of State for External Affairs can tell the institute what to do and if he wants some advice on any area or subject, he can insist the institute do it. That is the kind of interference we really do not want.

Mr. MacEachen: You do not want the Minister to be enlightened?

Mr. Deputy Speaker: Order, please. For debate, the Hon. Member for Esquimalt-Saanich.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my intervention this afternoon will consist mainly of probing the Government to find answers to questions that are not satisfactorily answered in the Bill as it now stands. I think that is a very proper procedure on second reading. There are matters here and there will be comment and criticism as well of the Bill as it stands. But also, at least in the first part of my intervention, there will be some inquiries as to where the

Government thinks it is going with this institute and why it is doing it at this time.

That, indeed, is my first question. It is a question of timing. Why in the spring of 1984 in Canada, in Holy Week, has this matter been brought before the House of Commons? I have heard it said that Holy Week is considered in some church circles as the week of peace. That is a very appropriate stance for the churches to take at this particular season of the church year. I do wonder, however, whether the Government is trying to come under this umbrella and make use of that particular time of year to sneak in its proposals about a peace institute.

The other question that comes to my mind, and I do not know whether I will ever get an answer to it, is whether there is some relationship between the introduction of this Bill now when the Government is talking about June 16 as a deadline for its completion and the retirement of the present Prime Minister (Mr. Trudeau). Or whether there is a thought in somebody's mind that maybe the present Prime Minister should be the chairman or the executive director of this institute as a form of occupation after he ceases to be the Prime Minister of Canada. Is that what lies behind the timing of this Bill? I think the whole country is interested in that. That matter of peace has been before the world for centuries. I venture to suggest that those of us who have worn uniforms are the strongest advocates of peace. Those who know and those who have been under fire know what peace is and what peace means. We would like to see peace. I wonder also about the political implications of the timing, because it has been my experience that very little is done by this Government that does not have some political overtones, either to discomfort the Opposition or to further its own cause with the electorate at this time. There is an election coming. I think peace, a peace institute and the concept of peace are much too valuable to play with in this way. I suspect, nonetheless, that there is an element of politics in this, a very strong element.

What about the economic climate in which this matter is being introduced? Is this just a smoke-screen so that the problems of unemployment can be forgotten and put aside for a time? What about the problems of the economy, the national debt and inflation? These matters that affect the lives of so many Canadians, are they being put to one side, obfuscated and made less clear by this particular introduction? There were other times when this particular matter could have been brought forward.

I gather from the Hon. Member for Thunder Bay-Atikokan (Mr. McRae) that he has some notion that this institute is going to achieve peace in the world, that somehow or other Canada will act as the intermediary, the honest broker, the mediator between East and West through the medium of this institution and I wonder whether that is what the Government has in mind.

● (1640)

The other question which I have to ask myself I will ask aloud in the hopes that there will be a reply from the government side. It concerns the matter of haste. Why are we trying to rush through this matter just now? However, before dealing with that, there is one element which confuses me—the shift in emphasis in the title of this particular institute from the notion in the Speech from the Throne that this particular matter would be brought forward. We have heard the Speech from the Throne quoted before wherein it indicates:

> —the Government will create a publicly funded centre to gather, collate and digest the enormous volume of information now available on defence and arms control issues.

It went on further to indicate:

> The Government will increase its funding for voluntary associations and private research groups interested in security, arms control and disarmament issues. Resources for research and development of verification procedures, the basis of successful arms control agreements, will be expanded substantially.

The emphasis in the Throne Speech was upon defence, arms control verification and disarmament. The word "security" appeared there, and now we find it transmogrified or shifted in some manner or other and it has come out as the establishment of the Canadian Institute for International Peace and Security. Obviously there is a relationship between disarmament, international peace and security. Also there is a relationship—and I say this in pure objectivity—between armament and security. Therefore I find myself somewhat mystified by the shift in the wording as it appeared in the Throne Speech to the title as it now stands. I wonder whether this change of emphasis from the original purpose is intended to establish the linkage between defence and security, for example, or the linkage between arms control and international peace. What is it that underlies this shift of emphasis?

I think the Government owes Parliament an answer on that. I think it also owes the Canadian public an answer. The answers to these questions were not fully laid out by the Secretary of State for External Affairs and Deputy Prime Minister (Mr. MacEachen) in his opening remarks. I listened carefully to see whether he would establish that. Somewhere along the line, perhaps in committee or if the Minister intervenes at some time, we should be able to probe this particular matter and discover what motivated the Government to change its mind in this way.

I mentioned earlier the matter of the haste with which we are now being asked to consider this Bill. Timing is one thing, and I have mentioned that already, but the urge to get the institute set up and operating as soon as possible is another. That is a matter of haste. Why the haste? What lies behind the need to have this institute set up?

Some notion was expressed somewhere or other that the committee to which the Bill will be referred should examine this matter in a matter of a week or so. Mr. Speaker, do you know how many institutes and concerned people there are in this country who are concerned with peace and will want to make representations to the committee? I do not understand how the Government considers it possible between now and June 16—and the mysticism surrounding this particular date escapes me—for this institute, with all the flaws in the Bill, to become fact.

It is vitally important that the hearings before the standing committee be of sufficient duration to obtain the input of all interested and involved Canadians, be they individuals, the academic community or organized groups of one kind or another. I am sure the Council of Bishops would be interested in making representations, urging changes and urging that the institute be set up. I will not speak for that Council, but many organizations will want to make representations to the committee. I think a full opportunity should be provided to them for that purpose. It would be an error of prime importance if there was any intention to let the axe fall on these hearings or on the discussions of this particular Bill.

I urge that there be no precipitated or under-considered action on this matter. Perhaps it is possible to be consistent with the suggestion of the Hon. Member for Thunder Bay-Atikokan. Perhaps what is needed is a Canadian centre for East-West studies so that we could understand the problem and get to the root, in Canadian terms, of some of our troubles. When the Bill goes before it, the committee should be allowed to hear the matters fully, not cut off debate.

I would like to turn to the purpose of the institute as set out in the Bill. Aside from the uncertainty created by the confusion concerning peace and security on the one hand and defence, arms control and disarmament on the other, with which I have already dealt, there is or ought to be a strictly Canadian emphasis in the purpose of the Bill. We are all exploring. The Hon. Member for Victoria (Mr. McKinnon) mentioned the need for internationalization. I happen to feel that there is a very strong argument in favour of Canadianization and the insistence thereon. In fact, if we look at Clause 4(d) of the Bill, we find that research on international peace and security issues which the institute is to undertake shall be "of particular interest to Canadians or to the Government of Canada". I think that is most important. After all, we are part of the Parliament of Canada. Surely it is in our interests to ensure that Canadians, the Government and all institutions in Canada are aware of the issues involved in this matter. Clause 18 leaves open the national bias of directors. I find that just a little odd, but I will return to it if I have the opportunity. Clause 18 reads:

> The Chairman, Executive Director and at least eight of the other directors of the Board must be Canadian citizens.

This leaves open the possibility of appointing seven non-Canadians to the board of governors. I tried to find out from the Hon. Member for Thunder Bay-Atikokan what he had in mind and why he felt it was so essential that the directors be internationalized. Unfortunately, I did not receive a satisfactory answer. I myself am not clear in my mind why that should be.

● (1650)

I wonder if the Government will ever let us know what kind of people it has in mind for this board. Are academics, retired public servants, retired Prime Ministers, retired Cabinet Ministers or unelected former Cabinet Ministers to be nominated to this board of governors? I believe it is time we had some clarification on that matter. I mentioned a few people in the international field who might be in the Prime Minister's mind. I do not know whether it might be the former Prime Minister of Jamaica, Georgi Arbatov of the Soviet Union or anyone else. However, I think the time has come when the Government should give us some indication of whom they have in mind for appointments to these other seven positions.

How is such a board to preserve the Canadian focus of which I spoke a few moments ago? How will it focus on Canada's interests? The names of the people to be nominated are not forthcoming. We do not know what kind of Canadians the Government has in mind let alone what kind of non-Canadians.

I turn now to another very important matter which has been the object of the concerns of all our speakers, and that is, the independence of this institute from Government and its accountability to Parliament. I did not receive a copy of the Bill until last evening but I went through it fairly carefully and I was a little worried by the lack of independence provided for the institute by the Bill. I will turn to the lack of accountability in a moment.

I was struck forcibly by the comments of the Right Hon. Member for Yellowhead (Mr. Clark) this morning when he drew the attention of the House to Clauses 25 and 26 of the Bill. I had missed those clauses when I read the Bill last evening. Those who missed those clauses might well consider the words of the Right Hon. Member for Yellowhead. Clause 25 of the Bill reads as follows:

> The Board shall, forthwith after making a by-law, send a copy thereof to the Minister and the President of the Treasury Board.

Why should such a copy not be sent to Parliament as well? I do not think that that matter is too troublesome. However, Clause 26 reads:

> The Governor in Council may, by order, direct the Board to make, amend or repeal a by-law within such period as is specified in the order.

Is this independence of the Government, Mr. Speaker? I would ask the Minister that question to his face. Is this what he conceives as being independence of the institute from Government? As well, Clause 27 is relevant to the matter of independence.

I believe that it is absolutely essential that this institute be independent. There should be no question about its independence. There is a means of ensuring this. I believe it was the Hon. Member for Lachine (Mr. Blaker) who asked how independence could be secured by the process of having the standing committee approve proposed directors. He asked what would happen if consensus could not be reached. My answer to that is that we would bring forward another nominee if a particular nominee did not receive the approval of the committee. He may have had the approval of the Government—

The Acting Speaker (Mr. Guilbault): Order, please. The Chair regrets to interrupt the Hon. Member but his time is up.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, I regret that as well. I still have a great deal to say.

Mr. Skelly: Mr. Speaker, I enjoyed the stream-of-consciousness contribution of the Hon. Member and I especially enjoyed his indication that the Conservative Party was interested in receiving more input from Canadians and was very concerned about tension-reduction mechanisms. I recalled the speech of the Right Hon. Member for Yellowhead (Mr. Clark) who travelled around the country talking about input from Canadians. A great number of Canadians appeared before his committee indicating that they were extremely concerned about the testing of the Cruise missile in Canada. In later news reports, the Right Hon. Member for Yellowhead indicated that even though there was an enormous amount of input opposing the Cruise missile, it was unlikely that that would change his Party's opinion on the subject.

I wonder how that particular statement squares with the comments made by the Hon. Member for Esquimalt-Saanich (Mr. Munro) about tension reduction. How does he explain that conflict? We are looking at a peace research institute that is designed to reduce conflict and provide confidence-building mechanisms. Yet the Conservative Party endorses the testing of the Cruise missile and Conservative members refuse to listen to input from the public even though they held public hearings on the matter.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, if the Hon. Member for Comox-Powell River (Mr. Skelly) wishes to increase tension by keeping this matter alive, he is perfectly at liberty to do so. What he neglects to take into account is the fact that the name of this institute is the Canadian Institute for International Peace and Security. Security simply means security for the population of Canada.

With all due respect, Mr. Speaker, I would place NATO in the forefront of the peacemakers of this world. NATO has maintained the peace in Europe for a good many years. Let us not forget about that. That means security for Canada.

I believe I have answered the Hon. Member's question about the Cruise missile. The Cruise missile deals with security and will deal with security in the future as well. Therefore, I do not see any inconsistency whatsoever between supporting the testing of the Cruise missile and supporting this particular concept.

Mr. Prud'homme: Mr. Speaker, could I ask my friend a question? Since he and I were very active on the committee to which the Bill will be referred, it being the Standing Committee on External Affairs and National Defence, and since I will have to chair that committee unless you see otherwise, Mr. Speaker, could my friend give me an indication as to how long he thinks that committee should sit? I am prepared to sit on that committee if I am ordered to do so. I have always done so with pleasure.

The hon. gentleman said that we should not hesitate to call individuals, groups and organizations before the committee and that we should hear from them fully. I am not opposed to that and have no particular views regarding the length of time that this would take. However, since the Hon. Member raised the issue, could he give me some indication of the time this would take? Would we sit five days a week for a month or three days a week for a month? Could he give me an indication so that we can prepare ourselves mentally to do a good job and return to the House a very good Bill?

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, I fully agree that the Hon. Member is a faithful Chairman of the Standing Committee. He is the servant of that committee on all occasions and will work overtime chairing it. As to how long the hearings should last, I have no idea. It depends entirely on how many organizations, individuals and groups seek to be heard. I believe they should all be heard, Mr. Speaker.

[*Translation*]

The Acting Speaker (Mr. Guilbault): Order, please. It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*Translation*]

The Acting Speaker (Mr. Guilbault): Shall all orders and items preceding item No. 90 stand by unanimous consent?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Guilbault): Agreed. They stand by unanimous consent.

* * *

• (1700)

[*English*]

DAILY NEWSPAPER ACT

MEASURE TO ESTABLISH

Hon. Jim Fleming (York West) moved that Bill C-226, an Act to ensure, at the national level, competition and independence of the daily press, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

He said: Mr. Speaker, I appreciate this opportunity, my first chance to put forward a Bill in Private Members' hour for some years. It is a very important issue for discussion this afternoon. Always the optimist as a Member of the House of Commons for some 11 years, I hope that it might gain support from all sides of the House, or at least go to a vote. I will not

waste a lot of time pleading that case, knowing tradition during this hour.

This Bill is entitled "an Act to ensure, at the national level, competition and independence of the daily press". The Bill is essentially a carbon copy of a Cabinet-approved Bill put forward during this Parliament in response to the royal commission on newspapers in Canada. The only exception is the exclusion of the part of the Bill dealing with a national newspaper advisory council, its establishment and the creation of an endowment fund, and within that same section the offering of matching grants of up to $50,000 for up to three years for daily newspapers in Canada which would open up new bureaus outside of the region in which they are located or outside of Canada and reporting back to Canada.

I say that for clarification as I begin to make my presentation on this Bill. First, as we all know, Private Members' Bills are not allowed to put forward the expenditure of money. This removes that possibility. I might say that we do have across Canada, since the report of the royal commission and the proposals by the Government that followed at that time, the development of volunteer press councils across this country. Previously there were only press councils in Ontario, Quebec and Alberta. Frankly, in Ontario, less than half the daily newspapers with far less than half the daily circulation belonged at that time. Now almost all daily newspapers in Ontario belong and almost all in Quebec. Indeed, we now have a council for the Maritime provinces, a council for Alberta and Saskatchewan, a new council in Manitoba and a new council in British Columbia.

I am heartened by that, although I am still concerned about the issue of credibility of those press councils. They are largely funded by the publishers. The first set of appointments to those councils are made by the publishers. Often editorials and journalists suggest that we must not show either a conflict of interest or a perceived conflict of interest. Therefore, I see some problem with that credibility. The proof will be in how they perform. I want to be an optimist on that. When so many of our Canadian cities have only one daily newspaper, at least there is a place where individuals can go to vet their grievances.

In the case of the grants, which are not included in this legislation but were in the proposed daily newspaper Bill, there was a great deal of hyperbole from the newspaper industry about how they would not accept money from the federal Government, how that would somehow be government trying to get into the newsrooms of the nations. I found that absurd. There is no excise tax on newspapers. That is an allowance of government which saves newspapers in Canada many millions of dollars. The press facilities on Parliament Hill must cost many tens if not hundreds of thousands of dollars. They are used without question. I certainly do not see the press being bought off by having those facilities. There are postal subsidies which are of assistance today, particularly in western Canada, in helping some dailies reach their customers.

The complaint against the grants is a bit hollow. At least as I pass that part and note that it is not included because of the costs involved and therefore not allowed in a Private Members' Bill, I make the point that the Kent Royal Commission found, and I very much agree with it that, sadly, in this country there is very little reporting from one region to another. Out of that comes our continuing lack of understanding of each other as Canadians. When we count so much on our place in the international scene, and certainly 25 per cent of our Gross National Product relates to exports, we should have more Canadians in key centres around the world and experts on Canada reporting back to us.

I now want to move to the two major issues which are included in what is left of this Bill, which is almost word for word the same as the previously proposed Cabinet-approved daily newspaper Act. Those two major issues are the issue of concentration of ownership of daily newspapers in Canada. The second is to establish in principle for future purposes in the starting up of newspapers editorial independence from other interests.

First let me deal with the issue of concentration. In English Canada two chains, Thompson and Southam, now control almost two-thirds of daily newspaper circulation. They have arrived there within the law. That is not my attack. That level of concentration, as I will try to argue over the next few minutes, can have a critical effect upon what a free press must be in a democracy like ours.

Second, in French speaking Canada the concentration level by chains is 90 per cent or more, the difference being that in Quebec most of those chains are in head-to-head competition with each other. In the case of English speaking Canada, those two chains generally have exclusively to themselves, one or the other, a particular daily newspaper marketplace.

I believe at the national level, when we now have a higher level of concentration in this country than in any other democracy in the western world, a level of concentration of ownership four times as large as that in the United States, surely the time has come when we must stop this and encourage more competition.

When we use the famous phrase of free press, some publishers and indeed editorialists believe that it means it is free for them to use as they see fit. Indeed, that is an element, but finally and essentially a free press belongs to individual Canadians. Canadians have a right to a whole diversity of views and expressions of newspapers and information available for them to make their judgment on society at the local, provincial and national levels. A free press is the right of individual Canadians and of our society, not a right of parliamentarians, government or the publishers. It is a right of the people.

The free press must be diverse in order that we will have competing sources. Competing sources of information means a number of things. It means that journalists have mobility. If there are only one or two big bosses to work for, your boss does not like what you are doing, you feel in conscience you are honestly reporting something and you know there are not many other places to get a job, that may well hamper your ability to be an independent and outspoken journalist.

Second, when there is competition in the press, there is pressure for accuracy. If two papers in the same community, and very few communities now have two dailies, are competing with each other, there is a much better chance of a story of controversy being reported correctly. There is a better chance when that story is reported that the facts will be accurate.

Certainly at the national level, reporting on national occurrences, such as on this Parliament which is the heart of our democracy, the more competition, the more chance that diverse views will be expressed accurately. I suggest that when increasingly fewer and fewer own more and more of our daily press, with all the benevolence in the world on their part, that militates against having as much access for people with different views, for a greater variety of columnists, for greater pressure for accuracy of the information reported. It simply limits the amount of pages put out for various news stories to reach the public.

I also argue that with more concentration of ownership, more and more the newspaper becomes a business and in balance less and less something special which is the basic tool of democracy. I am not one of those who argue that a newspaper should operate, forget the bottom lines and not turn a profit.

But I also argue that there is a special responsibility, that newspapers are something special and that it is important that there be a conscience and concern, a responsibility to deliver information, to have controversy, to report facts, to put out stories that sometimes may not make you as the editor popular. As the head office gets further and further away, the individual daily newspaper becomes just one more piece in an empire, more and more head office will count the pencils. More and more head offices will have one columnist for all the newspapers. More and more there is the danger, when you are not competitive in individual marketplaces, that you will have less and less local content. All of that, I suggest to you, is one of the dangers of the very high level of concentration of ownership which we have in this country in the daily newspaper business.

• (1710)

I suggest to you, Mr. Speaker, that this Bill, in combination with the cross media directive which I myself and my colleague, the Minister of Communications (Mr. Fox), worked on and sent the CRTC some months ago; that tougher rule on cross media ownership in individual marketplaces, along with this Bill, providing a national limit on concentration of ownership, will encourage others to grow and the big giants to stop, which surely is an incentive for a more competitive news marketplace.

I believe it is not in the interests of our country, our society and of our democracy to have the dream of going back to individual singly owned newspapers across this country, but more to have economies of scale, to have a number of competing media or information companies. They can own radio stations, television stations or daily newspapers, but they cannot dominate in any single marketplace and they would compete with each other as media companies on a national scale in Canada.

This very serious issue has been put under intense scrutiny at least once a decade for the last three decades, either by a major Senate inquiry such as the Davey Senate Committee, or earlier by the O'Leary Committee, or the Massey Royal Commission. For us not to act is an invitation at a crucial time in our history, a time of regional stress, a time in which advanced communications have led to some disruption and imbalance and individual and parochial demands. I believe not to act on this issue and at this time to stop further concentration at the very least is to threaten the health of our democracy and that fundamental right to a free press which we now have in our Charter of Rights.

There is a danger for the Southam chain, the largest. It owns not as many newspaper properties as Thomson but owns some very big newspaper properties. It is a company which many witnesses before the Kent Royal Commission suggested seems to be largely an information company, a company which appears to continue to have that traditional interest in news and diverse views and not just the bottom line, as was the accusation made by many to me and, in turn, to the royal commission about the Thomson chain generally. The danger is that Southam's is vulnerable with no limit on concentration. If this act comes into force they cannot get any larger, and in the future no one will have more than 20 per cent. If Southam or Thomson are sold, they will have to be sold to a company other than the major competitors so that others can grow and there is more competition.

Southam's is vulnerable, for lack of action, to someone who wants what I think the Kent Commission called a "cash cow" operation. A buyer might think that Southam's spends a lot of money on editorial content. It seems to have expenditures which the purchaser could cut. They could pay a pretty healthy price to get that company. They could cut back on the expenditures for news content and come out with a very profitable operation. And who would suffer? Canadians would suffer who count on that information to make their judgements about their lives here in our country.

Already Thomson and Southam publishers dominate our only major national news service, Canadian Press. They deny that, of course. They insist they sit there as individual publishers. However, they must be a superior lot if, unlike the rest, the best part of our society, they are not aware of who their boss is and what the interest of that boss is.

On the issue of editorial freedom, the second part of this Bill, Mr. Speaker, what I would like to focus upon is simply that there has been some suggestion that the new competition Bill, the new combines investigation legislation which is to come before this House soon, would remove the need for this particular action which the Cabinet agreed upon. I simply do not believe that is true. First, let me say that totally absent from that new competition legislation is any measure which would deal with the Kent Commission's major concern, that if you largely own other things than a newspaper, and you are running a newspaper, too often that editorial room, even

without a phone call from head office saying, "Do not report on our labour disputes" or "Do not report on the criticism of the machines we turn out in another part of this company", just by the very knowledge that head office also has those other interests, the story might not be reported or as well reported. That was a major concern of the Kent Commission.

The proposal in this Bill is that if someone who is largely not in the information business is going to buy a newspaper or start up a newspaper, they would simply have to go to the Restrictive Trade Practices Commission and demonstrate how they would ensure that that editorial room was independent of other interests. The penalties are not great because we only have the right to inquire. But that public focus, that need to be judged so that the public can point the finger and say, "Indeed, that is your intention," the independence that that would give to such an editorial operation seems to me to be very important, and it is totally absent from the proposed new combines legislation.

I also want to note that during my time as Minister responsible for the government reaction to the royal commission, the indignation of most of the publishers, in my view, approached the ridiculous. Concerns about concentration of press ownership have been tackled by most western democracies. I mentioned earlier some detail on that. That includes Britain, Germany, France, Italy and even the United States. Therefore, we quiver and shake and say, "Politicians, keep your hands off newspapers". I agree that no government, no politician, should have the ability to impact on or influence the editorial room, the news room. On the other hand, Parliament should not stand back when concentration of ownership, by the admission of all the publishers I have spoken to, has reached a point when that concentration of ownership can become dangerous, although they would not say exactly what that level was. When concentration endangers the free flow of information, diversity, accuracy, the mobility of reporters, then surely it is the responsibility of parliamentarians to act.

A free press does not belong to press barons. It is just the opposite. It is a principle which is fundamental to a healthy democracy. A free press means a free flow of information, neither intimidated by government censorship or the censorship of free flow which becomes possible and even likely when too much is held by too few.

This Bill is a minimum. It is limited. It is cautious but it is fundamental. It limits to 20 per cent the amount which can be owned in the future. It does not roll back. It encourages others to grow, and thus encourages competition. It notes the principle of editorial independence while keeping government completely away from the news room. Along with the already adopted cross media directive, it at least stops further concentration and declares the essential principles of competition, limits on concentration of ownership, and the independence of editorial operations from the other interests of the owner. To oppose this Bill is to support a less diverse, less free, less independent press in Canada. It is to climb in bed with a powerful few and to leave out in the cold more and more individual Canadians, in all their diversity and with all their need for and right to diverse information and views.

Parliament works because the system forces us to keep each other on our toes, open to competing views, positions and criticisms. That same pressure of competition and competing views is essential for the maintenance of a free press. Newspapers are special. They set the news agenda. They are more permanent. They are the printed record and have a special credibility. To ignore what has been happening in the Canadian newspaper industry, to bend to the vocal, powerful and largely self-serving few who already dominate, is to invite a weaker and a poorer democracy. I urge you all, my colleagues in this House, each of us as Private Member, to support this Bill and the fundamental freedom it is attempting to protect.

* * *

[*Translation*]

MESSAGE FROM THE SENATE

The Acting Speaker (Mr. Guilbault): I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill C-3, An Act relating to cash contributions by Canada in respect of insured health services provided under provincial health care insurance plans and amounts payable by Canada in respect of extended health care services and to amend and repeal certain Acts in consequence thereof, without amendment.

* * *

[*English*]

THE ROYAL ASSENT

The Acting Speaker (Mr. Guilbault): Order, please. I have the honour to inform the House that a communication has been received as follows:

Government House,
Ottawa

April 17, 1984

Sir,

I have the honour to inform you that the Honourable Brian Dickson, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 17th day of April, 1984, at 5.45 p.m., for the purpose of giving Royal Assent to certain Bills.

I have the honour to be,
Sir,
Your obedient servant,
Edmond Joly de Lotbinière,
Administrative Secretary
to the Governor General

• (1720)

[*Translation*]

DAILY NEWSPAPER ACT

MEASURE TO ESTABLISH

The House resumed consideration of the motion of Mr. Fleming that Bill C-226, an act to ensure, at the national level, competition and independence of the daily press, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Michel Veillette (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, we cannot remain silent about the historical background of this Bill. The Government has been interested in the newspaper industry for many years now. Hon. Members may remember, first the 1971 Senate report on mass media and, more recently, the Kent Royal Commission on Newspapers which reported to the Government. As a result of that report, the Hon. Member made public in July 1983 a series of recommendations aimed at regulating concentration and conduct in the newspaper industry. The purpose of those recommendations was to elicit public reaction and to draft appropriate legislative measures. The Bill before us today is only an offshot of the July 1983 recommendations. The first question, of course, is whether it faithfully reflects the public reaction. The 1983 Bill contained provisions which fell under three categories. First, it made it a criminal offence for anyone to own more than 20 per cent of the daily newspaper national circulation. This provision was to be administered by the Director of Investigation and Research appointed under the Combines Investigation Act.

Second, the Restrictive Trade Practices Commission was empowered to assess the editorial impartiality of newspapers taken over by non-media corporations.

Third, an advisory council would have been established to hear public complaints wherever such a council would not already have been created by the provinces. I see that Bill C-226 does not contain the 1983 legislative provision concerning a press council. Other than that, there is not much difference between the two Bills. We must ask ourselves whether this Bill is a good policy for Canada with respect to newspapers. The Bill we are considering flows from the assumption that the existing legislation cannot solve the problems of the newspaper industry. We have to know whether that assumption is still valid. In other words, is the newspaper industry so different from other industries that it has to be regulated by a special act? If it is, will Bill C-226 solve the problems of that industry?

If I may, Mr. Speaker, I would like to make a comparison with the situation before 1975. Before then, most service industries were not covered by the general act pertaining to competition in Canada, namely the Combines Investigation Act. Many distinguished Members of the House will recall that the Economic Council of Canada had raised a furore when it recommended that the service sector be governed by the Combines Investigation Act. The counter argument at the time was that service industries were different from manufacturing and resource industries.

And yet, service industries were responsible for a growing share of our national product. Fears were expressed that a wide-ranging legislation such as the Combines Investigation Act was not quite applicable to service industries. Indeed what a disgrace it would be to place the professions on the same footing as the manufacturing and the selling of products! It was pointed out that it was impossible to assess the quality or the quantity of the services provided. Many other objections were also put forward.

One of the major conclusions contained in the report of the Economic Council of Canada was that the competition policy should from now on apply to services. It said the following:

> There is, in our view, enough evidence pointing to the existence in the service sector of the anti-competitive practices detrimental to the public interest to lead to the conclusion that the continued exemption of parts of this sector from competition policy cannot be justified. We therefore recommend, first, that the *per se* provisions of the revised Combines Investigation Act be made applicable to all commercial activities, including services provided in connection with the sale or rental of land and buildings and the unregulated activities of "regulated industries". The only major exemptions would be those which already exist in respect of bona fide trade union activities, and arrangements between fishermen in British Columbia and their customers. Some *de facto* exemptions would of course also continue in respect of activities clearly subject to alternate social control in the form of direct regulation or public ownership.
>
> One of the effects of the recommended change would be to bring services related to "articles" immediately and clearly within the scope of the Act, without the protracted and socially wasteful litigation which the wording of the present legislation makes necessary in such cases. Personal services, such as those of hairdressers and travel agencies, would also be included, as would such business services as those provided by advertising agencies, building cleaners and telephone answering firms. The professions, financial institutions, a broad range of communications services, and all recreational services, including professional sports, would also be covered in so far as other types of social control did not apply.

The Council has observed a difference between goods and service industries in the sense that the products of the latter are intangible, and this creates problems, especially for consumers. Often, they are unable to check, return or resell what they are buying. In addition, they may have to purchase the service based only on an approximate assessment of the final costs. Such factors increase the need for competitive markets.

Another difference noted by the Council was the absence of import competition in many service industries. Actually, the nontransferability of some services also reduces internal competition.

While some people are asking that the law also apply to services, the Council had to examine whether some intrinsic aspect of true service industries justify their exemption simply because they provide services. After examining the question, the Council came to the conclusion that:

—while there are important differences in the nature of the products supplied by goods and service industries respectively, these differences are not such as to render an efficiency-oriented competition policy less relevant for service industries. On the contrary, it may in some ways be more relevant.

In 1975, the Combines Investigation Act was amended to apply to services generally. This is the policy of this Government with respect to competitive practices. This Government believes that the Combines Investigation Act should be universally applied.

As many are aware, in a few well-known cases, proceedings were undertaken against newspapers under the Combines Investigation Act. I refer mainly to the K.C. Irving case and more recently the Southam/Thomson case. Both these cases resulted in acquittals. Does this mean that a general legislation such as the Combines Investigation Act cannot be applied effectively to the newspaper industry? I do not know the answer to that. However, I doubt that such a conclusion could be drawn so quickly. Anyway, the Minister of Consumer and Corporate Affairs (Mrs. Erola) introduced a bill earlier this month to strengthen the Combines Investigation Act and make it more efficient. As many other members, I heard Mr. Fleming's comments on the legislation. Clearly, the Hon. Member for York-West feels that the Competition Bill cannot replace his own bill. In my view, the legislation put forward by the Hon. Judy Erola in many ways would deal much more efficiently with the newspaper industry than Bill C-226.

• (1730)

For instance, under Bill C-226, nobody could hold more than 20 per cent of the national, total circulation of daily newspapers. That provision is aimed at containing large newspaper chains. But competitionwise, would it not be better that there be a little more competition in New Brunswick for instance, where Irving controls 100 per cent of the market? An arbitrary figure bearing no relation to the relevant market would prevent the Southam or Thomson chains for instance from penetrating the New Brunswick market and perhaps compete efficiently with Irving. Moreover, there is nothing in Mr. Fleming's bill that would help remedy the situation in New Brunswick by making impossible for Irving to control 100 per cent of the provincial market.

On the other hand, the legislation put forward by the Hon. Judy Erola would require that large chains give notice to the Director of Investigation before going ahead with a merger. The merger would then be examined as to the degree of competition in the relevant market. Civil courts could issue orders to remedy the situation. That procedure in my view is more flexible and better adapted to the adjudication of newspaper mergers or takeovers than a bill based on arbitrary criteria leading to fines under criminal proceedings.

Under Bill C-226, the Restrictive Trade Practices Commission would make inquiries to assess the editorial independence of newspapers acquired by non-media corporations. Mr. Speaker, why should the Restrictive Trade Practices Commission be asked to get involved in such matters? In giving the Commission powers of inquiry, is there no risk of jeopardizing the constitutional validity of the Combines Investigations Act?

It is not my contention that an amended Competition Act will solve all the problems in the newspaper industry. Far from that. I submit however that we should rely as far as possible on general laws, such as the Combines Investigations Act, to regulate the newspaper industry.

In my view, Parliament should discuss first the amendments to the Combines Investigations Act as proposed by the Hon. Judy Erola. In the course of that discussion, the parties concerned could be invited to put forward their views to a Standing Committee. The extension of the Combines Investigation Act to the newspaper industry could be one subject the Committee could study in depth.

As indicated by the Minister of Consumer and Corporate Affairs, the Government is open to proposals for amending the Competition Bill, inasmuch as such proposals do not fly in the face of the aims of the bill. Although I commend the Hon. Member for York-West for his consistent efforts, I feel the House should look at other priorities. The special problems of the newspaper industry should be discussed at the relevant Standing Committee, during its discussion of Bill C-29, an Act to amend the Combines Investigation Act.

[*English*]

Mr. Jack Burghardt (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I welcome the opportunity to join in the debate on Bill C-226, the Daily Newspaper Act, proposed by my hon. colleague from York West (Mr. Fleming). As he has already stated, this particular Bill in essence was originally proposed by the present Government as a document to, some suggest, stimulate discussion, and not necessarily as a hard and fast policy position. However, be that as it may, the Bill itself was never brought forth and introduced in Parliament. A great deal of discussion and comment has resulted. Hopefully, the present Government has taken the comments, views and wishes of those who have made representations regarding the original Daily Newspaper Act into consideration. That is perhaps the reason the legislation is not being presented by the Government.

In addressing Bill C-226, I would like to recall the circumstances which led the Government to propose the original Daily Newspaper Act. You may recall in 1980, and I believe the Hon. Member for York West has alluded to this fact, that the Southam and Thomson chains closed newspapers in Ottawa and Winnipeg. Although the director of investigation and research began an inquiry into this affair, the Government appointed Mr. Tom Kent to study the matter in the form of a royal commission. The royal commission on newspapers carefully studied the state of affairs in the newspaper industry and submitted a report which expressed concern on the high degree of market and ownership concentration in that industry as well as the need for measures to promote accountability and improve editorial quality of newspapers.

When the Government put forward the proposed Daily Newspaper Act, it was with the full intention, I am sure, of soliciting views of members of the industry and the general public. The proposer of this Bill, the Hon. Member for York West, has mentioned the fact that much was said on the part of daily newspaper publishers and editorial writers regarding this particular Bill. I would suggest to the House, Mr. Speaker, that while much of this comment at the time perhaps seemed rather harsh and extremely critical of that particular Act, many of those comments have been taken into account. That is one of the reasons this legislation was never introduced in Parliament.

I think it is important to consider how the environment has changed since the events of 1980. I would like to take the opportunity to make a few observations on these changes which have taken place since the Government proposed the original Daily Newspaper Act. I would like to share some of my views on how these changes are likely to affect the newspaper industry today and, more important, in the future.

You may recall that on April 2 the Minister of Consumer and Corporate Affairs (Mrs. Erola) tabled proposals to amend the Combines Investigation Act. You may also recall that when the proposed Daily Newspaper Act was released a period of contentious debate followed. The criticisms that were levelled at that time included a statement that specific legislation geared toward a particular industry was a less preferred policy than the application of a general law of general application such as the Combines Investigation Act. The critics, however, conceded that the existing Combines Investigation Act needed to be strengthened. Indeed that is what the Minister's proposals are designed to do. The Combines Investigation Act, being a general law of general application, applies to all industries including newspapers. At the time the debate was going on I personally heard from a number of newspaper publishers and editors. They said that if the Combines Investigation Act of that time were strengthened it would look after some of the fears and concerns expressed by the Government and particularly the Cabinet of the day.

The proposals the Minister has put forward should alleviate these concerns about unchecked increases in concentration in Canadian markets. This, of course, applies to newspapers as well as it does to shoes. In the context of newspapers, I think I can safely venture that had the proposed Combines Investigation Act been in place in 1970, we would today have more competition and perhaps a lower degree of concentration in the newspaper industry. The Cities of Montreal, Ottawa, Winnipeg and Vancouver would have had a chance at having more than one resident English daily newspaper.

● (1740)

This is because the proposed amendments to the Combines Investigation Act make it a more flexible and pragmatic law which takes into account the business realities confronting Canadian firms. Mergers and joint production facilities in interests of efficiency gains would be allowed under the proposed Act. More significantly, and I think this is very important, the amendments would not treat businessmen as criminals. Rather, they would remedy the lessening of competition by taking all relevant market factors into account.

Another development I want to mention is the growth of voluntary press councils. The Hon. Member for York West has mentioned this because it was part of the original Daily Newspaper Act. He has dropped it from this particular Bill. I presume the reason is, of course, that initiatives have been taken by the newspaper industry itself to form voluntary press councils, to the extent that we now have councils in almost every province and region of the country from coast to coast.

Whether it can be argued that newspaper were forced into joining the voluntary press councils is another matter. There is no question that they certainly received the message and took the personal initiatives themselves and are now part of these voluntary press councils at which Canadians who have complaints or concerns to air about a particular newspaper can put their case forward. Hopefully their concerns will be dealt with in a very judicious, fair and equitable manner.

Finally, we know that the Kent Commission raised the issue of cross media ownership. It was in July of 1982 that the Governor in Council issued a directive to the CRTC pertaining to cross media ownership. We know that the directive asked the CRTC to examine, on a case by case basis, applications for broadcasting licenses by firms which also had a controlling interest in newspapers. This directive was partly designed to safeguard the independence in sources of news and information a community may receive. In issuing the directive, the Cabinet ensured that the CRTC would continue to have flexibility and discretion over matters that it is best equipped to deal with.

It is my understanding that to date, the CRTC has applied the directive in seven cases. However, I must admit that there is one aspect of the directive on cross media ownership that troubles me. As an example, let me cite a case in my own area of London, Ontario, where a particular company owns the only daily newspaper plus an AM radio station, an FM radio station and a television station. In applying for a renewal of the licence for its AM radio station, it had to address the issue of the cross media ownership, and rightly so because this was the Cabinet directive handed to the CRTC.

This particular company was prepared to address this particular issue to try to prove to the CRTC that especially in the area of news and information services, the individual companies did operate independently of each other. The CRTC eventually renewed the AM radio station licence and in doing so issued a glowing report about this particular company's independent operations when it came to news and public service events as it pertained to the four media outlets.

Approximately two months following the issuance of that AM radio licence, the same company had to apply for renewal of its FM radio licence. In my view it is unfortunate that it had to address again the issue of cross media ownership. This took a lot of time, money and effort on the part of the company. It had already been given a clean bill of health when it received its AM radio licence. It had to go through the whole procedure

again in receiving renewal of the FM licence. Probably in another two months' time when it applies for renewal of the television licence, it will have to do the same thing again.

I would respectfully suggest that this is one area of Cabinet directive on cross media ownership that should be changed. Perhaps the Cabinet would take this into consideration, still allowing the CRTC to address the areas of concern and need. But once they have arrived at a particular decision, I feel that a company should not have to go through the same process time and time again.

I would like to reiterate that there have been significant changes in the general environment as it pertains to the newspaper industry. However, this is not to say that concerns in this area do not remain. I congratulate the Hon. Member for York West for bringing this Bill to the floor of the House of Commons at this time. But the solutions we may seek need to be tempered somewhat by the changes that I have mentioned.

I suggest that the House should give quick passage to Bill C-29 which looks after the entire area of competitiveness and combines investigation and the like so as to modernize the competition laws of Canada. This will give us an opportunity to stimulate newspaper competition. After we see how well the competition laws deal with the issue, perhaps we will be in a better position to see whether we do in fact need Bill C-226.

Mr. David Berger (Laurier): Mr. Speaker, as the previous speaker mentioned, the Bill before us today would place limits on the concentration of ownership of daily newspapers in Canada at the national level. Presumably its purpose is to ensure that concentration does not lead to restrictions on the freedom of the press or reduce diversity of opinion. It is assumed therefore, that concentration of ownership restricts freedom of the press and that concentration somehow restricts diversity of opinion. That is the assumption upon which this Bill was written.

The problem is that there really is no conclusive proof that concentration of ownership has such a result. I would like to point out to the House that it may be that concentration of ownership, in certain circumstances, may encourage a diversity of opinion.

The evidence is as follows. First, as many observers of newspapers can readily conclude, there has been a great increase in the number of one newspaper cities in the United States, Canada and Europe. One would assume that this would decrease the diversity of opinion. What has happened, however, is that there is a great diversity of news available through a variety of newspapers, all owned by the same person or company in many instances. There is competition within a newspaper. We are all aware of the journalists who often take opposing views on the same subjects and we find their views on the same day, on the same page of many newspapers in North America.

There is also competition within the media. Traditional types of newspapers, which I believe are referred to as broad sheet papers—I stand to be corrected—have been replaced in many markets by tabloid newspapers. It is clear that poor performance or perhaps failure to keep up with changing demand attracts competitors. We have the example in Canada of the Sun newspapers, which have developed at an astonishing rate across the country from absolutely nothing a number of years ago, which express an editorial point of view. It is clearly quite different from many of the traditional newspapers. In Quebec, there is a similar newspaper—

Mr. Speaker: Order, please.

THE ROYAL ASSENT

[*English*]

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

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

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

• (1800)

And being returned:

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

Bill C-3, an Act relating to cash contributions by Canada in respect of insured health services provided under provincial health care insurance plans and amounts payable by Canada in respect of extended health care services and to amend and repeal certain Acts in consequence thereof—Chapter No. 6.

Bill S-2, an Act to provide an exception from the public general law relating to marriage in the case of General Harvey Fudge and Audrey Marie Saunders.

Bill S-3, an Act to provide an exception from the public general law relating to marriage in the case of Louis Philippe Nadeau and Marie Thérèse Rita Brulé.

Bill S-4, an Act to provide an exception from the public general law relating to marriage in the case of Ernest Hodel and Norma Dora Laurie.

Bill S-5, an Act to provide an exception from the public general law relating to marriage in the case of Benjamin Josheph Andrade and Heather Winnifred Andrade.

Bill S-6, an Act to provide an exception from the public general law relating to marriage in the case of Juan Andrade and Emilia Rodriguez.

Bill S-7, an Act to provide an exception from the public general law relating to marriage in the case of Henri Patry and Aldéa Béa Pitt.

Bill S-8, an Act to provide an exception from the public general law relating to marriage in the case of Joseph Roland Réjean Daoust and Marie Lise Sylvie Girard.

Bill S-9, an Act to provide an exception from the public general law relating to marriage in the case of Pearl Kim Lee and Thomas Siegfried Wieland.

Adjournment Debate

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

LABOUR CONDITIONS—LAY-OFFS BY INCO AT PORT COLBORNE. (B) JOB RETRAINING INQUIRY

Mr. Girve Fretz (Erie): Mr. Speaker, as a result of questions I raised a short while ago, I would like to deal with the subject of research and development, a topic which has seen some media coverage in the last few weeks from Liberal leadership contenders who are filling the air with rhetoric on that subject and, indeed, on other subjects as well. Sometimes it is difficult to distinguish between what is Liberal Party policy and what is being said by these mini-Prime Ministers for their own purposes.

Perhaps we will have to wait until the leadership convention is over before the current Minister of State for Science and Technology (Mr. Johnston) will once again have to contend with reality instead of catering to the whims of delegates to the June convention. It is easy to say that he will sell PetroCan stations and make many other promises when he has aspirations to be Prime Minister. However, if the Minister really wanted to be Prime Minister he should have taken part in last year's convention.

There is a lack of adequate incentives for companies to indulge in adequate research and development. Hand in hand with that is the lack of facilities for retraining workers who face extinction due to the ever-changing needs of the high-tech workplace. A case in point is the closing of a manufacturing plant in Fort Erie called Hart & Cooley, throwing about 70 people out of work. I think the first priority of those charged with the development of science and technology should be to get rid of the "pie in the sky" attitude which deals in science fiction rhetoric and concocts wonderful generalities about happenings in the future. What we need is a common sense approach to the questions facing taxpayers and indeed voters, not only in the 1990s but right now.

● (1805)

Take, for example, the response given by the Minister to a question directed to him by the Conservative spokesman on science and technology, the Hon. Member for Richmond-South Delta (Mr. Siddon). The Hon. Member requested that the Government make a co-ordinated effort to ensure that jobs connected to the space program come to Canada. He specifically asked that the 88 Canadian companies that have already submitted proposals for contracts with the space program be given first consideration in the awarding of any contracts.

Instead of answering this specific question, the Minister carried on with generalities which gave no indication that he was prepared to guarantee that Canadians get priority in the letting of contracts. This is indicative of the Minister's and, indeed, of the Government's very fuzzy approach to the whole question of science and technology. It is clearly this approach that has led to the current lack of opportunities for Canadians in this very important field.

This attitude was underlined again in the last Budget which was supposed to consolidate the recovery, yet failed to extend research and development benefits as defined under the Income Tax Act to the development of computer software. This is one area which will bring Canada to the forefront of the high technology world, yet the Minister of Finance (Mr. Lalonde) failed to give consideration to helping out that fledgling industry, nor did he even consider adding to the funding available for the total research and development package sufficient funding to bring it back to the level which it enjoyed back in the year 1968.

Let us have some assistance for what I feel is a very important program. Otherwise we may find ourselves at the portal of the year 2000 with the technology of the 1970s, and we will have to blame someone for this problem. No doubt the Minister of Finance will be chosen for that honour along with the Minister of State for Science and Technology. To avoid such a scenario, it is absolutely essential that modern industry develop new products to make use of the workers and processes made obsolete.

Let me take a case in point. The Inco plant in Port Colborne had to lay off 490 workers because of decreased demand for its electrolytic nickel. Why does this kind of thing need to occur? It is a disaster, Mr. Speaker, when in a town of 20,000 people, 500 people are laid off. I know that is not the mandate of Government to tell private industry if it can or cannot shut down a plant or lay off workers. This is approaching too much the ideals of our friends to the left, physically as well as philosophically. However, it does make sense to provide adequate financial incentives to such companies to look into new markets and innovative products. That is what we need to do.

The same people in the same place could be manufacturing the products of the 1980s instead of opting for the nice sounding but unpleasant prospect of early retirement. One group which must not be forgotten is the unemployed people who are over 40 years of age, many of whom will have great difficulty indeed being rehired because of their age and lack of up-to-date skills. Therefore, the Government must take the responsibility to ensure that these people are retrained and encouraged to once again enter the work force. The Government must help them out of the lonely abyss in which they find themselves when they are too young to retire and too old to be easily redirected to another career.

Who is to blame for this problem? Indeed, the Government must accept some of the blame for not encouraging companies to pursue the new markets they need and the development of new products. The companies too must take some of the blame for not devoting more of their energies to those directions.

In conclusion, it seems sad and incomprehensible that we in Canada are spending only a shade over 1 per cent of our GNP on research and development while our competitors are spending considerably more. With a GNP like that of the United

States, the amount of money spent is staggering, and it appears certain that if the same trend continues we are doomed to have a second rate branch plant economy.

• (1810)

Mr. Jean-Guy Dubois (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I am happy that the Hon. Member arrived at the point of the question. When he began to speak, I was surprised; I thought he was dealing with the wrong subject when asking his question. The question is with regard to Inco at Port Colborne. I have a reply for him concerning the question he asked on April 3. I hope that the point I make tonight answers the question he asked the Minister of Employment and Immigration (Mr. Roberts), not the Minister of State for Economic Development (Mr. Johnston). I am not sure he was really on the point of the question. I have a response regarding the Inco situation which I will give in French.

[*Translation*]

As the Hon. Member for Erie (Mr. Fretz) is certainly aware, Mr. Speaker, the Canadian mining industry has been dealt a severe blow these past few years because of the softening of the demand on the international market. That is one of the reasons why INCO has decided to end its production of electrolytic nickel in Port Colborne. This restraint measure should improve INCO's position as a low cost nickel producer. The resulting layoffs will affect 415 hourly-paid workers who have received a 12 week advance notice, except those with over five years of service who are entitled to a severance pay of one week salary for each year of service up to a maximum of 26 weeks. In order to minimize the actual number of layoffs, the company has offered to study, together with representatives of Section 6200 of the United Steelworkers of America, programs of early retirement for eligible hourly-paid workers. They hope that by encouraging eligible workers to opt for an early retirement, they can reduce the actual number of layoffs. Some 75 other salaried employees will be laid off. The company has hired an independent professional counselling firm to help salaried employees thus affected to secure other jobs, to move to other areas or to plan their retirement. INCO has offered to examine manpower adjustment issues with Canada Employment and Immigration Commission officials and union representatives, and to set up a committee of the Canada Employment and Immigration Advisory Council for the purpose of suggesting ways of helping these workers by offering them new jobs and career retraining. CEIC officials for the Ontario region have contacted INCO's representatives who have confirmed their intention to set up a committee of the Canada Employment and Immigration Advisory Council. CEIC officials are to meet with union representatives to seek their support for this committee. The CEIC will study the economic context of the Port Colborne community and surrounding area to determine whether these special manpower adjustment measures are warranted. In the past, such cooperation between the CEIC, INCO and the union have solved similar problems resulting from job losses. I believe their continued cooperation will alleviate the current situation.

[*English*]

That is the reply I have for the Member concerning the question he asked of the Minister of Employment and Immigration on April 3.

VISIBLE MINORITIES—USE OF GOVERNOR IN COUNCIL APPOINTMENTS TO INCREASE REPRESENTATION. (B) CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION VACANCY

Mr. Laverne Lewycky (Dauphin-Swan River): Mr. Speaker, I will address my question to the Parliamentary Secretary to the Minister of State for Multiculturalism (Mr. Gourd). I am pleased he is here this evening. It follows a question I raised yesterday regarding the use of Governor in Council appointments to increase the participation of visible minorities on boards and commissions. I am, of course, following up on some of the recommendations in the *Equality Now* report. I begin by quoting one of the black actresses who said:

> If we are not accurately seen in the mirror that the media holds up to society, then clearly we are somehow not part of that society.

This last weekend at a conference in Winnipeg, which I referred to in my question, there was Focus on the Visible Minorities in Advertising Conference. We heard a very touching story from Ron Nadeau with native communications. He gave the illustration of a young native boy in school whose teacher asked him to cut out of the catalogue a picture of somebody who looked like his family.

The young native boy wrote to one of the catalogue companies and said: "I was not able to fulfil the request of my teacher because when I looked in your catalogue there was nobody like my family. Everybody was white." He said to the catalogue company: "In the next catalogue, I hope you will have somebody who looks like me."

There are seven Indian reserves in my constituency. The Indian chiefs often ask me why there are never any Indians in the advertising that we see over television. That same conference dealt with the question of the participation of visible minorities in advertising. I was a bit disturbed and appalled. Ad agencies and even large companies with public relations departments that spend hundreds of thousands of dollars on advertising failed to be present at that conference.

We should focus on the CRTC and various boards that deal with regulations and the way that visible minorities are portrayed in Canada because they have an awful lot of legislative clout. In terms of the impact on Canadian citizens the CRTC, and possibly the CTC, the Canadian Transport Commission, have an enormous amount of weight, and both have a fantastic impact on Canadian citizens.

Recommendation 21 of *Equality Now* report of a committee on which I had the privilege to serve, urges the federal Government to use Governor in Council appointments, to

increase the participation of visible minorities on federal boards and commissions. On page 51 of that report we specifically refer to the CRTC.

• (1815)

When I asked the Minister yesterday to act on this matter, I specifically referred to the CRTC. He said he was very happy with the general principle of the participation of all racial and of all other groups of our society on these boards. But the 19-member board of the CRTC is an all-white board. There are no participants of the visible minorities. I was urging the Government to consider the fact that presently there is a vacancy. In fact, that vacancy has been there since February of 1983, for over one year. There is an opportunity for the Government to make sure there is a chance for all members of our society to participate.

There is a myth out there that all the visible minorities are not qualified. There have been enough studies which have shown that that is not true. In fact, the CBC had a trainee program and instead of using the old boys' network to advertise for the applications, they used the ethnic press and ethnic media. There were 800 applications of which they themselves judged at least 150 were eminently qualified to fill the eight positions which existed.

We are not asking for quotas. None of the visible minorities have ever asked for quotas. We are not asking that unqualified people be appointed. We are saying there are qualified people. Let us get going and implement some of the recommendations of Equality Now. Let us have some action now. I hope that the Minister will, if he has not done any kind of survey or study, undertake to make sure that in our society there is an equitable participation of all members of society, of all ethnic cultural groups, especially after the Equality Now report of the visible minorities in our society. I will await the answer of the Parliamentary Secretary. I hope that it is a much better one than the answer I received from the Minister of State for Multiculturalism (Mr. Collenette) yesterday.

[*Translation*]

Mr. Robert Gourd (Parliamentary Secretary to Minister of State (Multiculturalism)): Mr. Speaker, as usual, the Hon. Member gets all his ideas mixed up. He talks about appointments, about the CRTC, about the CBC. All this is just a pretext to deliver a speech in front of his constituents. As for the answer to his question—

[*English*]

—it is the practice of the federal Government to use Governor in Council appointments to increase the participation of visible minorities on federal boards and commissions, as well as in the senior management of the Public Service and Crown corporations. The Minister of State for Multiculturalism (Mr. Collenette) since assuming office has been increasingly active in the promotion of candidates to various boards and commissions as positions became vacant.

The Minister recognized that the federal Government must tap the immense pool of talent and experience which is present in the visible minority community.

[*Translation*]

I could easily quote a number of people from visible minorities who have been appointed to various functions within commissions or the federal Public Service: Mrs. Ann Cools who was elevated to the Senate; Jean Augustine, who was appointed to the Royal Commission on the Status of Women; Juanita Westmorland-Traoré, to the Canadian Human Rights Commission; Jean Gamage, to the Harbourfront Corporation; Tom Shoyama, to Petro-Canada and to the Royal Commission on the Economic Union and Development Prospects for Canada; and Mr. David Suzuki, to the Science Council of Canada.

• (1820)

[*English*]

In addition, the Minister of State for Multiculturalism has brought the matter of Governor in Council appointments of visible minorities to the attention of his Cabinet colleagues. He is confident they will all recognize the importance of that community and its contribution to this country.

[*Translation*]

I believe, Mr. Speaker, that this provides an adequate answer to my hon. colleague.

[*English*]

FISHERIES—COWICHAN ESTUARY—GOVERNMENT POLICY. (B) APPLICATION OF POLICY

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, since 1980 when this Parliament began I have been concerned and on a number of occasions have raised the issue of the Cowichan estuary. The people who live in that area, fishermen on the British Columbia coast, and myself as their representative, have been trying to get the Department of Fisheries and Oceans to protect the estuary as a very important part of our fish habitat. The importance of estuaries in the life cycle of salmon has only been recently recognized, but it is becoming increasingly clear that unless we protect our estuaries we do not have any hope of maintaining a salmon industry on the Pacific coast.

The destruction of fish habitat, Mr. Speaker, is equivalent to the destruction of the fishing industry. That in fact is what we see happening in British Columbia today. The neglect of fish habitat by the Department of Fisheries and Oceans is a very important piece in the jugsaw puzzle of fisheries mismanagement. As they say, the chickens are now coming home to roost, but unfortunately the salmon are not coming home to spawn.

We face a very serious crisis on the Pacific coast. Cutbacks on fishing time for trawlers to supposedly help conserve dwindling stocks of Chinook salmon mean these fishermen are not going to be able to get enough weeks in fishing to qualify for their UIC benefits. They are cut back to two months instead of

the usual five and a half months. That is one indication of the Department's mismanagement of that situation. As the President of the United Fishermen and Allied Workers Union said, the fisheries policy is really a fast track to bankruptcy for these trollers. The restrictions on the Gulf trolling fleet will be followed soon by restrictions on other gear types.

The Cowichan estuary is critical to one of the most important Chinook stocks off Vancouver Island. The loss of habitat there is inexcusable and will result in the direct loss of jobs. As a result of a trade-off or sell-out that the Minister participated in, Doman's Mill was able to trade 23 acres of farmland for the right to boom logs in some 40 acres of inter-tidal area within the estuary. Then the Minister and his Department have the nerve to call this a no-net loss of fish habitat. Let us get this straight, Mr. Speaker. We are not questioning Doman's right to be on the estuary and have some booming grounds. That was recognized several years ago. But we do question the need to expand that booming ground. The local economy badly needs the jobs at Doman's Mill, but it also needs the jobs in the tourist and fishing industry which will be lost if we do not protect our estuary. The mill does not need extra booming area.

• (1825)

A 1978 study for the fisheries and marine service of the Department of Fisheries and Oceans, which was Appendix 11 of the Cowichan Estuary Task Force Report, estimated that at times Doman's were storing logs in the estuary in excess of 14 months. This is far beyond the normal requirements for a mill storing logs. It recommended that there should be a 20 acre limit for Doman's to store logs in the estuary. I would like to hear from the Department and the Minister why the Fisheries department abandoned that policy. Why did they abandon the policy of saying there would be a 20 acre limit for Doman industry to boom in that area.

On December 20 I asked the Minister questions about the so-called no-net loss policy. I asked if there would be a public process for any exchanges that were made. The Minister assured me that that would in fact happen. However, it did not happen. In fact, the public was kept completely in the dark about the conditions of the exchange. Members of the Cowichan Estuary Preservation Society were in fact isolated from everything that was happening. Fisheries Department officials did not even answer their phone calls.

I am not a person who traditionally likes to engage in bashing bureaucrats. I think that generally speaking they do a good job. However, there seemed to be some directive from on high that prevented these people from dealing in an open way with the people from the Cowichan Estuary Preservation Society. We want to know what studies were done to determine if the exchange was in fact a fair exchange, and if in fact there was a no-net loss of habitat. If there were any studies I urge the Minister to release them and make them available. I suspect that we will be waiting a long time because I do not think any study can possibly justify the trading of 23 acres of farmland for 40 acres of very valuable intertidal estuary area.

We want answers. The public is entitled to answers on this very important public resource. We want to know why there is a sell-out of our fisheries and a betrayal of fish habitat. We want to know if that is the pattern that will be followed with the Kemano II project. I would very much appreciate if the Parliamentary Secretary could be straightforward in the answers he gives to these questions.

Mr. Maurice Harquail (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, representing the beautiful constituency of Restigouche in the Atlantic area where we have the Atlantic salmon coming up the rivers to spawn, newsprint mills and the importance of forestry and fishing, I can fully understand the concern that is being brought forward here this afternoon by the Hon. Member. However, I would hasten to remind the Hon. Member that he would have had an equal opportunity to pose his questions at the Standing Committee on Fisheries and Forestry the other day when we devoted the entire time to questions relating to the Pacific Coast. Indeed, Mr. Speaker, we had officials on hand at the Standing Committee to respond directly on fishery matters in greater detail than we would have had the time for in the House.

However, the Hon. Member has raised a number of questions relating to the Cowichan Estuary and our Department's fish habitat management policy. In recent times the Minister himself and other Department officials have been making statements with respect to fish management, salmon management and the whole range of the subject he has raised here today.

The waters of the Cowichan estuary on Vancouver Island have been used for storing logs by a number of forest companies for many years. Our Department has been negotiating with these companies and with the Province of British Columbia to reduce the total amount of log storage in fish habitat areas within the estuary. I am pleased, Mr. Speaker, to announce that our regional staff are finalizing arrangements with these companies and the B.C. Government which will result in a reduction of more than 50 per cent of the total acreage of log storage in the estuary. This reduction will result in the restoration of valuable fish habitat and serves to illustrate well the fish habitat restoration goal which is clearly outlined in our Department's discussion paper *Toward a Fish Habitat Management Policy*.

• (1830)

Not only will fish habitat currently altered by log storage be restored but, in addition, some land in the estuary, which is currently not available as fish habitat, will be developed into productive fish habitat as part of our overall habitat improvement efforts in the estuary. This will serve to further increase the total amount of productive fish habitat in the estuary. The Cowichan estuary is thus an excellent example of the kind of habitat restoration project our department will be pursuing through the implementation of the fish habitat management policy.

The Hon. Member has also asked about opportunities for the public to review these projects. Our Department's discussion paper on fish habitat points out that public consultation on major development affecting fish habitat is a necessary strategy as part of an overall fish habitat policy.

While it is not the Department's intention to consult with the public on the numerous minor habitat issues it deals with on a regular basis, I would like to assure the Hon. Member that for those major new developments with potentially significant impacts on fish habitat, public consultation will be an integral part of our Department's decision-making process. In this regard, my Department has participated in public meetings which provided interested citizens—

The Acting Speaker (Mr. Guilbault): Order, please. The time allowed to the Hon. Parliamentary Secretary has expired.

The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m. pursuant to Standing Order 2(1).

At 6.32 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, April 18, 1984

The House met at 2 p.m.

• (1405)

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

FEDERAL-PROVINCIAL RELATIONS

ALLEGATIONS MADE BY MEMBER OF QUEBEC NATIONAL ASSEMBLY

Mr. Paul-André Massé (Parliamentary Secretary to Minister of Supply and Services): Yesterday, Mr. Speaker, the National Assembly PQ Member for the riding of Saint-Jean alleged that I had sent to a group of senior citizens of my riding a threatening letter concerning a Canadian Government grant for the construction of a community and recreation centre for the elderly. First of all, Mr. Speaker, it is despicable to insinuate that I would have done such a thing to the detriment of any group of my fellow Canadians, particularly senior citizens. In fact, it was an attempt by the PQ Member to deceive the population and gloss over a commitment he failed to keep concerning the senior citizens of our region, unlike the Government of Canada and the Municipality of Saint-Jean which did live up to their promise. Besides, the information media in my riding unanimously reported that the PQ Member spent so much time pondering over the issue that he completely forgot all about his promise.

Mr. Speaker, no wonder the PQ Member for the riding of Saint-Jean could not care less about senior citizens, because his leader, Mr. René Lévesque, admitted himself during a trip to France in the summer of 1983 that the elderly are an obstacle to the independence of Quebec, which happens to be the true option of the PQ Government.

* * *

[*English*]

SPORTS

FUNDING FOR FEDERATIONS

Hon. Steven E. Paproski (Edmonton North): Mr. Speaker, according to information I received today from the Vice-President of the Council of Executive Directors of the National Sport and Recreation Centre, none of the sport federations have received funding as yet for this fiscal year. The normal procedure is for the federations to receive their first cheque at the beginning of April. In the case of this year, it would have been April 2. At the same time they usually receive a statement of the amount of funds allotted to them for the year, with a guarantee of funds on a quarterly basis.

This year no cheques were received, and no official communication has been received by any of the sport federations as to why the funds are not coming from the Department of Fitness and Amateur Sport. There is a total lack of communication between the sport federations and the Minister of State responsible for Fitness and Amateur Sport (Mr. Olivier).

The only information any of the federations have is by way of rumours going around the Fitness and Amateur Sport branch. It looks as if even the sport consultants in the Department of Fitness and Amateur Sport do not know what is going on. The rumours are, however, that the Minister has decided to examine each of the sports on an individual basis in order to familiarize himself with each respective sport and with the funding system.

One of the other rumours floating around is that one aspect which is receiving the Ministers' attention is the question of bilingualism within each sport. It seems that he is looking at a way of getting the sport federations to sign agreements on the level of bilingualism in each sport, by way of a contractual agreement. The initial reaction of the sport federations, of course, is that this would not be acceptable, but—

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

* * *

[*Translation*]

AID TO MUNICIPALITIES

NEGOTIATIONS BETWEEN QUEBEC AND OTTAWA

Mr. Jean-Guy Dubois (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, last weekend and again today, the newspapers have referred to the negotiations between Quebec and Ottawa on the issue of financial assistance for municipalities and have pointed out that the situation was worse than ever.

Mr. Speaker, we should remember that, with respect to the conversations which began in October 1983, the negotiations carried on between Quebec and the federal Department of Employment and Immigration have always dealt with temporary job creation programs such as Canada Works and the local job creation projects, as well as, according to an agreement signed some time ago, with "any other program which

could be added with the agreement of both parties". The new provincial Minister of Municipal Affairs seems to be saying that the Province was cheated by the federal Government. When his predecessor, the Hon. Jacques Léonard, came to Ottawa early in October and later on to negotiate, the programs mentioned were for temporary job creation. This is what happened. Then this is why the non-profit organizations and the other groups which submitted projects under the Canada Works Program could get the grants. Under the agreement on temporary job creation programs, the new phase of the programs will begin next fall. Following an exchange of letters between the governments, the municipalities will be able to know what their share will be. These are the agreements which were negotiated. It is also important to point out that there will be correspondence between the Quebec Government and the federal Government about this situation.

Mr. Speaker: Order, please. The time allotted to the Hon. Member has expired.

* * *

[*English*]

CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

DECISION SOUGHT ON GANANOQUE CABLE TELEVISION LICENCE

Mrs. Jennifer Cossitt (Leeds-Grenville): Mr. Speaker, I would like to bring the attention of this House to the continuing saga of the Town of Gananoque and its seven-year battle with CRTC to obtain cable television service. This town is located in the Toronto-Montreal corridor, and it is amazing in today's technologically advanced society that Gananoque is still in the stone age.

Seven years ago a licence to provide cable service was approved by CRTC but the company had difficulty in fulfilling the requirements, and CRTC was forced to lift the licence from the company. Last September CRTC received two submissions to provide cable service to Gananoque. Eight months have passed with no decision forthcoming, despite my repeated communications with the Chairman, and his assurances that it was a high priority item.

No response to my representations can only lead me to conclude that the Government cares little for the needs of a small community which cannot compete with the mandarins in their ivory towers. It is unthinkable that a government Department given a mandate to provide service to the public is so insensitive that it refuses to cut through its own bureaucratic red tape and produce a decision on whether company A or company B should be licensed.

It is long past the time when Gananoque should have had cable service, and I call upon the Minister of Communications (Mr. Fox) to intervene on its behalf to obtain a decision immediately, ending a seven-year long battle to obtain what most communities in this country have, cable vision service.

• (1410)

NATIONAL REVENUE

TAX TREATMENT OF WORKERS' HOLIDAY PAY

Mr. Doug Anguish (The Battlefords-Meadow Lake): Mr. Speaker, at the end of this month workers at the Gardiner Denver plant in Woodstock, Ontario, will be laid off because the plant is closing its doors. All of the workers have earned holiday pay for the amount of time they were employed by the plant. The Revenue Canada District Office in London, Ontario, has instructed the payroll clerk at the plant to consider holiday pay as bonus pay and to withhold 40 per cent of the employee's final cheques. Revenue Canada claims that when workers take holiday pay instead of holidays, they are attempting to increase their annual salary, and the 40 per cent deduction is there to discourage this practice.

There is, however, another provision of the Employer's Guide issued by Revenue Canada which allows a 15 per cent tax withholding. This is more in line with the standard payroll deductions for these workers. If the 15 per cent figure were used instead of 40 per cent, it could mean an increase of between $600 and $2,000 immediate cash for the workers at this plant who are about to be laid off with little prospect of further employment. Revenue Canada is penalizing laid-off workers by using a provision in the Guide designed in times of greater employment, and which today is simply and needlessly taking money out of people's pockets. The Minister of National Revenue (Mr. Bussières) should immediately instruct his Department to apply the 15 per cent standard deduction instead of the 40 per cent penalty.

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

* * *

[*Translation*]

AID TO MUNICIPALITIES

ATTITUDE OF PARTI QUÉBÉCOIS

Mr. André Maltais (Manicouagan): Mr. Speaker, with reference to the statement made by my colleague the Hon. Member for Lotbinière (Mr. Dubois), I should like to denounce the hypocrisy of the PQ Government which claims that the federal Government will not contribute certain amounts of money to municipalities, while Minister Garon refuses to let the federal Government contribute $10 million to help Quebec's Middle and Lower North Shore fishermen build processing plants and install ice-houses.

The money is there. Yet, for the past 15 days, the Quebec minister of fisheries has been refusing to meet Middle and Lower North Shore fishermen, while the federal Government is ready to spend $10 million on fishing facilities.

I find, therefore, the attitude of the PQ Government hypocritical, for it claims that there is no federal money available for a particular program when he had known all along that

none was available, while refusing the contribution of the federal Government which is willing to invest $10 million.

I think that by refusing to meet with these fishermen, the minister of fisheries is showing contempt for those people while the federal Government is always ready to cooperate when need be, for the common good.

* * *

[*English*]

SUPPLY AND SERVICES

REPORTED PLAN TO CLOSE DEPARTMENT'S OFFICE IN SAINT JOHN, N.B.

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, there is a real concern that the Department of Supply and Services is contemplating a move from Saint John. The Minister has confirmed the matter is being considered. Should this closure take place, it will mean a loss to Saint John of about 16 permanent jobs. However, that is just the tip of the iceberg. That Department spends approximately $35 million annually from the Saint John office, about half of which goes into the immediate area. Should that dry up, it could chop another 100 to 200 jobs.

The City is already staggering under an intolerable unemployment rate which the Government has done nothing but exacerbate. Despite our efforts to have additional grain shipments originate from one of the finest ports in North America, the Government does nothing. It crows about the great rail expansion in the West, and watches complacently while the CRP hangs another five or six jobs out to dry in Saint John. Speaking of the railway, this Liberal bunch cancels one of the most popular passenger runs in the nation, the Atlantic Limited, for purely political concessions, leaving New Brunswick's industrial centre with no direct link with upper Canada, and throwing more people onto the dole.

They close down Revenue Canada offices and cut back on post office operations. When is this outfit going to wake up to the fact that there is a part of this country which deserves more than an occasional visit by the Minister responsible for unemployment, mouthing platitudes which do nothing for the hundreds in that city who, along with thousands of other Canadians, can hardly wait for the chance to show their gratitude?

* * *

FINANCE

EFFECT OF TOBACCO TAX ON FARMERS

Mr. Bud Bradley (Haldimand-Norfolk): Mr. Speaker, I am on my feet again to address the problems in the tobacco and related industries. A 32 per cent cut in tobacco production is proposed for this year. That will relate directly to 800 farms not in production, a loss of some 10,000 jobs, and a $100 million loss to growers. Using an economic factor of six, that means a $600 million loss to local communities and businesses.

• (1415)

We agree that there is a slow natural progression away from cigarettes, Mr. Speaker. They can adapt to that. They cannot adapt to the stupid taxation spiral being placed on their product by the Government. Why does the federal Government need to tax a $280 million product in the amount of $1.14 billion? The devastating effect of this action cannot be adapted to by anyone. We need a halt to the taxation spiral, and a consideration of reductions. We need an increase in the Delhi Research Station budget from $1.6 million to $5 million to find other acceptable crops. We need the Minister of Agriculture to sign the amendment to the Farm Products Marketing Act, which apparently has been sitting on his desk since Christmas. Above all, Mr. Speaker, we need the Government to listen to the problems, show concern, and take action.

* * *

EXTERNAL AFFAIRS

WOMAN'S FAST TO SECURE REUNIFICATION OF FAMILY

Mr. Dan Heap (Spadina): Mr. Speaker, today is the twenty-third day without food for Kazimiera Cebula, a courageous 50 year old woman who asks nothing more than to be reunited with her son, Janusz Lata, and his wife and children. She has been outside the Polish consulate in Montreal in rain and snow, with her companion, Ewa Szypura, who has learned that her husband and daughter will receive exist visas from Poland, but who has chosen to continue her 19 day old fast out of solidarity with her compatriot. They are dangerously weak, but determined to see their families.

Since the hunger strikes of other desperate people at Polish consulates, both in Montreal and Toronto last year, all of which were ended without tragedy, the Polish Government continues to violate the most basic of human rights, the reunification of families, guaranteed in the Helsinki Accord to which Poland is a signatory. With calculated inhumanity, some Polish citizens, often former members of the trade union Solidarity, continue to be blackmailed into leaving their homeland, while others are held to ransom and denied exit visas.

I wish to extend my deep felt sympathy and encouragement to these two brave women and to the many families suffering a similar plight. I urge the Department of External Affairs, which I understand has issued visas for all the persons concerned, to strengthen its representations to the Polish Government.

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

Oral Questions

ORAL QUESTION PERIOD

[*English*]

POLITICAL PARTIES

ALLEGED SOLICITATION OF FINANCIAL CONTRIBUTIONS FROM ONTARIO COUNTY COURT JUDGES

Hon. Allan Lawrence (Durham-Northumberland): Mr. Speaker, in the absence of 29 of his Cabinet Ministers, my question is for the Prime Minister. Would the Prime Minister comment on the propriety of county court judges in Ontario, whose political independence should be paramount even though most of them have been appointed by a Liberal Government, now receiving individually addressed dunning letters on behalf of the Liberal Party of Canada, asking for financial contributions, with these letters having a purported signature of P. E. Trudeau, and a return address on the envelope of 24 Sussex Drive, Ottawa?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, is the Hon. Member suggesting that I signed those letters and have some knowledge of them? I have to know what he is talking about.

USE OF PRIME MINISTER'S SIGNATURE

Hon. Allan Lawrence (Durham-Northumberland): Mr. Speaker, would the Prime Minister indicate whether he actually authorized his signature to be used on such letters to the judiciary, or has the Liberal Party of Canada forged his signature?

An Hon. Member: Or is there another P. E. Trudeau?

Right Hon. P. E. Trudeau (Prime Minister): Thank God for the Opposition, there is only one of those, Mr. Speaker.

An Hon. Member: Thank God, and we would like to get rid of him.

Mr. Trudeau: I have no idea what the Hon. Member is talking about. I do know that I have received fund raising letters signed by the Leader of the Opposition, or the former Leader of the Opposition. Somehow I got on that mailing list. I was not disgraced, and I did not suspect that the Leader of the Opposition was unloyal to his Party and trying to come over to my side.

● (1420)

USE OF SIGNATURE MACHINE INQUIRY

Hon. Allan Lawrence (Durham-Northumberland): Mr. Speaker, is the Prime Minister of Canada indicating that almost any Tom, Dick or Harry can utilize the signature of the Prime Minister of Canada? Also, would the Prime Minister mind indicating if the rather expensive signature machine provided by taxpayers' funds in the Prime Minister's office was used for this particular purpose, and if government paid employees, for instance, are being used to collect and collate the returned letters, either at the official residence of the Prime Minister—not the Prime Minister's home but the official residence of the Prime Minister—or at the Post Office here in Ottawa?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I say for the second time that I have no idea what the Hon. Member is talking about. He may be fabricating, as he sometimes does.

Some Hon. Members: Oh, oh!

Mr. Trudeau: If he were really honest in his desire to obtain information, he would have had the courtesy of giving me notice of this and sending me at least a copy of what he is talking about.

I do not know. I do know that my name is sometimes used in vain. I do not know the circumstances of this particular case.

* * *

[*Translation*]

POLITICAL PARTIES

CABINET SOLIDARITY

Hon. Roch La Salle (Joliette): Mr. Speaker, my question is also for the Right Hon. Prime Minister. A few days ago, he met with all the leadership candidates to ensure that there would be no breach in Cabinet solidarity and also, I believe, to set some guidelines for the conduct and liberty of action of those ministers who are candidates for the leadership. Yesterday, the Minister of Labour ferociously criticized the Minister of Energy, Mines and Resources and former President of the Treasury Board, when he said that he was largely to blame for the problems the Minister of Agriculture had with milk quotas in 1976.

Can the Right Hon. Prime Minister tell the House today whether he feels that the Minister of Labour is to be censured for taking such a stand? I think that all Canadian farmers and dairy producers would be very glad to know was actually responsible for the problems they had in 1976.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Hon. Member had the courtesy, as opposed to his colleague from Ontario, to send me something in writing about the matter which worried him. I would like to thank him for this. He sent me a clipping from the Canadian Press which has one sentence between quotation marks. I do not know whether the quote is accurate. I could check on it, but, for the moment, I shall simply read it:

[*English*]

Mr. Chrétien was at the origin of Mr. Whelan's problems in 1976.

[*Translation*]

Concerning the problems with the milk quotas, this looks to me like a product of the reporter's imagination since he says that this may be what the Minister was talking about. I see

nothing here which would justify the Hon. Member in saying that this is what the Minister of Labour meant. He referred to a problem in 1976. What problems did the Minister of Agriculture have in 1976? If he is like everyone else, he must have had many! Are they problems which come under his ministerial responsibility? I really cannot say. However, on the basis of this article, I do not see why anyone should be concerned, least of all the Hon. Member for La Salle, or rather Joliette.

REQUEST THAT PRIME MINISTER GIVE DETAILS

Hon. Roch La Salle (Joliette): The Right Hon. Prime Minister is well aware that the constituency of Joliette is La Salle's constituency.

Mr. Speaker, I can well understand that the Prime Minister does not want to look at this article seriously. In fact, I sent him the press clipping because I did not want to hear him say that he knew nothing about this statement. Obviously, the Minister of Labour ferociously criticized his colleague, the Minister of Energy, Mines and Resources and former President of the Treasury Board, right in front of the press.

The Prime Minister recalls quite well the problems that come up in 1976 because of a reduction in dairy production. In view of the circumstances and because of the importance of the leadership race in which the Minister of Energy, Mines and Resources is a candidate, does the Prime Minister find it appropriate for the Minister of Labour to blame, in a manner I would call disgraceful, his colleague for the problems which came up in 1976 and for which the Minister of Energy, Mines and Resources is supposed to have been mainly responsible as President of the Treasury Board? What do the guidelines on Cabinet solidarity specifically prescribe? Will the Prime Minister feel like giving his Minister of Labour a good dressing-down or does he find it normal and helpful for the sake of Government management that his Ministers should tear each other's eyes out in public?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am greatly touched by the concern expressed by the Hon. Member for Joliette. He worries about solidarity on this side of the House. I am very thankful for this and consider it another indication that he is quietly withdrawing from his party to sit as an independent. In fact, this does not surprise me since we all recall that, a few years ago, he decided to cross the floor of the House to sit as an independent Member because of the hypocrisy displayed by his party concerning the language issue.

This having been said, Mr. Speaker, the Hon. Member used words like "disgraceful" and "ferociously criticized". He added nothing to the problems I raised. Mr. Chrétien, or rather Mr. Ouellet was quoted as making the statement to which I have referred. Concerning the milk problem and other issues, there is nothing to show that this is what Mr. Ouellet was referring to. He said exactly this:

• (1425)

[*English*]

Mr. Chrétien was at the origin of Mr. Whelan's problems in 1976.

[*Translation*]

What problem? Mr. Whelan had many problems in those days; so did I and so did the Hon. Member. I shall therefore have to see what it is all about, I mean, whether this is the newspaper's or the Hon. Member's interpretation, or whether Mr. Ouellet actually made these accusations, in which case, I shall have the opportunity to study them.

Mr. Speaker: One last supplementary.

REQUEST THAT PRIME MINISTER REVIEW SITUATION

Hon. Roch La Salle (Joliette): First, Mr. Speaker, let me say that the Prime Minister is no longer as clear-sighted as he used to be, for I have no intention of leaving my Party.

The question is this: it seems that the Prime Minister does not give much credence to that statement. Could the Prime Minister make a small effort—and I know he can do that and remember—he remembers very well the unrelenting fight of dairy producers against the Minister of Agriculture over the 1976 milk quota cutbacks. Could the Prime Minister tell us quite simply today whether his Minister of Labour's statement is true? Farmers and dairy producers would like to know if the then President of the Treasury Board was indeed responsible for those policies.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, according to the newspaper clipping which the Hon. Member himself sent me, Mr. Ouellet said a sentence which I will repeat for the third time:

[*English*]

Mr. Chrétien was at the origin of Mr. Whelan's problems in 1976.

What problem? Which problem? Which of Mr. Whelan's many problems?

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Dick: Leader problems.

Mr. Trudeau: The Member of Parliament is specifying a problem. He assumes that is the one Mr. Ouellet talked about. I repeat to him: do we know what Mr. Ouellet talked about? I went on to say that we all have problems. The Hon. Member has had problems with his own Party, for gosh sakes. Now he says he still wants to sit there. I said, Mr. Speaker, I will try and find out what Mr. Ouellet said. Nothing can be more fair than that. I think it is less than fair, when the Hon. Member assumes that, when he was talking of problems, he was talking of specific problems, and that is what the press is doing too.

Oral Questions

CRIMINAL CODE

VIDEO FILMS PORTRAYING VIOLENCE

Mr. Dan Heap (Spadina): Mr. Speaker, I have a question for the Minister of Justice. The Toronto police have reported that snuff video films that show an actual murder for entertainment are being rented out to children as young as 12 years of age. Is the Minister aware of this explosion of video films that peddle obscene violence? If the Minister is aware, and if he respects the opinion of police who say that we have lost control over pornography in the video boom, is the Minister taking time out of his leadership campaign for urgent action to help stop or curtail this culture of commercialized murder for fun?

Hon. Mark MacGuigan (Minister of Justice): Mr. Speaker, I would like to tell the Hon. Member that we are way ahead of him. The amendments which I have introduced to the Criminal Code will deal very explicitly with pornography, violence, and cruelty. I would suggest to all Hon. Members on the other side that if they co-operated in getting Bill C-19 through, we would have an earlier end to this problem.

• (1430)

Mr. Heap: It is not as simple as that. I am sorry that the Minister does not consider either the urgency of this Bill or the fact that he could have taken action much sooner.

It reminds me of how, six years ago, it took the murder of a 12-year old boy in Toronto to sting senior government Members into some kind of action on a similar problem.

PRESENTATION OF AMENDMENT

Mr. Dan Heap (Spadina): Mr. Speaker, nearly a year ago the Minister introduced a draft Bill on this very subject. If he had introduced it as a Bill, as legislation last fall, instead of it only being a draft, it would have been passed with widespread support and could now be used by the police.

Instead of introducing it when he could have done so, why did the Minister choose to bury it along with 306 pages of detail in the Criminal Code amendments? We do not know when he and his committee will be able to get it passed. Why did he not proceed with that one specific amendment which would have had immense support across the country?

Hon. Mark MacGuigan (Minister of Justice): Mr. Speaker, the hon. gentleman well knows that because of Opposition obstruction last year to our legislation, we were not introducing new legislation. We were awaiting the end of the session and the new Speech from the Throne. This legislation has now been before the House for over two months, and we have yet to have any enouragement from his Party in getting it through.

EXTERNAL AFFAIRS

LIBYA—SHOOTING OF DEMONSTRATORS OUTSIDE LONDON EMBASSY

Hon. Sinclair Stevens (York-Peel): Mr. Speaker, could the Secretary of State for External Affairs inform the House whether the Government has voiced its outrage and condemnation to the Libyan Government with respect to the recent, needless killing of peaceful demonstrators outside the Libyan embassy in London, England?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Mr. Speaker, like the Hon. Member, we are deeply shocked at the indiscriminate violence, and unjustified violence which has taken place from the Libyan headquarters or embassy in London, where a loss of life and injury to peaceful demonstrators have occurred, as I understand it.

We join with the British Government in condemning this terroristic act and urge the Libyan Government to take whatever steps are required to end it as quickly as possible. I have asked that our views be conveyed to the Libyan Government.

REQUEST FOR CANADIAN INITIATIVE IN LEADING WORLD-WIDE PROTEST

Hon. Sinclair Stevens (York-Peel): Mr. Speaker, would the Government, through the Secretary of State for External Affairs, originate some initiative, either within the United Nations or within the Commonwealth, to ensure that the United Kingdom is not left alone in protesting and condemning this savage breach of international order? Would Canada take the lead in a world-wide process with respect to this atrocity?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Mr. Speaker, we would associate ourselves with the British Government in the statements and actions which it is taking. If that Government finds it useful in the resolution of the situation to undertake measures such as the one suggested by the Hon. Member, we would be receptive to our association and support. However, I think in the present circumstances we ought to allow the British Government, which in the past has shown particular skill in handling these situations, to take the lead. We would support it in whatever actions it thought useful.

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SPORTS

ALLOCATION OF FUNDING FOR FEDERATIONS

Mrs. Jennifer Cossitt (Leeds-Grenville): Mr. Speaker, my question is directed to the Minister of State for Fitness and Amateur Sport. Will the Minister tell the House why he is holding Canada's amateur athletes hostage for the $30.6 million allocated for amateur sport in the Estimates, and why he has refused to sign the sport federations' funding agreements

for this fiscal year, thereby jeopardizing the competitiveness of our athletes in the summer Olympics?

[*Translation*]

Hon. Jacques Olivier (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I have already signed the funding agreements with most sports federations for the first quarter of this fiscal year.

We are merely demanding that certain federations fully respect the laws and principles of this Parliament.

* * *

[*English*]

CRIMINAL CODE

PRESENTATION OF OBSCENITY AMENDMENT

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, I have a supplementary question for the Minister of Justice. It follows on the questions of the Hon. Member for Spadina. The Minister knows that he has my support and the support of the New Democratic Party for the obscenity amendment to the Criminal Code. He must realize that 306 pages of amendments will take a great deal of time to process, even with every extensive co-operation. Would he consult with the Official Opposition and, if he obtains support, would he undertake to bring in a specific Bill with that one amendment so that we can deal with violent pornography immediately after the Easter recess?

Hon. Mark MacGuigan (Minister of Justice): Mr. Speaker, of course I am prepared, as I have been, to discuss these questions with the Opposition and to be as accommodating as members of the opposition Parties are prepared to be. I should remind the Hon. Member that there are many parts of the Criminal Code Bill which are of the utmost urgency. For instance, the drinking and driving provisions are of extreme urgency. If she is suggesting that the only thing which matters in this whole piece of legislation is that one provision; let me indicate that we need all that Bill, not just parts of it.

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[*Translation*]

CORRECTIONAL SERVICE CANADA

REQUEST FOR EARLY RETIREMENT FOR CERTAIN EMPLOYEES

Mr. J.-Roland Comtois (Terrebonne): Mr. Speaker, my question is directed to the Solicitor General. There are in my riding several major penitentiaries, including the Archambault Institute, the regional admission centre and the minimum security facilities at Sainte-Anne-des-Plaines.

Very often staff members let me know of their concerns, Mr. Speaker; their assignment is getting increasingly more difficult, for they have to deal with individuals accused of aggressions and other violent crimes. In fact, we are all aware of the situation at the Sainte-Anne-des-Plaines institution.

It is difficult for people outside the Correctional Service to fully realize what is involved. Mr. Speaker, in its report the subcommittee has recognized the complexity of these people's assignment and has made recommendation as to the possibility of early retirement.

My question is this: What progress, if any, has been made concerning this recommendation which aims at preserving the health of these staff members who have greatly contributed to the Canadian judiciary system?

Hon. Bob Kaplan (Solicitor General of Canada): Mr. Speaker, I am very glad to inform the House that the Government is ready to recognize the stress under which prison guards and other employees dealing with convicts have to labour, and Treasury Board is now ready to start negotiating with Correctional Service Canada and the unions for the purpose of setting up and early retirement scheme for members of the Correctional Service who have lived under stress throughout their careers.

* * *

[*English*]

THE ADMINISTRATION

CONFLICT OF INTEREST GUIDELINES—PRESENTATION OF TASK FORCE REPORT

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, my question is directed to the Prime Minister who, in July of last year, appointed the Hon. Mitchell Sharp and the Hon. Michael Starr to joint chairmanship of a task force to review conflict of interest guidelines relating to Ministers, Parliamentary Secretaries, exempt staff, full-time Governor in Council appointees, and public servants. In letters to the co-chairman, the Prime Minister asked that the matter be dealt with and that the report be submitted by the end of last year.

Last month Mr. Sharp indicated that the report would be ready and available for distribution at the end of this month. Could the Prime Minister tell the House whether or not that deadline will be met so that he may table in the House of Commons, upon receipt, the report of the task force?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would think that the deadline is likely to be met, but I cannot give a precise assurance. I talked to Mr. Sharp, perhaps a month and a half ago, and my recollection is that his report was finished, or almost finished, in English, and that it was going to be translated. If I recall correctly, I undertook to table it in the House when it was received. I will check on that latter point, but I think I made that undertaking. If so, I will be happy to inform the Hon. Member as soon as I know when it will be ready for tabling.

● (1440)

[*Translation*]

EXTERNAL AFFAIRS

REQUEST THAT MINISTER INTERCEDE ON BEHALF OF POLISH FAMILIES

Mr. David Berger (Laurier): Mr. Speaker, I have a question for the Minister of External Affairs. The Minister has received a number of telegrams requesting his support on behalf of the families of two Polish women on a hunger strike in front of the Polish consulate in Montreal.

The Minister knows that the condition of those two women is rapidly deteriorating. Could he indicate if he has attempted to persuade the Polish government to allow those families to leave Poland?

[*English*]

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Yes, Mr. Speaker, we have been quite active on these particular cases. We know that the blockage is not as a result of Canadian practice because the persons involved can receive visas for admission to Canada. I understand, as a result of representations made by the Canadian Ambassador, that one particular case has been solved. The Polish authorities have indicated that Mrs. Szypura and her family will be reunited in Canada. That is very good news. I am not sure whether the Polish authorities have conveyed that directly to the persons concerned. We are still working on the second case. We hope to have good results.

I should add that among the Eastern European countries the Polish authorities have been the most receptive in this area of easing the reunification of families. I hope that their attitude will prevail in this second, unresolved case.

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NORTH ATLANTIC TREATY ORGANIZATION

FRIGATE PROGRAM

Mr. Bud Bradley (Haldimand-Norfolk): Mr. Speaker, my question is for the Minister of National Defence. The Minister will know a report says that the memorandum of understanding on the NATO frigate project which was to be signed on April 6 last, was in fact not signed because of last minute demands by the United States. The report further said that the other seven countries involved in the project were outraged at the U.S. action and decided to go it alone without Washington. Can the Minister confirm this report and advise us if Canada is one of the seven outraged countries that plan on going ahead with the project without Washington?

Hon. J.-J. Blais (Minister of National Defence): Mr. Speaker, I, with the Hon. Member, was disappointed at the indication that the Americans, although they had initially indicated they would sign the agreement, at the last minute identified some difficulties and did not sign. However, I want the hon. gentleman to consider that, in view of the advantages of having the largest possible group involved in the NATO frigate program, we are making every effort in order to rectify any difficulties that might have been identified by the United States in order to have them join in the program.

CANADIAN POSITION

Mr. Bud Bradley (Haldimand-Norfolk): Mr. Speaker, the Minister knows the effect this loss of American technology will have on the project, not the least of which will be the increased sharing of costs and the increased sharing of the development. From the Minister's comments, we are obviously committed to go ahead. Will the Minister tell us what will be the additional cost to Canada if the United States stays out? What steps are being taken to ensure that Canada gets her share of the work on the project that was previously targeted for the United States?

Hon. J.-J. Blais (Minister of National Defence): Mr. Speaker, I might indicate to the Hon. Member that the NATO frigate program is one that I identified in my previous responsibility as being one for us to participate in, in the national interest. Therefore I have insisted that we proceed within that agreement and that arrangement. However, as he will know, we are at a relatively preliminary stage. In effect, we would not be in a position to identify the total cost of the program nor the total involvement of Canada within that program.

I want to advise the Hon. Member that there would be a very close rapport between the amount of Canadian involvement and the industrial benefits that could be extracted from it. I might also indicate to the hon. gentleman that within the Canadian frigate program there is an amount of American technology that will be integrated. Of course our participation may include the aspect of weapons management and systems integration within the NATO frigate program.

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WESTERN GRAIN STABILIZATION ACT

AMENDING LEGISLATION REQUESTED TO PROVIDE PAY-OUT FOR FARMERS

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, in the absence of the Minister of Agriculture I will direct my question to the Minister of Transport. He will recall that the question of amending the Western Grain Stabilization Act has been before this House, the Minister, and Cabinet, for some time. It is crucial to get a payment to farmers in this cash-short period when seeding is beginning. There has been agreement from this side of the House, and assurance, as to speedy passage of any amendments which might be proposed. Since the Minister of Agriculture said outside the House yesterday that he was discussing final arrangements with his Deputy, can the Minister of Transport tell us what progress has been made,

and how soon the amendments will be presented to the House so that farmers can get this much needed cash?

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, as I responded in the House yesterday, to virtually an identical question, we treat the matter of western grain stabilization as a very high priority, but it is a matter that has a number of complicated financial provisions to it because of the nature of the joint contributions that come from both farmers and government. As the Minister of Agriculture was rightly reported, he is now discussing those arrangements with his officials. As soon as the proper and complete amendments are ready and available, they will, of course, receive the highest priority from this Government.

TIMING OF PRESENTATION

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, since the Minister and his Government have had considerable time to look at these amendments, can he assure the House, with an ironclad guarantee, that any amendments will produce a payment before the end of June so that finance companies will know that the farmers are expecting some money and that there is some guarantee for short-term loans as a result?

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, what I can provide to the Hon. Member is the same kind of ironclad guarantee of assurance that this Government has always provided to protect the interests of the western farmers.

Some Hon. Members: Oh, oh!

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FISHERIES

WEST COAST SPORTS FISHERY—NEW CATCH LIMITS

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question is directed to the Minister of Fisheries and Oceans. Is he ready to announce the new catch limits for the sports fishery on the West Coast and, if so, what they will be?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Mr. Speaker, as you know, three years ago the Department entered into an agreement with the Sport Advisory Board, called the seven points agreement, whereby the sports fishermen of British Columbia accepted a reduction of about 30 per cent in their catch, particularly of Chinook.

In view of the very serious situation that we are facing this year, I have decided that other measures will have to be added to the seven point program. What I am aiming for is to reduce the catch of our sports fishermen, not through a blanket closure, but through spot closures, or catch and release, and other means, to a target of about 160,000 pieces. I have asked my officials to sit with the Sport Advisory Board to see how that target can be achieved through mutual agreement. An option I have rejected, because I do not think it fits in with our tourist industry in British Columbia, is a total closure on a certain date when an automatic figure is reached. That is not appropriate for our tourist industry, so we will try for a target of about 160,000 pieces.

• (1450)

MANAGEMENT OF GENERAL FISHERY

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, the Minister seems to be prepared to reveal some things which have been kept secret from us. Is he therefore prepared to give us some views on the buy-back program for commercial fishing boats, as well as some views on the native food fishery?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Mr. Speaker, my colleague is asking me questions that relate to the annual management plan. That information, of course, is made public as quickly as possible. He asked if there would be a buy-back program or not. Those questions, of course, are ones of policy which are before Cabinet. As I said some time ago, Cabinet will be making such decisions, and I trust that the Hon. Member and every Member in the House will support the new Pacific fishery policy when it is made public.

* * *

[*Translation*]

MINING INDUSTRY

REQUEST FOR ASSISTANCE FOR ASBESTOS INDUSTRY

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, I have a question for the Minister of State (Mines). As everyone knows, Mr. Speaker, the asbestos industry is plagued with extremely serious and awkward problems.

Would the Minister tell the House what the Canadian government is doing or plans to do to help the asbestos industry?

[*English*]

Hon. William Rompkey (Minister of State (Mines)): Mr. Speaker, I would like to tell the Hon. Member that the Government certainly feels that, if the international standards are followed, there will be no risk to either workers or the public as far as asbestos is concerned. We have been lobbying very hard in the United States for that Government to accept the international standards as well.

I might tell the Hon. Member that we hosted an international conference on asbestos in Montreal last year. My colleague, the Minister of Energy, Mines and Resources, recently announced that an asbestos institute would be located in Quebec. The Government is fully in support of that industry, both in this country and internationally.

Oral Questions

FORESTRY

NEGOTIATION OF AGREEMENTS WITH PROVINCES ON FOREST RENEWAL

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is directed to the Minister of the Environment who is responsible for forestry. Since it is now apparent that it will not be possible for the Minister to negotiate forestry sub-agreements with the Provinces of British Columbia, Ontario, and Quebec, may I ask the Minister why it is not possible for him to gain the acquiescence of the provinces to these agreements in the area of forest renewal? Is it because of the very stringent criteria that have been attached by the federal planners to the national priorities, with which incidentally I agree, or is it because the Minister really does not have the money to take to the bargaining table? In that connection, could the Minister tell us just how much of the $130 million, which was earmarked for that program, he has authority to spend in this current year?

Hon. Chas. L. Caccia (Minister of the Environment): Mr. Speaker, I will try to bring the Hon. Member up to date. I think he should know that the forestry agreement with British Columbia has been renewed, and we have negotiated with the Government of British Columbia an extension of one year to the end of March, 1985. We have also concluded agreements with Manitoba and Saskatchewan. We are in the process of negotiating an agreement with Ontario. In the case of Quebec the matter is still in the hands of those who must negotiate an over-all ERDA agreement which, if agreed upon, will likely lead to the conclusion of a forestry agreement under the general ERDA heading.

I might also draw to the attention of the Hon. Member that during the fiscal year which concluded at the end of March, the federal Government provided well over $200 million to forestry in a number of ways which are too numerous to list.

Mr. Speaker: Supplementary. The Hon. Member for Prince George-Peace River.

Mr. Oberle: Mr. Speaker, if you would permit me to do so, I would like to direct my supplementary question to the Minister of Employment and Immigration. As the Minister knows, another critical problem related to the forestry industry is that if the industry were to convert to a more intensive management style, there would be a critical shortage of skilled manpower and scientists. The Minister has before him a proposal for the development of an internship program which would permit—

Mr. Speaker: The Hon. Member's question should be supplementary to his first question, and not a different question asked of a different Minister. In this case the Chair will recognize the Hon. Member for Skeena.

FISHERIES

TRANSFER OF LICENCES IN BRITISH COLUMBIA

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Minister of Fisheries and Oceans and deals with the transfer of A and L licences. I know that the Minister is aware that in some cases transfers have been stalled in his Department for up to five months. As the Minister also knows, the transfers are supported by the Appeal Board, and I know the Minister is personally interested in seeing those licences issued expeditiously. Because the Fisheries and Oceans offices in British Columbia will be closed from Friday through Easter Monday, will the Minister telex those offices today in an attempt to assure the House that the fishermen affected will be able to pick up their tags from those offices today or tomorrow, so that they can participate in the halibut season which opens next Wednesday?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Mr. Speaker, I can give the assurance to the Hon. Member that if the Department's legal adviser tells me that I can issue those licences, I will gladly issue them. The only thing that could prevent me from doing so would be a legal obstacle rather than the lack of will.

Mr. Fulton: Mr. Speaker, I trust that means that those fishermen will be able to get out on the fishing grounds next Wednesday.

FISH PLANTS IN PRINCE RUPERT AND PORT EDWARD

Mr. Jim Fulton (Skeena): Mr. Speaker, some of those affected vessels have historically made deliveries to Cassiar Packing Company in Prince Rupert and Port Edward. I wonder if the Minister would give us the assurance that he will contact the receiver to see that those plants will be reopened, either for this coming halibut season or certainly for the coming salmon season. The Minister should keep in mind that there are hundreds of jobs involved, and that some $600 million has been directed to eastern Canadian industrial fishing concerns for similar restructuring of the industry.

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Mr. Speaker, I cannot be more forthright than I have already been. I am telling the Hon. Member that I will gladly issue those licences if, according to the legal adviser of the Department, I have the legal authority to do so. I am sure that if the Hon. Member were himself the Minister of Fisheries and Oceans he would abide by the law and by the advice of legal counsel. If the regulations as they have existed for years do not allow what the Hon. Member has suggested, then we must consider amending those regulations. It is a legal problem; it is not that I do not wish to issue those licences.

INCOME TAX ACT

CANADAIR—SALE OF DEBENTURE

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, my question is directed to the Minister of State for Finance. The Minister was responsible for piloting Bill C-2, an amendment to the Income Tax Act, through the House. That Bill provided for 50 per cent tax credits to those who invested in companies with R and D components and provided that R and D tax credits would transfer to the investor. Is the Minister aware that Canadair has sold a government guaranteed debenture for $33.4 million to Imperial Oil in order that Imperial Oil could save $16.7 million in corporate tax? Does he view this use of government debenture by a Crown corporation as an appropriate transfer of funds to fund that Crown corporation?

Hon. Roy MacLaren (Minister of State (Finance)): Mr. Speaker, I am not aware of the specific case mentioned by the Hon. Member. I would gladly look into it and discuss it with him. Broadly speaking, however, the tax incentives for research and development which were provided for by Bill C-2 are proving to be successful and effective in promoting R and D in Canadian industry.

DE HAVILLAND—ISSUANCE OF DEBENTURE

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, is the Minister also aware that because of the intelligent approach taken by Joel Bell and his cohorts at CDIC, de Havilland Aircraft of Canada Limited issued a $25 million debenture to Gulf Oil of Canada to save Gulf Oil from paying $12.5 million in corporate tax? Again, I would ask the Minister if it is government policy to fund these losing aircraft companies through the back door by using gimmicky tax systems.

Hon. Roy MacLaren (Minister of State (Finance)): Mr. Speaker, if the Hon. Member opposite had given me some notice of his intention to ask these two specific questions about these two specific cases, I, of course, would have been happy to provide him with the information he seeks. However, I shall take his question as notice.

* * *

[*Translation*]

AMATEUR SPORT

NEWSPAPER REPORT OF ALLEGATIONS BY LEADER OF THE OPPOSITION

Mr. Raymond Savard (Verdun-Saint Paul): Mr. Speaker, my question is directed to the Minister responsible for Amateur Sport. Yesterday's *Globe and Mail* reported that the Leader of the Official Opposition has promised that a Conservative Government would contribute to the construction costs of a domed stadium in Toronto. I dare hope it would do the same thing for the Verdun stadium.

My question is this: could the Minister tell the House if, in light of the remarks made by the Leader of the Official Opposition, and I quote:

• (1500)

[*English*]

"It's only fair" . . . in reference to the Liberal Government's financial bail-out of the 1976 Olympic Games where one of the biggest cost overruns was the Olympic Stadium.

[*Translation*]

Since the Leader of the Opposition is deeply shocked at the huge amounts of money spent on the Montreal stadium, could the Minister tell me how much money the Government did spend in Montreal?

Hon. Jacques Olivier (Minister of State (Fitness and Amateur Sport)): One thing is quite clear, Mr. Speaker: I think that the Leader of the Official Opposition has absolutely no idea of the federal Government's contribution.

The federal Government did not directly fund the Montreal Olympic Games; it was all indirect funding with revenues from the Olympic coins and the Loto Canada lottery. Those are the very revenue sources which the Progressive Conservative Government gave away to the provinces when it was in office, and those are the funds we will not have to build stadiums elsewhere in the country, not only in Toronto. We did not pay for similar facilities in Edmonton and Vancouver.

It is in that respect that the Leader of the Opposition has yet to understand that we will not be able to provide that kind of funding for amateur sports as a result of his unrelenting battle against sports pools.

Mr. Speaker, I think that the Leader of the Official Opposition needs more information on this issue and I am quite prepared to enlighten him.

* * *

[*English*]

WESTERN GRAIN STABILIZATION ACT

REQUEST FOR EARLY INTRODUCTION OF AMENDING LEGISLATION

Mr. Charles Mayer (Portage-Marquette): Mr. Speaker, my brief supplementary is directed to the Minister of Transport and it follows on the question of the Hon. Member for Humboldt-Lake Centre regarding the western grain stabilization fund. The Minister said—if I got him down right—that there are complicated financial matters associated with revising the Bill. I would like to remind the Minister that producers in western Canada are going through some financial complications this spring; they do not have any money with which to operate.

There is willingness on this side of the House to co-operate and do anything we can to facilitate amendments to that Act. We are prepared, if the Government is serious about it, to pass

amendments very quickly if they will benefit Canadian farmers. I would like to ask the Minister, and encourage him, to bring some of those amendments forward as quickly as he possibly can. When is he going to do it?

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, of course we are always pleased to receive any gestures of co-operation on behalf of the Opposition.

Mr. Hnatyshyn: We are nothing but helpful.

Mr. Axworthy: It is a welcome change, and one which we will certainly take into account when we bring forward the legislative package after the spring break.

Mr. Speaker: I would like to call to the attention of the House, on the assumption that we adjourn at six o'clock, that all Hon. Members will be welcome in Room 16 for a short reception and the usual liberation. That invitation is extended also to the *Hansard* staff.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Speaker: I recognize the Hon. House Leader of the Opposition on the usual question relating to government business which is to be dealt with today on a Wednesday.

Mr. Hnatyshyn: Mr. Speaker, you have received notice of a subsequent question of privilege which I hope I can raise right after we have dealt with business of the House. Since ostensively we are about to adjourn for the Easter recess, I wonder if I could ask the Government House Leader, the President of the Privy Council, to tell us the intentions of the Government with respect to business for the days following our return from the Easter recess.

Mr. Pinard: Mr. Speaker, on Monday, when we come back, we will resume debate on Bill C-24. The back-up legislation will be Bill C-25. That is for Monday and Tuesday when we come back. On Wednesday, we will go to finance Bills C-7, C-8, C-11, C-16, C-6 and C-14. Thursday will be an allotted day. I hereby designate Thursday, when we come back, as an Opposition day.

For the rest of the new semester, under the new rules, and to respect the spirit of the new rules, I will send a letter to my colleague House Leaders later today outlining generally the business we would like to see done from the return after Easter until the end of June.

Mr. Hnatyshyn: Mr. Speaker, there has been a considerable amount of interest, as the Government House Leader will appreciate—and I raise this question again, having raised it last week—relating to the amendments to the Western Grain Stabilization Act. The Minister of Transport said today that Cabinet is close to concluding its deliberations with respect to this matter. Can the Government House Leader give us a specific date by which it is anticipated such amendments will be tabled in the House so that we can give this most important item of legislation the appropriate consideration?

Mr. Pinard: This morning, Mr. Speaker, in discussion with most concerned Liberal Members on the subject, I was much encouraged to realize—and it was made clear from the answer given by the Minister of Transport—that progress is being made on this legislation. However, as House Leader I usually deal with Bills which are on the Order Paper. It is likely that the Bill will be placed on the Order Paper shortly after we come back. I hope that will be the case. When that is a reality, then I will be pleased to remind my hon. colleagues opposite that they are on the same wavelength as my colleagues on this side. We all want to see this legislation dealt with as a priority, just like the other Bills on the Order Paper.

Mr. Speaker: The Hon. Member for Saskatoon West (Mr. Hnatyshyn) served notice of a question of privilege. Does the Hon. Member for Durham-Northumberland (Mr. Lawrence) have a point of order or a question of privilege? I will hear the Hon. Member for Saskatoon West and then the Hon. Member for Durham-Northumberland.

* * *

PRIVILEGE

MR. HNATYSHYN—USE OF PARLIAMENTARY FACILITIES FOR LIBERAL LEADERSHIP CAMPAIGN

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, I rise on a brief question of privilege relating to the use of parliamentary facilities and privileges for non-parliamentary purposes.

As you may recall, Mr. Speaker, in response to a question of privilege raised by the Hon. Member for Edmonton West (Mr. Lambert) in February of 1978, Mr. Speaker Jerome outlined a set of general guidelines for a policy on the use of the Parliament Buildings. At that time, the Hon. Member voiced his concern about the fact that the Liberal Party was intending to make use of parliamentary facilities in conjunction with a Liberal Party convention which was being held in Ottawa.

Mr. Speaker Jerome observed:

> Anything taking place in these buildings certainly ought to have a parliamentary connection and ought to be in keeping with a number of conditions that respect the dignity of the premises.

His full comments may be found in the *Debates* for February 14, 1978, at pages 2833 and 2834.

I happened to walk past the post office entrance to the Centre Block on my way into the building this morning. As you will know, Mr. Speaker, a variety of general information is left on tables and notice boards in and around the foyer at the post office entrance. This information usually relates to job vacancies and competitions, charitable appeals and other information of general interest to employees of the House of Commons or to Members' employees. You can no doubt imagine therefore, Mr. Speaker, how surprised I was to discov-

er that, along with all of the other notices and literature, were three cartons of pamphlets extolling the virtues of a certain John Turner and bearing the logo of the Liberal Party of Canada.

The pamphlets were issued in the name of an organization called "The Friends of John Turner" and take the form of an open letter "To Liberals in Canada" from the Hon. Member for Terrebonne (Mr. Comtois) and a Françoise Gagnon. The letter solicits support for Mr. Turner and asks that the attached form be filled in and returned "quickly" by those who agree with "The Friends of John Turner". The form, in part, reads as follows:

I support wholeheartedly the movement to favour the election of JOHN TURNER as Leader of the Liberal Party of Canada and Prime Minister of Canada and I want to join his team.

Mr. Speaker, I have no doubt that "The Friends of John Turner", the Hon. Member for Terrebonne included, have nothing but the highest of motives in mind in causing this pamphlet to be printed and distributed. I am certain that Mr. Turner, whoever he may be, needs all the friends he can get as "quickly" as possible. Nonetheless, I question whether leaving these pamphlets out for distribution in the post office entrance to the Centre Block is an activity which has a parliamentary connection or which respects the dignity of the premises as outlined by Mr. Speaker Jerome. I might add, Mr. Speaker, that when last I checked, the cartons and material in question had been removed, I understand by the Sergeant-at-Arms. However, Mr. Speaker, if such activities continue to occur I see nothing which would prevent the other leadership candidates from setting up tables in various places around the building to sell memberships in the Liberal Party or pass out buttons and balloons.

According to press reports, Mr. Speaker, the Hon. Member for Terrebonne left these pamphlets in the place that he did because certain translation errors had been made and because he wished to have the pamphlets destroyed. He is further reported to have said that new literature is being prepared and that he intends to distribute these pamphlets by making use of his franking privileges as a Member of Parliament.

• (1510)

I find it odd that the Hon. Member would leave these pamphlets in a public place where pamphlets are often set out for general distribution if it was really his intention to have them destroyed. The Hon. Member admitted that it was his intention to use his free mailing privileges as a Member for Parliament for the purpose of distributing obviously partisan pamphlets in connection with the Liberal leadership contest now going on. I think this is contrary to the spirit and rules respecting the use of the mailing privileges accorded to Members of Parliament. If it is true that the Hon. Member is using his franking privileges in this way, then an abuse is taking place which requires the attention of and investigation by the Standing Committee on Privileges and Elections.

If you, Mr. Speaker, find that I have established a prima facie case of privilege, I would be prepared to move that the matter of campaign activities in the Parliament Buildings and the use of parliamentary services and facilities be referred to the Standing Committee on Privileges and Elections. At the very least I hope that you might take this opportunity to outline guidelines on the use of these buildings and facilities.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Very briefly, Mr. Speaker, it might help us understand the Hon. Member's grievances and draw conclusions, if we could see the document he is referring to. I invite him to table that eloquent material here, so that we may decide if his complaint is warranted in the circumstances. Further, I think we should be well informed about previous leadership conventions, especially the last one, so that we may assess the facts, in a more objective and reliable context. I think the Hon. Member put forward his own version of the facts. He is referring to documents we have not seen. It is difficult for us to infer anything. It would certainly help Hon. Members and Canadians in general if the document to which he is referring was made available.

[*English*]

Mr. Speaker: The Hon. Member for Saskatoon West seeks permission of the House to table the documents in question. Is there unanimous consent?

Some Hon. Members: Agreed.

Mr. Speaker: Agreed. The Chair can only observe that it has also been the recipient of communications from various groups, including the Party of the Hon. Member who has just spoken, inviting me to contribute. I have had a number of such invitations recently. I would like to assure Hon. Members that the Chair treats all such communications with neutrality under all circumstances.

It is difficult to avoid the circulation of documents of this nature. However, if there is a violation of franking privileges, that is a serious matter and it will certainly be looked into. Any circumstances in which literature which might not be in the best of taste and which reflects on the dignity of the House will be brought to the attention of the Sergeant-at-Arms and promptly removed.

Mr. Hnatyshyn: Which has been done, Mr. Speaker. A bad case which has been taken care of.

Mr. Speaker: In the circumstances, the Chair will examine the remarks of the Hon. Member and the documents which have been tabled. It will also look into whatever evidence the Hon. Member cares to offer concerning the use of the franking privilege.

The Hon. Member for Northumberland-Miramichi (Mr. Dionne) on the same point of order.

Mr. Maurice A. Dionne (Northumberland-Miramichi): Mr. Speaker, in view of your undertaking to look into this, may I call to your attention the fact that about four years ago I

raised a similar question of privilege when the Right Hon. Member for Yellowhead (Mr. Clark), who was Leader of the Official Opposition, was sending out under his frank copies of a Tory Party newsletter.

Mr. Speaker: It is very difficult for the Chair to take note of all the things which have happened in the past in this House. It will do its best to deal with matters currently taking place which are brought to the attention of the Chair.

MR. LAWRENCE—NOTICE OF QUESTION TO BE RAISED

Hon. Allan Lawrence (Durham-Northumberland): Mr. Speaker, I believe I heard during Question Period what I consider to be a rather uncalled for personal reference to me by the Prime Minister (Mr. Trudeau) indicating that I frequently promote fabrications in the House. I want to make sure of what was said and consult the rule book. May I just give you notice now that I reserve my right to raise this as a question of privilege at some later time?

Mr. Speaker: If the Hon. Member follows the procedure of sending a written communication to the Chair, I can assure him that due and proper attention will be paid to all communications received.

MR. HNATYSHYN—USE OF PARLIAMENTARY FACILITIES FOR LIBERAL LEADERSHIP CAMPAIGN

Mr. Chuck Cook (North Vancouver-Burnaby): Mr. Speaker, I believe I heard you say that you had received literature from other Parties, including the Progressive Conservative Party, asking for donations, etc. My point of order is basically that I trust, Sir, you have made equal contributions to each one of the Parties in order to maintain your total independence.

Some Hon. Members: Hear, hear!

Mr. Speaker: The Chair considers itself to be equally flattered by the attention offered by Members on all sides, and wants to assure Hon. Members that they are all treated equally.

Hon. Paul J. Cosgrove (York-Scarborough): Mr. Speaker, if I understood your response to the question of privilege, you said you would look at the issue of the franking privileges to ensure that they are properly observed. I would like to bring to the Speaker's attention—and although I do not have the material today, I could make it available—issues of householders, which are issued under the franking privilege, with pictures of congratulations to poll captains in previous elections and things of that nature. I have wondered about them.

Mr. Speaker: Order, please. The Standing Committee on Management and Members' Services has taken note of these matters. The Chair has been guided by recommendations from that Committee, which represents Members from all political Parties in this House. The matter has been considered and if the Hon. Member has a concern I suggest he take it before the Committee.

* * *

PETITION

MR. BRADLEY—TAX ON TOBACCO PRODUCTS

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Haldimand-Norfolk (Mr. Bradley), by filing it with the Clerk of the House on Tuesday, April 17, 1984, meets the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

TRANSPORT

PRESENTATION OF FIRST REPORT OF STANDING COMMITTEE

Mr. Maurice A. Dionne (Northumberland-Miramichi): Mr. Speaker, I have the honour to present the first report of the Standing Committee on Transport, to which, pursuant to Standing Order 69(13), the Committee requests a comprehensive response.

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COLUMBIA RIVER TREATY

TABLING OF ANNUAL REPORT OF ENGINEERING BOARD

Mr. Leonard Hopkins (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, pursuant to Standing Order 46(2), I wish to table two sets of documents today. First I would like to table in both official languages the annual report of the Columbia River Treaty Permanent Engineering Board to the Governments of the United States and Canada for the period from October 1, 1982, to September 30, 1983.

* * *

PETROLEUM COMPENSATION CHARGE

TABLING OF SUMMARY OF COMPENSATION REVENUES AND EXPENDITURES

Mr. Leonard Hopkins (Parliamentary Secretary to Minister of Energy, Mines and Resources): Secondly, Mr. Speaker, I would like to table in both official languages the revised petroleum compensation report on revenues and expenditures for the fiscal year ended March 31, 1983. This report will undoubtedly be referred to the Standing Committee on National Resources and Public Works.

[*Translation*]

PETITION

MR. BERGER—ESCALATION IN THE ARMS' RACE

Mr. David Berger (Laurier): Mr. Speaker, I have a petition from 1200 residents of the Laurier constituency and the Montreal area.

They humbly state that they are concerned by the continuous escalation in the armaments race and the breakdown of negotiations aimed at limiting and reducing nuclear arsenals. They are encouraged by the efforts of the Right Honourable the Prime Minister (Mr. Trudeau) to promote a dialogue between the superpowers, and humbly pray and call upon Parliament to support the Prime Minister in his efforts.

Most of these petitions were signed after the Prime Minister's resignation. Therefore, Mr. Speaker, they can be interpreted as expressing the hope that this initiative will be pursued by the Canadian Government and become part of this country's external policy.

* * *

● (1520)

[*English*]

HOUSE OF COMMONS

MOTION RESPECTING MONDAY, MAY 14 SITTING

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, consultations have been had on this subject. I think you will find there is unanimous consent for the following motion:

That when the House adjourns on Friday, May 11, 1984, it shall stand adjourned until 2 p.m. on Monday, May 14, 1984.

The reason, Mr. Speaker, is that the new Governor General will be sworn in in the morning of May 14. The House will not sit in the morning but will sit at two o'clock in the afternoon.

Mr. Speaker: Does the Hon. Parliamentary Secretary to the President of the Privy Council have unanimous consent to move his motion?

Mr. Hnatyshyn: Mr. Speaker, I would like to indicate on behalf of our Party that for the purpose of accommodating the Government with its arrangements for the swearing in ceremony of the Hon. Jeanne Sauvé as Canada's Governor General, we not only consent to the presentation of this motion, but will agree to the contents of the motion.

Mr. Speaker: Hon. Members have heard the terms of the motion. Is it agreed?

Some Hon. Members: Agreed.

Motion agreed to.

Order Paper Questions

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 195 and 677.

[*Text*]

EMPLOYMENT OF CONSULTANTS

Question No. 195—**Mr. Blenkarn:**

1. In the fiscal year (a) 1981-82 (b) 1982-83 were outside consultants employed by the Canada Mortgage and Housing Corporation and, if so (i) how many (ii) what was the total amount paid?

2. Were any consultants paid more than $20,000 and, if so, in each case what (a) was his/her name (b) was the amount (c) services were provided?

Hon. Roméo LeBlanc (Minister of Public Works): I am informed by Canada Mortgage and Housing Corporation as follows:

1. a) Yes (i) 29
(ii) $597,540 in Canadian funds
$ 69,867 in U.S. funds

b) Yes (i) 28
(ii) $736,020 in Canadian funds
$445,000 in U.S. funds

2. Yes in 1981-82, seven consultants were paid more than $20,000 and in 1982-83, five were paid more than $20,000.

a) to c), see attached Schedule A

Name, Amount and Services provided by Consultants paid more than $20,000

	1981-1982	
Name	Amount	Services Provided
C.T.R. Consulting Inc., Montreal	$ 63,170	Translation
Spica Translations, Ottawa	166,669	Translation
Les Traductions Tessier, SCC, Ottawa	142,939	Translation
Spectrum International, Los Angeles, CA.	48,045 US	System Development Methodology Instruction Book
TM Douglas Enterprises, Inc., Sault Ste-Marie	29,500	Coordinate Minister Speeches, Press relations, etc.
Scanada Consultants Ltd., Ottawa	35,150	Urea Formaldehyde Foam Insulation Training
Ekos Research Associates Ltd., Ottawa	71,510	Technical Services Reporting System
	1982-1983	
Scanada Consultants Ltd., Ottawa	$412,284*	UFFI Remedial Advisory Assistance Service and Special Measures
Booz Allen and Hamilton, Chicago	445,000 US	Diagnostic Review and Blueprint of Management Information System
Peat Marwick, Ottawa	109,253	Federal/Provincial Relations; Rural and Native Housing Program; Mortgage Insurance Fund; Cash Management Study; Budgetary Module Study; Performance Standards; Asset Evaluation; Mortgage Portfolio Management System Study; Regent Court Regeneration

Robert Sprague Consulting Services Ltd., Ottawa	26,800	Internal Manual Instructions
Ekos Research Associates Ltd., Ottawa	79,450	UFFI Reporting Systems

* Of that total $396,490 was recovered by the Department of Corporate and Consumer Affairs.

ATTENDANCE AT OLYMPIC GAMES

Question No. 677—**Mr. Hawkes:**

1. Did the Minister of State (Fitness and Amateur Sport) offer to take athletes who did not meet the olympic selection criteria to the 1984 Olympic Games as guests of the Government and, if so, was he aware that (a) sports governing bodies had set the criteria for olympic selection two years prior to the Games (b) the selection criteria for the Games were accepted by all sports governing bodies except that of track and field (c) all Canadian sports governing bodies, plans and budgets for the Games were established prior to the Games based on meeting the criteria for selection to the Games?

2. In future, will the Government (a) intervene in the administration of national sports governing bodies (b) create a new set of selection criteria not based entirely on athletic skill for the choice of Canadian representatives in international athletic contests?

Hon. Jacques Olivier (Minister of State (Fitness and Amateur Sport)): 1. The Minister of State (Fitness and Amateur Sport) did not offer to take athletes who did not meet the Olympic selection criteria to the 1984 Olympics as guests of the Government.

The Minister did extend an invitation to athletes in the sports of Nordic Combined and Biathlon to observe the Games (as guests of the federal Government), after the Canadian Olympic Association declined to select any athletes to represent Canada in these sports at the Sarajevo Olympics.

There are no minimum criteria for selection for the Olympics in these two sports laid down by either the International Olympic Committee or the International Federations which control the two sports.

With respect to criteria for the Olympics being set two years prior to the Games, the criteria referred to are, presumably, the general selection principles set out by the Canadian Olympic Association—not by the Canadian sport governing bodies responsible for these two sports in Canada.

Further, while the general selection principles were set out by the Canadian Olympic Association in mid-1982 subsequent discussions between the COA and officials of Sport Canada led to an agreement to select athletes who were 1988 potential athletes provided that the federal Government paid for these athletes, and provided that these athletes were clearly participants in long-range training programs aimed at 1988. In the final analysis, when the actual selections were announced in January 1984, these athletes who will likely represent Canada in Calgary in 1988 were denied the Olympic experience in 1984, and so the Minister offered to send them to Sarajevo as observers.

With respect to the process of setting criteria, since Canada became the host nation for 1988 only in mid-1982 and made a major financial commitment to preparing athletes for 1988 in early 1983 (including a doubling of resources to $50 million for the period from 1983-88), it appears reasonable that the approach of Canada's host nation status and major financial commitments to success in 1988. This answers the question of whether sport organizations' budgets were set based on meeting criteria for selection to the Games. Clearly other factors intervened after the initial criteria had been set—but in any event, budgetary factors were not an issue.

2. No, the Government will not generally intervene in the administration of national sport governing bodies. But, yes, the Government will attempt to prevail on the judgment of organizations such as the Canadian Olympic Association to establish selection standards which will assist in the fulfillment of a public interest in Canada's eventual success in international sport as evidenced by an annual federal Government expenditure on sport of nearly $50 million.

* * *

[*English*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if questions Nos. 176, 188 and 295 could be made orders for returns, these returns would be tabled immediately.

[*Text*]

NATIONAL ADVISORY COUNCIL ON AGING

Question No. 176—**Mr. Mazankowski:**

1. Is there a National Advisory Council on Aging and, if so, what (a) are its terms of reference (b) is the (i) name (ii) background or expertise (iii) term of appointment of each member (c) remuneration, such as salary or travel expenses (i) do the members receive (ii) did the members receive to date (d) other funding, if any, is provided by the Government?

2. During the fiscal year 1982-83, did the Council meet and, if so (a) how often (b) how often is it required to meet (c) what matters did it consider (d) what reports and/or recommendations were published?

Return tabled.

DEPARTMENT OF AGRICULTURE CONSULTANTS

Question No. 188—**Mr. Blenkarn:**

1. In the fiscal year (a) 1981-82 (b) 1982-83 were outside consultants employed by the Department of Agriculture and, if so (i) how many (ii) what was the total amount paid?

2. Were any consultants paid more than $20,000 and, if so, in each case what (a) was his/her name (b) was the amount (c) services were provided?

Return tabled.

CNR SUBSIDIARY COMPANIES

Question No. 295—**Mr. Munro (Esquimalt-Saanich):**

1. Are there any subsidiary companies of the Canadian National Railway System and, if so (a) how many (b) what is a list of their names and, in each case (i) on what date (ii) under what authority (iii) in what circumstances was it incorporated and what are its terms of reference?

2. For each of the subsidiaries mentioned in Part 1 (a) how is it financed (b) what is it capitalization (c) what is its current budget (d) by (i) whom (ii) what process is it budget approved (e) what is its borrowing (i) authority (ii) limit (f) what is a list of the names of its Directors (g) on what date did its Board of

Directors last meet (h) does it report to Parliament or the Canadian National Railway System?

Return tabled.

[*English*]

Mr. Speaker: The questions as enumerated by the Parliamentary Secretary have been answered.

Mr. Manly: Mr. Speaker, could the Parliamentary Secretary give special attention to producing an early answer to question No. 742 relating to the Cowichan estuary and any studies that were done regarding the no net loss policy?

Mr. Speaker: Is it the pleasure of the House that questions Nos. 176, 188 and 295 be deemed to have been made orders for return?

Some Hon. Members: Agreed.

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

Mr. Speaker: Shall the remaining questions stand?

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

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

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CANADIAN INSTITUTE FOR INTERNATIONAL PEACE AND SECURITY

MEASURE TO AMEND

The House resumed consideration from April 17, 1984 of the motion of Mr. MacEachen that Bill C-32, an Act to establish the Canadian Institute for International Peace and Security, be read the second time and referred to the Standing Committee on External Affairs and National Defence.

Mr. Speaker: The last speaker was the Hon. Member for Esquimalt-Saanich (Mr. Munro). There are five minutes remaining in the questions and answer period. Is the Hon. Member for Edmonton East (Mr. Yurko) rising to put a question? The Hon. Member for Edmonton East on debate.

Mr. Bill Yurko (Edmonton East): Mr. Speaker, as the culmination of the Prime Minister's (Mr. Trudeau) peace initiative we have before us Bill C-32, an Act to establish the Canadian Institute for International Peace and Security. The principles involved in this legislation are sound. Let us cease this ongoing nitpicking and send this legislation to committee where we can adjust the language and change "shalls" to "mays" if advisable. Let us get on with this legislation. With regard to the principles behind this legislation, we need only ask whether it is needed, what its dimensions are to be, and where the institute shall be located.

Let us first ask ourselves whether peace is possible in our world today or if it is a social illusion. When the differences in affluence and poverty are so great between world segments, and when ideologies are a major conflict as to the very purpose of life itself, can lasting peace be a reality? What universal intelligence or universal spirituality can decree that humanity is not bent on self-destruction? What are the characteristics of peace and how are they to be taught and promoted? Can we aim so high as to state that through trust we shall promote international brotherhood and goodwill and through understanding we shall be free from oppression of body and spirit and from uncertainty and fear? Can we state that to understand we must study and analyse and to trust we must discern and know?

We must establish the mechanism to analyse and to understand and then to know and to trust so that we might live without fear, apprehension and oppression. To know and to understand we need a centre of study and analysis and projection and dissemination of information on arms control and defence. Yes, Mr. Speaker, the need is there. The need for an institute for international peace and security is timely.

Where should this institute be located, Mr. Speaker? Let me again suggest that it should be located in Edmonton, halfway between Washington and Moscow, midway between our two mighty neighbours that are armed to the teeth with nuclear weapons.

When we officially open the institute let us invite the President of the United States and the Chairman and President of the U.S.S.R. to cut the ribbon and then to shake hands and have their summit meeting. Every second year these two giants of peace or war should be invited to revisit the institute in Edmonton. Let us bring together in this peace institute in Edmonton both American and Russian experts so that they might learn to communicate, because knowledge and communication should be the prime objectives of this institute.

When I spoke in the Throne Speech debate on January 24 this year, I said:

> Some international superpower agreements on the military use of space must be realized in the next five years. Initially, the nuclear delivery mechanisms involved hours in their delivery time... This has now been reduced to minutes... and space deployment will reduce the time frame for delivery to seconds.

● (1530)

War by accident and massive escalation will then be beyond the control and reason of man and totally under the control of computers. To the modern mind,

technological development is the very essence of mankind. Without technological progress some people believe we die as a human race. The very pride of man decrees that space will be conquered and space systems both for military and peaceful use will be developed and deployed. That is the general view in America today.

I suspect it is the general view in Russia.

What we must find is the human will to rationalize and then regulate these systems for the continued constructive evolution of civilization itself. The converse is only darkness.

The institute must study all aspects of accidental initiation of nuclear war. It must develop systems to provide instant communications between the two superpowers to prevent and halt massive escalation.

Indeed, I have frequently envisaged a communications satellite positioned in a stationary orbit above the North Pole which would provide instant communications between the U.S.A. and Russian military commanders and heads of states in order to prevent accidental war and massive escalation.

Surely a Canadian institute for peace would at least perform such a function. Surely one of its first tasks would be to examine the possibilities and the probabilities of launching such a communication satellite. Indeed, the Canadian Government should undertake discussions immediately with both the United States and the Russian Governments to initiate such a satellite project.

Without much more fuss, let us pass this legislation on principle and send it to committee for some minor refinements. Let us give it third reading and get on with the establishment of the institute in Edmonton. Edmonton is the place. Let us get it away from Ottawa, the political centre of Canada, so that political interference in its functions can be minimal.

If we locate it in Edmonton, I feel quite certain that within a few years, or even a few months, it would be named the Pierre Trudeau Institute for International Peace and Security. It would be a fitting tribute to a Prime Minister who really tried to do his best for world peace and now rides into the sunset.

[*Translation*]

Hon. J.-J. Blais (Minister of National Defence): Mr. Speaker, first of all, I would like to congratulate the previous speaker, the Member for Edmonton East (Mr. Yurko), who pointed out that we should not wait too long before adopting this legislation, so that the Standing Committee on Health, Welfare and Social Affairs can discuss any changes or amendments it may wish to suggest.

[*English*]

My colleague, the Secretary of State for External Affairs (Mr. MacEachen), described the proposals to establish a Canadian institute for international peace and security. He has explained the purpose of the proposed institute and why this Government considers its establishment and development to be a matter of some urgency.

Mr. Skelly: Mr. Speaker, I rise on a point of order. I am very reluctant to interrupt the Minister's speech, but I understood he had risen on a question. I wonder whether you had called for questions prior to the resumption of debate.

The Acting Speaker (Mr. Herbert): I must admit that I did not because I did not see anyone rising. I was aware that the next speaker was to be the Minister. Ordinarily, there would have been a ten-minute question period following the speech made by the Hon. Member for Edmonton East (Mr. Yurko).

Mr. Skelly: Mr. Speaker, the customary procedure is to call for questions. I think that Members of the House, on questions being called, tend to rise in anticipation of that. The introduction in the Minister's presentation led me to believe that this is what he was doing. I had waited for your call to rise on those questions.

The Acting Speaker (Mr. Herbert): The Hon. Member's point is well taken. Perhaps I could ask for the Minister's indulgence in order to call for any questions that might be posed to the Hon. Member for Edmonton East. He would then be able to continue his speech.

Mr. Blais: Mr. Speaker, I am in your hands.

The Acting Speaker (Mr. Herbert): In that case, there will be a maximum ten-minute period for questions and comments.

Mr. Skelly: Thank you, Mr. Speaker. I took particular notice of two important issues which the previous speaker raised in his presentation. One was the use of weapons in space. One issue that has arisen and has concerned many Canadians is that of the defence production agreements in which Canada is involved and the construction of components for nuclear weapons delivery systems. Would the Hon. Member comment on his support or opposition to Canada's constructing components for nuclear weapons delivery systems and on the involvement in the aerospace programs that might lead Canada to assist in providing components for such technology in space?

Second, the Hon. Member mentioned accidental nuclear strikes. What is the Hon. Member's opinion of a first strike situation? What is his position on the Cruise missile, which does not only concern an accidental strike as it has been the subject of first strike possibility because it is unverifiable and undetectable?

For the record, would the Hon. Member give us his position on the testing of the Cruise missile in Canada and the further development of this very dangerous weapon capable of being used not only for accidental strike but for first strike?

Mr. Yurko: Mr. Speaker, with regard to the use of weapons in space, let me say first that I am of the opinion that technological progress in regard to the use of space both for military and peaceful purposes cannot be stopped. It will go ahead irrespective of what is said in this Parliament or in almost any congress or parliament. I have tended to touch on that matter in several speeches I have made in the House. The question in my mind is the deployment of the deadly device

itself, the nuclear weapon. There are now 50,000 in the world. We have to return to the question of reducing the number.

The danger is not with the development of technology because all technology that is developed, whether it is the jeep or the initial airplane, can be used for destruction or construction. Indeed, we have gone through several systems in which the initial development was for military purposes but then they have been used massively for commercial or peaceful purposes. I cannot think of any single development in technology that has not gone through this variation from possible military use to usefulness in society. I suggest that we must deal with reducing the number of nuclear bombs themselves.

One of the most interesting aspects, of course, is Canada's position in regard to the CANDU nuclear reactor. Canada is trying to market nuclear reactors all over the world in a very significant fashion. I know quite a bit about CANDU reactors because I have worked on the design of some. Yet this is a reactor that we sell which makes it possible to build a nuclear bomb without too much difficulty. We must examine closely our position in regard to the development of technology. I am not suggesting that we should not sell CANDU reactors. That is my answer to the first question.

With respect to the second question regarding the testing of nuclear Cruise missiles, I have stated my position in the House very emphatically. I think I was the first person in the House to take a position in respect of testing the Cruise missile. It was that we should go ahead. To support that view, I return to the process of verifiability and the timeframe for delivery systems. The Cruise missile is a slow delivery system. I feel rather safe with the Cruise missile, as I feel with an airplane, because I believe that nuclear war can start by design, which is first strike capability, if you wish; by escalation as a result of initiation by a small country, such as one in the Middle East; or by accident. I do not fear the first alternative at all. I know of no nation that will start a nuclear war knowing that it will accelerate very rapidly and will not stop until the world is destroyed.

● (1540)

I fear the second instance, of a bomb dropped in Israel, the Middle East, or somewhere else, which act of aggression would then escalate. But I mostly fear the third alternative. I am a technologist. I have worked on nuclear reactors and I know how accidents can happen. My fear is that the Cruise missile has a slow delivery. We have time to react. It is verifiable—not the Cruise missile itself but the bomb itself when it is stationed at some particular point. The bomb is verifiable. A nuclear bomb when it is stationed somewhere brings around it a massive system of protection against somebody stealing it. There is no harm in stealing a Cruise missile. The harm is in stealing the bomb. It is the bomb that will provide the verifiability with respect to the protection systems around it. With respect to the Cruise missile, it is slow. It will give us time to react and stop any escalation process. Second, the nuclear bomb itself and its location is a verifiable process.

Mr. McRae: Mr. Speaker, I commend the Hon. Member for his support of the Bill. I agree with him entirely that we should move it along, get it into committee, have a good look at it in committee and make the changes necessary. But let us get this thing going. However, I tend to agree to some extent with his answer to the last question.

When he is talking about the Prime Minister's (Mr. Trudeau) peace efforts, has he examined very closely the ten points which I think are tremendously important which really represent a distillation of what the Prime Minister found out when he talked to dozens and dozens of world leaders? Has he examined whether or not these ten points do not offer a much better approach to solving the world's problems than the arms control approach, which is the one we have been using?

Let me give you a quick example, Mr. Speaker. Imagine two people standing in a tank of gasoline; one has ten matches and the other has seven. One says, "You have more matches than I do". Maybe the answer should be that we should try to drain the gasoline away. Perhaps that is the real answer since we are not very successful at the other one; the weapons might disappear at some particular point if we do this other thing. But included in those other points, one of which is destabilizing weapons, which the Hon. Member has mentioned, is the Pershing II.

Mr. Yurko: Mr. Speaker, I am not going to take a long time to answer this question. I believe the discussion in this House has basically given the answers to the question which the Hon. Member has asked with respect to the ten points put forward by the Prime Minister (Mr. Trudeau). There is no doubt that the ten points are significant and indeed distil the very essence in this matter. My difficulty is that there are fantastic dynamics to the whole question. It is not a stationary one. The dynamics of the question change almost daily, certainly monthly and yearly. The reason they change is that there is a vast potential for technological development in the world today, particularly in certain nations. Where you think there is stability under one particular system, a new development or technology suddenly creates instability. Therefore, the need for constant, dialogue, discussion, co-operation and, if you wish, analysis, particularly between the two superpowers, is absolutely vital. That is what I see and hope is the purpose of this type of institute, an institute which must bring—as I have constantly indicated—the two superpowers together in a summit and put together the mechanism for constant dialogue. I know a summit meeting between the five nations is a second step, not the first step. The first step is dialogue, if you wish, at a summit and an agreement for co-operation between the two superpowers. They are our neighbours. We are in between the two superpowers. I believe we have a role to play, which is very significant in this world, in bringing our two neighbours together at every possibility for dialogue, for co-operation through sports, for co-operation through tourism or through trade. We must get these two nations to get to know each other so that at least they can talk. Then we can move toward the process of establishing some permanent type of peaceful struc-

ture for the future. I want to say that at this time I am not very optimistic.

The Acting Speaker (Mr. Herbert): The period for questions and comments has expired. Before I recognize the Hon. Minister for National Defence (Mr. Blais) I should say that, because I interrupted his speech, he will be accorded the full twenty minutes, if he so desires. The Minister of National Defence.

Mr. Blais: Mr. Speaker, as I was saying, I subscribe fully to the sentiments of the Secretary of State for External Affairs in the expressions that he made and to the Government's commitment to search for world peace and security. Today's strategic environment is characterized, as you well know, Mr. Speaker, by uncertainty and by change. It is essential, therefore, that we all understand the nature of the world in which we live so that we might effectively provide for our security and that of all peoples.

The Prime Minister (Mr. Trudeau) embarked on his initiative with the intention of defusing some of the worrying aspects of the East-West relations and seeking a way out of the current preoccupation with military strength. He strove to give new political impetus to the search for accommodation. The institute is being proposed in this spirit.

As Minister of National Defence, I support every effort to strengthen peace. My Department and myself are devoting time and effort to work with other Departments, especially the Department of External Affairs, in looking for ways to achieve arms control and disarmament. I am pleased to say that all these initiatives, the latest of which is the proposed Canadian Institute of International Peace and Security, will complement the work of my Department, of which I have the honour to be Minister.

Our defence policies have long been aimed at preserving peace and security and need no elaboration here. One only has to look at the experience of Canada in peace-keeping operations. We have used our military forces, not to make war but to secure peace. We have been the greatest contributor to the United Nations peace-keeping operations, having participated in each one of the peace-keeping operations mounted by that international institute.

As the Secretary of State for External Affairs has said, Canada's investment in defensive collective security agreements has been consistent since the Second World War and has paid the dividend of peace for more than a generation of Canadians. Again, as Minister of National Defence, I support whole-heartedly the act to establish the Canadian institute. The institute, by adding to our store of public knowledge and understanding of the issues has a real contribution to make to the preservation of peace and security. The Department of National Defence will demonstrate its commitment by financing 50 per cent of the institute's budget in partnership with the Department of External Affairs.

Although some of those who are newly aware of the question of peace and security and strategic studies may tend to feel that there is an instant solution somewhere if only goodwill could be found, we recognize that the issue is an eminently complex one and needs to have a great deal of attention and concentration given to it if we are to make any progress.

• (1550)

[*Translation*]

The Members of this House are aware of the activities of the Department of National Defence and know that for many years, the Department has played a continuing and active role in the field of research on peace and security. A large part of these activities are carried out by the Operational Research and Analysis Establishment, which works together with the policy planning staff of the Department of National Defence.

The subject is a very important one, Mr. Speaker, and the group in question carries out studies that are to be used in formulating departmental policy, more particularly in the field of East-West relations. In many cases, it has also provided assistance to the Department of External Affairs, when so requested, in the field of analysis. Projects were either short or long-term, and some might be classified while others would be for public release. Often, outside help has been obtained, and research projects on a variety of subjects connected with Canada's defence have been entrusted to eminent academics. In recent years, research on, and analysis of, problems relating to arms control and disarmament has been stressed, with special emphasis on areas where Canada plays an active role, such as reduction in conventional forces and the development of confidence and security in Europe.

In addition, the Operational Research and Analysis Establishment has concentrated on the repercussions that a balance of nuclear power and increasing use of space for military purposes might have for Canada.

Since the foregoing has been the subject of various studies within my Department, the Right Hon. Prime Minister (Mr. Trudeau) was able to call on the Department's expertise to help establish strategy for his peace initiative. Similarly, my Department has extended its activities beyond its own confines by encouraging and supporting civilian universities as part of the Military and Strategic Studies Program. Started in 1967, the program's major objective has been to encourage the training of Canadian experts on military and strategic issues, in order to respond to present and future security requirements and arouse a nationwide interest in these issues.

Mr. Speaker, it is common knowledge that the program had humble beginnings. In fact, at the outset, interest in the program was not universal. However, it now helps support five research centres located at the University of British Columbia, the University of Calgary, Queen's University, Laval University and Dalhousie University, and also three teaching centres which are located at York University, the University of New Brunswick and Acadia University. The program also provides a number of bursaries for Canadian university students desiring to pursue a course of study in areas related to national

security. The administration of the program is strictly neutral, and the Department does not try to influence the universities. The Military and Strategic Studies Program has been remarkably successful, considering its relatively low budget. I may add that this week, representatives of participating universities, with senior officials responsible for the program, will be meeting in Ottawa at their annual convention.

[*English*]

I have described briefly to the House how the Department uses and promotes the research function associated with national security both within and outside the Department. These DND programs are tailored to the broad needs of national security and will continue to do so. At the same time we must recognize recent developments which led the Government to consider the formation of the Canadian Institute for International Peace and Security as necessary, desirable and complementary to the work of others in the field of military and strategic studies.

The first of these developments is the explosion of information in the field of military and strategic studies. The Speech from the Throne referred to the need for a publicly-funded centre to gather, collate and digest the enormous volume of information now available on defence and arms control issues. As Minister I can attest to the volume and I can see how difficult it is even for trained personnel to understand and assimilate the flow of information. I tend to be on a large number of mailing lists these days. I tend to receive a large volume of documents from a large number of sources. I am not belittling the information which is being provided nor the opinions which are being advanced, because more thought is being given to the particular issue of peace and security than to any other issue facing public administrators and individuals concerned with the public interest.

There is a clear need to collate, collect and digest information and a responsibility to communicate. We as Members of Parliament, men in public life, recognize the need for communications. We recognize how difficult communications are, especially when the issues are so complex and imbued with emotionalism.

The second development is the increase in public interest in matters of peace and security. I can vouch for the fact that since I assumed this particular responsibility public interest in the issue is much greater. I can well understand why. One has only to look at the developments and the difficulties in 1983. Of course, 1983 was the period when the western alliance had to implement its two-track policy with the beginning of the deployment of modernized delivery systems in western Europe. It was the time of the Korean airlines flight No. 007 being shot down and of an increase in tension. Indeed there was and is an ongoing concern. Historically Canadians have tended to be relatively disinterested in peacetime—and I stress in peacetime—in matters of peace and security because Canada has had the major advantage of having seas which isolate it from major threats. Also, we have a very friendly neighbour—and we are very lucky in that respect—on our southern border. Relatively speaking, Canadians have felt very secure. Indeed, there was a period of time when the interest relating to these issues was not that great. However, now there are clear signs that the public is no longer content to leave these issues only to professionals and even to politicians. There is a genuine desire to learn more about the complex issues of peace and security.

Ten years ago it was difficult to attract students to military and strategic studies programs. Today there are 598 undergraduates taking military and strategic studies at three teaching centres, and many more than could be accepted within the limits of the current graduate program. At the graduate level, four times as many students applied for scholarships than could be accepted within the funds available. The establishment of the proposed institute will greatly facilitate response to this increased public interest.

One of the characteristics of both the increased public awareness and the explosion of information is the wide variety of opinions expressed. No single Department of government could hope to encompass this spectrum of concerned public opinion, least of all the Department of National Defence because its attention, of necessity, must focus upon giving effect to the Government's security and defence policies. It is the Canadian democratic tradition to seek consensus and reconciliation, not to polarize the discussion of peace and security into what the Secretary of State for External Affairs has called a dialogue of the deaf.

We reaffirm our determination to maintain a strong defence in co-operation with our democratic allies. At the same time we must recognize the overriding imperative to explore new ideas which will go beyond the historic and traditional concepts of national and international security.

• (1600)

There is going to be, of course, a by-product. As the institute gets involved in areas of public concern and in communicating views relating to various solutions and the various positions being proposed, that will make Canadians more conscious of the fact that they belong to a global community. In the past, we have tended to be rather insular. During Question Period very seldom are questions asked relating to international concerns and to peace and security issues. It is to be hoped that with this institute, the internationalization of our interest will be secured and Canadians will become more and more aware of the great world out there and the fact that decisions made outside of Ottawa and the provincial capitals have an impact on their day to day lives.

The Acting Speaker (Mr. Herbert): There follows a ten-minute period for questions and comments.

Mr. Stevens: Mr. Speaker, the Minister indicated that he wholeheartedly supports the Bill, which must mean that he read it fully and understands how this institution will operate. Will he indicate what access the institute will have to classified information within his Department? I refer specifically to the data that is exchanged virtually daily among NATO members which in some cases is highly classified. Will the institute have access to that information?

Mr. Blais: Mr. Speaker, I am pleased to advise the Hon. Member that we will consider each application for information on its merits. As the Hon. Member knows, we are very sensitive to the security that we obtain. He is very much aware of the source of much of the information which is essential for the Canadian Government to deal with matters of public policy. We will make every effort to ensure at all times that the needs of the institute are met, mindful, of course, of the necessity to ensure that each bit of information received is preserved within its classified status.

Mr. Stevens: Mr. Speaker, the Minister must be more forthcoming to the House. It is fine to say you will deal with each matter as it arises. Would he indicate two things to the House? First, would he be more or less inclined to share classified information with an institute that has foreign members on its board? Second, would he consult with our allies before such information in any event is shared with the institute?

Mr. Blais: Mr. Speaker, allies are allies. The source of information would have to be fully informed of any exchanges that there may be regarding any classified information. That is the course that has always been followed. As the hon. gentleman knows, there are various classes of information and various standards of confidentiality and secrecy. I cannot give the Hon. Member a complete reply relating to what attitude would be taken by our allies regarding each classification.

The Hon. Member also asked whether there would be a greater tendency to make available information if the boards of directors were from countries other than Canada. The Hon. Member will have to wait to see who the non-Canadian members may be, who will be appointed. The pertinence of Canada to an alliance is very much in our mind in terms of identifying the personnel who will be appointed as directors. I might indicate to the Hon. Member as well that I will be fully consulted, as he may have noted, on the appointment of these directors. That will be a consideration that I will keep in mind.

Mr. Skelly: Mr. Speaker, the Minister touched on a very important subject. That is the involvement of tens of thousands, if not hundreds of thousands, of Canadians in this issue over expressed concern for demonstrations. I would like to correct him. In this House, on dozens and dozens of occasions our Party has raised and stressed the concerns being raised by those people. Just a couple of quick points to refresh his memory: Abandonment of the testing of the Cruise missile; abandonment of construction of components for a nuclear weapon system in Canada; a declaration of a nuclear free zone in this country; support of Canada for a referendum on nuclear disarmament; and some active, specific involvement in the Central America issue that would see Canada joining with other peaceful nations to stop the war there, bring about a peaceful settlement to the problem and attempt to ensure and guarantee the protection of Nicaragua. These problems have been raised dozens of times.

With the issue before us today—with the tour of the Prime Minister (Mr. Trudeau) and this peace institute—is that Canada is giving the appearance of doing something. This Government—even the Conservative Party—is trying to get on a bandwagon within the country, rather than doing something specific as a Government that would reduce tension and bring about security through active disarmament. Will the Minister comment on the perception that this Government is not really taking action but trying to create the appearance of action for political purposes?

Mr. Blais: Mr. Speaker, the Hon. Member indicates from his question that he still does not understand that the decision taken by Canada relating to the Cruise missile issue was one that was justified as a result of our belonging to a multilateral security arrangement. The hon. gentleman is exactly proving the point that I was making, that the NDP, relating to its attitude on the Cruise, was very internally focused. NDP members were saying: "We do not want to be part of an international association or alliance that has the principles of collective security that NATO has and we do not support the Government in its effort to meet its commitments within that association". The only area they have addressed that has international implications is the question of Canadian involvement within Latin America. That question has been dealt with fully by the Secretary of State for External Affairs.

Mr. Kristiansen: Mr. Speaker, in commenting and asking a brief question of the Minister on Bill C-32 and his comments thereon, I draw to his attention a submission made by my colleague from Cowichan-Malahat-The Islands (Mr. Manly) yesterday under Standing Order 21. I will quote briefly from it as it may be relevant. It will allow the Government and this Parliament to do something that many Canadians have been asking for. I quote:

> I call upon the Government to establish a peace tax fund which could be used for such items as peace research and promoting international understanding. People who contributed would receive a 100 per cent income tax credit up to the percentage of their tax normally allocated to defence spending.

My colleague at that time made reference to the tradition in Canada of accepting that conscientious objectors, who are so for religious or other serious personal reasons, may be excluded from military service. This institute is to be an agency somewhat independent of government. Would the Minister or his colleagues consider amendments or suggestions that would make contributions to this institute, contributions either directly related to the suggestion of my colleague yesterday or with a slight variant, to allow contributions to be treated as tax credits? This would allow conscientious objectors to feel that they were acting lawfully as regards the payment of their taxes while acting in line with their consciences. Further, this would not set a precedent that might create difficulties in other areas of revenue collection and expenditure.

• (1610)

Mr. Blais: Mr. Speaker, I would like to indicate to the hon. gentleman that as the Bill is presently formulated, the funding will come totally from government general revenue. In effect, that is the intention of the Government. However, perhaps the hon. gentleman feels that he wishes to encourage groups to

make donations in the cause of peace. When I was the Receiver General, I received bequests similar to that or transmission of funds to the Receiver General for government purposes. If any group would wish to make those kinds of grants to the Receiver General and indicate that they are to be expended for certain purposes, they are welcome to do so.

Mr. Terry Sargeant (Selkirk-Interlake): Mr. Speaker, I realize that the time allowed for questions following the speech of the Minister of National Defence (Mr. Blais) is over. However, I would like to mention that I found something puzzling when I read over the comments made in the House by the Secretary of State for External Affairs (Mr. MacEachen) yesterday when introducing the Bill. I compared those comments to Clause 5(g) of the Bill which indicates that the institute may acquire any property, money or securities by gifts, bequest or otherwise. I found that to be contradictory, and at some point I would like to have that point clarified for my benefit and for the benefit of other Members of the House.

Mr. Blais: What is wrong with that?

Mr. Sargeant: It is simply a little bit confusing. The Minister said that the Government would not seek funds from non-governmental sources, but at the same time the Bill indicates that the institute may accept or acquire money from other sources. I believe that to be a little contradictory. I am not being critical. I am simply saying that it is contradictory.

Being afforded the opportunity to speak on the second day of the debate on a piece of legislation gives one a certain advantage. One has the opportunity to read carefully speeches and comments made by other Members on the previous day of debate. I did that this morning as I was unable to be in the House yesterday morning because of other commitments. As well, it gives one the opportunity to read the editorial comments that have been made on the day's debate.

After reading yesterday's debate, I must admit that I was struck by some of the similarities in the speeches of Members from all Parties. I myself would have felt quite comfortable making some of the comments which were made by the Secretary of State for External Affairs, and I can say the same for some of the comments made by the Right Hon. Member for Yellowhead (Mr. Clark). Yesterday afternoon when I was present in the House, I listened to the comments made by the Hon. Member for Victoria (Mr. McKinnon) and the Hon. Member for Don Valley West (Mr. Bosley) and agreed completely with much of what they had to say.

I think it is clear that for the most part, all Members of the House of Commons are in support of the general intention of this Bill. However, I believe that there is no doubt that all Members and particularly those of us on this side of the House, have some problems with some of the proposals contained in the Bill.

Last December, we heard a Throne Speech that was rather bland and without much promise but that contained a couple of paragraphs which gave us some hope. I will quote the following portion of the Throne Speech as reported on page 2 of *Hansard* for December 7, 1983:

> —the Government will create a publicly funded centre to gather, collate and digest the enormous volume of information now available on defence and arms control issues. Fresh ideas and new proposals, regardless of source, will be studied and promoted.

At the time, Mr. Speaker, many of us in the House considered that portion of the Throne Speech as being a victory of sorts. As my colleague, the Hon. Member for New Westminster-Coquitlam (Ms. Jewett), said yesterday, we in this Party have always been in favour, remain in favour and will continue to be in favour, of the establishment of some sort of Canadian peace research institute.

It was another sort of victory for me because two years ago this month, I was a member of a group of parliamentarians which included Members from all three Parties, which put out what was known at that time as "Security and Disarmament: A Minority Report." At that time, we called upon the Canadian Government to accept the proposal made by former Secretary General of the United Nations Waldheim that governments contribute one-tenth of 1 per cent of their defence budgets toward disarmament and peace efforts. We specifically recommended that Canada use such money to strengthen disarmament education, information and research activities. We recommended particularly that the Department of External Affairs establish chairs on disarmament or peace research studies at Canadian universities in an attempt to counterbalance the chairs on strategic studies which are funded by the Department of National Defence.

While the efforts the Government is making at the present time as indicated by this Bill do not yet approach an expenditure of one-tenth of 1 per cent of the defence budget, we welcome these efforts as being a positive step toward achieving the Waldheim formula When the Government tabled this Bill the other day, I was pleased to learn that the Government would actually live up to one of the promises made in the Throne Speech.

That does not always happen. I do not think any of us in the House will deny the fact that over the last few years, there has been a dramatic growth of concern among Canadians about the possibilities of a nuclear war. There have been fears expressed about the too rapidly escalating arms race. At the same time as the concerns of Canadians have grown, many Canadians have questioned whether or not the Canadian Government is doing all that is possible and all that is within its powers to alleviate international tensions and to turn around the arms race.

While we welcomed to a certain degree the initiatives taken by the Prime Minister (Mr. Trudeau) last fall, we were as well critical of some of the contradictions in those initiatives. We questioned whether or not the Government has done as much as it could. This afternoon, I do not want to concentrate on the specifics of the concerns of Canadians about a possible nuclear war. I do not want to talk of my fears or of the fears of Canadians in that regard. I do not want to talk about the horrors of a nuclear war, nor do I want to talk about issues in

Central America, the Cruise missile or Canada's involvement in the development and construction of nuclear weapon components. I think I have spoken often enough both in and out of the House about those issues. As well, that is really not the point we are debating here today.

When I learned of the introduction of this Bill, I had two hopes for what would be contained in the Bill. I would have thought that what I had hoped for is rather obvious. First, I hoped that the mandate of the institute would be to concentrate on the studies of issues of peace and disarmament. Second, I hoped that the institute would enjoy enough independence from government to gain universal credibility and to be able to criticize existing government policy if it sought to do so.

It has been said in debate during the last day and a half that for too long we as Canadians have had to rely on offshore information and analyses. Canadians who are interested in the subject have not had available to them a large amount of information and analyses that deal with the issues from a strictly Canadian perspective. As my colleague, the Hon. Member for New Westminster-Coquitlam, said yesterday, we have in a sense lost some of our independence because we have not had access to information within Canada.

Many Canadians and Members of the House feel that the Canadian institute on peace research studies should follow the example of SIPRI, the Stockholm International Peace Research Institute. As has been pointed out by Members on all sides of the House, SIPRI has gained a high degree of credibility, stature and respect throught the world community. It is the Institute which many of us think the Canadian Government should use as an example when setting up the Canadian institute.

One of the things that is most striking about the Stockholm Institute is that it is completely independent of Government. It is funded by the Swedish Parliament, but the Government keeps its hand off the Institute. The Government does not get involved with the Institute by indicating which studies it wants the Institute to undertake. I would say, Mr. Speaker, that if the Canadian Government intends to keep some kind of a hands-on control of the Canadian institute, and if it is not prepared to allow it complete independence from Parliament, from Cabinet, and from possible political interference, then I would say that the Government is simply wasting both public money and the time of this House in setting it up. I would think that under those kinds of circumstances it will not enjoy the credibility it requires to make a meaningful contribution to Canada's public search for peace and disarmament.

● (1620)

There are probably three areas which I have been able to find in this Bill which make me suspect that it is not going to be as independent as we would like to see it. First of all, despite the assertion that the institute will not be an agency of the Crown, Cabinet will still have the power to order the board of directors to repeal, amend or make whatever new by-laws the Government requires or desires. Second, the Government will be able to influence what topics are examined by the institute. That is because one of the purposes of the institute is to foster, fund and conduct research of particular interest to the Government of Canada. Third, the institute, under Clause 28—which was debated at great length yesterday in this House—shall be required to research for or provide advice on the peace and security issues with which the Minister wants to deal.

I am not quite sure why the Government wants to do this, Mr. Speaker. First of all, it is not lacking in other agencies which have the power and capability of researching issues of special interest to the Government. In the Department of External Affairs there is a committee of deputy ministers. There is also the arms control and disarmament division. In the Department of National Defence there is a director general of strategic policy. There is an office of the director of nuclear arms control policy. The operational research establishment has its own director for strategic analysis. The defence research establishment conducts research into issues of nuclear, biological, chemical warfare, and so on. There are in place a number of government agencies which have the power to give the Government the capability to study issues of its own interest. Why does it want to tie the hands of this new institute we are setting up today?

I would agree with my friend, the Hon. Member for New Westminster-Coquitlam (Ms. Jewett), with respect to the issue of whether it should be "shall" or "may" in Clause 28. I agree with her that it should be completely scrapped.

On another point, however, I have perhaps a slight disagreement with that Hon. Member, that is, on the appointment of directors to the board. I am not quite as trusting of the Government as she is. She gave the example that SIPRI, the Stockholm Institute, has its directors appointed by the Government. Obviously, however, the Swedish Governments over the last number of years have proven that they can be trusted a little more than has the Government of Canada. I would hate to think, for instance, Mr. Speaker, that someone like Jack Horner, an old Liberal-Tory hack, might be appointed to be chairman of the board of this peace research institute. I would like to see some kind of control on the appointment of directors.

A suggestion was made yesterday by a couple of Hon. Members of the Conservative Party that we might have the Standing Committee on External Affairs and National Defence make these appointments. That is one suggestion I would certainly consider. Another suggestion one might consider is that the standing committee have the power to approve appointments which are initially made by the Governor in Council. We could also turn it around the other way and have the standing committee make one, two, three recommendations to the Governor in Council, who would then choose however many are needed out of those recommended persons. This would have the added benefit of strengthening committees, something which is desirable to most Hon. Members of this House.

Whatever route we choose, whether it be these suggestions or something completely different, I believe we have to change the way in which directors are appointed to the board of this organization. I will give credit—which is something I do not often do—to the Conservative Party. The Hon. Member for Don Vally West said yesterday in this House that this Party would not want this power were it to form the Government. I really hope that if it does form the Government some time in the near or distant future it will really live up to that assertion.

I would like to give an example, Mr. Speaker, of what I have discovered in the last few days as to how the Liberal Government of Canada has skewered this whole peace issue for its own political benefit, and it is something which makes me worry about what it has in mind for the new peace research institute. Just recently I learned about a "new kid on the block" peace group in this country. It is an organization known as INPAX. Very few people have heard of it until very recently. After quite a bit of research I discovered that it is being organized by some young students at the two main universities here in the City of Ottawa. Somehow or other they seem to have gained a lot of influence with Members on the government benches. This is a brand new group. Its main raison d'être, or current purpose, is to set up a jamboree here in Ottawa at the beginning of September, bringing some 600 students together from various parts of the world to talk about issues of peace. That is a very admirable initiative.

However, my concern is that this group somehow or other has managed to convince the Government—I will say that the final decision has not been made yet but it looks as if it may well be—to give this group $600,000 toward this jamboree which is coming up. I said that this is an admirable initiative. However, given the fact that very little money is available from the Government of Canada to fund national broad based peace groups, why does the Government give something to a brand new group which is centred solely in the City of Ottawa?

There are a lot of questions which have to be answered, Mr. Speaker. One question to which I would like an answer is, why did the federal Government pay for a reception which was held on the Hill here last week, on the invitation of people from this INPAX group, organized by the office of the Minister for External Relations (Mr. Pepin), with free bar and hot food, which was billed to his office? Organizational details for this reception were handled by the office of the Hon. Member for Thunder Bay-Atikokan (Mr. McRae). I have a terrible suspicion, Mr. Speaker, that this INPAX group, with its admirable initiative, is really a Liberal front. Somehow the Liberals are trying to get on the peace bandwagon. I would say that if the Government were really interested in educating Canadians about issues of disarmament and peace, there are far better ways to spend $600,000 than on this particular effort.

Finally, Mr. Speaker, I would like to caution Hon. Members of this House on both sides that this institute must not be politicized. I was a little disturbed to read first in the press and then in yesterday's *Hansard* that the Right Hon. Member for Yellowhead has decreed or decided that this Bill is fatally flawed. Certainly it is flawed and a number of Opposition Members from both Parties have pointed out the flaws. However, "fatally" is such a final word. I would hate to think that those Hon. Members are going to kill it. Perhaps it is an indication that they do not want to let this legislation go through. On the other hand, I would caution the Government that it must not attempt a politicization of this institute, either. We read in today's press, the Ottawa *Citizen*, comments by Charles Lynch that there is a sneaking fear—perhaps it is part of the Parliament Hill paranoia which comes over all of us—that this institute is being set up in legislation which is rushed through the House of Commons so quickly so that the Prime Minister, when he retires in mid-June, can be given a job perhaps as the executive director or chairman of the board of this organization. I would hate to see this happen.

• (1630)

If the Government really believes in this institute, that it is a worth-while effort, when I call upon the Government to allow changes to be made in committee, at report stage or wherever, to ensure it is completely independent and can acquire and enjoy a lasting credibility on the world scene. Otherwise we are wasting our efforts. I say do not rush it, but on the other hand it should not be needlessly stalled. It is an important initiative but must be done properly.

The Acting Speaker (Mr. Herbert): There follows a ten-minute period for questions and comments.

Mr. McRae: Mr. Speaker, this was not my question, but since the Hon. Member brought it up, I am a little disturbed about his concern over the peace group being sponsored by my office. I am glad to sponsor any legitimate peace group which wants to have a meeting on the Hill if a room is available. All Members have this privilege. It is my understanding this group talked to the other Parties, it was not a single Party operation. What they are trying to do is worthwhile. I am a little surprised that the Hon. Member would see this as a partisan effort because we have both worked together very hard on this thing.

I want to preface my question by saying that it is extremely important to us both that this be the most independent body we can possibly find. We know what it was like when we were sitting in committee and listening to one-sided information coming steadily at us. The Hon. Member would remove the word "shall", and we talked about replacing it with "may". I agree with that entirely but I suggest we should leave the clause in. I would like him to think about this and comment on it.

It seems to me that if the clause was left in, then there would be no question about whether the Government could make a private agreement with the institute, that it would do what it is asked to do. However, if the word "may" were left in, then the organization itself could say: "But it says "may"; that means we may not if we do not want to". I suggest that would be a much better idea in order to give it the kind of

independence we want it to have. I say this with the idea in mind that I want this thing to be completely independent.

Mr. Sargeant: Mr. Speaker, on the first point, I said I found it to be an admirable initiative. However, I have serious concerns about it. I do not think it is anywhere near the best way for the federal Government to spend $600,000. I have a cloying or nagging suspicion that this is a Liberal front. If that is the case, I definitely would be opposed to this initiative. If not, then I still have reservations about how best to spend $600,000.

Concerning Clause 28, I am willing to take the Hon. Member's advice and spend some time thinking about it. I am not so sure that I definitely agree that the word "shall" has to go. I am not so sure having the clause in or or out will make that much difference to the ultimate independence of the institute. However, I am prepared to give it some thought and I hope it will be debated at some length in committee.

Mr. Skelly: Mr. Speaker, the Hon. Member mentioned a number of important issues. He referred specifically to Central America. I would just like to remind him of a number of events I think this Government has remained silent on. The CIA has organized, funded and armed rebels who have killed 13,000 Nicaraguans to date. Canada was silent on that. The CIA has assisted in the mining of three major ports in Nicaragua to destroy the economy. Canada has been silent on that. The CIA has provided aircraft which have bombed refineries in Nicaragua. Canada is silent on that. Canada has not responded to calls from other nations to become actively involved in seeking peaceful solutions to the conflict in El Salvador. In essence, Canada has acquiesced to the United States. The Conservative Party has supported the U.S. role in that area.

Can the Hon. Member comment on an active role, in addition to the peace research funding, which Canada might take to ensure that people inside and outside this country know that Canada is totally committed to the cause of peace and disarmament?

Mr. Sargeant: I agree with all of the statements made by my colleague from Comox-Powell River (Mr. Skelly), Mr. Speaker. I and others in this corner of the House have often called upon the Government to take an active, even a leading role to try and bring some kind of peace to the tragic situation we see in Central America. I have openly and often spoken against the CIA funding of the contras in Nicaragua and the mining of Nicaraguan ports, et cetera. I agree with him that if the Government is going to be completely credible on this issue, if it is going to set up a peace institute, then it has to lead by example.

Mr. Allmand: Mr. Speaker, I must say that I am extremely disappointed with the question of the Hon. Member for Comox-Powell River and the comments of the previous speaker. They say they do not want this to be a partisan issue, but as I listened to their comments, they were extremely partisan and extremely biased. In the question that was put to the Hon. Member—

Mr. Skelly: I rise on a point of order, Mr. Speaker. The Chair has admonished me on many occasions to address my comments directly to the speech of an Hon. Member. I challenge the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand) at any time on that Government's dismal role, but certainly it is not appropriate at this time for him to criticize my questions.

The Acting Speaker (Mr. Herbert): I do not consider that a point of order, I consider it a matter of debate.

Mr. Allmand: Mr. Speaker, the Hon. Member is unfortunately a bit sensitive to the truth. I was in Nicaragua in December with a Member from his Party and when I was there the Canadian Government had been very critical of the funding of the contras by the CIA. The Canadian Government was very supportive of the Condadora proposal to solve the problems in Central America by peaceful means. I am a bit discouraged by members of that Party who say they want to approach the issue of peace and war in a non-partisan manner and who then spread around the kind of false information as they have just done in their remarks.

Mr. Kristiansen: Mr. Speaker, I know the Hon. Member for Selkirk-Interlake (Mr. Sargeant) and I, and indeed almost all of us in this House, say we support in principle the Bill before us. However, there has been no Government-sponsored debate on the subject of defence and foreign policy in the last four and a half years. Also, the Minister of Defence (Mr. Blais) himself said, just a few minutes ago, that there has been a tremendous amount of public interest and debate during that same period. Can the Hon. Member make the Government's claim jive in his own mind with the heckling in this House yesterday of the Hon. Member for New Westminster-Coquitlam (Ms. Jewett) by the Chairman of the Standing Committee on External Affairs and National Defence? He kept on interjecting along the lines: "we can only give you one month", and "five days a week for one month". He suggested it has to be out of committee in one month."

Considering the Government's undue haste in trying to have this thing wrapped up and passed in one month, as compared to the lethargy of that Government in this whole sphere for the last four and a half years, what does that lead the Member to believe is the motivation of the Government in introducing this Bill?

• (1640)

The Acting Speaker (Mr. Herbert): If the Hon. Member for Selkirk-Interlake (Mr. Sargeant) is to reply, it shall have to be a very short response.

Mr. Sargeant: Mr. Speaker, I would hope that the Government's motivation in introducing this Bill is very well intentioned. I was not in the House yesterday when the Hon. Member for New Westminster-Coquitlam (Ms. Jewett) was speaking.

With regard to the heckling attributed to the Chairman of the Standing Committee on External Affairs and National Defence, my only comment would be that I hope the Bill is not rushed through with undue haste. I also said that I do not think it should be needlessly stalled or blocked.

The Acting Speaker (Mr. Herbert): That is the end of the ten-minute period for questions and comments. For continuing debate, the Hon. Parliamentary Secretary to the Minister for International Trade (Mr. Blaker).

Mr. Blaker: As the Parliamentary Secretary who has some responsibility for organization on the Government side with respect to this Bill, yesterday I was agreeable to two Members of the Official Opposition speaking—if I may use the expression—back to back. I see that the Hon. Member for York-Peel (Mr. Stevens), who is the foreign affairs critic for the Conservative Party, also rises to be recognized. I wonder whether, with the good grace of the House, we might agree on this. I think it would be important to hear him. I would like to have the opportunity to respond to his comments because I would be interested to hear what he will have to say following the remarks of the Right Hon. Member for Yellowhead (Mr. Clark). However, I would ask that if he and I were to be permitted by the kindness of the House to exchange places, then the Hon. Member for York-Peel would be now recognized. Following him I would respond, and following myself another Hon. Member I should think the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand) would have the next opportunity to reply so that we would hear two members of the Government Party in a row for the purpose of debate. I do not know if that is agreeable to the Hon. Member for York-Peel.

The Acting Speaker (Mr. Herbert): I suggest the Parliamentary Secretary has put the Chair in a rather awkward position. The Parliamentary Secretary was recognized for debate. He did not suggest initially that he was rising on a point of order. Obviously, having recognized him for debate, I could not recognize him a second time on this same subject. However, if the House was to give unanimous consent, I could accept that his intervention was in effect a point of order and not debate. However, I would need the unanimous consent of the House.

Some Hon. Members: Agreed.

Mr. Allmand: Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. Herbert): The Hon. Member for Notre-Dame-de-Grâce-Lachine East on a point of order.

Mr. Allmand: Mr. Speaker, I am quite willing to agree to the proposal made by the Hon. Parliamentery Secretary that if it is agreed that we now move to an Hon. Member for the Official Opposition, that when we come back to the Parliamentary Secretary I can keep my place in the proper order.

The Acting Speaker (Mr. Herbert): I should indicate that the Chair is not in a position to indicate that there is any order of speakers. The Chair reserves to itself the right to recognize speakers. I would indicate that it is my intention, if no one else rises, to recognize the Hon. Member for York-Peel for debate.

Mr. Hnatyshyn: Mr. Speaker, I have a point of order.

The Acting Speaker (Mr. Herbert): The Hon. Member for Saskatoon West on a point of order.

Mr. Hnatyshyn: Mr. Speaker, I am sorry to forestall the serious participation of Members on this important debate. However, I do not quite understand what is going on here this afternoon. You have been excellent in terms of dispensing equity. I do not know if having two or three Members on the Government side speaking in a row is what I would call exact equity. I would have thought that the normal tradition of allowing us to alternate and have Members from the Official Opposition participate at this point in time on a regular basis on this important debate would be foremost in your mind. I simply draw to your attention the fact that I do not understand what they are asking for on the Government side.

The Acting Speaker (Mr. Herbert): The Hon. Member's point is well taken. I suggest we will resolve this matter by saying that it is the intention of the Speaker to recognize for debate the Hon. Member for York-Peel, and that by unanimous consent it has been agreed that the intervention of the Parliamentary Secretary was a point of order and that he was not recognized for debate, thus allowing him, if he so wishes, to rise and possibly be recognized by the Chair in due course.

Hon. Sinclair Stevens (York-Peel): Mr. Speaker, in joining in this debate on Bill C-32, which I feel is perhaps one of the most important debates that will come before this session of Parliament, I thought it might be fitting if I first quoted from a person who has had much to do with the nuclear threat which we now live with. I refer, of course, to Albert Einstein who said: "Peace cannot be kept by force. It can only be achieved by understanding."

I think that is a very relevant quote when we are considering something such as is contemplated by Bill C-32, the establishment of what is often referred to as a peace institute. I say that because on the issue of peace I suggest there has never been any dispute over the need for a bipartisan foreign policy or position. In fact, it was the Leader of my Party, the Leader of the Official Opposition (Mr. Mulroney), the Hon. Member for Central Nova, who called for the matters now being generally discussed by us today to be brought before the House for unanimous resolution. I suggest that resolutions agreed to in the House by all Parties of the House have much more moral force than a resolution decided upon by only one man. We in the Official Opposition believe fervently in the need to search constantly for any means to make our country more secure and the world more peaceful.

I would suggest, Mr. Speaker, that in this nuclear age peace is indeed a moral imperative. Yet there is a new dilemma. While the goal of peace is a mark of civilization, we find the democracies which desire peace also live with the fact that if

they divorce their desire for peace from a commitment to defend freedom, they could easily turn the question of peace into a weapon of blackmail in the hands of the most ruthless. If, in our anxiety to avoid nuclear war, we become consumed with hysteria, nuclear blackmail may well be encouraged. This balancing of power with peace will be the genius of this age. That is our great challenge. Our objective must be to preserve our freedom, our way of life, our civilization and peace. To develop a strategy that relates the end to the means, to build military forces that avoid the choice between an Armageddon and surrender, is a pre-eminent moral, as well as political, problem for our period.

The principle of trying to be better informed by having basic research done with Canadian persons on matters of peace, disarmament and security should be unquestioned, and I dare to say is unquestioned by every Member of this House. It is especially in this context that I feel that the Throne Speech put it quite correctly when it stated that the Government hopes to improve "the climate among nations" and in improving that climate it hopes to acquire knowledge, creativity and a determination to find solutions.

The Throne Speech reflected on Canada's concern about current international tensions. It said that the Government will "create a publicly funded centre to gather, collate and digest the enormous volume of information now available on defence and arms control issues". "Fresh ideas and new proposals, regardless of source, will be studied and promoted", the Throne Speech said. No one has objections to this. However, the draft Bill, Bill C-32, that we are being asked to accept quickly I suggest is little more than a first draft and certainly not even a good first draft of those high hopes that were set out in the Throne Speech at the beginning of this session.

● (1650)

I say that because I think we must not lose sight of the fact that there are two distinct roles that an institute, such as the one whose creation we are debating today, could fill. First, it could be an inward-looking kind of institute, perhaps along the lines of the American National Security Council, funded by the U.S. Government, as we know, which in turn is responsive to government and essentially deals only with the federal Government. Such an inward type of group would fill the role of essentially pooling brain power within the country in this field in order to give the federal Government a very serious input on the matters of the day and as a possible counterbalance to what government may be told by the military, for instance.

The idea is to give government insight and advice in an inhouse advisory group. Such an institute would be useful for a government not only in policy deliberations but also for choosing what arguments could be advanced during negotiations at arms reduction talks. In short, this would be a pooling of brain power and knowledge for the advice of the government of the day, to make it better able to deal with these broad questions of how to secure peace on the one hand while maintaining proper security. There would be a minimum public exposure with respect to that type of activity.

However, there is an alternative type of activity that an institute could serve. I would suggest, though, that it is an activity in which it must be an entirely independent body in order to perform effectively. It would be an outward-going type of institute that would do original research and would assemble and distribute information. It would possibly advise the government but in no way would be looked upon as speaking for the government. It could advise various groups in society. In short, it would be the type of group that was recently set up in Canada, the Canadian Centre for Arms Control and Disarmament. That is an outward-looking type of group, which I will come back to in a moment.

This is where the Government's dilemma apparently first began. Given what it said in the Throne Speech, we understand that it was unaware that a group had, at that time, been formed in Ottawa. It was called the Canadian Centre for Arms Control and Disarmament. When the Throne Speech referred to a centre, this meant that the word "centre" could not be used in the Bill now before us. That is why we have the word "institute". Again, the Government changed its wording from the Throne Speech to what we have now, a Canadian Institute for International Peace and Security.

I say this because I and I believe most Members in the House were quite startled yesterday to see how prickly the Government, particularly the Prime Minister (Mr. Trudeau), seemed to react with respect to any debate about Bill C-32. You will recall that the Secretary of State for External Affairs (Mr. MacEachen) commenced his remarks yesterday at 11.17 a.m. and stated, as reported at page 3118 of *Hansard:*

> In a spirit of consensus and co-operation among all Parties, we remain open to suggestions for further changes to the Bill.

He mentioned that it was, in truth, an independent institute. Yet what did we find within 30 minutes, at 11.42 a.m. yesterday morning, when my colleague, the Right Hon. Member for Yellowhead (Mr. Clark) stated at page 3121 of *Hansard:*

> This institute has to be done right the first time.

It triggered the Prime Minister to heckle and intervene through a considerable part of my colleague's speech. The Prime Minister ended up by stating at page 3122:

> Don't tell us about the ladies in Halifax.

And:

> They do not want you to talk out the institute, which is what you are trying to do.

Within the first 25 minutes of comment on this Bill by the Official Opposition, after having taken the Secretary of State for External Affairs seriously, our first speaker, who in this case was a former Prime Minister, was told by the Prime Minister that he was trying to talk out the Bill.

In debating the Bill before us, we must remember that that type of confrontation did not have to occur. There is no need for it. I can only ask, is that really the tone of a peacemaker? Bear in mind that what we are discussing and what we have

heard from the speeches today is general agreement with the principle. All parties have indicated that the idea is worth considering.

We must also accept that this is not a new or unique thought. I read recently that in 1793 the Americans were actively debating what we are debating today. They wanted to set up a peace academy The argument was that if they were to have a department of war, should they not have a department of peace? Oddly enough, that debate with respect to the establishment of a peace academy is now before the Congress of the United States.

The arguments that are being raised there are not dissimilar to the arguments that we have already heard with respect to the Prime Minister's Bill that is now before us. I am saying that I hope all Members in this debate will perhaps accept that it is not the principle that is being debated; it is simply the question of whether the Bill reflects an institution that in truth would serve our goal in a meaningful way.

I have indicated that there are two types of institutions. There is an inward-looking institution that would solely advise the Government, or a more publicly oriented one that would in no way be dependent on the Government. Unfortunately, what we have before us is a hybrid. It is a cross.

I think the Minister of National Defence (Mr. Blais) demonstrated the dilemma that the Government is already living with in his response to an earlier question that I put to him. When I asked him what access the new institute will have to classified information, he said that, of course, he would have to look at each case. When I asked him if he will consult with his allies, bearing in mind that there may be foreign directors on the board of this institute, he said that he would, of course, have to take it up with his NATO allies.

If this institute was solely confined to advising government, that would not be necessary. It would be a think-tank solely to advise the Government. However, because of the public aspect and that it is a hybrid, it will do one of two things. It will either make classified information available and possibly run the risk of having leaks, or it will withhold all information. If it withholds all information, the institute will not be able to function fully. Much of the information which it should have at its disposal will be denied, for the simple reason that those who are furnishing the information will say: "We are uneasy about into whose hands the information will ultimately fall". That is the dilemma in which this early draft of a Bill has left us. It is why during my remarks this afternoon I want to point out the tragedy of the ongoing dialogue that was taking place between all three Parties, the Prime Minister, the Leader of the Official Opposition (Mr. Mulroney) and the Leader of the Socialist Party (Mr. Broadbent) being broken off. Why? Why on the twelfth of this month was the ongoing discussion as to how to make this institution truly independent, how to ensure it will not needlessly affect and impact on the 26-odd organizations that are already in this field in Canada broken off? Why were those discussions terminated? Why was the Official Opposition and presumably the Socialist Party told: "In any event we are introducing the Bill, and we can discuss it later"?

• (1700)

You know that the type of thing that was being raised at that time, Mr. Speaker, was the question, for example, of the appointment of the board of directors for this institute. It was suggested that before any board is settled there should be a consensus of this Parliament. The chairman, the executive director, and the 15 other directors could be suggested name-wise by the various parties. We should arrive at a consensus. But what we heard in reply was "That is our business". There is to this date no indication who the chairman might be, who the executive director might be, or indeed who any of the directors might be. All that we were assured of is that we would be given the right to nominate but without even a suggestion that a nominee would be appointed.

I believe if you read Clause 3 of the Bill you will see the importance to which I am referring, Mr. Speaker. What we are establishing in this Bill is this, and I quote directly:

> 3. A corporation is hereby established to be called the Canadian Institute for International Peace and Security consisting of a Board of Directors that is composed of a Chairman, an Executive Director and not more than 15 other directors to be appointed as provided in sections 6 to 8.

The latter in effect says "to be appointed by the Government".

What we are creating here is essentially an institution that has to be constituted by a board of directors. They will speak for this institute. I suggest it is absolutely irresponsible on an issue such as peace and security for us in Parliament to pass a Bill like this in its present form and leave up to the government of the day the right to say who in fact will comprise the institute.

Some Hon. Members: Hear, hear!

Mr. Stevens: Let me touch, if I may, on the other important questions. For example, we have already touched on—certainly my colleague the Right Hon. Member for Yellowhead (Mr. Clark) has—the right of government to require the institute to come up with certain studies. I think there is general agreement that the word "shall" must get watered down to something more like "may". But again there is the question of the reporting by this institute. There is no guarantee in the present Bill that the reports of the institute will go uncensored, or that the institute will be free to publish as it sees fit with or without qualification.

For example, the Canadian Centre for Arms Control and Disarmament has just brought out its first edition of the *Arms Control Chronicle*. I recommend that all Members read it. It consists of 14 pages. It is a very interesting overview of the past month in this field. I would hate on the one hand to have any suggestion that this entity be killed off by this new institute we are now discussing. Second, I would hope the freedom this centre has to publish what is in its chronicle this month would be the type of freedom without government interference that the new institute contemplated in Bill C-32 would have if it is formed.

In conclusion—

Mr. Deputy Speaker: Order, please. I regret to interrupt the Hon. Member but I must inform him that his allotted time has expired. The House will now proceed to questions.

Mr. Hnatyshyn: Mr. Speaker, could you ask whether there is unanimous consent for the Hon. Member to continue?

Mr. Deputy Speaker: That is normally for the speaker to request. The Chair cannot put it to the House unless the Hon. Member himself seeks that extension of time. That is the rule. In any case, I will hear the Hon. Member on a point of order.

Mr. Stevens: Mr. Speaker, my conclusion would not be more than a minute. Would it be possible to have that extension of time?

Mr. Deputy Speaker: Does the House agree to extend time to the Hon. Member for York-Peel so that he may complete his remarks?

Mr. Blaker: Mr. Speaker, I extended considerable courtesy to Hon. Members opposite when I invited the Hon. Member for York-Peel to speak before me. I did not get the courtesy and co-operation of the Hon. House Leader for the Conservative Party, so unanimous consent to continue is refused.

Some Hon. Members: Oh, oh!

Mr. Deputy Speaker: Order, please. The Hon. Member for Annapolis Valley-Hants (Mr. Nowlan).

Mr. Nowlan: Mr. Speaker, I have a question for the Hon. Member. I would like to ask the Hon. Member for York-Peel (Mr. Stevens) what he would have said if he had had extended time.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Stevens: Mr. Speaker, my final point is this. When we are considering such an important question as peace and security, I think one of the basic things for us to do is to say, "How do we get a better understanding with respect to the two superpowers involved in this nuclear escalation?" I think most of us feel that we have a good understanding with respect to the United States of America and I would urge Hon. Members in considering the need for an understanding with respect to the U.S.S.R. to remember the words of Andrei Sakharov, who stated:

> The opportunity to criticize the policy of one's national leaders in matters of war and peace, as you do freely, is entirely absent in our country. Not only critical statements but also those merely factual in nature, made on even much less important questions, often entail arrest and a long sentence of confinement or psychiatric prison.

Mr. Sakharov, of course, was referring to the present state of conditions in the U.S.S.R. We must not forget that we indeed do live in two worlds.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: The Parliamentary Secretary to the Minister for International Trade (Mr. Blaker).

Mr. Blaker: Mr. Speaker, I have a question for the Hon. Member for York-Peel (Mr. Stevens). The Hon. Member seemed a little sensitive at one point during his remarks to the effect that yesterday the Right Hon. Prime Minister (Mr. Trudeau) made some comments from his seat while the former Prime Minister and Leader of the Conservative Party, the Right Hon. Member for Yellowhead (Mr. Clark), was speaking. The Hon. Member for York-Peel was annoyed that there was an accusation of talking out the Bill. He referred to that in his comments. He went on to say that, as far as he was concerned, the principle of this Bill is not really in debate.

I would like to ask the Hon. Member a simple question. The purpose of second reading is to determine where the Parties stand on the principle of the Bill before the House. The Hon. Member has indicated that in his view, and I gather he speaks on behalf of his Party since he is the foreign affairs critic, the principle of the Bill is clear—

Mr. Nielsen: The principle of the Bill is all its provisions.

Mr. Blaker: —that he accepts that it is not in debate, and that we ought to have a peace and security institute. My question to him is simple. Is he prepared on behalf of his Party to see this Bill go to the Standing Committee on External Affairs and National Defence tonight?

• (1710)

Mr. Stevens: Mr. Speaker, as the Hon. Member knows, when I indicated that there was no disagreement with respect to the principle, what I was saying was that there was no disagreement with respect to the objective or goal. However, what we have before us is an attempt to reach that goal which we say on its face is inadequate. The Bill does not guarantee the independence which this institute must have. It has funding implications which may well jeopardize the ongoing activities of existing institutions in the country which are doing a very credible job. It has implications which may impact upon the recruiting of personnel by existing institutions. In short, I say that the Bill is imperfect on its face and that at second reading is the appropriate time to debate those imperfections, not railroad us into committee and let the Government use its brutal majority, which it always likes to use in committee, to frustrate the wishes of the Canadian people.

Mr. Blaker: What an argument!

Mr. Taylor: A sensible argument.

Mr. Blaker: The External Affairs Committee has less of a majority membership, as the Hon. Member who is a member of that Committee ought to know, than prevails in the House of Commons.

May I ask him something else. He seems dissatisfied with the notion that it ought to be a Cabinet responsibility to recommend or appoint who shall be the directors, the chairman and the executive director. In his dissatisfaction he has

recommended an alternative. He says that it ought to be based on a consensus of Parliament. Is the Hon. Member serious? Is he suggesting that we should have in the House of Commons, with 282 Members present, a vote on each and every one of the possible recommendations as to who shall be a chairman or director of this institution? I cannot believe that he is serious. Is that what he is proposing, that Parliament will vote on every recommendation and on the chairman and the executive director of this institution?

Mr. Stevens: If I could reply to that, I am not sure whether the Hon. Member who is supporting the Prime Minister so loyally has seen correspondence between the Prime Minister and the Leader of the Opposition. If he has, he will know that the suggestion from our side was that the consensus could be arrived at in the Standing Committee on External Affairs and National Defence on behalf of this Parliament and that it would not be necessary to go to the 282 Members.

I suggest that if the Hon. Member does not like that solution, we have the Library precedent in which the Library is responded to through the Speakers of each House on the advice of all Parties in each House. If we accept the consensus as the proper approach, the mechanics can be worked out, I can assure him.

Mr. Kristiansen: Mr. Speaker, I would just like to say that I regretted that the first person you recognized following the Hon. Member for York-Peel (Mr. Stevens) was the Hon. Member for Annapolis Valley-Hants (Mr. Nowlan) because I thought the courtesy should have been extended to the Member for York-Peel by a Member of another Party. I would have wanted to do that.

Mr. Hnatyshyn: You are a great Canadian.

Mr. Siddon: You are hard to see down there.

Mr. Deputy Speaker: Order. The Chair has full discretion and it is usually guided by seeing the first Member who rises. I thought that I did that. If I missed somebody else who rose first, I am sorry, I apologize.

Mr. Kristiansen: Mr. Speaker, there is no need to apologize. I was not in any way attempting to criticize you. I was just expressing a regret that I should have liked, on behalf of my colleagues, to have made that offer and extended that courtesy because it certainly was deserved.

I have two brief questions. I gathered very much from the tone of the Hon. Member for York-Peel, who is the external affairs critic for his party, that he supports the principle of the legislation before us. However, I also got the distinct impression that the Conservatives were opposing second reading. Is it their intention to oppose second reading of the Bill, approval in principle, or to vote against it? I got that impression from something he said, although his comments seemed to be somewhat contradictory.

My final question will be a very brief one. Last April 10 in the House of Commons, the Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie), who had just been promoted to the PC shadow cabinet by the Leader of the Conservative Party (Mr. Mulroney), in a statement pursuant to Standing Order 21 in the House of Commons, ended his remarks by saying:

> For these reasons, we will never be able to disarm unilaterally—

I think many of us could agree with that, but he continued:

> —nor can we ever trust the murdering Communists in disarmament, or even disarmament negotiations.

Does the Hon. Member concur with that statement of the Hon. Member for Winnipeg-Assiniboine, who is a member of the shadow cabinet of the Conservative Party, along with himself?

Mr. Stevens: Mr. Speaker, perhaps I could first reply to the Hon. Member's last reference to the Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie). If he takes exception to the statement of the Hon. Member, perhaps that is something he could ask the new institute to look into. However, as far as the other point is concerned, I was the first speaker from our side this afternoon and I could only assume, knowing the interest which exists in this Bill, that likely there would not be second reading before we recess for Easter. I would hope that the Prime Minister would reconsider his position and would reopen discussions, certainly with my Leader, to see if some of the earnest changes for which we have been asking can be made and we can all agree as a House that this is a desirable institute which will serve a worthy cause.

Some Hon. Members: Hear, hear!

Mr. Rod Blaker (Parliamentary Secretary to Minister for International Trade): Thank you, Mr. Speaker, and I thank the Hon. Member on the Opposition benches for his applause as well. I had invited the Hon. Member for York-Peel (Mr. Stevens), who is the foreign affairs critic for the Conservative Party, to take my place in debate and to precede me so that I might have an opportunity to hear not only the remarks of the Right Hon. Member for Yellowhead (Mr. Clark), the former Prime Minister of Canada, but also his remarks. I admit to a certain frustration, although before I begin my remarks I might say there are indications that there is a considerable number of Members who may wish to contribute to this debate. It is my intention, therefore, to be brief and to take less than the time accorded to me under the Standing Orders.

However, in listening to the Hon. Member for York-Peel, I found that the essence of his speech seemed to be that in the first instance it was vital, essential and seminal that this Canadian Institute for International Peace and Security be independent. When I looked for the methodology which he might be seeking or promoting as to how to make it that much more or completely independent, the only proposal I heard was that the appointment of the chairman, the board of directors and the executive director ought not to be made by Cabinet.

Mr. Stevens: Do you want to give me more time?

Mr. Blaker: I think the Hon. Member has had more than enough time to make a point which I thought could have been made in about two minutes flat.

I did not hear from the Hon. Member similar comments as I heard from the Right Hon. Member for Yellowhead about accountability and the problem with respect to existing alternate institutions or centres for studies along these lines.

Mr. Stevens: I agree with it all.

Mr. Blaker: If the Hon. Member for York-Peel says that he agrees with the remarks made by his former Leader, the Right Hon. Member for Yellowhead, I think what I would like to do is address myself to the remarks of the Right Hon. Member.

First I want to indicate that the Right Hon. Member for Yellowhead said publicly, as we all know, that he had been mandated by the Official Opposition to go up and down the country and criss-cross the country seeking the opinion of Canadians on the subject of peace and international security. He made three points as to what the public seems to want. His first point was a criticism of the Government of Canada. He said that government interest in the subject of peace and security is sporadic and inconsistent.

• (1720)

I put to members of the Opposition that we have before the House a Bill which evidences a consistent interest and makes the subject an ongoing, publicly-funded research project. The criticism of the Government interest being sporadic is contradicted by the evidence that we have a Bill before us which apparently members of the Opposition are not going to allow to go to committee. The sporadic interest in the subject seems to be on the part of the Opposition, not the Government.

The second comment by the Right Hon. Member for Yellowhead was that there was a problem, and that is that internal Public Service expertise is distributed throughout the Government and is not brought together in a way that can be most useful. One wonders whether to laugh or cry. The purpose of the Bill is to bring the expertise together, not only from Government representation in the Public Service, but from the private sector as well.

Again, the Right Hon. Member for Yellowhead calls for a condensation of intellectual power. The Government proposes to do precisely that. The Official Opposition now intends to delay putting the Bill in front of a committee. There is no consistency.

Mr. Hnatyshyn: You are the one who is filibustering.

Mr. Blaker: Mr. Speaker, if the House Leader for the Official Opposition will give me the assurance that if I sit down, the question can be put on division or on the nod to go to committee, I assure him that I will sit down in two seconds flat. I understand that the House Leader for the Official Opposition cannot make a commitment, a difficulty we see with that Party at all times. I would be in my seat if the Hon. Member would make an agreement to which he can have his Party agree.

Mr. Hnatyshyn: You have people on your side who want to talk. They will not allow us to say our piece, and you know it.

Mr. Blaker: Mr. Speaker, I do not think the Opposition House Leader wants me to respond.

The third part of the public tour and access to views of Canadian citizens raised by the Right Hon. Member for Yellowhead was that there is an imbalance between defence studies as opposed to studies about peace. Once again, we put in front of the House of Commons a Bill which would provide for an institute for the study and research of matters related to peace and security. We have the Official Opposition, and I might add for the drama of it, on Easter weekend refusing to allow this Bill to go through on principle.

I can assure members of the Opposition that we are not clear as to the precise objections. I want to assure the Hon. Member for Durham-Northumberland (Mr. Lawrence) that, as far as I am concerned, we are all interested in the same thing. We would like to see the institute put in place. Details are normally handled in committee, not on the floor of the House of Commons. What on earth is the practical point of delaying movement of this Bill to a committee?

Mr. Lambert: You are talking in principle.

Mr. Blaker: Precisely, and the spokesman for foreign affairs for the Conservative Party said in principle there is no debate on the value of this Bill and its purpose.

Mr. Lambert: Mr. Speaker, I rise on a point of order. I would suggest that the Parliamentary Secretary not mislead the House, albeit unconsciously, in insisting that the present reading, called second reading and reference to committee, if he will read his Order Paper, is an acceptance in principle of this Bill. He has enough experience in the Chair to know that that is utter tripe. In committee the Bill is considered clause by clause. Amendments may be brought forward by both the Opposition and the Government and disposed of or accepted by the committee. Then there is a report stage at which Members or the Government may put down amendments.

Mr. Deputy Speaker: Order. I am listening to the Hon. Member.

Mr. Lambert: I am on a point of order. Through you, Mr. Speaker, you will find—I know what I am after.

Mr. Deputy Speaker: I also know the rules, and the rules say that when the Speaker is on his feet the Member should resume his seat.

Mr. Lambert: Yes, but there should not be unnecessary interruptions.

Mr. Deputy Speaker: Order, please. In my opinion the Hon. Member for Edmonton West (Mr. Lambert) is interrupting the speech being made by the Parliamentary Secretary. A

point of order has to do with process. The Hon. Member is arguing about the remarks made by the Parliamentary Secretary. He is not questioning a matter of process and, therefore, is out of order.

Mr. Blaker: Mr. Speaker, this House will easily understand the difficulty of a Member of Parliament who served in the Chair being brought to order by an Hon. Member who was the Speaker of the House. In courtesy to the Hon. Member for Edmonton West, a former Speaker of the House, I would not want to argue his point of order.

I might now go to a couple of details referred to by the Right Hon. Member for Yellowhead, the Hon. Member for York-Peel (Mr. Stevens) and, I might say, the Hon. Member for New Westminster-Coquitlam (Ms. Jewett), the New Democratic Party's spokesperson on this issue. This is referred to in the House, in terms of this debate, as the "Section 28 problem". The problem is that the Bill before the House suggests that the Secretary of State for External Affairs (Mr. MacEachen) ought to have intellectual access to the work done, the research done and the views of a Canadian peace and security institute. Not only do I not find that offensive, but it seems that those who argue against that point are really arguing that the External Affairs Minister ought not to have access to very valuable information.

For those who want to make that point, I bring to their memory and recollection that yesterday, in what I would call partly speech and partly chit-chat between the Right Hon. Member for Yellowhead and the Prime Minister (Mr. Trudeau), and it is on the record, the Prime Minister indicated that if that is all that is wanted, if that is the only problem, we agree. It is obvious the House has not yet come to an agreement. If we remove the possibility of access of the External Affairs Minister and either remove the entire clause as the NDP spokesperson suggested or change "the Minister shall have access" to "the Minister may have access", that ought to satisfy that point.

Mr. Munro (Esquimalt-Saanich): What about the by-laws?

Mr. Blaker: The Hon. Member for Esquimalt-Saanich has been here for some considerable time. Every time we set up a Crown corporation, that clause is in it. That is called Cabinet responsibility. It is known as responsible government. It is the British parliamentary system of government. Of course, the Cabinet has the capacity, right and responsibility to examine and accept or not accept the by-laws of a Crown corporation.

Mr. Munro (Esquimalt-Saanich): It is not arm's length.

Mr. Blaker: If the Hon. Member for Esquimalt-Saanich seriously proposes that the Government ought to fund the Crown corporation, but ought not to bear the public taxpayers' responsibility to examine the by-laws and to repeal, amend, change or alter, I suggest that he first put that to his own Party, and certainly put it to the Standing Committee on External Affairs and National Defence. It is not a proposition that I have heard before. It is a standard clause in the existence and creation of every Crown corporation.

We on this side of the House do not hear from the Opposition specific suggestions, which in due course can become amendments before the committee, as to what the members of the Opposition Party agree on.

I have a sense that I understand the views of the New Democratic Party. I do not particularly like some of those views, but I at least understand that there is a consistent approach as a Party. What I cannot find out is what the Official Opposition of this country wants in terms of a peace institute. We go on and on listening to the word "independence". Then we go on listening to the word "accountability".

Mr. King: Now you got it.

• (1730)

Mr. Blaker: This is the most remarkable suggestion I have ever heard from any parliamentary system anywhere in the world. It is remarkable to suggest that this peace institute would not be accountable to the government of the day but would be accountable instead either to Parliament or to a committee of Parliament. That is what the Hon. Member for York-Peel (Mr. Stevens) has suggested.

Mr. Bosley: What is wrong with that?

Mr. Oberle: That is parliamentary democracy; you got it.

Mr. Blaker: I do not know if the Hon. Member is serious. That is the most unusual way to operate a parliamentary democracy any political scientist has ever heard of.

Mr. Oberle: If Parliament does not have any jurisdiction, why do you need it?

Mr. Blaker: Why do you think we have majority and minority governments?

Mr. Oberle: You know your Cabinet is not running the Government, your bureaucrats are.

Mr. Deputy Speaker: Order, please. Could the House please proceed to orderly debate?

Mr. Blaker: My apologies, Mr. Speaker. Perhaps I was getting out of hand.

I would like to make one final point. I did say that I did not wish to take up my entire time with one point and I am a bit concerned that I may have done that.

Mr. Oberle: We are too.

Mr. Blaker: This point arises from the two concerns about public funding raised by the Right Hon. Member for Yellowhead. If my recollection is correct, it is he who asked why we would limit funding to one year. The Government has stated that funding is currently $1.5 million for this fiscal year and will grow to $5 million in fiscal year 1988-89. If Hon. Members of the Opposition would like to move an amendment to

suggest that funding ought to be guaranteed for a five-year period, I would be willing to bet my shoes that the Government side of the House would have no difficulty in that regard. Therefore, why do we not simply dispose of that argument?

Let us turn to the question of whether or not government funding of this public institute means that private institutes will suffer in some way.

Mr. Stevens: Are you familiar with the correspondence between the Leaders?

Mr. Blaker: The Hon. Member for York-Peel has asked me whether or not I am familiar with the correspondence between the Leaders of the Parties. I am familiar with that correspondence and I am aware that that problem was raised. The Right Hon. Member for Yellowhead said that if we create a premier institute for peace and security, it may reduce the amount of private donations made to private institutes across the country. The Hon. Member for York-Peel must first recognize that the Government has already increased its funding to two of the private institutes in the country. Second, the most obvious thing to be said is that such a premier institute is mandated by the Bill to be able to contract with such private institutions so that the private institutions as well will receive additional funds for the purpose of bringing in the best possible expertise and research.

I do wish to sit down so I should say something to conclude my remarks. I suppose that my conclusion is simple. I think it is regrettable that members of the Official Opposition have been unable to come up with a simple and clear statement telling us why they will not let this Bill go to committee. Hon. Members have said that they are in favour of the principle of the Bill. Why do they not act in accordance with that principle?

Mr. Deputy Speaker: Order. Questions or comments? Debate. The Hon. Member for Edmonton-Strathcona (Mr. Kilgour).

Mr. Kilgour: Mr. Speaker—

Mr. Stevens: Mr. Speaker, I rise on a point of order.

Mr. Deputy Speaker: I recognize the Hon. Member for York-Peel (Mr. Stevens) on a point of order.

Mr. Stevens: Mr. Speaker, I thought that you would entertain a question directed to the Hon. Member who just spoke. I was hoping to put such a question myself.

Mr. Deputy Speaker: The Chair asked if Hon. Members were disposed to put a question to the Hon. Member or to make comments. No one rose at that particular point. The Chair then proceeded to call for debate and two Hon. Members rose. However, the Hon. Member for Edmonton-Strathcona (Mr. Kilgour) did not begin to speak.

Mr. Kilgour: Mr. Speaker, I will defer to the Hon. Member.

Mr. Deputy Speaker: He will defer to the Hon. Member so we will proceed with questions and comments.

Mr. Stevens: Mr. Speaker, I thank Hon. Members for their courtesy. The Hon. Member for Lachine (Mr. Blaker) said that he had had an opportunity to review the correspondence between the Prime Minister (Mr. Trudeau), the Leader of the Official Opposition (Mr. Mulroney) and presumably the Leader of the NDP. Has he, during those ongoing discussions, been informed as to whom the Government has in mind for the Chairman of the new institute? Can he give us an indication of who the directors might be?

Mr. Blaker: Mr. Speaker, the answer to both questions is no. If I may, I should add to the knowledge of the Hon. Member for York-Peel and the knowledge of all Members of the House that it is very clear in the correspondence that the Prime Minister and the Government of Canada have offered to both opposition Parties that there be consultations on such a selection.

Mr. Hnatyshyn: Mr. Speaker, I want to make a brief comment and then ask the Hon. Member one or two questions. The Hon. Member seemed to have some considerable difficulty understanding what I thought was a clear and unequivocal position set forth by the spokespersons on behalf of our Party, including my colleague, the Hon. Member for York-Peel, and my colleague, the Right Hon. Member for Yellowhead. The Hon. Member had difficulty understanding those comments as they related to some of the serious concerns that we have with respect to the independence and accountability of this institute.

In the course of his remarks, the Hon. Member somehow suggested that I made a commitment on behalf of our Party that if we would let this matter go to committee, he would be prepared to sit down, and I appreciated that offer. I thought it was very reasonable for him to make that offer.

The Hon. Member will know that there has been extensive correspondence between the Prime Minister and the Leader of the Official Opposition with respect not only to this Bill but also to the content of a peace initiative resolution to be considered by the House. If these negotiations regarding the resolution itself were to be successful, we would be able to come to an accord on that basis. However, in terms of the peace institute, when the Leader of the Opposition put forward specific proposals and tried to obtain the commitment on the part of the Prime Minister to agree to those specific amendments to the Bill, that agreement was not forthcoming.

Is the Parliamentary Secretary in a position to agree to the amendments which were proposed in the correspondence and indeed in debate on the floor of the House, or does he still suggest that the matter should go to committee and be dealt with there without any commitment being made by the Government?

Mr. Blaker: Mr. Speaker, so that the record of the House is clear, the Hon. House Leader of the Conservative Party is asking that I, by reviewing the entire correspondence between

the Leaders of the three Parties of the House, would agree without limitation that all comments, suggestions or concepts raised by the Hon. Leader of the Official Opposition would be automatically accepted as amendments in committee. Is that the question the Hon. Member has put to me?

Mr. Hnatyshyn: The specific proposals put. Is that agreeable to the Government?

Mr. Blaker: That is really a remarkable question. In the normal course of evens, one does not ask for commitment based upon correspondence that is not entirely private at this point. No, no one could make such an undertaking. It is foolish. Send the Bill to committee and let people get to work on it. Do not delay the Bill. That is the answer.

Mr. Kristiansen: Mr. Speaker, I have a question to put to the Hon. Member for Lachine (Mr. Blaker) who is also the Parliamentary Secretary to the Minister of International Trade. I have been very interested in the attitude of the Hon. Parliamentary Secretary. He wishes to push this matter through the House with some dispatch. I and my colleagues can agree with that aim in spite of our reservations and the questions that we have put during consideration of this Bill so far. However, because he is a member of the Government and a Parliamentary Secretary to a Minister with international responsibilities, I would like to ask him how he squares his wish to have the Bill go speedily to committee so all of these things can be adequately considered with the comments made by the Chairman of the External Affairs Committee yesterday.

● (1740)

In his comments yesterday during the speech of my colleague, the Hon. Member for New Westminster-Coquitlam (Ms. Jewett), he made it very obvious that once the Bill got to committee it was his intention to give us one month. He said: "We give you one month". Later on he said: "Five days a week for one month if you want", suggesting that there was some hurry—that this had to be crammed through committee once we finished dealing with it in the House.

I am sure the Hon. Member is sincere in wanting to give this Bill appropriate and proper consideration in order to ensure the institute's independence, proper funding and all of the other concerns raised by all Hon. Members. Is he now taking issue with the suggestion made by the chairman of that committee, who is a Liberal member as well, who suggested that it is going to be rammed and crammed through that committee once it gets in there?

Mr. Blaker: The Hon. Member knows as well as I do the procedures of the House and of committees. I do not know whether he is speaking for the record with an intent to confuse or what. I was present in the House yesterday when the Chairman of the Standing Committee on External Affairs and National Defence made those remarks *sotto voce*, not while he was on his feet. The intention was perfectly clear. He was offering unlimited availability of meetings of the External Affairs Committee five days a week for at least a month, and as much more as was necessary.

Mr. Kristiansen: He said: "We give you one month".

Mr. Blaker: That is the spirit in which it was offered. Obviously I cannot interpret another Hon. Member's comments, but it is clear that in the House of Commons when any chairman suggests not less than five days a week of meetings, he is suggesting the greatest possible time be spent and the greatest possible co-operation. I encourage the Hon. Member to turn to his right and see whether or not he can get the Official Opposition to agree to put the Bill in committee and then watch. I am sure he will be satisfied with the time given to the Bill.

Mr. Nowlan: Mr. Speaker, I have two questions. One is very short. Surely, Mr. Speaker, does not the Hon. Member and the Parliamentary Secretary, in trying to expedite this matter, realize that this is the second day of debate? We have had five Opposition members, four Government Members, two New Democratic Party members and one independent member, for a total of 12 Hon. Members, speaking on a Bill which is pretty fundamental to peace, security and disarmament. Whether it is going to produce all the things we want, at least the objectives are pretty fundamental. Does the Hon. Parliamentary Secretary believe it is really dragging the heels of the House when there have been 12 Hon. Members speaking on a Bill which has such fundamental importance in terms of, certainly, objectives? That is my first question.

Because this is sort of a peculiar Bill which deserves and warrants bipartisan support, as stipulated initially in correspondence evidently between the Prime Minister (Mr. Trudeau) and the Leader of the Opposition (Mr. Mulroney), does the Parliamentary Secretary not really believe that there should be some difference in the appointment of directors? Under the present Clause 8, directors are appointed the same as they are for the CNR, Air Canada and any other government board. Quite frankly, we know they are not quite as independent even though they may be honourable people. Certainly an institute on peace should warrant some other extraordinary procedure for such an extraordinary objective.

Mr. Blaker: Mr. Speaker, I wonder if I might take the two questions in reverse order. I appreciate the question of the Hon. Member for Annapolis Valley-Hants (Mr. Nowlan). With respect to his question about the appointment of the chairman, board of directors and executive director, I believe that is a matter which Hon. Members in their commitment to this concept can and should examine. I believe I have answered that question.

With respect to the Hon. Member's previous question, ought there not to be more time for debate, my problem is that there is an opportunity to move quickly on a very significant matter. The same points about independence and accountability have been raised again and again. I gave what I believe was a good faith answer to the Hon. Member. I put in turn a good faith question to the Official Opposition. I asked: "Do you want to

see the Bill go to committee where we can work out those differences, or do you want to talk out the Bill here tonight?" For God's sake, if that is what you want to do, would you mind telling the country why you want to talk it out?

Mr. Deputy Speaker: Order. Remarks should be addressed to the Chair.

Mr. Lambert: Mr. Speaker, I would like to direct a question to the Parliamentary Secretary relative to precisely what he has said now, and also his acceptance of the motion he told us earlier was in principle. He has sat in the Chair and knows that if the House pronounces itself on principle, there is absolutely no possibility of making any major amendments. We have had speaker after speaker, time and time again, inform the House of this matter. Therefore, a chairman of committee who must act as Mr. Speaker does in his role vis-à-vis the committee could not accept those amendments.

Second, what does the Parliamentary Secretary deem to be the report stage following the bringing in of the committee report? What does he understand is meant by the last question asked by the Speaker after receipt of the report, on completion of the report stage: "Shall the Bill be read a third time?" When is it an acceptance in principle, according to the Parliamentary Secretary?

Mr. Deputy Speaker: Order. By consent, the Hon. Parliamentary Secretary could be allowed to reply because the time for questions and comments has expired. Agreed?

Some Hon. Members: Agreed.

Mr. Blaker: Mr. Speaker, I am going to be very brief. I would prefer that we not look to the procedural argument raised by the Hon. Member but to the substantive argument. The substance of the matter is that we are faced with an important Bill. The Prime Minister has given written assurances—in particular, assurances to the Leader of the Opposition—that suggested amendments of the Opposition would be very well received and very well considered.

Mr. Hnatyshyn: Order.

Mr. Blaker: It may be that the hon. gentleman opposite cannot accept the Prime Minister's word. I do.

Mr. Deputy Speaker: Order. The House will now proceed to debate. The Chair had earlier recognized the Hon. Member for Edmonton-Strathcona (Mr. Kilgour).

Mr. David Kilgour (Edmonton-Strathcona): Mr. Speaker, now they are all going to leave! The basic thrust of my speech can be stated very directly. The nuclear threat, East-West relations, international peace and security, defence, arms control and disarmament are so important to all of our constituents, including my three young children, that the institute proposed in Bill C-32 must not be tainted from birth as a partisan, dependent body.

The burden of my argument here is that, as currently drafted, the Bill is a prescription for an institute very susceptible to following the wishes of any government in office. Why do I say that? First, the language of the Bill establishes the institute as neither independent from government nor part of government. We on this side would prefer language which clearly protects the institute from interference by a government, and, conversely, if you like, an elected government from the institute. What we have here is neither fish nor fowl, Mr. Speaker. Perhaps it is some form of a stew.

Second, the funding issue is crucial to the independence question. The present position of the Government is, I gather, that the Department of National Defence and the Department of External Affairs will contribute jointly to the institute on an annual basis by government appropriations. However, this model, Sir, keeps the institute on a very short leash. Would its independence not be likely to suffer accordingly? The Damocles sword would be that if the institute displeased a government in year one, its funding would be cut, or substantially altered, in year two.

I remind Hon. Members that only yesterday in British Columbia, the Government of Premier Bennett cut funding to a women's group action committee, and I fear the same thing might happen to this very important institute. Surely, Mr. Speaker, a more responsible approach from the standpoint of independence and non-partisanship would be the endowment route. We should establish an endowment fund and allow the institute to operate from endowment resources.

[*Translation*]

Third, the proposed formula for setting up the Institute raises the serious question of the Institute's total independence vis-à-vis the Government. The Chairman shall be appointed by the Governor in Council for a term not exceeding three years. The Executive Director shall be appointed by the Governor in Council to hold office for a term not exceeding five years. Fifteen directors shall be appointed by the Governor in Council to hold office for respective mandates not exceeding three years.

Who will they be? I maintain that, considering our experience with many federal agencies, the Canadian directors will be defeated Liberal candidates, presidents of Liberal riding associations and other individuals known for their partisan activities.

• (1750)

[*English*]

Why not a more imaginative appointment structure to ensure more independent-minded and competent people on the board, Sir? For example, a phrase in Clauses 6, 7 or 8 indicating that any person appointed might have before appointment "eminence in peace, security or disarmament matters"? Or a phrase such as "appointed after a consensus" by all members of the Standing Committee on External Affairs and National Defence? Why not a phrase indicating that nominees must have the approval of the Opposition Leaders?

It is hardly reassuring to hear the Secretary of State for External Affairs (Mr. MacEachen) say here yesterday that the Government will seek nominations from opposition Parties before making appointments. From too much past experience we know this Government will wait only long enough to hear our proposals and then go ahead and appoint its own choices. The Minister said yesterday that he wants the institute to be "apolitical and non-partisan". We agree. Why not then build in an appointment mechanism which guarantees these qualities for our institute? Why not some phrase indicating that the chairman should be appointed by the Governor in Council "upon recommendation by the board of directors"? Similarly, why not have the executive director appointed by Governor in Council "upon the recommendation of the board of directors"? All of these suggestions would enhance the independence and credibility of the institute.

If we want truly independent-minded directors of the institute, it would also seem to me that Clause 21 should make it clear that members of the Public Service of Canada are not eligible to become directors. Can a public servant, albeit competent and respected, be truly independent? The current wording appears to make them eligible. On the other hand, why not allow the institute to second public servants for "a period of up to three years" as staff members? Clause 12 should be changed to reflect this.

[*Translation*]

In the course of this debate, there has been considerable emphasis on the implications of Clause 28 which provides that, at the request of the Minister, the Institute "shall provide" in relation to any issue involving "international peace and security" . . . In fact, this clause might allow the Minister to set the order of priority of the Institute's activities. By substituting "may provide" for "shall provide", and "Government" or "Parliament" for "Minister", we might be able to reduce the risk of having such situations occur.

[*English*]

Another error in principle lies in Clause 5(c), which appears to authorize the institute to publish studies and reports in the name of the institute. Basic intellectual integrity requires that institutional research be published on an attributable basis. That clause should be changed to include the phrase "on an attribution basis".

Let us look for a moment at three other similar federal agencies in this regard. First, the Science Council of Canada, which provides independent policy advice to the Government, works only with publicly available information, makes no grants and has no research capability. In my judgment the credibility of the Science Council suffered when those opposite filled the chairmanship with a retiring Liberal politician in the Province of Ontario. Stuart Smith is to be sure an intelligent individual, but in my judgment the Government tainted the work of the Science Council with his appointment because it indicated to one and all that it preferred an active Liberal to some eminent, non-partisan scientist as chairman. How do we know it will not do the same with this institute unless we build in legislative guarantees for its integrity from the start?

Second, Mr. Speaker, the International Development Research Centre, and I will refer to it as IDRC, shares similarities in its organizational structure with the institute, including the provision for foreign directors. In passing, I wonder why we need foreign directors. Do we not have enough qualified men and women across this talented country with sufficient eminence in the field to fill all the directorships in this institution with distinction? I think so. However, let us look at only some of the Canadian directors of the IDRC as an indication of whether the present Government really intends to make non-partisan and apolitical appointments when given the chance.

The first name on my list is Donald S. Macdonald, chairman of the board of the IDRC. He is a former Liberal MP now earning $800 per day as a Royal Commissioner who produced an interim report two days ago which won something less than wide critical acclaim. Second is Maurice LaClair, CN President and a former medical doctor who did a stint in the Prime Minister's Office. Third is Ivan Head, president and chief executive officer, and formerly an adviser to the Prime Minister. I ask you, Mr. Speaker, will Tom Axworthy, Frank Fowler and other members of the Prime Minister's Office be the most likely candidates for early nomination since all of them will, I assume, be technically out of work as of June 16? Fourth, Mr. Speaker, we have John Stewart, formerly a Liberal MP and recently appointed a Liberal senator.

I do not know enough about the other Canadian directors to be certain, but from past experience I doubt if many of them are politically neutral. However, my point is that unless we build in non-partisanship in this Bill, the strong probability is that a dying Government will see that the institute is politically tainted from the start. In the case of the IDRC, there is at least some attempt in Section 10 to assure excellence in governors by specifying that "at least 11 of the governors must have experience in the field of international development". Unfortunately, this good intention is largely vitiated by the rest of the section which says "or experience or training in the natural or social sciences or technology". That is a pretty big basket and it includes an awful lot of people.

The third body is the Law Reform Commission of Canada which, since its founding in 1971, to my knowledge has never actively criticized the Government of Canada or its policy. I am told that nothing in the legislation founding the Commission deals with this question, so again we must look to the partisanship or non-partisanship of members of that Commission. Let us start with the first chairman, Mr. Justice Patrick Hartt. I have no knowledge of his political affiliation and I say nothing further on that. However, the second chairman was Mr. Justice Antonio Lamer, past president of the Young Liberals of Quebec, I am informed. The Third chairman was Mr. Justice Frank Muldoon, who as you probably know, Mr. Speaker, is a past Liberal candidate provincially in Manitoba. The present chairman is Mr. Justice Allan Linden. In fairness,

he was never a Liberal candidate, but he has long been known as a defender of Liberal causes in the city of Toronto.

Am I running out of time? May I call it six o'clock, Mr. Speaker?

Mr. Deputy Speaker: Before making a final statement, the Chair would like to take this opportunity to wish all Hon. Members a happy Easter holiday.

[*Translation*]

I wish all Members a very happy Easter.

It being six o'clock, pursuant to Standing Order 3, this House stands adjourned until Monday, April 30 at eleven o'clock a.m., pursuant to Standing Order 2(1).

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

HOUSE OF COMMONS

Monday, April 30, 1984

The House met at 11 a.m.

• (1110)

GOVERNMENT ORDERS

[*English*]

FINANCIAL ADMINISTRATION ACT

MEASURE TO AMEND

The House resumed from Friday, March 23, consideration of the motion of Mr. Ouellet (for Mr. Gray) that Bill C-24, an Act to amend the Financial Administration Act in relation to Crown corporations and to amend other Acts in consequence thereof, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

Mr. Gordon Taylor (Bow River): Mr. Speaker, I appreciate the opportunity to say a few words this morning about Bill C-24, an Act to amend the Financial Administration Act in relation to Crown corporations and to amend other Acts in consequence thereof. I have read many Bills during my lifetime but I have never read a Bill which contains so many contradictions as this Bill. In fact, it is a jungle of contradictions. I want to deal with some of these contradictions today. If this Bill is eventually to pass, certainly a number of its measures, particularly the ones I will mention this morning, should be amended, completely overhauled or completely restructured.

The first contradiction that I find is that the Bill implies that the Minister is responsible for the Crown corporation. It would certainly be commendable if that were true. However, when one reads the Act further one finds that the Minister really has very little authority. It is the Cabinet that exercises most of the powers, not the Minister. The Cabinet appoints the directors and gives approval to operating and capital budgets. It appoints the chief executive officer. In other words, the Minister is not responsible for the operation of the corporation. Since the Cabinet is responsible this means that there are 20 or more Ministers who are responsible. In other words, what is everybody's business is nobody's business. This explains why many of our Crown corporations have gone awry and have fallen into ridiculous financial positions. Crown corporations are responsible to several Ministers yet really responsible to no one. That is the first contradiction.

The second contradiction concerns the duties and responsibilities of directors. In the private sector an essential duty of a board of directors is to hire and monitor the chief executive officer. This is not so with Crown corporations as it is set out in this Bill. It is not the board of directors that has that responsibility but the Cabinet which appoints the chief executive officer. Therefore, the chief executive officer is responsible to the Cabinet. The Cabinet hires and sets out the pay of the chief executive officer and, of course, it is unheard of to fire a chief executive officer. That authority rests with the Cabinet, not the Minister or a board of directors, even though it is the chief executive officer who will be responsible for the day to day operations of the corporation. That is the second contradiction.

Third, in the private sector the board of directors appoints the auditors. They are responsible to the board of directors. This is not the case here; according to this Bill, it is the Cabinet which appoints the auditors. This means that the auditors are responsible to the Cabinet; in other words, to no one. When one is responsible to 25 Ministers, one is responsible to no one since there is no one to assume that responsibility.

Another contradiction is that the board of directors in the private sector approves, varies or rescinds by-laws. While the Bill states that the board of directors may make by-laws, this is not so according to Clause 124(1) and 124(2). Cabinet approves, varies and rescinds by-laws. What do the directors do? They rubber-stamp whatever Cabinet does. Anything or everything Cabinet does is rubber-stamped by the board of directors. Cabinet can even order the board of directors to approve a by-law or to repeal a by-law. The Minister responsible does not do this. Cabinet may order the board of directors to approve or repeal a by-law. One begins to wonder why we even have a board of directors under this Bill. Everything has to go to Cabinet. No wonder most of our Crown corporations are losing money when Cabinet takes on these responsibilities and the chief executive officer and board of directors are responsible to Cabinet.

• (1115)

There are a few other interesting items about directors in this Bill. If Cabinet gives a directive to the board of directors, the directors must implement same. The board of directors is set up to run a particular corporation. It is supposed to be closest to the corporation and very close to the chief executive officer. However, if Cabinet gives a directive to the board of directors, the directors must implement it. It has no choice at all, whether it is right or wrong. Again, no wonder many Crown corporations are losing money with a legislative set-up such as this. The directors are not accountable for any consequences arising out of the said directive. I suppose that is understandable when Cabinet tells the directors that they have

to do it. Even though they think it is wrong or bad, they still have to do it.

Then the Bill indicates that the directors will not be held responsible in cases like that. Then who is responsible? The Cabinet, which means nobody is responsible. When there are 25 people responsible for something, what is everybody's business is nobody's business. In other words, no one is responsible.

That is not the worst of it. While the Bill gives Cabinet authority to make directives, it denies that authority when it comes to certain corporations such as the CBC. The programs can be as bad as the corporation likes, but Cabinet cannot give the CBC any directives, nor can it give the Canadian Film Development Corporation or the National Arts Centre Corporation any directives. In other words, these corporations become the government, responsible to no one. They do what they like. Even the Cabinet cannot make recommendations.

I used to think it very odd when the Minister of Communications (Mr. Fox) would write to me indicating that he had no authority to give directives to the CRTC in connection with *Playboy* or pornography. The Minister of the Crown responsible for that corporation cannot give a directive. Cabinet can give a directive, but even it cannot direct the CBC, the Canadian Film Development Corporation or the National Arts Centre Corporation. Who runs it? It runs itself. It is like the government of the country. It becomes the government. Why any government would want legislation like this is beyond me.

• (1120)

Let us look at one or two examples. A few weeks ago an item was issued by the National Film Board on a great Canadian war hero, Billy Bishop. This film smeared the courage of not only Billy Bishop, but others like him. Men who gave their lives so that we can be free in this country are smeared in that film. What does the Minister say? He says he has no authority. In a letter to me, the Minister said that we pride ourselves on having freedom of speech. Freedom of speech to smear men like Billy Bishop? What a cheap and sleazy attack.

The Minister says that each agency is accountable to Parliament for its action. When does Parliament have an opportunity? After the fact, never before. We are placing into legislation that a board set up by government cannot be controlled by government. It cannot even receive a directive from the government. Read the Bill. I wonder how many Members have read it. I read it going on home on the plane at Easter. It is so bad that I felt like throwing the Bill and everyone connected with it out of the airplane. That is just one example.

Another example is the CRTC. I attended a CRTC hearing in Edmonton. The board chastised a company because it dared to show American films in the Banff-Canmore area. Those same films are shown almost everywhere else in Canada. I told the directors that every one of them had access to those films, but not the rank and file in Banff-Canmore. The CRTC threatened to cancel the licence of that company because it dared show a film it was not authorized to show.

If American films can be shown in Toronto, Montreal and Calgary, why can they not be shown to those in the rural areas? If you have a lot of money, Mr. Speaker, you can see anything. If you have an extra $2,500, you can buy a TV saucer. Where would the rank and file in this country find $2,500 to buy a saucer to put in the front yard, if indeed they have a front yard? You do not need a licence for a saucer. You can watch any program you want, American or otherwise; it is entirely up to you.

The Minister is doing nothing about this even though it is ruining some of our cable companies. Everyone who purchases a saucer is a potential customer of a cable company. The cable company has to pay taxes. It has to beg the CRTC for a licence. It must get down on its hands and knees because it dares to show a program in Banff and Canmore which the board said it could not show even though the board members watch the same films in Toronto, Montreal and Ottawa. Isn't that a fine how do you do? The Minister says there is no authority to change this situation. This is the kind of Act that is being set up in this country. I will move on even though we could spend the whole day on this one clause.

• (1125)

There is another contradiction in the Bill. Clause 104(1) provides that no Crown corporation may carry on any business or activity that is not consistent with the objects or purposes for which it was incorporated. That sounds fine. A Crown corporation should not do anything that Parliament has not given it the authority to do. However, there is an exception to this. Clause 104(2) indicates that if a Crown corporation is already doing something illegal, it may continue to do it. That makes we wonder how many of these corporations are already carrying out programs for which they have no parliamentary authorization. Some of them must be doing it or there would not be a clause in this Bill authorizing it. This clause indicates that it is all right for a Crown corporation to break the law if it had broken the law before but other Crown corporations cannot break the law in future unless another exception is later added to the Bill.

That makes me think of sin. These days, even some of the churches are supporting sins about which they used to decry. A King of England had to abdicate because he married a divorcée. Now the same church to which he belonged is authorizing divorces right and left. Divorce has suddenly become right. If enough people do it, it is fine. The Government says: "Enough corporations are breaking the law so they can keep right on doing it because they did it before but no new corporations can do it". What kind of a moral attitude is this kind of legislation building in the country?

Some Crown corporations must now be doing things not consistent with their objectives. What are these illegal activities that are being carried out? I would like to know. How many corporations are guilty? Perhaps I should ask how many of these corporations are not guilty of doing this very thing that is now being authorized by legislation. I say shame to any government that would do that.

It must be wonderful to be a director of one of these Crown corporations. Clause 112(1)(c) provides that the director of a Crown corporation may issue a document for which he or she had no authority and the document is still valid and genuine. If a director were to issue a document for which he or she had no authority, it is still valid and genuine unless someone can look into that director's brain and determine whether he or she knew that it was wrong to do so. That is not evidence. Again, the Bill authorizes illegal operations.

Even worse, Clause 112(4) gives a Crown corporation blanket permission to do things it has no power to do. That action becomes valid. Clause 112(4) reads:

No action of a Crown corporation, including a transfer of property, is invalid by reason only that the corporation was without the capacity or power to so act.

What is our country coming to? Clause 116 of the Bill is equally ridiculous. This clause does not give the power to appoint or reappoint directors, chairmen or chief executive officers if they do not meet the requirements of any Act. I would think that a chief executive officer would have to meet the requirements of an Act. However, this does not apply to *ex officio* directors, chairmen or chief executive officers. They can be appointed even if they do not meet the requirements. In other words, top officials do not need to meet the qualifications set out by Parliament. I suppose the only qualification they must meet is to be cronies or members of the Liberal Party.

Clause 125(1) is another dandy clause. It reads:

(1) Every director and every officer of a Crown corporation in exercising his powers and performing his duties shall

(a) act honestly and . . .

(b) exercise the care, diligence—

And so on. Is that not splendid? However, Clause 125(2) indicates that a director or officer is not liable for breach of his duties under subsection (1). In other words, he can be dishonest and does not need to be diligent. He need not be accountable for his dishonesty or carelessness as long as he did not know that he was doing wrong.

I believe this Bill is a shameful piece of legislation. It needs to be overhauled completely. Any government that authorizes the things which I have pointed out should not only resign but should be kicked out and kicked out fast.

• (1130)

The Acting Speaker (Mr. Herbert): There follows a ten-minute period for questions and/or comments. The Hon. Member for Comox-Powell River?

Mr. Sargeant: Selkirk-Interlake, Mr. Speaker.

Mr. Benjamin: Close!

Mr. Sargeant: Mr. Speaker, the Hon. Member for Saskatoon West (Mr. Hnatyshyn) made some scandalous statements in my constituency last week, I will have the House know!

I would like to ask the Hon. Member for Bow River (Mr. Taylor) a question. In his speech he sounded as if he was advocating that the Cabinet exercise some kind of control over the CBC, the CFDC and the National Arts Centre. I wonder if he could tell us if this is indeed the case. Does he believe that those bodies should not enjoy complete independence from Cabinet? If he does believe that, how does that square with the statements in this House of a week and a half ago made by the former Prime Minister of this country, the Right Hon. Member for Yellowhead (Mr. Clark), when he was criticizing the Government, and rightly so, for not giving this new peace research institute complete independence from government?

Mr. Taylor: Mr. Speaker, what I was advocating was that there should be a Minister responsible and that the board of directors should be responsible. It should not be shoved up to the Cabinet where nobody is responsible.

Second, I certainly believe there should be no political interference, but a government that appoints a board should have some authority over that board. They do not need to censor it, but surely if it starts abusing women or children through pornography that is disgraceful and completely contrary to the thinking of the people of the country, then the government should say: "We do not want that type of thing". If the Hon. Member for the NDP thinks that type of thing should go on, he is not reflecting the thinking of the people he represents.

Mr. Sargeant: Mr. Speaker, could the Hon. Member give the House examples of when any of those three bodies—in particular, the CBC, CFDC and the National Arts Centre—have abused women and children in this country? Also, could he answer my second question about how that squares with the comments of the Right Hon. Member for Yellowhead about the need for complete independence of another government body?

Mr. Taylor: Mr. Speaker, if the Hon. Member does not have examples of the things that have gone on at CBC and done by the CRTC, I do not know where he has been hiding the last few years. I saw a program a few years ago called "This Hour has Seven Days" that was complete lies. It was carried out in Alberta, and it was complete lies. That type of thing should not be permitted to go on. Independence and political interference are two entirely different things. Certainly any body that is appointed by a government should be responsible to that government. Do not tell me that the Minister does not talk to the chairman of the board of the CBC. I know he does.

Mr. Tobin: Mr. Speaker, as one who has humbly practised the journalism profession for some time before I came to this new profession, I am a little bit concerned about the tone of the remarks I hear from the Hon. Member for Bow River (Mr. Taylor). I hear him saying: "If they speak the truth as I see the truth, then they are fine. But if they speak lies as I declare something that has been carried on the public networks is lies, then we have got to do something about it".

When I hear a Member of Parliament who supposedly is here to protect what is near and dear to this country, who has just witnessed in recent days the passage of a Charter of

Rights and Freedoms, whether he knows it or not—and that is the frightening thing—he is advocating censorship. He is advocating censorship when it suits his own political, philosophical and ideological beliefs. Can the Hon. Member ensure us—because I am concerned—that that is not the position of the Conservative Party of Canada? Also to assign to a board responsibility for what may be carried by a network, to imply that the board sets up programming in the various private networks of this country, including the CBC, is an unfair, dangerous and very loose allegation. Would he please clarify his statements? Mr. Speaker, I am concerned.

Mr. Taylor: Mr. Speaker, I wish the Hon. Member and his Party would be a little more concerned about the people of this country and less about the corporations. When pay-TV was introduced, thousands of people wrote to the Minister, wrote to the Hon. Member and many other people. We are not talking about censorship. We are talking about decency. It is not what I think and it is not what the Hon. Member happens to think. We are not talking about censorship. When thousands of Canadians object to programs being aired because those programs will ruin the lives of their boys and girls, government has a responsibility to reflect that thinking.

Has the Hon. Member ever heard of democracy? No, they do not practise it over there. Democracy is supposed to reflect the thinking of the greatest possible number of people—not tell them what is good for them, but reflect their thinking. This Government is not doing that. Censorship is not part of our policy, but we certainly want to make sure that we reflect the thinking of the people because that is democracy.

Some Hon. Members: Hear, hear!

Mr. Foster: Mr. Speaker, I was very interested in the comments of the Hon. Member for Bow River (Mr. Taylor), because it seems to me that the Hon. Member for Rosedale (Mr. Crombie) was castigating the Minister of Communications (Mr. Fox) just a few weeks ago, saying that the Government would have the power to direct the CBC and the National Film Board. In fact, the Bill really exempts those cultural organizations from directives as to the program content. I am not sure whether the Hon. Member for Bow River is arguing against the Hon. Member for Rosedale in his comments, but it seems to me that they should get their mutual acts together.

The other thing I would like to ask the Hon. Member about is that the Bill sets out and gives responsibility to the board of directors on exactly the same basis as it is given to the board of directors for the efficient and effective operation of these Crown corporations and to every other corporation under the Canadian Business Corporations Act. I think that that is spelled out very clearly in the Bill. I would like to know why he thinks that the board of directors has less responsibility to effectively manage and operate the Crown corporations than any other business corporation under that Act.

The other point that the Hon. Member made is that Cabinet does have the power effectively to override a by-law made by the corporation. He is arguing on one side that they should not have that power and on the other side he is saying that they do have that power. It seems to me that he has got to go down the middle and clarify exactly where he stands on this Bill and those provisions of it.

Mr. Taylor: Mr. Speaker, in connection with the first question, the Hon. Member is talking about political interference. No government should say: "We want the CBC to carry programs just telling our side of the story". When talking about the absence of common decency that will effect the lives of boys and girls in this country, the Government has a responsibility. If Hon. Members cannot see that difference, there is something wrong with them.

Second, no one is advocating censorship and no one is advocating political interference. We are not saying that the board should have the power to broadcast pornography that will be distasteful to 90 per cent of the people of Canada. I do not agree that the board should become the government of this country. It does not in practice either. When it comes to the duties of the board of directors, they are so limited that they cannot do anything. The Cabinet does all of the real work. Why are you paying the board of directors? They should have some authority. They cannot even hire their own chief executive officer. They cannot fire him. They cannot hire their own auditor. Nor can they fire him. If we must have a board of directors, let it be like the private sector where they have some authority; put some teeth into it.

• (1140)

The Acting Speaker (Mr. Herbert): That is the end of the ten-minute period for questions and comments. To continue debate, the Hon. Member for Western Arctic (Mr. Nickerson).

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, I welcome the opportunity to enter the debate today because it will take my mind off the cheque I have to write in favour of the Minister of National Revenue (Mr. Bussières) later on today. It is a hell of a birthday present, Mr. Speaker!

Before I go into the details of the Bill, I would like to lay out my credentials as an expert on Crown corporations. Coming from the Northwest Territories one cannot help but be an expert on Crown corporations, as you will see when I read out the list of those we have to deal with. In the transportation field, our railway is CN. If you want to travel by water, Mr. Speaker, you can use the inland river system and the freight services made available by Northern Transportation Limited. I must here congratulate the Minister of Transport (Mr. Axworthy) on his initiative in promising to privatize this corporation. We had that in mind when we formed the Government in 1979. It is certainly a logical choice for privatization.

If you want to ship your freight by truck, Mr. Speaker, you have the opportunity of using Grimshaw Trucking, a subsidiary of our famous NTCL. I hope that is privatized at the same time as the parent corporation. If you want to travel by air,

Mr. Speaker, for most routes you are obliged to go on Pacific Western Airlines. Although that company does not come under our jurisdiction because it is owned by the Government of Alberta, it is still a Crown corporation. In my opinion that is another candidate for privatization. I do not know what the Government of Alberta is thinking of when it wants to run an airline; it is just as wrong for that provincial Government to run an airline as it is for the federal Government to operate its airline, Air Canada.

If you do not want to ship your freight on the river system but you do want to ship it on the high seas, then you get involved with Canarctic Shipping Limited in which the Government of Canada has a major participation. Therefore, in the transporation field they have us covered, coming and going.

Similarly in the field of communications, another very important part of Canadian life, we have the CBC, with a virtual monopoly on much of the video and TV in the north. Our telephone services are provided by a subsidiary of CN, the famous Northwest Tel. Much of the radio and electronic communication in the north is done by satellite, which satellites are owned by none other than Telesat Canada, another Crown Corporation. Therefore, in those most important aspects of life, the field of transportation and communication, we are veritably at the mercy of Crown Corporations, whether federal or provincial. I might add that it is provincial Crown corporations rather than territorial. The Crown corporations of other provinces are acting extra-territorially, as it were.

In the resource field, the most important aspect of economic life, you have Petro-Canada busily raking in its 25 per cent back-in on all the oil and gas plays in the Beaufort, High Arctic and Mackenzie. You have subsidiaries of Petro-Canada getting involved in the mineral business. We have that famous corporation, 107744 Canada Inc. busily engaged in mineral exploration. I would like to address this particular matter later because in my opinion Petro-Canada is not allowed, by virtue of the Petro-Canada Act, to get into the mineral exploration business. Yet it has set up a subsidiary that purports to have that authority. It is certainly not the authority that Parliament wished to give Petro-Canada.

In the oil and gas business, too, we have Panarctic and Polar Gas and a number of other corporations or consortia in which the Government of Canada in the case of Polar Gas, and also the Government of Ontario through Ontario Energy, have the major say. One other thing I would mention is the Government's participation in mining companies such as Nanisivik, and the Government's 30 per cent interest in the Norman Wells oil field.

In the field of fishing, the Government, through its Crown corporation, the Freshwater Fish Marketing Corporation, has a monopoly on the buying and selling of fish. It holds the lives of those fishermen in its control. As you can see, Mr. Speaker, the north has been used as a proving ground too often for Liberal social theories. Very often this social theorizing has utilized the mechanism of Crown corporations.

After that brief introduction, I will now look at the Bill itself. Basically, as I read the Bill, there is not a great deal of difference between what it proposes to do and the status quo. What it does is rationalize the status quo to a certain extent and try to introduce some uniformity of treatment for various Crown corporations doing things of a similar nature. But it is certainly not revolutionary legislation. It does not address the great, outstanding public concerns which have been debated in the press and in Canada at large for some time. There is very little on the question of accountability. In my opinion what is more important is the prevention of government abusing its powers and authority by using Crown corporations so to do.

Frequently what the federal Government would be unable to do through democratic institutions such as Parliament, it can do through the back door route using Crown corporations. Major policy and financial commitments can be made using this back door route when the Government is unwilling to appear before Parliament to argue its case. One of the most obvious examples of this was the Petro-Canada acquisition of Petrofina. There was no debate; only a privileged few knew what was going on. However, Canadians were eventually presented with a bill for $1.5 billion, which they had to pay in taxes imposed on gasoline. All this was done through the secret back door route using Crown corporations when it should have been done up front in public. It is that route which scares off the present Government.

The Bill will not prevent an abuse we have been witness to on many occasions in this House. The Government will stand up one day in reply to questions and say that, so far as a Crown corporation is concerned, it is an autonomous body, that it has no control over it at all if things go wrong. On the next day it will take quite a different position. The Minister will get up in his place and say that he represents the shareholders of this Crown corporation and is, therefore, quite right in dictating major policy changes for that corporation and telling shareholders and the board of that corporation what they should do.

• (1150)

The gentleman who is now Minister of Finance (Mr. Lalonde) and who was formerly Minister of Energy, Mines and Resources is famous for the use of this tactic, especially when dealing with Petro-Canada. In dealing with the Petro-Canada acquisition of Petrofina he said that he told Petro-Canada to take over Petrofina. He justified that as acting on behalf of the shareholders of Petro-Canada, the public of Canada. On other occasions when things went wrong with the operation of Petro-Canada, he denied that he had ever heard of such an organization.

In looking at the Bill we find that it is virtually a skeletal Bill, as is so much Liberal legislation. Most of what really happens will be dependent upon regulations which we have not yet seen. We have objected to this approach to legislation so many times in the past that it is hardly worth devoting a lot of time to it now. We should make careful note of the power that the Governor in Council would have under Clause 124(4)(b)

of this Bill whereby certain corporations can be exempted from the general provisions by regulation. The Government can say of its own accord, without any debate, that it will suspend the operation of Bill C-24 with respect to certain corporations by way of an Order in Council.

I would like to speak about the question of accountability. Who is accountable? Is it to be the chief executive officer of the Crown corporation? Is it to be the board of directors? Is it to be departmental officials? Is it to be the Minister, or is it to be the Cabinet collectively? If anything, this Bill diffuses accountability so widely that in reality no one is accountable. When everyone is accountable, no one is accountable. That is the route we are taking with this Bill. I believe the Bill puts the emphasis on the Cabinet collectively being responsible for major decisions, such as major appointments of chief executive officers, directors and auditors. Cabinet as a whole approves budgets, corporate plans and by-laws.

However, the Cabinet cannot do that detailed type of work. There is no way that the Minister of Transport, the President of the Treasury Board (Mr. Gray) and their colleagues can sit down in a Cabinet meeting and go over the details of literally hundreds of Crown corporations. It is impossible. The hon. gentlemen are already overworked. They have already ceased to think because they are so overworked. We do not want to give them more detailed work. We should take it away from them and allow them to do what they are paid almost $120,000 a year to do; that is to think. That is what they do not do at the present time. When Cabinet as a whole is made responsible for details, the whole system falls apart.

There is no mention made in this Bill of a parliamentary committee which in my opinion ought to be set up to take Crown corporations under its wing. This is not a perfect solution. Everyone who knows anything about parliamentary committees knows they are not perfect bodies, but I believe this type of approach has worked out reasonably well in the provinces. I believe the Province of Saskatchewan was the province which implemented that idea. This would take some of the load off existing parliamentary committees. We should provide a committee on Crown corporations with competent staff so that it can look into the affairs of Crown corporations in reasonable detail.

There is a tendency for parliamentary committees, especially those which have forceful representation from the Opposition, to want to uncover and publish as many facts as possible that are not particularly advantageous to the Government of the day. This can be good or bad when dealing with corporations of a commercial nature. However, it is no worse than the other route whereby things are dealt with solely by Cabinet and Cabinet committees and the natural tendency is to hush things up and slide them under the rug in hopes that no one will notice things that are seriously wrong with Crown corporations.

I would like to say a few words about the board of directors of Crown corporations. I have always been very puzzled as to what is the real function of a board of directors of a Crown corporation. In private companies they represent the shareholders. On behalf of the shareholders they approve or disapprove of major corporate decisions. For example, a prime function would be to hire, fire, oversee and set the remuneration of the chief executive officer and certain other top employees. However, in Crown corporations that is not a function of the board of directors. Under Bill C-24 that is done by the Cabinet rather than the board of directors. In a private corporation the appointment of auditors and changes in by-laws are the responsibility of the board of directors, subject, of course, to approval at annual general meetings. In the case of Crown corporations those things remain a Crown prerogative.

This Bill would impose the penalties of the Canada Business Corporations Act upon the directors of a Crown corporation for failure to fulfil their duties and obligations. However, Sir, the Bill does not give them any authority with which to exercise what would normally be the duties and responsibilities of the board of directors. The only conclusion which I can arrive at, that being born of careful observation of Crown corporations, is that the function of the board is to provide patronage and honorary positions, sometimes with reasonable remuneration attached thereto. Let us not kid ourselves. Most appointments are made on a partisan basis as a reward for past services, or occasionally to placate regional interest.

There are a number of other things I would have liked to discuss; however, time does not permit. In conclusion I would like to say that this Bill is full of half measures. Real reform is conspicuously absent. It is a far cry from Bill C-27 which was introduced in 1979 by the Clark Government. Had that Bill been passed it would have cleared up some of the outstanding problems which we have with Crown corporations.

The Acting Speaker (Mr. Herbert): There follows a ten-minute period for questions and/or comments.

Mr. Foster: Mr. Speaker, I was interested in the comments of the Hon. Member for Western Arctic (Mr. Nickerson). I would like to ask him a couple of questions.

• (1200)

He suggested that the board of directors normally appoints the auditor. If one looks at the Canada Business Corporations Act one will see that the auditor for any company is appointed by the shareholders. In this case it is the Government of Canada.

I think it is also important to note that in this Bill the auditor is appointed by the Government of Canada, who is the shareholder, after consultation with the board of directors. I do not understand how the board of directors, which is not the shareholder, can appoint the auditor. Appointment by the shareholder is a standard business procedure and is in fact a requirement of the CBCA rules.

It is important to note that even Bill C-27, which was introduced by the previous administration, only provided for consultation with the board of directors under Schedule II, the commercial corporations. I believe this legislation provides for that consultation for all Crown corporations and that the

auditor would be appointed by the shareholder as is the normal business practice.

I also wanted to question the Hon. Member with respect to his remarks about parliamentary committees having a chance to review the work of Crown corporations. I believe he thinks there should be one parliamentary committee. While the House could do this if it wished, this Bill provides that the corporate plan, the budget and the annual report for each Crown corporation would be referred to the standing committees of the House. He stated that there are many Crown corporations. It seems more practical to me that more than one committee should be working on examining their activities. In any event, the legislation does not prevent the House, in its wisdom, setting up one committee with special responsibility.

My other question concerns the point raised by the Hon. Member when he said that Ministers do not have time to review each by-law that is made by a Crown corporation. I think that is good advice. I simply point out that Bill C-27 of the former administration, I believe, provided that every by-law made by Crown corporations had to be approved by the Government within 15 days. However, according to this Bill the board of directors make the by-laws of the Crown corporations and while they can be overridden by the Government they usually are passed and become effective as they are approved by the board of directors.

Mr. Nickerson: Mr. Speaker, the Hon. Member made some interesting and quite valid observations. Perhaps he should have listened more carefully to what I was saying because I was at pains to point out in my initial presentation that the appointment of auditors for public corporations that are not Crown corporations is made by the shareholders of that corporation, normally at an annual general meeting. However, the process of arriving at this is that the board of directors will make the initial decision as to who should be the auditors. It could be on the advice of the operating officers of the corporation but not necessarily. They then take the recommendation to the annual general meeting. I do not know of one instance when the recommendation of the board of directors on the appointment of auditors has been turned down. It would be something that happens very, very seldom. Certainly it should not happen if the board of directors is properly representing the ownership in the company.

What concerns me in the case of Crown corporations is that the Minister may tell a certain Crown corporation that he is not particularly interested in discussing the matter with anyone in the corporation because he wants to appoint a certain friendly firm of accountants as auditors because he owes them a favour for the work they did in the last election. That is what we are concerned about on this side.

With respect to the question dealing with parliamentary committees, I am of two minds. I always dislike establishing new committees because we have boards and committees coming out of our ears. I sometimes wish that we could not have quite as many. Given that, it is always hard to recommend the etablishmment of yet another committee but I think that when it comes to Crown corporations that operate in the commercial realm, there is a need for a good deal of expertise.

I suggested the formation of a parliamentary committee to which all of these matters could be referred. However, this committee would have available to it the expert staff who are skilled in things financial, accounting and in the operation of corporations of this nature and like non-Crown corporations. They would be able to go through the various reports, budgets and corporate plans that were made available and isolate those things which should be brought to the full attention of Parliament. It would be similar to the Standing Joint Committee on Regulations and Other Statutory Instruments. When the voluminous material comes in, the counsel for the committee goes through it and brings to the attention of members those things which are in need of more public debate. I prefer this to other committees, such as the Transport Committee or the Communications and Culture Committee, getting clogged up with work on Crown corporations.

The Acting Speaker (Mr. Herbert): Further questions or comments?

Mr. Thomson: Mr. Speaker, for the record I am sure that my colleague would not object to my making a small correction. It is that PWA was privatized by the Province of Alberta last November.

The Acting Speaker (Mr. Herbert): Continuing debate.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I believe no one will dispute the need for this particular Bill. We certainly need legislation which will do something to affect the control, development and future work of Crown corporations within the economy of Canada. There is no doubt that Crown corporations are a continuing part of our economy and the nation as a whole. However, we must review what has happened to Crown corporations. I suggest that a study of this Bill in the House and in the committee might help us better understand what happens to Crown corporations that makes it necessary for us to change the legislation which controls them.

I could easily give at least six examples of how Crown corporations have strayed from their original purpose. They are costing the country money without contributing any money to the economy. I suppose the best and most publicized example we have had lately is Canadair. Looking into Canadair gives one an insight into the need for some kind of legislation to control and make Crown corporations accountable.

• (1210)

When Crown corporations are formed, they are formed for some particular reason. They are considered to be vehicles of public policy which will do something for the country. If they are of no value, they will not do something for the country. If they do not fulfil some government policy, they should not be formed. We develop these Crown corporations so they will provide some kind of economic direction, some kind of commercial entry into a particular market, some need, or some

kind of development. Possibly they provide a service to Canadians. Many of our Crown corporations are exactly that—service organizations. For example, we have provincial telephone companies. The understanding of Crown corporations as being necessities for the offering of utilities in most of provinces is an accepted reason for having Crown corporations.

But what happens to a number of these Crown corporations? We pass a Bill here, which is one method of forming Crown corporations or has been in the past. Possibly passing a Bill in this House is the best method. In the process of passing a Bill, we look at the reason and the objective for having a Crown corporation. Therefore, the social responsibility of a Crown corporation is put before the House. We develop objectives which are acceptable to the people of Canada by being acceptable to this House. That is the theory.

What happens after having formed a Crown corporation? This Government and the Official Opposition have developed a philosophy that if we have a Crown corporation, it must be at arm's length, that we must not have anything to do with it because if we do we will be affecting the marketplace in some way. It leaves corporations to wander through the economic world and they eventually become entities unto themselves. Every decision made by a Crown corporation is quite often for the benefit of that Crown corporation, possibly for the benefit of the managers or the board of directors or for the benefit of those people most closely concerned with it. The Crown corporations then loses some of its public responsibility.

We in the New Democratic Party believe that Crown corporations are a necessity. If we establish Crown corporations, we should do so with clear mandates of public responsibility and public direction. As these Crown corporations operate, we should keep a hand on them to see they operate within the mandate and the objectives this House has placed upon them. But that has not happened with a number of Crown corporations. As a result this Government and its philosophy has given Crown corporations in Canada a bad name. Walking down the street you quite often hear it said: "What can you expect? It is a Crown corporation".

There is no reason to believe, Mr. Speaker, that a Crown Corporation cannot be run as efficiently and effectively as any private corporation. Besides that, if a Crown corporation is run effectively and efficiently as a public corporation, it will be run in that way for the benefit of Canadians, not for the benefit of the people who own the shares and live in New York, Houston, London, or Berlin. Basically the reason we form Crown corporations is to have them operate for the benefit of Canada.

What we have right now is a conglomeration of Crown corporations that have no relationship to the public mandate which they originally had. Besides that, our Crown corporations have been allowed and have been encouraged to move into the market and pick up competitive organizations. Sometimes they pick up organizations which are not even relevant to the area in which the corporation operated initially. For instance, if you were to look at the back of this Bill, Mr. Speaker, you will see a list of corporations. Actually it is only a small list of the corporations which actually make up part of Canada's Crown corporations. But a number of them are second, third, and even fourth tier corporations. In other words, there is no relationship between the original corporation that was formed and a secondary corporation that was purchased which owns a third, fourth, or fifth corporation and consequently becomes part of the family of Crown corporations in Canada.

We need to look at this Bill very thoroughly. In the last few months we have become very concerned about the accountability of de Havilland and Canadair. These companies have been before us so often. It has been dramatized that they are important in our every day life. We have decided publicly in this House and outside of this House that there is a need for more accountability of Crown corporations. The Government has proceeded to try and put before us a Bill which is supposed to affect the accountability of Canadian Crown corporations.

As a matter of interest, in various committees of this House we have been studying the effects of the Crown corporation structure. Particularly in recent weeks we have been studying the effects of the structure of Canadair. In various committees we have made a number of recommendations to the Government as to what could be done to improve the responsibility of the Government for Crown corporations, rather than letting them become corporations in their own right.

We had hoped that this Bill would incorporate some of the recommendations that came out of the Finance Committee, the Public Accounts Committee, and various other committees which have had to deal with Crown corporations either directly or indirectly. We hoped that the Government would adopt some of these recommendations and provide the kind of Bill which would make it possible for this Parliament to feel secure that if a Crown corporation, such as Petro-Canada, is started, it would do what it is supposed to do.

We have found out—and Petro-Canada is probably as good an example as any—that it does not matter very much what the mandate was that was given to the Crown corporation initially; it is the mandate carried out by the Crown corporation that is important. We can have all the fine words we want in the definition of the objective or mandate, but if the government in power does not have the will to control the company, it will not be controlled. If it does not put people in charge of those companies who recognize that their responsibility is to Canadians, not to the corporations or to the government, we will not have the kind of accountability which we see as necessary.

● (1220)

A number of criticisms were made of Canadair, and I would like to indicate what can happen to a Crown corporation which does not have the accountability it should have. I will spend just a few minutes dealing with Canadair. What role does a Minister in charge of a corporation play? The new Bill suggests that it will be a Cabinet role and that reporting will be to Cabinet and so on. I agree with the Hon. Member for Western Arctic (Mr. Nickerson) to some extent that if we disperse accountability too widely we will not have accountability. The

Standing Committee on Public Accounts suggested that the Minister must be aware of the financial status and the activities of the corporations at all times. Possibly the Act suggests that that is what should happen as well. However, if we look at the Act, we see that there is plenty of room for corporations to go in their own direction, to spend money and to make Canadians responsible for it later. One suggestion was that they must present a corporate plan to the Government of Canada and eventually to committee. However, that is not a solid operation because it occurs only in the case of parent corporations. Subsidiary corporations are not required to make that same kind of public explanation.

Also the Public Accounts Committee suggested that every significant decision made by corporations which would change their direction should be within the knowledge of the Minister. If the Government had a particular direction in which it wanted to go, the Committee also suggested that it was the responsibility of the Minister to present that direction to the board of directors of the corporation. Of course, he also had responsibility to see that there is a strong and effective board of directors and management of the corporation. As well he had responsibility continuously to put before the company the objectives which the Government expected from it.

The Minister has failed to do all these things in the case of Canadair. As the shareholders' representative, he said: "Here is all the money you want. We will pass letters of comfort and give you further financing if you need it, but we trust you and you go in the direction you want". That corporation did not stop its direction until it was $1.4 billion in the hole.

This Bill should be looking much more thoroughly at the responsibility of boards of directors and how they relate to the Minister or to Cabinet. Also it should look at the responsibility of management. For example, the management of Canadair was related too closely to the Minister's office. The board of directors was left out in the cold and it became an ineffective operation before too long. If one has been watching CDIC developments closely, one will have seen the suggestion that government should have a much more effective control of management and be much closer to management, possibly eliminating the need for a board of directors. Perhaps that will happen.

There are a number of recommendations at which we should look closely when considering this Bill. When Crown corporations are used as vehicles for public policy, the direction in which the Government wants them to go should be enunciated clearly and directly at all times. That has not happened with Canadair, Petro-Canada or CNR, which has been a Crown corporation for many years. The need to make companies operate for the benefit of Canadians is important.

Somehow we have developed in Canada government by bureaucracy. For instance, CDIC has four or five deputy ministers on its board of directors. Although we need a connection, we do not need too much control. The Government should monitor Crown corporations to ensure that they do what they are supposed to do. However, we do not need a situation where the bureaucracy advises the Government as well as the management and passes the word back to the Government that things are going well. In the case of Canadair, that cost us $1.4 billion. It is likely to be the case in other situations as well. There is no need to have ineffective or inefficient management, but this can happen if we allow too much direct intervention of government in situations without a mandate which everyone knows should be there.

The Acting Speaker (Mr. Herbert): There follows a period of up to ten minutes for questions or comments. The Hon. Member for Calgary South (Mr. Thomson).

Mr. Thomson: Mr. Speaker, how would the Hon. Member recommend that we hold Crown corporations to their mandates? For example, in the case of Petro-Canada, Parliament approved its mandate. As I recollect it, it was to have a window on the industry and primarily engage itself in frontier exploration. We know that it has strayed from its original mandate. However, what sanction process would the Hon. Member visualize to come to grips with a great number of Crown corporations, not only Petro-Canada? As all Hon. Members know, in all good conscience we approve a particular mandate for a Crown corporation. A number of years go by and it has strayed so far from its mandate that its original purpose is completely lost. What process or what means of sanction would the Hon. Member recommend putting forward?

• (1230)

My second point concerns the appointment of deputy ministers or bureaucrats to boards of directors. The Hon. Member suggests that perhaps a bureaucrat is needed on a board of directors to act as the conduit of information from the corporation to the Government. Surely if the Minister is held accountable for a corporation, it is incumbent upon the board of directors and management to provide the Minister with that information without the bureaucracy being represented on the board. As the Hon. Member pointed out, there is the danger, as in the case of Canadair, that the bureaucrat on the board ends up talking to himself as the bureaucrat representing the Government. As the Hon. Member correctly points out, this is one reason for the problems that have evolved in a number of Crown corporations, including Canadair.

Mr. Hovdebo: Mr. Speaker, I agree with the Hon. Member entirely that quite often the mandate of a corporation becomes unrecognizable. The process of keeping the Crown corporation to its mandate is partially dealt with in this Bill, but not the method that will guarantee it. I suppose that is what the Hon. Member is talking about. Public exposure is one factor that could do it. In hindsight, this certainly occurred in the case of Canadair.

The other approach is the necessity for a Crown corporation to get money, if it requires money, from Parliament rather than having the authority to get it as it pleases. That would be restrictive for the corporation but maybe that is what is needed. Maybe we should not develop corporations without the direct knowledge of Parliament.

On the second question, I agree entirely. I do not think we need bureaucrats on the board. Although they have been there, I believe it would be possible to have a reporting system work well without the deputy minister or a bureaucrat on the board. If the board has the responsibility to report to the Minister, you could dispense with the conduit or whatever. The structure, mandate and necessity of the corporation to stick to the mandate must be there, as well as the will of the Government and the corporation to fulfil it properly.

Mr. Foster: Mr. Speaker, the Hon. Member expressed concern that subsidiaries of parent Crown corporations would not be subject to the same corporate plans and budgets being approved by the Government and reported to Parliament. Has the Hon. Member looked at Clause 130, which states:

> Each parent Crown corporation shall annually submit a corporate plan to the appropriate Minister for the approval of the Governor in Council on the recommendation of the appropriate Minister and, if required by the regulations, on the recommendation of the Minister of Finance.

Subclause (2) states that the corporate plan of a parent Crown corporation shall encompass all the businesses and activities, including investments of the corporation and its wholly-owned subsidiaries, if any. It goes on to spell out the details of that corporate plan. The Hon. Member may have overlooked that. It is an important point that the corporate plan of parent Crown corporations spell out the details of activities of subsidiaries, and those subsidiaries can act only in areas in which the parent Crown corporation has responsibility for financial or corporate activities. Has the Hon. Member had an opportunity to look at that clause?

Mr. Hovdebo: Mr. Speaker, I recognize exactly what the Parliamentary Secretary is talking about. However, if you look through the Bill very carefully, you find it is quite possible for the corporation to buy or sell a subsidiary corporation without referral to Parliament. In the process, you lose control of that operation entirely. When subsidiaries at the second, third or fourth level become a line in the development plan, if the will is there, it might happen. A third tier corporation with a manager who has done his own thing for a long time is not going to make a report which has to go through the second and first corporations to get to the Cabinet. It might be there, but that does not guarantee it will happen. The mandate has been there before, but they have not fulfilled the mandate. Why should we believe because it is here in this form without a requirement for development and expenditure of money that it will happen any more now after the Bill is passed than at present?

The Acting Speaker (Mr. Herbert): Are there any further questions or comments? If not, we will continue debate.

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, when the President of the Treasury Board (Mr. Gray) tabled this Bill on March 15, 1984, he put out the usual press release. I refer to Bill C-24, an Act to amend the Financial Administration Act in relation to Crown corporations and to amend other Acts in consequence thereof. The press release stated what the objectives of the Bill would be. In very grandiose terms, the Minister stated:

> The objective of the new Bill is sound management of these important instruments of national interest.

He went on to say that the legislation is designed to strengthen the control and accountability of Crown corporations. That is a very laudable goal. It certainly is an objective that should have the endorsation of all Members of Parliament. I am sure that the Parliamentary Secretary, or the Minister if he were here, recognized that strengthening the control and accountability of Crown corporations is something that members of the Official Opposition have been advocating for years.

As the Government, we introduced a Bill designed to do that. That was some five years ago. If this present legislation could meet that objective, I am sure it would have the support of all Members of this House. The problem is that it does not meet that objective. It fails lamentably in meeting the objectives spelled out by the President of the Treasury Board. I will spell out some of the shortcomings as I speak. I mention this because we have heard so much about Crown corporations over the years. They have come to assume a massive place in the economic development of this country both in number and in financial importance.

If one were to look at the number of Crown corporations listed by the Government, there are currently some 315 Crown corporations. More are being created each year. There are also 180 mixed and joint venture enterprises in virtually every field of economic and social responsibility. These 315 corporations are of enormous difference and variety. They range all the way from such grand operations as the Canadian Broadcasting Corporation, Canadian National and Petro-Canada to such minute Crown corporations as the Crane Cove Oyster Farm in Nova Scotia and the Mingan Association fishing camp in Quebec. There is obviously a great variety of Crown corporations. However, the true importance of the situation with regard to Crown corporations becomes apparent only when one realizes that the Auditor General, in his 1982 report, calculated that Crown corporations have combined assets of $67 billion and that they employ something like 263,000 people. They employ 25,000 more people than the Public Service of Canada. In his report of 1982, the Auditor General said:

● (1240)

> In the majority of Crown corporations audited by the Auditor General, financial management and control is weak and ineffective. Moreover, co-ordination and guidance by central government agencies of financial management and control practices in these Crown corporations are virtually nonexistent.

That statement was contained in the very important document put out by the Auditor General in 1982. I presume that the Minister brought in this piece of legislation to address that very criticism. The need for that is so critical because of the magnitude and variety of Crown corporations, the amount of money involved and the fact that the Auditor General had indicated that they were out of control.

We are speaking of $67 billion worth of taxpayers' assets. There must be accountability for that money and there must

be ministerial responsibility for the way in which that money is expended. Those things are the very underpinnings of our political system and are the things to which the Bill should be addressing itself. That is why we have urged that the Government come to grips with this issue and that is why we have waited so long for the Government to do so. I must say that having advocated greater control over Crown corporations for so long, it is a great disappointment to see that the proposals in the present Bill do not provide the means by which these goals will be adequately realized.

Because the Bill is so full of shortcomings, my colleagues on this side of the House and the Hon. Member for Calgary South (Mr. Thomson) in particular have articulated our opposition to this particular piece of legislation and pointed out its defects. What is perhaps most disturbing to me is the realization that this is not simply an isolated incident. In fact, the objections that we have made to this particular Bill are almost identical to those which have been made with regard to other pieces of legislation which have recently come before the House and some which are currently before the House. Bill C-24, which deals with Crown corporations, is only the latest example of the Government missing an opportunity.

The Bill attempts to deal with a problem which is crying out for meaningful reform but all it contains are cosmetic changes. We have seen that happen not only with this Bill but with others. The Minister has stated that Bill C-24 is designed to strengthen the control and accountability of Crown corporations. However, he neglected to tell us that the Bill does not affect all Crown corporations. There are currently some 315 Crown corporations listed by the Government but this Bill deals only with 183 of them. Another 108 Crown corporations are not mentioned at all. There are a number of mixed and joint enterprise and their subsidiaries which are not affected by the provisions of this Bill. As well, a number of the provisions in the Bill could exempt many of the affected Crown corporations from the public scrutiny.

There are many important matters which are not touched upon by this Bill. For instance, there are no rules regarding the spawning of completely autonomous subsidiaries; the Parliamentary Secretary just made mention of that. The Bill does not come to grips with the increasing prominence and influence of state-controlled corporations in the economy. In other words, the Bill does not accomplish the Government promises. In his press release, the Minister promised to strengthen the control and accountability of Crown corporations. I wish the Bill did that. However, it does not.

Once again, Mr. Speaker, little bits and pieces of the overall problem are being addressed but there is no comprehensive plan of action to deal with an extremely serious situation. The extent of the severity of that situation was made clear at least five years ago at the time of the report produced by the Lambert Royal Commission. The issue has been debated and raised time and time again since then. However, this is not the only example of the Government neglecting to come to grips in any meaningful way with a serious problem. I can say to the Minister whom I see in his seat that it has happened to others of his colleagues.

The Minister of National Health and Welfare (Miss Bégin) recently brought in a Bill called the Canada Health Act which initially proposed to reform the entire health care system. It did no such thing. It tackled the problems of extra billing and user fees, something which was quite necessary, but it did not come to grips, at a time when it should have, with means to produce a more effective and efficient health care system, nor did it come to grips with the way that health care system should be funded. That particular Bill solved a few problems but, once again, it ignored the larger questions hidden below the surface. I would say that it did so to the detriment of all of us.

The same thing holds true with regard to Bill C-10 which is designed to amend the Divorce Act. That Bill is currently in the process of debate at second reading. The Minister of Justice (Mr. MacGuigan) who is sponsoring that Bill has claimed that the amendments put forward in the Bill would make the process of divorce simpler, more equitable and more just. I would say that the need for that is undeniable. However, the Bill does not deliver what it promises to deliver in the same way that Bill C-24 does not deliver what it promises to deliver. The Bill which deals with the amendments to the Divorce Act could not in some measure make the legal aspects of divorce simpler. However, the effects of that Bill upon women and children could be devastating. The real problem was not dealt with in that particular piece of legislation.

Like the two Bills I have just cited, this Bill, which could have provided the opportunity for meaningful reform in an area that is in great need of attention, simply does not do the job that it set out to do. I would say that a large part of this failure is because of the way the Bill has been drafted. Rather than include strict rules and guidelines which would be incorporated directly into the Bill, the Government has chosen to use regulations as the means of controlling Crown corporations. Yet although it says it will use these regulations, we do not have the regulations. We do not know what is contained in the regulations; they were not tabled with the Bill.

• (1250)

I can only assume, therefore, that if the Bill were passed, all regulations would be made by Cabinet and away from public scrutiny. Once again, the accountability that the Government is speaking of and that we are demanding simply would not be there. It would mean that Cabinet would be the judge, jury and police officer all rolled into one. This would hardly be in keeping with the so-called objective of the Bill, as Cabinet could, I suppose, change the regulations whenever it saw fit.

As I have said, this is not an isolated incident in the way in which government introduces legislation to this House. The control that the Government seeks to have within Cabinet in this Bill is not very dissimilar from the bill dealing with the Canadian Security Intelligence Service, Bill C-9. Once again, in that piece of legislation the Government did not spell out what it meant with precision. For instance, such words as

"sabotage" and "espionage" are left undefined, leaving the Solicitor General (Mr. Kaplan) and the Cabinet far-reaching powers. They will have discretion under that Bill to do anything. Will the President of the Treasury Board and the Cabinet not have discretion under this bill to continue to do anything they want with Crown corporations? Even the so-called "watch-dog" of the agency would be powerless, as it would be made up, as we know, of political appointees.

This Bill, like the Canadian Security Intelligence Service Bill, seems to me to show once again the arrogance that this Government takes unto itself by saying: "We can look after you. We will make the final determination, because we will put before you only vague and general wording, and we will retain the far-reaching powers in the scope of what we want to do". Mr. Speaker, that kind of power in the hands of any government or cabinet is dangerous. What we really want to see is that kind of power and that kind of accountability reintroduced into the House of Commons. This Bill does not do that.

I want to come, finally, to the whole question of the lack of respect for parliamentary accountability that has been exhibited by this Government with increasing rapidity ever since its re-election in 1980. This Bill is like others. The Government has continued on its favoured path of excessive administrative discretion by the Cabinet. It ignores the need for extensive ministerial responsibility and financial accountability. Despite claims to the contrary, when one studies the Bill, it does not bring Crown corporations under control. It actually gives more power to the Cabinet. I would say that it is a case of patronage appointments, which are certainly allowable under this piece of legislation. Those patronage appointments and the way that the Government will be able to go about them ignore the rights of Parliament and the public to scrutinize all of the Government's decisions.

In fact, the power of the Cabinet reaches down into the corporate structure itself. I would say that it thereby reduces the role and the importance of the directors of Crown corporations. In this way, it makes it much less possible to trace the responsibility for poor performance and inefficiency. It would, in fact, make it virtually impossible to hold anyone accountable for such failures as Canadair and de Havilland, which, despite record-breaking corporate losses over the last three years, retain virtually the same executive officers. There is no way to get at them. This Bill certainly would not make it any easier to do that.

We have seen, as I have said, a number of pieces of legislation come through the House in the current session of Parliament where the Government has literally failed to deal with the major problem. In some cases we have managed to force the Government to make amendments. That was certainly the case earlier this month with the borrowing authority Bill, Bill C-21. We said that the Government had to be more accountable to Parliament. Eventually we forced some amendments, not enough but some amendments, to that particular Bill. We opposed that Bill because the Government would not be responsible on a ministerial basis or have financial accountability, which are the very underpinnings of our parliamentary system of government.

This particular piece of legislation is really symptomatic of the weakness and ineptitude of the Government, indeed the ongoing weakness and ineptitude, particularly when it comes to the drafting of legislation which is intended to deal with critical issues. There is an over-all pattern emerging. The Government is content to tinker with nuts and bolts but it will not move to correct serious problems. That, above all, is a commentary on a government that has run out of initiative, energy and ideas.

The Government is old and it is stale. This Government, in its dying and decaying state, is very soon going to have to meet not just the Members of Parliament, it is going to have to meet the people of Canada. They will be the judges of the inept legislation that it has been putting forward. I would say that when the voters of Canada get a chance to have their say on pieces of legislation such as this one, and on the Government now sitting in office, they will reject not only Bill C-24, but they will reject its authors as well.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Herbert): There follows the ten-minute period for questions and comments. The Hon. Parliamentary Secretary to the President of the Treasury Board (Mr. Foster).

Mr. Foster: I would like to make a couple of comments with respect to the speech made by the Hon. Member for Kingston and the Islands (Miss MacDonald). I think she left a few things not particularly clear. She suggested that there were something like 315 Crown corporations. I think that if she checks a little closer she will find that there are in fact some 67 parent Crown corporations, another 128 subsidiaries and another 112 corporate interests.

She is suggesting that the Bill does not give complete control for mixed investments and for joint ownerships. I really would like to know just how she would propose to do that. If PetroCan is investing in a joint venture in oil and gas exploration—surely because it is a joint investment activity, perhaps PetroCan's investment is only a small percentage, 5 per cent, 10 per cent, or 20 per cent—it is not possible to deal with that kind of investment in the same way that it is for a parent Crown corporation or for a wholly-owned subsidiary. Those investments have got to be made by the Crown corporation itself and not be subject to directives by the Government.

She also pointed out the criticism of the Auditor General's report. I would like to point out to her that this Bill was drafted in close consultation with recommendations and suggestions by the Auditor General.

I have a couple of other questions to put to the Hon. Member but perhaps I will call it one o'clock.

The Acting Speaker (Mr. Herbert): I regret the response of the Hon. Member will have to wait until this afternoon.

[*Translation*]

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

INDUSTRY

SHUTDOWN OF BRITISH COLUMBIA SHAKE AND SHINGLE INDUSTRY

Mr. Gerry St. Germain (Mission-Port Moody): Mr. Speaker, a study just completed in the eastern half of my riding by the Dewdney-Alouette regional district has found that the unemployment rate there is 47 per cent, or nearly half the work force. This unemployment is largely due to the shutdown of the shake and shingle industry. In spite of millions of tax dollars having been paid to all levels of government by this industry, no assistance or incentives have been put forward for research and development, or market development. We now have a major export industry in trouble simply because no planning or forethought was undertaken. We need economic development and diversification in our local economy to address this crippling unemployment problem. With almost half the work force unemployed, no retail operation, business, or family remains unaffected.

I am not looking to blame anyone; I am looking for solutions and immediate action. Partisan politics must be shoved aside. I call upon the Government to sit down with the Dewdney-Alouette regional district representatives when they visit Ottawa next month, along with myself, to discuss this problem. I suggest, Mr. Speaker, and I believe, we must take this opportunity to initiate a major reforestation and R and D effort to preserve this area's largest industry. Haggling between the provincial and federal Governments over reforestation is hurting our entire country, not to mention the citizens of my riding.

* * *

[*Translation*]

SHIPBUILDING

REQUEST FOR FEDERAL GOVERNMENT CO-OPERATION

Mr. Gaston Gourde (Parliamentary Secretary to Solicitor General of Canada): Mr. Speaker, last week, the plan to modernize Davie Shipbuilding Limited entered a new phase

when the Government of Quebec decided to provide a grant of $4.95 million. Although some time ago, the Quebec government decided to put everything on hold because of the possibility that Davie Shipbuilding might be sold, for some reason it has now changed its position. However, its initial refusal has set back a study of the plan by several weeks. In any case, it seems that federal officials have been informed they can proceed with consideration of the application for a grant from the federal Government.

I therefore urge the federal authorities to act as soon as possible, bearing in mind the importance of Davie Shipbuilding for the Quebec City region. I would ask all intervenors to give this matter the attention it deserves. The situation at Davie Shipbuilding is not very encouraging, but if this plan were to become a matter of co-operation instead of confrontation, both the company, its employees and the region would benefit.

* * *

[*English*]

HOUSING

CALL FOR LEGISLATION TO ASSIST HOME OWNERS

Mr. Ron Stewart (Simcoe South): Mr. Speaker, in his February Budget, this fancy brochure of unfulfilled promises I hold in my hand, the Minister of Finance (Mr. Lalonde) said that owning a home is an abiding goal in life for millions of Canadians. He vowed that help was on the way for mortgage rate protection, fixed-rate, long-term mortgages, and more humane penalties for renegotiating existing home loans. More than two months have passed and there is no sign of even draft legislation to ensure that Canadians might realize their aspirations, especially now that interest rates are once again on their way upward.

Parliament will soon rise for summer recess and possibly an election campaign. It could be a year or more before home owners are offered any type of protection. Government advertising presently suggests that home owners add insurance premiums to their mortgage principal, instead of paying it up front, making the cost of the plan more expensive.

We received the speech, the glossy brochures, the budget papers and the broken promises. Before it is too late, Mr. Minister, I ask you on behalf of Canadian home owners and prospective home owners: where is the beef?

* * *

[*Translation*]

HOUSE OF COMMONS

CHANGE IN LANDSCAPING—REQUEST THAT SPEAKER CONDUCT INQUIRY

Mr. Claude-André Lachance (Rosemont): Mr. Speaker, this afternoon I want to express my indignation about what hap-

pened here on Parliament Hill on April 19, when in the course of their activities, workers trampled flower beds and cut trees. All this may seem rather minor, compared to the country's present problems, but it does show a lack of sensitivity on the part of certain officials. If they gave prizes for this kind of complete lack of judgment, I think I would nominate the person who gave these workers the go-ahead.

Mr. Speaker: I sincerely hope that in future, you will be given advance notice of such activities—I do not think that is the case now—so that you will be able to safeguard the aesthetic environment of the House of Commons and Parliament Hill.

* * *

[*English*]

NATIONAL ENERGY PROGRAM

STATEMENTS ATTRIBUTED TO UNITED STATES AMBASSADOR

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, before I give my statement I would like to note that on Saturday some 115,000 people in Vancouver, by police estimate, took part in the largest demonstration for peace in Canadian history. I think that is most heartening.

Mr. Speaker: The Hon. Member should make his statement, if that is his statement.

Mr. Waddell: Mr. Speaker, my statement is tied in with that.

United States Ambassador Robinson gave some very remarkable interviews in radio and print this weekend. He revealed that the Americans had objected to the Canadianization of our oil industry. There had even been a White House meeting to discuss retaliation against Canada, but the Ambassador recommended against that and said to wait and see if Canada would come around. Sure enough, he said, Canadians have come around and have backed off from Canadianization. He said he hoped that Messrs. Turner, Chrétien, and Mulroney were "sensible" enough to change the back-in provisions which further Canadian control of our industry.

Canadianization has collapsed, Mr. Speaker. It seems to me that there is an alternate policy out there, which is continued Canadianization, continued efforts for an independent Canadian economy, because that is the only way we are going to solve unemployment. We also have to get an independent Canadian foreign policy, a policy for peace. I hope to raise in the House this week the next test of Canadianization which I see coming, that is, the takeover by Socal of Gulf Oil.

ADMINISTRATION OF JUSTICE

TORONTO SICK CHILDREN'S HOSPITAL INQUIRY—ONTARIO COURT OF APPEAL RULING

Mr. Chris Speyer (Cambridge): Mr. Speaker, a little over two weeks ago the Ontario Court of Appeal gave a ruling which gave me some solace with respect to the Grange Commission and the inability of the commissioner to name names with respect to that investigation. However, in the last two weeks counsel for the Attorney General of Ontario and counsel for the Metropolitan Toronto police have, in my view, made a mockery of the ruling of the Ontario Court of Appeal. The Court of Appeal said this:

> Such an inquiry is a coercive procedure and is quite incompatible with our notion of justice in the investigation of a particular crime and the determination of actual or probable criminal or civil responsibility.

What we now have, Mr. Speaker, is the unseemly and unfair spectable of counsel for the Attorney General asking a nurse to take truth serum. This is such a marked departure from everything we find fair, and everything we expect from a representative of the Attorney General's Department, that I think that particular individual ought to be censured, or removed, as a result of his lack of judgment.

● (1410)

The second thing that concerns me, Mr. Speaker, is the attitude which has been taken by counsel for the police. He is persistently the most aggressive attacker with respect to the witnesses. Time after time Mr. Percival is trying to get to the question of whether any of these particular nurses are the murderers. The police officers in this particular investigation have much to answer for, and—

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

* * *

THE JUDICIARY

SUPREME COURT'S DECISIONS ON WOMEN'S EQUALITY RIGHTS

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, there is now a vacancy on the Supreme Court of Canada. In the next few years the Court will be charged with ruling on a flood of human rights cases when Clauses 15 and 28 of the Charter of Rights come into effect. Many of these cases will affect women's equality rights.

To date the Supreme Court's record on women's equality rights has not been good. For example, in 1928 the court declared that women were not persons. This decision was overturned on appeal to the Privy Council in England. Then Canadian women did become persons. In 1972 the Supreme Court upheld Section 12(1)(b) of the Indian Act which allows native men to marry non natives and retain treaty rights, but women who do the same lost theirs, as do all their children. In another famous 1972 judgment, Irene Murdoch, who had contributed for 25 years to the development of an Alberta

ranch, was told by the Supreme Court that her contribution was "only what was expected of any wife".

Three years ago when the Charter of Rights was enacted to enshrine equality in our laws for all claimants, women had to fight relentlessly to ensure that the wording of the Charter would in fact grant them equal rights. The battle to ensure equality for women in interpreting the laws of the land now falls to the Supreme Court under the Charter.

As evidence of its intention to achieve a more just balance on the Supreme Court, and a broader perspective on issues affecting over half of the population, I and my colleagues in the New Democratic Party urge the Government to appoint a woman to fill the present vacancy.

Mr. Speaker: Unfortunately the Hon. Member's time has expired.

* * *

HORTICULTURE

EFFECT OF WINE TAXES ON GRAPE INDUSTRY

Mr. Joe Reid (St. Catharines): Mr. Speaker, where and when does making progress mean going backward? Ask the Ontario grape growers. Increased investment and careful plantings in Niagara brought record tonnages of the highest quality wine grapes. The wineries responded by earning recognition around the world. Domestic wineries supplied 52 per cent of the domestic market. Jobs were provided by some 16,000 persons.

However, what are the prospects for this year and the next for what should be a Canadian growth industry? Whoever heard of stimulating an industry by taxing it at 120 per cent, continuing an oppressive, inequitable tax on the domestic product? Our share of the market has dropped 20 per cent. Wineries have already had lay-offs. Employment is expected to be down 15 per cent from last year.

The grape and wine industry was able to establish the dumping of subsidized wine products in this country. Wines are being landed in North America at prices between 40 per cent and 80 per cent below prices in the countries of their origin. Yet it was determined that our industry was not hurting enough. How badly does our industry have to hurt before the Government will face up to the challenge of Italy and France dumping their surplus products in this country? No sales mean no harvest, no jobs, and, ultimately, no fruitlands.

How does the Government expect to preserve and protect—

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

WESTERN GRAIN STABILIZATION ACT

SIZE OF ANNOUNCED PAY-OUT

Mr. Lee Clark (Brandon-Souris): Mr. Speaker, proposed amendments to the Western Grain Stabilization Act announced recently by the Minister of Agriculture fall far short of what is required. For more than a year the Progressive Conservative Party has sought changes to the Act in order to trigger a pay-out to farmers, yet it has taken until now for the Minister to propose something.

In the first place, his proposals will not result in a pay-out until October, even though farmers need the money now. Second, individual producers are not sure how much they will receive. It is clear, however, that most of them will not get back anywhere near as much as they have paid into the fund over the past years. Certainly the pay-out will provide some relief. However, with the average farm debt load in excess of $200,000, it is not about to solve the economic problems of western grain farmers, especially in light of recent cuts in initial grain prices.

If the Minister were truly committed to helping western producers, he would have persuaded his colleagues to authorize an interim payment. As one elevator agent told me this past weekend, Manitoba farmers are bitterly disappointed by this proposal for a meagre and belated pay-out, and it certainly has done nothing to alter their opinion about a Government which has ignored them for far too long.

ORAL QUESTION PERIOD

[*English*]

CROWN CORPORATIONS

DE HAVILLAND—PAYMENT OF BONUSES TO SENIOR EXECUTIVES

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is for the Minister of National Revenue in his capacity of replying in the House to questions about the Canada Development Investment Corporation. The day after Parliament recessed for the Easter break we learned that substantial bonuses totalling $155,000 had been paid to 12 senior executives of the Crown corporation, de Havilland. Just a few days before that, it had been announced that hundreds of workers were going to be laid off by de Havilland, and that others would be asked to take cutbacks of one kind or another.

The Canadian people want to know how the Government can justify these bonuses being paid to already highly paid senior executives of de Havilland, when rank and file workers are being threatened with cutbacks and lay-offs.

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I would like to inform the Hon. Member and the

Members of this House that the bonuses were paid for the year ending May 1983. Furthermore, the bonuses are paid to ensure that this aircraft manufacturing company will be viable and sound. If we want sound management and expert research teams that will safeguard the jobs of company workers, as this Government has always insisted on doing, we must be able to offer competitive salaries to the managers of such companies.

[*English*]

Miss MacDonald: Mr. Speaker, that is absolutely incredible. Any other corporation that had the kind of record that de Havilland had last year would have fired its senior executives rather than paying them bonuses.

Some Hon. Members: Hear, hear!

GOVERNMENT POLICY

Hon. Flora MacDonald (Kingston and the Islands): Last year de Havilland lost $236 million which the Canadian people had to pay. I would like to ask the Minister about government policy. Can he give us an explanation for government policies which look after the need to pay bonuses to these senior executives while, at the same time, there are 1.5 million Canadians without jobs, and thousands of students coming out of our colleges and universities hoping to get work during the summer months but who simply cannot find work? What is the explanation for paying off one group and ignoring the other? Where is the Government's sense of priority?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, the Hon. Member seems to forget that the Government has always been consistent regarding the billions of dollars it invests to provide jobs for those who have trouble finding work and especially for the young people graduating from our universities. When the Hon. Member's party was in power, the first thing it did was to cut back on this kind of investment and on programs to provide jobs for young people.

Furthermore, her party has always criticized the Government's support for companies like Canadair and de Havilland. We, as a government, have always supported the development of these corporations, and we are now safeguarding the jobs in those corporations while the Opposition is criticizing the Government's action.

[*English*]

Miss MacDonald: Mr. Speaker, that explanation does not go down with the 1.5 million people who are unemployed. I must tell you it does not even go down with the Minister's colleague, the Minister of State for Economic and Regional Development.

CANADA DEVELOPMENT INVESTMENT CORPORATION—
PAYMENT OF EXECUTIVE BONUSES

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, bonuses were also paid to senior executives of the Canada Development Investment Corporation, the company which controls de Havilland. When the spokesman for CDIC was asked about this he said that the payment of these cash gifts—

Mr. Speaker: Order, please. Reading of material on a second supplementary should be very restricted.

Miss MacDonald: Thank you, Mr. Speaker.

The spokesman for that company said that it was due to the fact that these senior executives had had an extremely hard year. If that is the rationale why these people received a special bonus, would the Minister please tell me what special bonuses can be expected for the unemployed, for the single, elderly poor, and for the one parent families headed by mothers? What can he tell us about the rationale for these people who also have gone through an extremely hard year?

• (1420)

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, it seems to me the Hon. Member is a bit mixed up.

If she wants to argue about this Government's social programs, she should go right ahead and criticize the millions of dollars the last Budget provided for single pensioners. Let her criticize the hundreds of millions of dollars that have been added to many of this Government's social programs and job creation programs.

Now, if the Hon. Member also wishes to criticize this Government's policies aimed at revamping the financial situation of corporations such as de Havilland and Canadair, let her do so, by all means. However, our objective is to ensure that these companies are commercially viable and to maintain an aviation industry in Canada that is technologically superior.

[*English*]

Mr. Speaker: The Hon. Member for Cambridge.

Mr. Speyer: Mr. Speaker, my question was intended for the Minister of Justice who is expected but is not in his seat. I wonder if I may stand down.

* * *

FINANCE

REQUEST FOR REMOVAL OF TAX ON FARM FUELS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of Finance. We noticed that many of his colleagues were in western Canada on the weekend making promises about what they would do for the West. I notice that the Minister of Energy, Mines and Resources has

not recovered from the shock in terms of the reception he got. In his absence I wish to ask the Minister of Finance a question concerning something that he could do now, that would provide benefits for the West.

He is aware that grain prices are down by some 6 per cent this year. He is aware that bankruptcies in agriculture all across Canada, particularly in the West, are up by more than 100 per cent over last year. Considering that the federal taxes of all types that remain on a litre of diesel fuel or gasoline amount to about 6 per cent, will the Minister do something concrete for western farmers and, I say, for fishermen who have the same problem, by removing this tax?

Mr. Hnatyshyn: Welcome aboard! Better late than never.

Mr. Shields: Where have you been, Ed?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I am glad that the Conservatives are getting away from their shock. I would like to tell the Hon. Member that the federal Government has been contributing to the well-being of western farmers to the tune of hundreds of millions of dollars. As a matter of fact, through the Crow rate benefits and other benefits, the benefit granted to western farmers is getting close to a billion dollars in the course of the last year.

In terms of our commitment to the welfare of western farmers, I do not think that the Government has any lesson to take from any of the Opposition Parties. There is no doubt in my mind in that regard.

My friend knows that the gasoline used by farmers is eligible for reimbursement of some federal taxes and the farmers are resorting to this opportunity that has been made available to them over the years. I am sure that farmers will continue to use that particular opportunity.

Mr. Broadbent: The farmers will be more than a little amused—in fact they will not be amused at all—to hear the Minister say that the Government has been aiding them in the West, particularly when their brankruptices are up more than 150 per cent year over last year. They can do without that kind of assistance from the federal Government.

REQUEST FOR ASSISTANCE FOR FARMERS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, considering that the removal of all remaining taxes at the federal level on gasoline and fuel would amount to approximately $190 million, in terms of its impact on the federal treasury, which is almost exactly the same amount the Minister gave to the oil companies in his most recent Budget, will he show some justice and fairness, apply a consistent standard here, and give the farmers the kind of assistance that they need today?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I would be very surprised if the western farmers would listen to the advice of the Hon. Member and do without the assistance they receive from the federal Government, whether it is in the form of Crow rate benefits, in the form of crop insurance, or in the form of the very many programs that exist in terms of price stabilization and others which come under the Minister of Agriculture in particular.

As I have said, the support that is being provided by the Government of Canada runs into the hundreds of millions of dollars every year. I would invite my friend to look at those figures and seriously consider whether he is recommending that we do away with those programs.

Mr. Broadbent: The Minister is a little more confused than usual. We are not talking about doing away with the minimum number of programs the Government has to aid farmers. We are talking about providing some justice that is comparable to what the Government gives to the big companies, particularly the oil companies. We want some justice for the farmers.

GOVERNMENT'S POSITION

Hon. Edward Broadbent (Oshawa): Farmers face increased costs, their prices are going down, and their bankruptcies are increasing at an alarming rate. Since the removal of this tax by the federal Government would provide the typical grain farmer with about $2,500 in assistance that he badly needs this year, will the Government, just for once, deliver on its commitment to western Canada and remove this tax?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I have nothing to add to the previous answers that I have given. The Hon. Member does not seem to have understood them. I invite him to read them and maybe he will realize that we have covered the point extensively in the previous answers.

* * *

CANADIAN UNITY INFORMATION OFFICE

ISSUANCE OF DOCUMENT—ROLE OF MINISTER OF LABOUR

Mr. Chris Speyer (Cambridge): Mr. Speaker, my question is directed to the Minister of Justice. He will know that at a cost of approximately $158,000 the most flagrantly partisan political document was issued. His Department is responsible for the document.

In this document the Minister of Labour asserts that he is responsible for eight South Shore Quebec ridings. There are pictures of all Liberal MPs and, with respect to one Member, the Member for Chateauguay, it is asserted by a constituent that he has acted really like a father watching over his family to see that it lacks nothing.

The head of the CUIO has stated that the Minister of Justice approved this document although it was instigated by the Minister of Labour. That occurred in February. Will the Minister of Justice tell us what conversation went on with the Minister of Labour, whether he approves of this document, and how he can so dishonour the high office he has by using it for such a mean spirited partisan purpose?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker—

Some Hon. Members: Oh, oh!

Mr. Trudeau: I am not sure what the "Oh, ohs" are about, but I thought I would inform the House that during the leadership race period I have asked the Minister of Justice to be the administrative head of that office, the CUIO, but that he would be relieved of his duties for policy questions in order that they would not be applied unfairly to other leadership candidates, and that I would take questions on the subject. That is in answer to the "ohs" I heard from the other side.

Mr. Speyer: I respect the fact that the Prime Minister is taking questions with respect to this, but this question pertains to facts that occurred prior to the leadership candidacy commencing.

POSITION OF MINISTER OF JUSTICE

Mr. Chris Speyer (Cambridge): Mr. Speaker, I ask the Minister of Justice whether he had any conversations with the Minister of Labour with respect to this document, whether he in fact approved it, and whether he will do anything with respect to future documents which were approved during the currency of his administration?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, with respect to future documents, I think my previous answer would cover those. They will not be under the policy direction of the Minister of Justice. As far as the past ones are concerned, I will look into this particular document and perhaps inform the House with my answer.

* * *

GOVERNMENT ADVERTISING

DEPARTMENT OF AGRICULTURE ADVERTISEMENT

Mr. Lee Clark (Brandon-Souris): Mr. Speaker, my question is directed to the Minister of Agriculture. He will know that there was a three-quarter page advertisement placed recently in the Thunder Bay *Times-News* which featured the Minister himself in a pictorial manner. This advertisement just happened to appear prior to the coming to the area of one of his leadership opponents, and prior to local Liberals choosing delegates for the upcoming Liberal leadership convention. How can the Minister of Agriculture justify the use of taxpayers' money for what would appear to be blatant political purposes?

• (1430)

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, if the Hon. Member reads that paper very often, he would find that is a request we receive from it from time to time. Agriculture is an area the paper wants to develop. The picture of Whelan being there probably could be coincidental, because I think I am in 14 papers today.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Nowlan: How many funny papers?

Mr. Foster: Wait until tomorrow.

Mr. Clark (Brandon-Souris): Mr. Speaker, unlike Members on the other side of the House, we on this side, and Canadian taxpayers in general, do not appreciate the misuse of public money in order to assist any leadership candidate at this point in time.

Some Hon. Members: Hear, hear!

TIMING OF ADVERTISEMENTS

Mr. Lee Clark (Brandon-Souris): Mr. Speaker, I have another question for the Minister of Agriculture. Perhaps he has already answered it. Does he in fact intend, as he travels about the country, that there should be such co-incidental newspaper advertisements placed in appropriate newspapers at opportune times?

Mr. Hnatyshyn: John Munro could not get away with it.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the Hon. Member knows that agriculture—he has heard questions about agriculture and I am sure he has listened to them already in the House today—is a very important industry and that there is a lot of concern about it. And even if I am in another contest, it does not mean that I should neglect agriculture. I am here today because the House of Commons is here. I meet the French Minister of Agriculture at four o'clock today to discuss world problems. There might even be a picture in the paper tomorrow. I shall also meet him at a press conference tomorrow. The Hon. Member himself can come and get involved in that if he wants.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

* * *

THE ADMINISTRATION

LIBERAL PARTY LEADERSHIP CAMPAIGN—ROLE OF CONTRACT EMPLOYEE

Mr. Tom McMillan (Hillsborough): Mr. Speaker, my question is a related one, directed to the Minister of Justice. In CTV's *Question Period* program on April 15 the Minister of Justice stated that his leadership campaign manager, Jim MacDonald, had ceased to be on the public payroll two weeks earlier as a contract employee in the Minister's office.

Given that the Minister's office has now released information that the same Jim MacDonald's company has a speech-writing contract with the Minister's Department until June 30, two weeks after the Liberal leadership convention, how can the Minister reconcile this conflicting information from himself and his office?

Hon. Mark MacGuigan (Minister of Justice): Mr. Speaker, the Hon. Member raises an entirely different question. There are several pre-existing contracts involving a company in which Mr. MacDonald, I believe, has an interest but in which he is not involved in the execution thereof, that are being continued. One of them has been completed. The contract for the Second People's Law Conference was completed before I spoke. But the other one, the speech-writing contract, continues. My hon. friend will appreciate that I have to continue to make departmental addresses during this period. In fact I am making one tomorrow and the Hon. Member for Saskatoon West will be pleased to hear it will be in his region.

Mr. Hnatyshyn: You bombed out yesterday. You can try again.

Some Hon. Members: Oh, oh!

MINISTERIAL STAFF GUIDELINES

Mr. Tom McMillan (Hillsborough): Mr. Speaker, my supplementary question is for the same Minister. On April 11 the Prime Minister told the House that his guidelines dictate that there should be no active involvement of any ministerial staff in a leadership candidate's campaign in any important way "without that staff either resigning or asking for a leave of absence."

In light of those guidelines, how can the Minister justify the fact that his campaign manager, Jim MacDonald, is continuing to draw a salary from the Government and from the Minister's own office, albeit through a company, while serving as the Minister's campaign manager in the leadership contest? How can he justify that fact? On the one hand there are the Prime Minister's guidelines, which are clear enough, and on the other hand, and equally clear, is the fact that the Minister's campaign manager is deriving his income in large part from the Government of Canada and the taxpayers of Canada.

Mr. Taylor: It is the Liberal way.

Hon. Mark MacGuigan (Minister of Justice): Mr. Speaker, if my hon. friend would wait until he hears the answer to draft his supplementary question, he would not have bothered asking that question. I have already answered it.

WESTERN GRAIN STABILIZATION ACT

TIMING OF PAY-OUT TO FARMERS

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, the Liberals have been promising the world to the Prairies this last week. In the case of the Western Grain Stabilization payments, their promises come a little short.

My question is for the Minister of Agriculture. The Minister of Agriculture and the Minister responsible for the Wheat Board unveiled some changes to the grain stabilization Bill which the New Democrats had suggested in the 1974-75 session and which the Leader of the Opposition got around to a couple of weeks ago. Of major importance in these changes is the timing of the pay-outs. Will the Minister explain to the House and to the western Canadian grain producer why the pay-outs cannot be made immediately after the passing of the enabling legislation in Parliament?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the pay-outs could possibly be made, if you want to get in trouble with the Auditor General. I said at the press conference in Winnipeg that I would not mind getting in trouble with the Auditor General for that kind of a cause. You could estimate what the pay-out would be. The idea and the reason we were putting it forward would be so that farmers could use this issue as collateral at the bank, to have an advance, or to use it with their suppliers for seed or fertilizer. A maximum pay-out, Mr. Speaker, to anyone would be close to $6,000, but the average pay-out is about $2,500 to $3,000 and the Hon. Member knows that, I am sure.

Mr. Benjamin: Do it now.

Mr. Whelan: This is not going to go as far as a lot of people would like. They would like a lot bigger payment for a lot of farmers who are in dire need this spring perhaps because of bad crops, and that kind of thing.

Yesterday evening I was in Hudson Bay, Saskatchewan. I would say there were about 400 people there, and they were good-natured people, too. They listened. They asked questions. I could not have had a more responsive—

Mr. Speaker: The Minister appears to be straying from the original question. The Hon. Member for Prince Albert has a supplementary question?

PAYMENT OF INTEREST

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, we have noted that the whole $300 million will come from the pockets of the farmer and not from the Government. However, the Minister stated that the change is due to the possibility of the payments being illegal. Could he not use the present timing that is in the Bill and establish the trigerring mechanism retroactively so that the money is paid out December 31, 1983, rather than at the end of this crop year? Alternatively, would the Government pay interest on the money it is withholding from the farmers for this period of time?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the Hon. Member knows full well that the Government pays interest on all of the money. When the Hon. Member talks about $300 million being all farmers' money, I am sure he realizes that the farmers have paid into this program on a voluntary basis. About 75 per cent of the farmers in western Canada belong to this program. For every dollar they put in, we put in $2, but we pay interest on it and we also administer the program. The interest last year and the total payment in that program came to $131 million. When the Hon. Member says it is all producers' money, he is wrong. It is not all producers' money. Producers have got back every cent which they put into that program since its very beginning. They have actually received more than the maximum amount they could put into it.

Mr. Benjamin: That is not true.

Mr. Whelan: It is a good program. The legislation, when it is brought to the House, will be readjusted. If there is a way, Mr. Speaker, that we can make a payment before the legislation even receives its final passage in this House, I am told—and our legal people are checking with the powers that be today—that there is a possibility that, after it receives second reading and the intent is clear, that possibly you then would not get in trouble with the Auditor General.

REQUEST FOR INTERIM PAYMENT

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, my question is for the Minister of Agriculture. It concerns the proposed changes in the grain stabilization Act. The Minister is aware that the Agricultural Stabilization Board reviewing the 1982-83 crop payment on corn calculated that on a calendar year, and there was no payment. The Board then recalculated it on a crop year and made a payment. The Minister is also aware that in 1978 and in 1979 interim payments were made from the Western Grain Stabilization Fund. More than 50 per cent of the expected payment was paid out in the spring. Would the Minister bring forward immediate legislation for an interim payment based upon half the $300 million? If he does so, we will pass it immediately upon it coming into the House.

● (1440)

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the Hon. Member talks about the payment that was made for corn in the Provinces of Manitoba, Ontario, and Quebec. It involved producers mainly in those three provinces. I am fully aware of how that program worked and why the readjustments were made. It was not as simple as the Hon. Member tries to make out. It was because farmers delivered a lot more corn and, in some increases, some held it. Because there was no real record system in that organization, no real organization which keep tabs on what they do, you have to go back to the elevators and all the grain handlers and get the evidence again from them as best as you can. A lot of it is on supposition until you have the final year-end receipts from the producers. That is why this was done.

I hope the legislation will be presented to the House this week or early next week. The Hon. Member will have the opportunity to see it then, and hopefully that provision will be there.

REQUEST FOR PAYMENT TO ASSIST WITH SPRING PLANTING

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, again my question is directed to the Minister of Agriculture. He neglected to answer my previous question concerning the precedent set in 1978 and in 1979, with interim payments being made from the Western Grain Stabilization Fund in the spring rather than mid or late summer. I will quote a brief sentence in the 1979 annual report of the Western Grain Stabilization Fund which reads: "A two-instalment procedure was used to enable at least a partial payment to be distributed in the spring period rather than waiting until mid or late summer".

Would the Minister bring forward legislation to make an interim payment on the expected pay-out, which he has already announced, of some $300 million? Would he make that interim payment now when farmers need the money to go through with their spring planting?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the Hon. Member knows full well that under the present Act you use the calendar year to make that kind of payment. If you follow the present Act, there is no triggering mechanism which will allow you to make a pay-out. This is why we are changing the formula, so that a pay-out can be made, mainly because more grain was shipped and sold than was ever expected, even surpassing the most optimistic viewpoint of all the advisers and everyone else concerned with the Western Grain Stabilization Act. They never dreamed that 37 million tonnes would be sold in one year. This is why the amount of volume, the amount of money and of returns are so high. They do not allow a triggering mechanism for a payment. We will be going on a different basis so that we can make a payment if it is possible. I am as concerned as the Hon. Member that a payment be made as soon as possible.

* * *

INCOME TAX

EXTENSION OF FILING DEADLINE FOR MANITOBA AND SASKATCHEWAN TAXPAYERS

Mr. Jack Murta (Lisgar): Mr. Speaker, my question is directed to the Minister of National Revenue. He will know that over the weekend the Province of Manitoba experienced a very severe ice and snow storm which disrupted hydro, closed roads, and generally made life very miserable for its residents. Many people who had intended to file their income tax returns of course could not, and accountants were unable to complete returns. Has the Minister or his Department given consider-

ation to extending the deadline from midnight tonight until some time in the future to allow the backlog of tax returns to be filed in a proper manner?

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I reviewed that situation with my officials this morning. I am now in a position to announce to the House that the tax filing deadline for all taxpayers in Manitoba and Saskatchewan will be extended from midnight tonight to next Monday, May 7.

Some Hon. Members: Hear, hear!

* * *

INDIAN AFFAIRS

TABLING OF LEGISLATION TO REMOVE DISCRIMINATION AGAINST WOMEN

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is directed to the Prime Minister. On International Women's Day the Prime Minister's office announced with great fanfare that the Government would repeal Section 12(1)(b) of the Indian Act, which would remove discrimination against women. There are only 36 days left before the summer break. Did the Prime Minister mean what he promised and, if so, when will he table the legislation to remove this discrimination against women?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the answer to the first question is yes. As to timing, we are attempting to have that legislation moved forward in parallel with the legislation on self-government for natives. We would hope that the House would be prepared to deal with both expeditiously.

POSITION OF MINISTER

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my supplementary question is directed to the Minister responsible for the status of women. Recently the Minister threatened to resign if no action was taken on this matter of repealing Section 12(1)(b) of the Indian Act. I understand from the Prime Minister's statement that the self-government legislation and the equality legislation might be tabled at the same time. Does she agree with that, or does she support the view of Canadian women that the discrimination in that Act must be removed first?

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Yes, Mr. Speaker. Unfortunately my resignation is not imminent, I must say to the Hon. Member, because the Prime Minister, as he indicated a moment ago, has said that the legislation will go. The words I used at the time the press picked up the remark were that the legislation had to go and, if it did not go, I would go. Unfortunately they could not plan on my going because the legislation was being amended.

Yes, I feel that that must come first. When the Prime Minister indicated that the legislation was coming forward as a package, he did not say that it would be one neat package but that they would be coming in together. Certainly the amendments to the Indian Act will be separate.

* * *

AGRICULTURE

POTATO INDUSTRY IN ATLANTIC CANADA

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, my question is supplementary to that of the Hon. Member for Kindersly-Lloydminster, and it is directed to the Minister of Agriculture. He has explained the reasons why there was no payment in the west. Could be tell us why the application for price stabilization for the potato industry of Atlantic Canada has been on his desk for about a year and a half and there has been no reply from him? Will he be giving that reply before he makes any major leadership campaign in New Brunswick?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the Hon. Member knows full well that there is an eastern district that you make payments on, and a western district. If you follow the policy, there is no payment on the 90 per cent of the five-year average in western Canada. If you use eastern Canada, there is no payment either. I am sure the Hon. Member knows that it is so small that it would not be worth the effort to go and pay it. If you are just going to use it for New Brunswick, there would be a payment. If you were going to use it for Prince Edward Island, Quebec or Ontario, there would be no payment. The other provinces are saying that they do not want any payment.

Mr. McCain: Mr. Speaker, I was under the impression when I participated in the passing of the legislation for price stabilization that there was a point of income which triggered a payment for price stabilization for virtually any commodity in Canada. Certainly the application which relates to the 1982-83 crop was on the basis of sales which would trigger it by a formula that could be applied to the Act as far as New Brunswick is concerned.

MINISTER'S DISCRETIONARY POWER

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, why has the Minister not used his discretionary power which gives him the opportunity to relate cost of production and return on crop as well as the individual five-year average for that crop? If he uses that return on the particular crop, it is triggered very generously.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I do not know from where the Hon. Member is getting his figures, or what formula he is using. The formula for Ontario, Quebec, New Brunswick, Nova Scotia and Prince Edward Island is such that it does not trigger a payment using the five-year average and a 90 per cent payout. If I were going to go to 95 per cent or 100 per cent, there probably would be.

Oral Questions

NATIONAL REVENUE

DEPARTMENT'S SEIZURE OF OLD CROW CO-OP'S BANK ACCOUNT

Hon. Erik Nielsen (Yukon): Mr. Speaker, my question is directed to the Minister of National Revenue. It concerns an emergency situation which his Department has brought about the native village of Old Crow. The co-operative store there is owned by and operated by native people. It serves the people of that community as the only commercial outlet. His Department has now seized the entire bank account of that store, preventing the native people from getting much needed gasoline, flown in at $6.50 per gallon, so that they can go trapping on their traditional trapping lines. When did the Minister commence a policy of shutting down native industry in such a fashion in this country?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I wish the Hon. Member would give me a chance to look at the facts. I may remind him that often, even very severe measures are justified by the circumstances.

However, if the Hon. Member will allow me to look into the particular facts relating to this matter, I would then be able to judge the situation in the light of those facts.

• (1450)

[*English*]

REQUEST THAT MINISTER CONSULT COLLEAGUE

Hon. Erik Nielsen (Yukon): Mr. Speaker, I would be delighted if the Minister would look into it. I would have directed this question to the Minister of Indian Affairs and Northern Development, but he is not present today, having priorities elsewhere. When he does look into it, will he consult with his colleague, the Minister of Indian Affairs and Northern Development, about this very urgent situation of the closure of the outlet which provides the necessaries of life, the only one in Old Crow, by his Department, so that these people can go trapping? Perhaps the Minister of Indian Affairs and Northern Development might be persuaded that the $10,000 he received from native groups would be better spent in keeping outlets such as this open.

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I can assure the Hon. Member that whenever there has been a situation involving my Department and native groups in this country, I have always consulted, and indeed shall continue to consult, with my colleague, the Minister of Indian Affairs and Northern Development.

[*English*]

NATIONAL DEFENCE

PACIFIC PETREL INQUIRY REPORT

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Minister of National Defence. He has had the board of inquiry report on the *Pacific Petrel* for some four months. I finally got my copy the other day. The board of officers reported that there is financial chaos in the Pacific region and that the Minister would do well to look at the other regions to see if they are any better off. They tracked down $1,092,000 of taxpayer's money spent on this project, all of which seems to have been misappropriated. What has the Minister done about it in these past four months?

Hon. J.-J. Blais (Minister of National Defence): Mr. Speaker, the hon. gentleman is quite right in terms of the analysis that was done in the circumstances. There was a very thorough review. Indeed, as a result of the fact that the navy cadet budget on the West Coast was lacking sufficient control, there was a review of all the various budgets of like kinds throughout the whole system. The evaluation was carried forward. It was ascertained that there were no other instances except the specific case of the *Pacific Petrel*.

OFFICERS' RESPONSIBILITY

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, I have a supplementary question for the same Minister. The board of officers supplied the names of five officers of flag rank and three of general rank whom they found were particularly responsible because they had direct executive authority and all knew in greater or lesser detail of the scope of this project. Some or all of these eight officers must be in direct contravention of Section 24(4) of the Financial Administration Act. What does the Minister intend to do about that?

Hon. J.-J. Blais (Minister of National Defence): Mr. Speaker, as the hon. gentleman knows, a finding having been completed through a board of inquiry, the board of inquiry submits to commanding officers individuals who are identified within the board of inquiry. The board of inquiry so being staffed by the commanding officers, they make a determination of what measures ought to be taken, disciplinary or administrative, relating to any individuals so identified. The Hon. Member knows that in one instance there was a court martial. In others, internal administrative measures were taken.

* * *

WESTERN GRAIN STABILIZATION ACT

SIZE OF ANNOUNCED PAY-OUT

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is directed to the Minister of Finance, and deals with his exchange with the Leader of the New Democratic Party. It is

obvious that neither one of them knows what they are talking about. The Minister of Finance is taking credit for the pay-out from the stabilization program. Is he aware that the Government is not even returning the money which the farmers put into that?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, is the Hon. Member not aware that the federal Government is contributing more than the farmers to that plan?

CONTRIBUTIONS TO FUND

Mr. Gordon Towers (Red Deer): Mr. Speaker, is the Minister of Finance aware that the proposed pay-out does not return the payment that the farmers have made to the program, aside from any government input?

Hon. Marc Lalonde (Minister of Finance); Mr. Speaker, I would like my hon. friend to consider the Government's contribution to that program. The program has been set up to be self-balancing in the medium and long term. This is what the program will do.

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HOUSING

MORTGAGE INSURANCE LEGISLATION

Mr. Bill Kempling (Burlington): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. The Minister has stated that she will bring in some form of mortgage insurance in the near future. When the Throne Speech was presented, the Minister is reported to have said that mortgage insurance is a long way down the road. Will the Minister reconcile the two statements "the near future" and "a long way down the road"? Can she be more specific and give us a date, a week, or a month, when she will bring forward mortgage insurance legislation?

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Mr. Speaker, I believe the Hon. Member is somewhat confused, because mortgage insurance does not fall within my domain. I think he is referring to changes to the Canada Interest Act, changes which I have promised and which I hope to bring into the House with other new housing proposals.

Mr. Kempling: Mortgage insurance and amendments to the Interest Act are all in the same release from the Minister's office. She should read it.

POSITION OF MINISTER OF CONSUMER AND CORPORATE AFFAIRS

Mr. Bill Kempling (Burlington): Mr. Speaker, the Minister said she would resign if certain legislation was not passed. Will she make the same commitment on mortgage insurance and amendments to the interest Act, and will she resign if it is not passed by June 30, 1984?

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Mr. Speaker, one commitment at a time.

* * *

ENERGY

CONTROL OF OIL INDUSTRY—FUTURE OF GULF CANADA

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I have a question for the Minister of Finance. The Minister must be aware that Standard Oil of California, Socal, proposes to take over Gulf Oil of Pittsburgh, the biggest American corporate takeover in their history. That, of course, will affect Gulf Oil of Canada. What is the present level of Canadian control of the oil industry percentagewise? Does the Government of Canada intend to take action so that Gulf Canada can become Canadianized and in fact become a Canadian controlled company?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, since 1980 Canadian ownership in the oil and gas industry has increased from 28 per cent to 38 per cent, an increase of 10 per cent, practically one-third compared to what it was before. On the second question, this is a matter that will go before the Foreign Ivestment Review Agency. The minister responsible for the Agency will report the recommendation made by FIRA to Cabinet.

Mr. Speaker: One single supplement. The Hon. Member for Vancouver-Kingsway.

POSITIONS ADVANCED BY LIBERAL LEADERSHIP CAMPAIGN CANDIDATES

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I will direct my supplementary question to the Prime Minister. That means that 62 per cent of the oil industry is still foreign-owned. Is the Prime Minister disappointed that all the leadership candidates appear to be abandoning the concept of Canadianization of the oil industry in Canada? Is it the present position of the Prime Minister and his Government to abandon that path?

Mr. Speaker: Order. I wonder whether the question is supplementary to the first.

* * *

INDUSTRY

REQUEST FOR PROGRAM TO ASSIST DEWDNEY-ALOUETTE REGION IN BRITISH COLUMBIA

Mr. Gerry St. Germain (Mission-Port Moody): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. The Minister recognizes that unemployment is

the biggest issue facing Canadians. In the Dewdney-Alouette regional district, which is the eastern half of my riding, 47 per cent of the people are unemployed. In committee the Deputy Minister stated, and the Minister has stated this, that fast-tracking programs for troubled areas would be instituted. Will the Minister consider instituting one of these programs for that area due to the problems in the lumber industry at this time?

Hon. John Roberts (Minister of Employment and Immigration): Yes, Mr. Speaker, I will look into the way in which the LEAD Program might apply to that area. I will be happy to take the representations of the Hon. Member seriously and do just that.

REFORESTATION PROGRAM

Mr. Gerry St. Germain (Mission-Port Moody): Mr. Speaker, will the Minister consult with the Minister of the Environment with regard to a possible reforestation program to employ some of the unemployed in the lumber industry? I am sure that these people will be able to find good, long-term employment in the reforestation industry. Would the Minister look at this aspect of it as well?

● (1500)

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, I have just consulted with the Minister of the Environment who assures me that he would be happy to discuss the matter with me further.

* * *

PETITION

MR. BERGER—ESCALATION OF ARMS RACE

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Laurier (Mr. Berger) on Wednesday, April 18, 1984, meets the requirements of the Standing Orders as to form.

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PRIVILEGE

MR. ALLMAND—COLLECTIVE BARGAINING FOR HOUSE EMPLOYEES—APPEAL BY INTERNAL ECONOMY COMMISSION TO FEDERAL COURT

Mr. Speaker: The Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand) has served notice to the Chair of a matter of privilege which he wishes to raise. Before giving the floor to the Hon. Member, the Chair would like to make the observation that the matter affecting the unionization of House of Commons employees is *sub judice*. However, the Hon. Member is raising the matter as a question of privilege and I invite him to restrict his remarks to the question of how his privileges are affected.

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, in accordance with the notice which I gave you earlier today, I wish to raise a question of privilege which affects my rights as a Member of the House and which I believe affects the rights of all other Members of the House. The employees of this House, whether they are messengers, security officers, interpreters, cleaners and all others, work for all of the Members of the House and not only for the Cabinet or for the Board of Internal Economy.

When the Canada Labour Relations Board decided on April 9 that employees of the House of Commons had the right to collective bargaining under the Canada Labour Code, it was a decision that affected all Members of the House of Commons and one that was welcomed by many. It was therefore with some surprise and dismay, I might say, that I learned on April 19 after the House had adjourned for Easter that the Board of Internal Economy had decided to appeal the April 9 decision of the Labour Relations Board to the Federal Court.

I take strong exception to the fact that a small group of Members of this House, being the Board of Internal Economy—

Mr. Speaker: Order. The Hon. Member was invited to address his remarks to how his privileges are affected.

Mr. Allmand: Thank you, Mr. Speaker. I was about to do that and I had already begun to do that. I was saying that a small group of Members of the House have decided to appeal that decision to the Federal Court without consulting all of the other Members of the House and without referring the matter to them for decision. This is a matter which touches upon the work of every Member in a personal and intimate way. It is not a matter which should have been dealt with by the board without wide consultation. It is a matter for the whole House and not just for the Government to decide. Since these people work for me, I feel very strongly that I should at least have been consulted in some way or another.

I submit very strongly, Mr. Speaker, that I have a prima facie case of privilege. I would ask that this matter be referred to the Standing Committee on privileges and Elections where it can be examined and decided upon. I understand that this matter was discussed at a much earlier date by a committee—

Mr. Speaker: Order. The Chair has allowed the Hon. Member to make his argument. The matter is *sub judice*. In the opinion of the Chair, the Chair cannot make a prima facie ruling of privilege which would have the effect of giving priority to this motion at this time. Therefore, the Chair will have to so rule.

Mr. Allmand: I rise on a point of order, Mr. Speaker. If these matters cannot be raised in the House of Commons—

Mr. Speaker: The Hon. Member cannot reflect upon a decision of the Chair. That is what he is seeking to do as a point of order. The Chair has given consideration to the matter. The Hon. Member gave notice and the Chair, under the circumstances, has no option but to decide that it cannot

rule that there is a prima facie question of privilege in a matter which is now *sub judice* and before the courts.

Mr. Allmand: Mr. Speaker, I rise on a point of order.

Mr. Speaker: Order.

ROUTINE PROCEEDINGS

[*English*]

PETITION

MR. WADDELL—COMPUTER-GENERATED TELEPHONE SOLICITING

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I would like to present a petition that humbly sheweth that many Vancouver-Kingsway residents, including Eileen Sayman, Lloyd Fox and Harold and Phyllis Boalch, find telephone solicitation, expecially computer-generated telephone solicitation, to be an invasion of their privacy and that these computer-generated calls have lately become more frequent in my constituency. Therefore, the petitioners request that the CRTC intervene to put a stop to these calls and to look into the matter of computer-generated telephone soliciting in general.

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QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today, and it is a big day for the Hon. Member for York-Sunbury (Mr. Howie): Nos. 12, 91, 381, 393, 570, 572 and 589.

[*Text*]

RECRUITMENT OF FRANCOPHONE EMPLOYEES

Question No. 12—**Mr. McKenzie:**

1. Was there correspondence between a R.W.B. Bailey, Chairman, SGPE Sub-Group and a Mr. R. Gagnon, Assistant Deputy Minister, Department of Consumer and Corporate Affairs, dated February 17 and February 19, 1982 respectively on the subject of a hiring team to recruit Francophone employees?

2. Are the contents of the correspondence factually correct and, if not (a) in which parts do they vary (b) what are the correct facts?

3. Does the Department of Consumer and Corporate Affairs have such a hiring team in the SGPE Sub-Group and, if so, in which other sub-groups, bureaus, directorates or divisions does the Department have similar hiring teams?

4. In the Department of (a) Agriculture (b) Communications (c) Consumer and Corporate Affairs (d) Employment and Immigration (e) Energy, Mines and Resources (f) the Environment (g) External Affairs (h) Finance (*i*) Fisheries and Oceans (j) Indian Affairs and Northern Development (k) Industry, Trade and Commerce (l) Justice (m) Labour (n) National Defence (o) National Health and Welfare (p) Public Works (q) Regional Economic Expansion (r) National Revenue (s) Secretary of State (t) the Solicitor General (u) Supply and Services (v) Veterans Affairs (w) the Treasury Board (x) the Ministry of State for Science and Technology (y) the Canada Post Corporation, are there hiring teams for ensuring a certain level of Francophone recruitment and, if so (i) how many in each department (ii) how many members are on each hiring team (iii) what is the total cost of maintaining the hiring team?

5. For each of the departments and the corporation listed in part 4, what schools and universities are the hiring teams visiting in each province and territory?

6. For each of the departments and the corporation listed in part 4, what other employee pools are being approached by the hiring teams and in which provinces and territories is each employee pool being approached?

Mr. Maurice Foster (Parliamentary Secretary to President of the Treasury Board): As the Hon. Member knows, this question raises matters that had already been under review by the Federal Court of Appeal for several months on the date of the question, and continue to be *sub judice*. The Government is not, therefore, in a position to deal further with the question.

TREASURY BOARD—PERSONS ENGAGED IN PUBLIC RELATIONS

Question No. 91—**Mr. Howie:**

How many persons engaged in public relations, media relations or publicity are employed by the Treasury Board?

Mr. Maurice Foster (Parliamentary Secretary to President of the Treasury Board): Six.

CANADA POST CORPORATION—LEGAL SERVICES

Question No. 381—**Mr. Howie:**

Does the Department of Justice provide a legal service to Canada Post Corporation and, if so, what (a) is the estimated cost of this service for the current fiscal year (b) was the expenditure for such service during the last fiscal year?

Hon. Mark MacGuigan (Minister of Justice): The Department of Justice provides legal services to Canada Post Corporation on a cost recoverable basis. (a) $815,000; (b) $607,000.

CANADIAN HUMAN RIGHTS COMMISSION

Question No. 393—**Mr. Howie:**

Did the Canadian Human Rights Commission require any additional staff to implement the recently proclaimed amendments to the Canadian Human Rights Act and, if so, what (a) were these requirements (b) was the estimated cost of them?

Hon. Mark MacGuigan (Minister of Justice): In so far as the Canadian Human Rights Commission is concerned: (a) Thirty person-years for the period 1983/84 to 1986/87. (b) The total estimated cost is $1,548,000, of which approximately $950,000 is for the salaries spread over a four-year period.

INTERNATIONAL DEVELOPMENT RESEARCH CENTRE

Question No. 570—**Mr. Howie:**

What are the (a) names (b) positions of the persons who occupy positions on the Executive and Board of Directors of International Development Research Centre and, in each case, what amount was he/she paid in respect of that position in the fiscal year ended March 31, 1983?

Order Paper Questions

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): The International Development Research Centre informs the Government that:

Pursuant to the International Development Research Centre Act (Section 3), the Board of Governors is composed of the Chairman of the Board, the President of the Centre and not more than 19 other governors. Subsection 11(1) of the Act further stipulates that the Executive Committee of the Board shall consist of the Chairman, the President of the Centre and at least five other governors, annually elected from the Board in such a manner that a majority are Canadian citizens.

Members of the IDRC Board of Governors for fiscal year 1982/83 are as listed below. An asterisk indicates those governors who comprised the Executive Committee of the Board for the period in question.

Mr. Allison A. Ayida	Chairman, Fininvest Associates (Nigeria) Ltd., Lagos, Nigeria.
* Mr. Pierre Bauchet	University of Paris, Paris, France.
Dr. Gelia T. Castillo	Professor of Rural Sociology, University of the Phillippines at Los Banos, Philippines.
* Mr. Norman T. Currie	President, Corporate Food Limited, Toronto, Ontario.
* Dr. Frank A. DeMarco	Professor of Chemical Engineering, University of Windsor, Windsor, Ontario.
* Dr. Liliane Filion-Laporte	Director of Family Medicine, St. Mary's Hospital, Montreal, Quebec.
* Mr. Ivan L. Head	President, International Development Research Centre, Ottawa, Ontario.
* Dr. Carl-Göran Hedén	UNEP/UNESCO/CRO, Karolinska Institute, Stockholm, Sweden.
Mr. Felipe Herrera	Retired (former President, Interamerican Development Bank) Santiago, Chile.
* Mr. Francis Keppel	Harvard University Graduate School of Education, Cambridge, Mass., U.S.A.
Dr. David J. Lawless	Professor, University of Manitoba, Winnipeg, Manitoba.
Dr. J. Maurice LeClair	President, Canadian National, Montreal, Quebec.
Mr. Hadj Mokhtar Louhibi	President and Director General, Algerian Interprofessional Grains Office, Algiers, Algeria.
* The Hon. Donald S. Macdonald (Chairman of the Board)	McCarthy & McCarthy Toronto, Ontario.
Mr. Marcel Massé	President, Canadian International Development Agency, Ottawa, Ontario.
Dr. Yelavarthy Nayudamma	Scientist, Central Leather Research Institute, Madras, India.
* The Hon. Rex M. Nettleford	Professor, University of the West Indies, Kingston, Jamaica.
Mr. Gordon F. Osbaldeston	Under-Secretary of State for External Affairs, Ottawa, Ontario (resigned Feb. 1/83).
Dr. Rolland P. Poirier	Retired, (former Chairman, Canada Farm Credit Corporation), Ste-Foy, Quebec.
* Dr. John B. Stewart	Professor, St. Francis Xavier University, Antigonish, Nova Scotia.
* Sir Geoffrey M. Wilson	Chairman, OXFAM, Oxford, England.

Order in Council No. P.C. 1981-3023 of October 29, 1981 provides that remuneration of $250 per day be paid to the Chairman of the Board and $200 per day be paid to other governors when attending to Centre business, with the exception of the President who receives a salary set by Order in Council (see below).

As well as the amounts stated above, governors are provided with reasonable travel and living expenses to attend Board meetings or in the course of other Board functions.

The President of the Centre is appointed by Order in Council which also fixes his remuneration within the DM1 salary range $75,360—$88,610 (effective April 1, 1982).

EXPORT DEVELOPMENT CORPORATION

Question No. 572—**Mr. Howie:**

What are the (a) names (b) positions of the persons who occupy positions on the Executive and Board of Directors of the Export Development Corporation and, in each case, what amount was he/she paid in respect of that position in the fiscal year ended March 31, 1983?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Export Development Corporation states that the names and positions of the persons who occupy positions on the Executive and Board of Directors of the Export Development Corporation are as follows:

(i) Executive

Name	Position
S. Cloutier	Chairman of the Board and President
J. J. R. Arès	Senior Vice President, Export Financing Group
B. A. Culham	Senior Vice President, Finance
D. A. Keill	Senior Vice President, Export Insurance Group
B. R. King	Senior Vice President, Corporate Affairs
M. D. Bakker	Vice President, Corporate Affairs
J. R. Hegan	Vice President, Marketing and Communications
E. G. Law	Vice President, Human Resources and Administration
D. B. Modin	Vice President and Treasurer
J. R. Paquette	Vice President, Export Financing
G. Ross	Vice President, Legal Services and Secretary

(ii) Board of Directors

Name	Position
Mr. J. A. Armstrong	Retired Chairman of the Board & Chief Executive Officer, Imperial Oil Limited
Mr. P. Berthiaume	President, Le Groupe BST Inc. and la Société d'Automation TECNEX (1983) Ltée
Mr. G. K. Bouey	Governor of the Bank of Canada
Mr. J. L. Bragg	President, Oxford Frozen Foods Ltd.
Mrs. M. Y. Catley-Carlson	President, Canadian International Development Agency
Mr. S. Cloutier	Chairman of the Board and President of Export Development Corporation
Mr. M. A. Cohen	Deputy Minister of Finance
Mr. V. E. Daughney	President, First City Trust
Mr. P. Goyette	President and Chief Operating Officer, Montreal City and District Savings Bank
Mrs. S. Ostry	Deputy Minister, International Trade & Coordinator, International Economic Relations, Department of External Affairs
Mr. M. D. MacDonald	Partner, Parlee, Irving, Henning, Mustard & Rodney, Barristers & Solicitors
Mr. W. J. Riva	Vice Chairman of the Board, Westar Mining Ltd.
Mr. W. R. Teschke	Deputy Minister, Department of Regional Industrial Expansion

Compensation. See the Report on Governor in Council Appointees tabled in the House of Commons on November 17, 1983. Compensation for all other positions not listed in the report is regarded as proprietary information to the Export Development Corporation.

INTERNATIONAL BOUNDARY COMMISSION

Question No. 589—**Mr. Howie:**

What are the (a) names (b) positions of the persons who occupy positions on the Executive and Board of Directors of the International Boundary Commission and, in each case, what amount was he/she paid in respect of that position in the fiscal year ended March 31, 1983?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): (a) Dr. Alec C. McEwen.

(b) Canadian Commissioner—$45,780—$53,255 per annum, (engineering and land survey—survey 6).

[*English*]

Mr. Speaker: The questions as enumerated by the Hon. Parliamentary Secretary have been answered.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if questions Nos. 392 and 495 could be made orders for returns, these returns would be tabled immediately.

Mr. Speaker: Is it the pleasure of the House that questions Nos. 392 and 495 be deemed to have been made orders for returns?

Some Hon. Members: Agreed.

[*Text*]

VICTIMS OF CRIME

Question No. 392—**Mr. Howie:**

Did the Ministry of Justice make any initiatives to assess the needs of victims of crime and promote co-ordinated, comprehensive and widespread services for them and, if so, what were the initiatives?

Return tabled.

PRIVATE AND PUBLIC SECTOR SUPERANNUATION PLANS

Question No. 495—**Mr. Howie:**

What is a complete list of all private and public sector superannuation plans under federal jurisdiction?

Return tabled.

[*English*]

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

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

FINANCIAL ADMINISTRATION ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Ouellet (for Mr. Gray) that Bill C-24, an Act to amend the Financial Administration Act in relation to Crown corporations and to amend other Acts in consequence thereof, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

Mr. Speaker: There were seven minutes remaining in the period following the speech made by the Hon. Member for Kingston and the Islands (Miss MacDonald). Are there Hon. Members rising to ask questions or make comments? I would recognize the Hon. Member for Algoma (Mr. Foster). The Hon. Member for Kingston and the Islands is not in her place but the Hon. Member does have the right to ask questions or make comments.

Mr. Foster: Mr. Speaker, perhaps I might mention for the record a couple of the points to which the Hon. Member referred in her speech. I would like to put the questions to her; perhaps she will be able to respond to them at a later time.

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order. I should mention that the Hon. Member for Kingston and the Islands (Miss MacDonald) is temporarily out of the Chamber. She is meeting with a large group of constituents who have come to meet with her and she expects to return to the House very shortly. Possibly by the time the Hon. Member for Algoma (Mr. Foster) has finished his intervention, the Hon. Member for Kingston and the Islands will be back and would be prepared to give an appropriate and adequate answer to his inquiries.

The Acting Speaker (Mr. Herbert): The period allowed for questions and answers can only be extended by unanimous consent. I suggest that the Hon. Member might wait until an appropriate time to make such a proposal. In the meantime, the Hon. Member for Algoma could continue with his comments or questions if he so wishes.

Mr. Thomson: Mr. Speaker, I rise on a point of order. Perhaps the Parliamentary Secretary would care to put his

questions on the record. The Hon. Member for Kingston and the Islands (Miss MacDonald) has indicated to me that if she is not back in the House in time, she would be more than happy to respond in writing to the questions of the Parliamentary Secretary.

Mr. Foster: Mr. Speaker, I have two points to make. The Hon. Member for Kingston and the Islands mentioned that much would be done by regulations and she pointed out that the regulations had not been tabled with the Bill. Of course, that is true because regulations are seldom tabled. However, at second reading debate the Minister indicated that at the committee stage the regulations drawn to the Bill would be made available to committee members. I think that is a good procedure to follow so that the members will know exactly what the regulations provide for. Certainly the Government is prepared to co-operate in every way in that regard.

• (1510)

The Hon. Member for Kingston and the Islands also suggested that the Bill really does not provide proper parliamentary accountability. I would like to point out that this Bill does provide for a great deal of parliamentary accountability. The Minister has to table the corporate plan, including the details of not only the parent Crown corporation but subsidiary Crown corporations. There is a great deal of information there. The operating budgets of the parent corporation and the subsidiaries have to be tabled in the House and stand automatically referred to the appropriate standing committee. Directives that are made by a Minister of the Government to Crown corporations would have to be tabled in the House. I would be interested in knowing in the debate that is going on whether the Hon. Member for Kingston and the Islands favours the position of the Hon. Member for Rosedale (Mr. Crombie), who thinks that those directives which relate to the CBC and the Canadian Film Development Corporation should not relate to programming, whereas other Members on the opposite side seem to suggest that there should be a wide discretion to make directives relating to programing.

The annual report of the Crown corporation and subsidiaries would have to be tabled in the House. Of course the auditor's report, and a new feature, the annual summary of all Crown corporations, would be tabled by the President of the Treasury Board (Mr. Gray). These, of course, would be referred to the appropriate standing committee.

The Hon. Member also mentioned amendments. It is important to note that the Government is fully prepared at committee stage to consider constructive and positive amendments from Hon. Members opposite. We are, of course, anxious to move to committee stage so that we can hear those suggestions.

Miss MacDonald: Mr. Speaker, I regret that I was not here when the Hon. Member began his comments. He will understand that I had to meet with a school class from Kingston and the Islands for a few minutes just outside the Chamber. I therefore missed a bit of what he had to say.

Very briefly, the first question that he asked this morning was about the numbers that I used when I was quoting figures with regard to Crown corporations. I want to tell him that those figures came from a document entitled *Crown Corporations and other Canadian Government Corporate Interests*, issued by Treasury Board in December, 1982. He used some other figures, and I know they are broken down into categories, but the information that I took from that document totals the figure of 315, which I used. It may be that that figure has changed since December, 1982.

With regard to the question of accountability, which is really the major one that we are discussing here, I would say in response to the Hon. Member that nothing shows me the need for greater accountability, accountability that I think is still lacking in this Bill, than the questions that I raised during Question Period and the responses from the Minister who was speaking on behalf of the granddaddy of all Crown corporations—the Canadian Development Investment Corporation. He not only did not seem to comprehend what the questions were all about, but he rather shrugged them off.

We were talking about bonuses paid to executive officers of Crown corporations at a time when they are cutting back on their staff and causing lay-offs. This seems to me just incredible from the point of view of any kind of accountability. How does the Parliament of Canada get legitimate responses for a situation like that? This Bill still would not provide for the Members of this House to get legitimate answers to a situation such as that. That is the difficulty that I have with this Bill.

Earlier the Hon. Member asked whether or not I would agree with joint ventures and how I would bring those under a Bill, since I had indicated that I would favour moving into more control than is exerted now where both public and private funds were involved. I would say to him that as long as public funds—the taxpayers' money, not the money of the Government, not the money of the Members of Parliament and not the money of this Chamber, but the taxpayers' money—are involved, I feel there must be a much stricter means of holding companies, Crown corporations and individuals who work for them, accountable, much more than appears to be the case in this Bill.

The Acting Speaker (Mr. Herbert): That is the end of the ten-minute period for questions and comments. For continuing debate, the Hon. Parliamentary Secretary to the President of the Queen's Privy Council for Canada (Mr. Evans).

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, with regard to the question which was just raised about the number of Crown corporations, I think there is still a bit of confusion. The Hon. Parliamentary Secretary's question related to whether or not the Hon. Member for Kingston and the Islands (Miss MacDonald) believed that the same rules for accountability as outlined in Bill C-24 should apply in cases of partial interest or joint venture where the Crown does not own a 100 per cent interest in a corporation. For example, in the case where Petro-Canada—I think the Hon. Member used that exam-

ple—goes into a joint venture for offshore exploration with two or three other oil companies, would the Hon. Member believe that Bill C-24 should allow the Government to issue directives to a jointly held public and private corporation? We do not think it should be the case. That is why they are not included. It is not a matter of having these corporations outside of the control of government; it is because they are, by definition, joint ventures between the private sector and the public sector. If the Government were able to give directives in the way that Bill C-24 would imply, and if that kind of reporting was required publicly, it is highly unlikely that such joint ventures could ever be put together. That is part of the problem. I do not think the Hon. Member for Kingston and the Islands dealt with that particular issue.

There are 315 Crown corporations and corporations in which there is a public interest. The total number of Crown corporations is 67, and there are 128 wholly-owned subsidiaries. The legislation will apply to them. The additional corporations in which the Government has an interest are not covered in that way by the legislation for the reasons that I have just described because they are joint ventures with private sector companies. They are investments by the Government, partial investments in ventures and so on.

The second thing I would like to say is that this particular legislation has come about as a result of a great deal of consultation between the President of the Treasury Board (Mr. Gray), the Minister's officials, and the Auditor General who really is the instigator of the move to put together legislation of this kind. The Hon. Member for Kingston and the Islands read part of the Auditor General's 1982 report into the record where he said that there needs to be greater accountability; there needs to be greater control. The Auditor General, it could be said—and I think over the years it can be said quite honestly—is the instigator of this legislation. I think that was what was behind the legislation that was introduced by the previous Conservative Government under the title of Bill C-27.

And so, Mr. Speaker, the Auditor General is the driving force and the revelations that he made are the motivating force behind this legislation. Therefore it would seem to me that an assessment of the legislation by the Auditor General would have some validity and carry some weight in this House of Commons. It happens, Mr. Speaker, that the Auditor General has been in consultation with the President of the Treasury Board and he has examined the draft legislation.

• (1520)

Mr. Thomson: Not until after the Bill was tabled.

Mr. Evans: He knew what was to be put forward in the legislation. The Auditor General has written to the Prime Minister (Mr. Trudeau), I believe, indicating that he strongly supports the legislation. I think the wording was that it should find the support of the broad base of Members of Parliament from all sides of the House. That is not a direct quote but I remember seeing such correspondence. The Auditor General was saying that this legislation should receive the support of Members of the House of Commons because it deals in very large part with the issues raised by the Auditor General himself. He, after all, as I just mentioned, was largely responsible for bringing to light the need for this legislation in the first place.

There is also a need to make comparisons, Mr. Speaker. I know the previous Conservative Government brought forward legislation in the form of Bill C-27 in the 1979 Parliament which was meant to deal with this issue. We have brought forward Bill C-24 which stands before us today, and I think it is important that we compare these two Bills to see if, as the Opposition seems to be saying, this particular legislation before us today has serious shortcomings of a kind not found in Bill C-27. In other words, to find out if Bill C-27 was greatly superior to that which we find before us today.

Nowhere is the contrast more revealing, Mr. Speaker, than in the degree of clarity and the standards of financial management and auditing required of Crown corporations by Bill C-24. The requirements are far more clear than they were in the previous legislation in that corporate books must at the very least be kept in accordance with standard accounting practices required in the private sector. Examination of management performance is specifically designed to ensure that management practices are adequate and fulfil the purposes of the corporation.

Our Bill privides, moreover, that information provided by Crown corporations must be shown according to major business activities. This is terribly important because Members of the House of Commons have said in the past that while we get an annual report, we do not know how it relates to individual areas of corporate business in general or the business being done by wholly-owned subsidiaries. This legislation requires that Crown corporations report on a line of business basis so that Members of Parliament and the public generally can have a clear idea of what it is the Crown corporation is doing and in what way these activities lead to the accomplishment of the goals and objectives originally set out for the corporation.

All Hon. Members will also recognize that in this new Bill the audit regime has been strengthened substantially. It will ensure the Crown corporation will be acutely aware of its responsibilities to directors, the Government and Parliament for the continuous monitoring of corporate operations.

The Opposition, in particular, Mr. Speaker, cannot fail to agree that we have responded more fully to the concerns of the Auditor General with respect to his mandate and the general auditing position than would have been the case in the previous legislation. Under this legislation he will have the right to become the auditor of Crown corporations. It is necessary to remind the House that Bill C-27 made no provision to confer a statutory right on the Auditor General to audit any Crown corporation. It merely included a provision which made him eligible to be appointed to audit those corporations where he did not already have that right conferred upon him in the incorporating legislation.

With respect to the borrowings of Crown corporations, the provisions of the legislation now before us are demonstrably superior to those found in the Conservative Bill C-27. Under

their approach it was possible for the Minister of Finance to give a Crown corporation access to the consolidated revenue fund regardless of whether its legislation provided for such access. That simply ignored the view that unless there is explicit provision for such access, the corporation should not be allowed to use public funds in that way.

Furthermore, in our Bill there are clear measures for protecting the Crown's assets, including restrictions on the right of Crown corporations to retain proceeds from the sale of real or personal property. The proposed legislation carefully circumscribes the right of Crown corporations to pledge government property as security for loans. Also, Crown corporations are required to inform the appropriate Minister, indeed the Treasury Board, of new developments which could affect performance or funding of those Crown corporations.

Let me turn now to two features of the new Bill on which there has been considerable debate here today and previously; that is, the power of direction and the appointment of the chief executive officer of a Crown corporation. Bill C-24 recognizes in a forthright and realistic way the critical role the chief executive officer must play in the sound management of a Crown corporation. Surely in any situation where there is a single shareholder, as in the wholly-owned Crown corporations and wholly-owned subsidiaries, the shareholder, that is to say the people of Canada represented by their elected government, should be responsible for the appointment not only of the directors of the corporation but also of the chief executive officer. It seems to me any other arrangement is patently inconsistent with any reasonable concept of improved control and accountability. It is reasonable to assume that in making such appointments the Government would consult the appropriate board of directors. However, there is no question in this Bill on where the appointment responsibility resides. Under Bill C-27 the chief executive officer would have been appointed by the board of directors. However, it is important to note that even under the Conservative administration's approach, such appointments would have been subject to government approval. Therefore, while there has been some to do about who appoints the chief executive officer, under the Conservative Government the appointment would have been by the Government as is in Bill C-24, because the Government—

Mr. Thomson: Come, on, John, that is a misrepresentation.

Mr. Evans: The board of directors would appoint the chief executive officer subject to the approval of the Government. That was part of Bill C-27 and Hon. Members opposite simply cannot deny it.

The provisions in the new Bill as to where the responsibility lies are much clearer. When you come right down to it, it seems to me that responsibility has to lie with the sole shareholder, being the people, who are represented in Parliament by the government of the day. The government is in turn held accountable by other Members of Parliament. Where else would the responsibility lie for appointing the directors, the people who are going to run corporations which operate on assets belonging to the people of Canada? It seems to me obvious that Bill C-24 puts the matter in proper perspective and deals with this issue in the manner in which it should be dealt with.

As for the directive power, Mr. Speaker, the proposals of this Government and of the Opposition in Bill C-27 are for a broad universally applicable power of direction. What is sought here, of course, and there is no dispute on this objective, I believe, is the power of direction by which the Government can unambiguously direct its Crown corporations to pursue public policy or other objectives the Government has determined to be in the public interest. After all, if that were not the case, there would be no rationale whatsoever to Crown corporations. In Bill C-27 these directives would have been made available to Parliament. The same provision is found in Bill C-24. Bill C-27 said that the directives have to be made available to Parliament, and Bill C-24 says the same thing. In Bill C-27 the cultural corporations would have been excluded from directives touching on issues of artistic integrity. The same general principle is incorporated in Bill C-24.

• (1530)

The difference arises on this directive power in that while we believe the measures we have suggested for preventing improper use of directives are just as effective as those which were included in Bill C-27, they do not provide opportunities to the Crown corporations to evade their responsibility in complying with the directives issued to them by the Government. Unlike Bill C-27, the proposals found in Bill C-24 make no universal provision for compensation to be paid to the Crown corporation for the implementation of a directive given to it by the Government that would result in increased costs or losses to the corporation. Hence, Mr. Speaker, by taking this route, the Bill provides no explicit means or incentives for Crown corporations to attempt to defer the implementation of programs which would be called for under public policy directives.

It is important, Mr. Speaker, that if the Government in its wisdom feels, subject to the scrutiny of the Opposition in the House of Commons, that a public policy interest needs to be served by a Crown corporation, it should not be possible for that directive given to a Crown corporation to be circumvented by the Crown corporation saying that it would not be a money making proposition or that the costs would be exceeded by what the Crown corporation feels to be the benefit, when in fact the matter is of a public policy nature, the responsibility for which is being taken by the Government's being held accountable in the House of Commons. It is not the place of the Crown corporation to say it will not comply with that directive under certain circumstances.

The Conservative Government's approach would have held the board of directors entirely responsible for carrying out Government directives. Our Bill retains the board's responsibility for efficient and effective implementation of the directives. However, we acknowledge that the ultimate responsibility for the directive itself belongs squarely with the Government. The Government is to be held accountable here in the House of Commons and in committee for the directives

it gives. The Government should not be able to push the responsibility on to the board of directors. The Government should be held responsible in this place. Therefore, we specifically absolve the board of directors from any consequences arising from the implementation of directives given to it by the Government. Surely this is a much more direct, honest and reasonable assignment of roles and responsibilities than was found in Bill C-27. It maintains a direct responsibility where it belongs, with the elected Government of the day in the House of Commons, which is terribly important to my mind.

In all these respects and others, Mr. Speaker, this new Bill is a vast improvement over the former administration's proposed legislation. It is direct, clear, understandable and, above all, it gets us all where we want to go, that is, into a long overdue system of comprehensive control and direction of Crown corporations and the affirmation of the accountability of Crown corporations to the Government and thereby to Parliament.

The Acting Speaker (Mr. Herbert): There follows a 10 minute period for questions or comments.

Mr. Thomson: Mr. Speaker, I would like to make some comments. There is a lot more involved in Bill C-24 than the auditing of Crown corporations and the general accounting standards concerning Crown corporations. The whole question of accountability goes far beyond simply auditing and generally accepted accounting principles. I am sure the Hon. Parliamentary Secretary would agree with that. We are also talking about the proliferation of Crown corporations in this Bill.

The point is that in his correspondence with the President of the Treasury Board (Mr. Gray) the Auditor General addressed himself to the audit provisions contained in Bill C-24. That is all he dealt with. Incidentally, in his own statement to me personally he said that the Bill had been reviewed in draft form with the Auditor General prior to tabling in the House, and it was on the strength of the draft document which he saw that the Auditor General corresponded with the President of the Treasury Board. However, in final form, the Bill differed substantially from the draft with which he was presented. Those are the facts of the matter in so far as the Auditor General is concerned. The implication by the Parliamentary Secretary that the Auditor General was implicitly endorsing the entirety of Bill C-24 is misleading to this House and the Members. That is one point. I think it is an unwelcome input into the debate in the House to imply that that is the case.

Miss MacDonald: He has not seen the regulations.

Mr. Thomson: Nor have we seen the regulations. The Parliamentary Secretary is well aware of that. In its humbleness the Government has agreed to let us see the regulations when we get to committee. I can tell you right now that we are never going to get to committee until we do see those regulations.

The Parliamentary Secretary also referred to the magnificent set of general auditing standards which have been introduced in Bill C-24. I am sure that the Parliamentary Secretary is cogently aware that one of the provisions in Bill C-24 is the reference to special investigations. If the Auditor General deems it necessary, he can make a special investigation of a particular Crown corporation. What is a special investigation? It is a new set of words dreamed up by the draftsmen who put together Bill C-24 which completely confuse the auditing issue. Clearly the Parliamentary Secretary to the President of the Treasury Board (Mr. Foster), the President of the Treasury Board himself, and the Parliamentary Secretary to the President of the Privy Council (Mr. Evans) know full well that we are talking about comprehensive auditing. They do not want to come to grips with it so they decided to muddy the water. They decided to do another flimflam job and confuse the issue. Comprehensive auditing is a reality which is understood by the Auditor General and by the general accounting profession, but the Government does not want to submit its Crown corpses or Crown corporations to comprehensive auditing. So what does it do? It dreams up—

The Acting Speaker (Mr. Herbert): Order please. I must draw to the attention of Hon. Members that they may have a chance to ask another question but the question should be relatively short. The Parliamentary Secretary to the President of the Queen's Privy Council of Canada.

Mr. Evans: Mr. Speaker, I beg to differ with the Hon. Member opposite on a number of points. If he is concerned with the question of proliferation of Crown corporations, I believe that is dealt with in the following way. A Crown corporation has to state its goals and objectives. Any investment in a wholly owned subsidiary of a Crown corporation must fall within the mandate given to that Crown corporation. It seems to me, Mr. Speaker, that if Parliament has said that this should be the mandate of a Crown corporation and this is the field in which it should operate, and the Crown corporation operates in that field, then it does not seem to me that there should be a great hue and cry that this is somehow improper. If it was improper, then why did Parliament say that it was all right for Crown corporations to perform certain functions?

• (1540)

I am given to believe that there is no substantial difference between the draft Bill that the Auditor General had an opportunity to examine and the Bill that was introduced in the House. If there is substantial difference and if the Auditor General does not approve of the changes that the Hon. Member alleges were brought into this Bill, can he table or put evidence before the House that suggests that the Auditor General is acting contrary to what he said in the letter he sent to the Prime Minister (Mr. Trudeau), that he was hoping the Bill would move through smoothly? I will quote from the letter. It reads:

> I recollect that last June I wrote you, expressing my concerns about the need for a more effective accountability framework for Crown-owned corporations. I think it therefore only appropriate that I write again now when there is such tangible evidence of action that will help to alleviate my concerns.

If the Hon. Member has written or other evidence that he can place before the House which shows that the Auditor

General refutes or retracts this statement about the Bill on the basis that there is some vast difference between the draft Bill that was shown to the Auditor General and the Bill that was tabled as Bill C-24 in the House, then let the Hon. Member place it before the House.

The Acting Speaker (Mr. Herbert): I should point out that it is the Hon. Member's speech that is being questioned and upon which comments are being made. He should not be putting questions to another Hon. Member who is putting questions to him.

Mr. Blenkarn: Mr. Speaker, I have a question for the Parliamentary Secretary. Is it his view of government policy that the matter of the independence of the Auditor General ought to be brought before the House? My conversations with the Auditor General indicate that he did not expect any of his letters to be quoted in the House. Does the Parliamentary Secretary not believe that he has compromised the office of the Auditor General by quoting from his letter without allowing the Auditor General an opportunity to explain further? Is it the Government's intention to put the Auditor General out to dry? I want to tell the Parliamentary Secretary that I personally have had dinner with the Auditor General to discuss this matter. If the Government intends to continue to hang the Auditor General on a letter that he wrote approving the general thrust of the Government's proceeding with Crown corporation legislation and trying to say that the letter implied full approval of that legislation, he is totally wrong. If he continues this course of action and the Government continues in this way, it is hanging the Auditor General out to dry and destroying the office of the Auditor General.

Mr. Evans: Mr. Speaker, the Auditor General is not being hung out to dry here any more than he is being hung out to dry when the attacks the Government in his report. The Auditor General has sent a letter that was neither private nor confidential. It was sent with carbon copies to others.

This does not happen to meet his political objectives, and if the Hon. Member is so concerned that the Auditor General is being hung out to dry, which he is not, then the Hon. Member can simply pass this Bill at second reading so that we can send it to committee. The Auditor General can then come and testify and say whether or not he approves of this Bill and its direction. The Auditor General might point out certain other action he might prefer. However, the Hon. Member must realize that the Auditor General is not the elected government of this country; we are.

The Acting Speaker (Mr. Herbert): That is the end of the ten-minute period for questions and comments.

Mr. Blenkarn: Mr. Speaker, I rise on a point of order. Could we continue this line of questioning with the consent of the House?

The Acting Speaker (Mr. Herbert): There must be unanimous consent.

Some Hon. Members: No.

The Acting Speaker (Mr. Herbert): There is not unanimous consent. Continuing debate, the Hon. Member for Parry Sound-Muskoka (Mr. Darling).

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I am delighted to have the opportunity to speak on the second reading of Bill C-24, a proposal to amend the Financial Administration Act for Crown corporations.

The Government has pointed an accusing finger at the Opposition many times, charging us with trying to delay the legislative process. Bill C-24 serves as a prime example of proposed legislation that must be scuttled in the best interests of the Canadian people. As has too often been the case, this Bill is designed to take the power from Peter and give it to Paul.

It is the Government—which is not to be confused with Parliament—that will absorb that power through the Cabinet. Should this Bill pass, the board of directors of Crown corporations will be virtually relieved of their existing mandates.

The absence of regulation in the proposed Bill bestows an awesome power on the Government. This open-endedness and lack of upfront commitment is an insult to the parliamentary process. The potential for clandestine wheeling and dealing behind boardroom doors is fantastic. I believe that acceptance of this piece of legislation would set a deadly precedent whereby the Government would be no longer accountable to Parliament. The willingness of a government to create regulations to suit its needs for the moment is just part of an elaborate smokescreen. So long as it refuses to lay its cards on the table, it will be impossible to know exactly what it will do. For example, so long as the Treasury Board can exempt corporations from presenting operating and capital budgets at their whim and fancy, the temptation for cover-ups will be immense. That temptation should be removed. There is a vast difference between trying to remain flexible and throwing caution to the wind. It seems unfortunate that the Government failed to make changes where they are most required.

As is now the case, the Cabinet would retain the responsibility for making major decisions on behalf of Crown corporations. Instead of placing the onus on one Cabinet Minister or the board members themselves, the entire Cabinet shoulders the responsibility.

To echo what has already been said, being accountable to so many means that Crown corporations will continue to be accountable to no one. Why should the responsibility for a corporation's success or failure not rest on the shoulders of those who run them, namely the board of directors? Instead, Bill C-24 undermines their authority and cuts their legs out from underneath them.

What kind of work can we expect from capable men and women who are not trusted to use their own judgment and their own specialities? Surely the Government can efficiently monitor Crown corporations without tying the hands of the experts. If anything, an amendment of this nature should enhance and upgrade the responsibilities of the boards.

Of course, in the private sector a board of directors may hire and fire a chief executive officer as well as decide how much she or he is worth. If the Government had its way, this essential part of the decision-making process would be handled at a distance by the Cabinet. Such action is the embodiment of authority usurped. It is simply a matter of time until Peter and Paul are no longer on good speaking terms. In this sense, the Government is moving 180 degrees in the wrong direction.

There is a great deal of concern within the Opposition regarding the proliferation of Crown corporations, and for good reason. Although Bill C-24 requires parliamentary approval to create a new parent corporation, it ignores the subsidiaries. In other words, while the Government holds the gun to the mother's head, the kids are out stealing your hubcaps. The subsidiaries, which have sprung up like crocuses, will continue to proliferate unchecked. To keep the progeny of Crown corporations from becoming an unruly bureaucratic tangle, birth control is the only answer.

Another loophole in the Bill would give the breath of life to a new corporation so long as an existing Act of Parliament will facilitate it. We are stepping back into that smokescreen. It is obvious that there are already so many such Acts in place that refusal of a new corporation would be a real problem.

• (1550)

The Government also seems interested in tying the hands of Parliament in the future. With its outlandish suggestion that debate of special Acts be limited to 30 days in committee and seven hours of continuous debate, it is forcing future Parliaments into dangerous limitations. It is frightening to imagine what effect this would have on other Bills brought to the House by the Government. It would be a dangerous precedent indeed. The restriction of time leaves no fail-safe mechanism for extenuating circumstances or particularly controversial applications. In suggesting such legislation, the Government is claiming it can see the future. It is becoming apparent that the Government is having difficulty even seeing the present.

There are many vital issues which Bill C-24 fails to address. It shies away from presenting policy on matters of internal government organization. Does the Government intend to make the rules as it goes along? There is no reference to the privileges and immunities of Crown corporations. The Bill does not specify regulations as to whether public servants may sit on Crown corporations' boards of directors. Surely at least minimum qualifications for board personnel must be clearly delineated by legislation. The Bill sidesteps the suggestion that parliamentary oversight committees should monitor Crown corporations. In this matter, the Government could easily avoid the threat of cover-up accusations. If all Parties are taken into the inner sanctum, there is bound to be less suspicion of sleight-of-hand tactics on the part of the Government or the Cabinet itself.

I trust it is becoming apparent, Mr. Speaker, that the present proposal is somewhat narrow in scope, to say the least. The Bill refers only to corporations owned entirely by the Crown. There are over 100 enterprises only partly owned by the Crown in tandem with independent bodies. Those corporations in which the Crown has invested, but does not own, represent a healthy chunk of revenue. Why then, have they been excluded from Bill C-24? I believe that these omissions reveal the haste with which this Bill was drafted by the Government. It is the duty of the Opposition at this time to quash the haste in this issue.

It is our mandate to inject some expertise and finesse into the creation of a Bill concerning Crown corporations in Canada. We intend to institute the necessary checks and balances to prevent the Government from running out of control. The people of Canada require an amendment regarding Crown corporations, but Bill C-24 is nowhere near the answer. Instead, it is the product of Government whistling in the dark. When the Liberals hand us the reins in a few months—which is a decision of Canadians but which the polls show will certainly happen—then perhaps the Liberals will be able to see just how bright the prospects can be under new and responsible leadership.

My colleague, the Hon. Member for Kingston and the Islands (Miss MacDonald), mentioned the news item which appeared in *The Citizen* of Ottawa and in all other papers regarding the de Havilland chiefs being given big bonuses as debts mount. Those bonuses were pretty healthy sums. I can understand a board of directors voting its officers bonuses if they are doing a good job. But de Havilland lost $500 million, give or take, and yet here the officers were presented with bonuses in the neighbourhood of $13,000 each, on top of their salaries which in all cases are probably well over the $100,000 mark. I am not sure whether the bonus announcement has been made by Canadair but, on the same basis, if it is following the principle that the more you lose the more you get, I am sure Canadair officials will be licking their chops when the Government makes its announcement in that respect.

I think we are all aware of matters in Chrysler Corporation. It was almost on the verge of bankruptcy. It pulled itself up by its own bootstraps, aided by some guarantees by the Government, and I will give the Government full marks on that. Chrysler Corporation is a company that has come back and is a real success story. Its recent financial announcement revealed that the corporation had made, I believe, $715 million in the first quarter. Chrysler Corporation also paid Lee Iacocca, the President, a bonus of $700,000, give or take. That is a hell of a lot of money, but that bonus is justified. I suppose it was calculated on the basis of 10 per cent. If Mr. Iacocca was able to turn that company around, then he earned the money. I guess he will pay a good deal of it in taxes. When Crown corporations are able to make profits, then the officers should be given bonuses. And until that time, officers should certainly be paid the originally agreed salaries, or else get their fingers rapped or be fired.

Miss MacDonald: Right.

Mr. Darling: This brings up another point, Mr. Speaker. It concerns government Departments. I see the President of the Treasury Board (Mr. Gray) is here. What about deputy

ministers who are able to save their Departments a considerable amount of money? I know that deputy ministers are not the most underpaid section of the bureaucracy because most of them get a hell of a lot more than Members of Parliament, and I doubt if they put in the hours that Members of Parliament do. Instead of doing what we know these deputy ministers have done in the past, that is, scurry around in the month of March trying to find places to spend money, to spend any unused portion of their budgets so they can go back to the Treasury Board for the same amount of money or even more the following year, if they were paid bonuses if they could save X-million dollars a year, that would be a positive step. I would not be adverse to giving a deputy minister a bonus of $100,000 if he could save the tax payer $1 million. This is something to which we could give consideration. It is certainly a suggestion I hope the next government will take when it comes to power, whether in three months or six months. I know the Government can hang on almost another year. That decision, as you are aware, Mr. Speaker, remains in the hands of the Prime Minister, whoever he or she may be within the next year.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Herbert): There follows a ten minute period for questions or comments.

If there are no questions or comments, we will continue with debate. The Hon. Member for Esquimalt-Saanich (Mr. Munro).

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, this Bill is so faulty, so full of defects, that I scarcely know where to begin my criticism of it. I am really astounded that the President of the Treasury Board (Mr. Gray) should bring forth a Bill which has so many faults in it. There are faults in basic concept. There are faults in translation, which I shall mention as I go along, or perhaps if they are not faults in translation, they are at least attempts to rewrite either the English or the French language, and I am not sure which it is. But so faulty is the Bill that I suppose the best way to get at it is to start at the beginning of the Bill, look at it and see where it seems to be going. I hope the criticisms that I will be able to bring to your attention, Mr. Speaker, and to the attention of the President of the Treasury Board will be sufficiently cogent to persuade him that the Bill needs to be withdrawn.

First, I look at the front page of Bill C-24 and I see that in the English version it is called an Act to amend the Financial Administration Act in relation to Crown Corporations. The French version reads:

● (1600)

Loi modifiant la Loi sur l'administration financière à l'égard des sociétés d'État—

[*Translation*]

It therefore seems that Crown Corporations—

[*English*]

—as they used to be called, have now become "des sociétés d'État." This is exactly the way it was being introduced in the statement by the hon. President of the Treasury Board in March when the Bill was being brought forward. His introductory comments referred to the control and accountability of Crown corporations.

I would like to quote the first paragraph of that statement wherein the Minister indicated that the federal Government believed that new measures were required to strengthen the control and accountability of its Crown corporations. He indicated that this could best be done by clarifying the roles and responsibilities of Parliament, the Government, the boards of directors and the managers of Crown corporations. The whole focus of that opening paragraph was on Crown corporations. What did he do? He brought forward Bill C-24 amending the Financial Administration Act.

I wonder whether the President of the Treasury Board even bothered to look at Bill C-27, which was introduced in the previous Parliament, a Bill to establish the legitimacy of Crown corporations within the Government structure, the means of controlling them, the means of ensuring their accountability and, in addition—and this is one of the greatest defects in this legislation—the means of ensuring that if their job is done they disappear, or sunset laws. There is not even a notion of a sunset law in these particular amendments to the Financial Administration Act relating to Crown corporations. Is that assuming that all Crown corporations which have come into existence deserve to remain in existence? Is there not some provision that the Government could make or ought to make to assure itself that once the functions of a Crown corporation have been satisfactorily concluded or fulfilled, it ceases to exist as a Crown corporation? There is no such notion whatsoever in this Bill of some 140 to 150 pages and all its appendices; it has at least 156 pages of text.

This particular approach strikes me as being not only unusual but an insult to Parliament and to the Canadian people. There are so many Crown corporations in existence—and probably a good many more in the mind of the Government—that they deserve a statute of their own on which to stand or to fall, a statute which could look after the entire structure of Crown corporations and certainly ensure that once they have fulfilled their functions they will be withdrawn. The concept of approaching control and accountability of Crown corporations through amendments to the Financial Administraton Act is a defective one. On those grounds alone this particular legislation deserves to be withdrawn.

I will have occasion to contrast portions of this Bill with Bill C-27 from the Thirty-First Parliament. There was a Bill which dealt exclusively and positively with Crown corporations. It is one which ought to have been a model for the Government to follow in bringing forward legislation purporting to do no more than deal with the control and accountability of Crown corporations.

I said that I would start at the beginning, and perhaps that is a good place to start. Having looked at the title page, I will deal with some of the definitions which are provided. Even there I find either defects, faults or attempts to rewrite either the English or the French language. In English the title of the

Bill is, "an Act respecting Crown corporations and matters related and incidental thereto". In French, the version is:

Loi modifiant la Loi sur l'administration financière à l'égard des sociétés d'État et modifiant d'autres lois en conséquence.

We find that the Crown corporation, a notion which has been around for a good many years, has now shifted and is no longer called "corporation de la Couronne", but "société d'État". Is this deliberate? Is this evasion or avoidance of the mere word "Couronne", something of which this Government is ashamed? Why has it decided to rewrite the French language at this particular time? I find this particular instance strange, and I also wonder a little about the expression "société d'État".

[*Translation*]

Indeed, I have reservations about that French translation. Would it be not more accurate or more correct to say "les sociétés de l'État"? We say "sociétés de la Couronne", so why not say "sociétés de l'État"? If anything is to be changed, it ought to be done correctly. In any case, perhaps it is not too important—

[*English*]

However, it tells me a great deal about the slipshod manner in which this Bill was drafted so that it could be brought forward to the House at this particular time.

Also, I notice in the definitions section of the Bill that the "Crown" is used in English and "Sa Majesté" is used in French. I wonder why they shifted from the symbol to the person. This does not make good sense. Why are they avoiding the use of the symbol "Crown" in French and using the person in its place? I do not know who did it. I know that the Minister is very articulate in both languages. I am surprised that he should have let this slip through. I think it is necessary—and the Minister of Justice (Mr. MacGuigan) would probably agree—that there is a distinction to be made between the person and the symbol. Why get them mixed up in a Bill like this? I thought the Minister of Justice provided some of the legal advice on the drafting of Bills. Was it just slipshod workmanship by the Department that allowed the shift from the English symbol to the French person to be slipped in? I find it most extraordinary that the Government by this means should rewrite one or the other of the two official languages of Canada.

● (1610)

The legislation is drafted in a clumsy, even unmanageable manner. I suggest that it be withdrawn. Back at the drafting board, Bill C-27 could be used as a model to assist the drafters. This is not a Crown corporations Bill as it has been touted. It is an amendment to the Financial Administration Act. It is regrettable that in this day and age, with all the Crown corporations in existence, we should have a Bill brought before us in this shoddy manner.

One of the problems of Crown corporations, particularly in Canada, is the subsidiaries created by Crown corporations. The Salmonid Enhancement Program in British Columbia could take a few lessons from Crown corporations. On the Pacific Coast we are having difficulties in spawning enough fish to make the salmon fishery a thriving industry again. Meanwhile in Ottawa, the Government is busily engaged in producing Crown corporations that spawn subsidiaries at a rate that put our salmon to shame.

Do you know, Mr. Speaker, how many subsidiaries Petro-Canada has? I bet you do not. I read some of the literature related to Petro-Canada, if it can be called literature. Sometimes I look in the appendix or the schedule to the Financial Administration Act. Sometimes I look at the report of the Crown corporations. I find that PetroCan, for example, and I use this only as an example, has 33 listed subsidiaries. I wonder, Mr. Speaker, if you know what Rocair Limited does. I doubt that anyone in this House knows. It is a subsidiary spawned or acquired by Petro-Canada and listed as such. Is GMI Co. (Bahamas) Limited the summer resort to which the PetroCan officials retire when they have had enough of the cold Canadian winter? That is possible. What would it do other than that? These subsidiaries are barely acknowledged in this Bill. They can spawn without let or hindrance.

I am not talking just about PetroCan, which is fairly well known. One of the earlier Crown corporations is CNR. Do you know, Mr. Speaker, how many subsidiaries CNR has spawned in the course of its life? That company which is ours, if we are to believe the advertisements, has 45 subsidiaries.

I placed a question on the Order Paper. I received an answer about two weeks ago. I find that Autoport Limited was spawned in December, 1971 to operate the storage, servicing and distribution area for imported automobiles. That is part of the CNR. Canadian National Steamship Company Limited makes a fair amount of sense. There is Canadian National Hotels (Moncton) Ltd. Canat Limited has its home base in Delaware. It was created for the sole purpose of owning and managing railway equipment purchased with incentive per diem funds in accordance with Interstate Commerce regulations. That is a subsidiary of Canadian National Railways. Some have their operating base in Canada. I do not think there is one in the Bahamas yet.

CN Tower Limited is a subsidiary. Whoa! I had the feeling that we in this House passed legislation creating CN Tower Limited. There is another one related to CN Tower, CN Tower Restaurants (Ltd.). That was created in order to facilitate the separate operation of the restaurants in the CN Tower. That, as you would expect, has its headquarters in Ontario. Another subsidiary is in Minnesota, the Duluth, Winnipeg and Pacific Railway Company. There are several in Delaware. I guess Delaware is a great haven of Crown corporations.

I did not realize my time is about to run out so quickly. I became rather involved in all of these subsidiaries.

A major criticism is the fact that this legislation would put shackles on the House of Commons or the Senate, whichever House receives a motion relating to the creation of a Crown corporation. That is absolutely unacceptable to any respectable parliamentarian. I am ashamed that the President of the

Treasury Board would allow that clause to creep into the legislation. The limitation on the length of debate on this legislation that may be permitted in this House has been written into this legislation. That is absolutely deplorable. There is a period of 30 sitting days, seven hours debate and all that sort of thing.

I want to draw one further matter to your attention, Mr. Speaker, in the half minute I have left. Clause 15 of the Bill requires the parent corporation to report to the appropriate Minister the creation of subsidiaries, not to Parliament but to the Minister. Depending on how much goodwill he has, the Minister may report the existence of a subsidiary to the House of Commons.

Those are some of the criticisms I would level at the Bill. I urgently suggest that the Minister withdraw it and produce a better Bill more closely related to Crown corporations and less to the Financial Administration Act.

The Acting Speaker (Mr. Herbert): There follows a ten-minute period for questions and comments. If there is no one rising to put a question, to continue the debate, I recognize the Hon. Member for Regina West (Mr. Benjamin).

• (1620)

Mr. Benjamin: Mr. Speaker, I found it fascinating when listening to my friends from the Official Opposition—

The Acting Speaker (Mr. Herbert): Order, please. I regret to interrupt the Hon. Member before he has started but I have a little job to perform right now.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Herbert): It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Athabasca (Mr. Shields)—Crown Corporations—Northern Transportation Company Limited (a) Date of decision to sell (b) Disposal of Athabasca assets; the Hon. Member for Mississauga South (Mr. Blenkarn)—Canadian National Railways (a) Request that subsidiary operations be privatized (b) Government policy; the Hon. Member for Kindersley-Lloydminster (Mr. McKnight)—Railways (a) Level of investment by railroads (b) Size of investment to move grain.

GOVERNMENT ORDERS

[*English*]

FINANCIAL ADMINISTRATION ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Ouellet that Bill C-24, an Act to amend the Financial Administration Act in relation to Crown corporations and to amend other Acts in consequence thereof, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

Mr. Les Benjamin (Regina West): Mr. Speaker, I found it interesting and a little bit amusing to hear my good friends from the Government side and from the official opposition side speaking about Crown corporations, because they are all somewhat schizophrenic about Crown corporations. They believe in Crown corporations if necessary but not necessarily in Crown corporations.

In the history of the western industrial world, Crown corporations have been inaugurated when Governments of all political stripes have taken over or provided the services of the private sector. There is nothing new about that. The question to be asked is why Crown corporations exist. If the free enterprise capitalist system is so good and if it works so well, there would be no need for Crown corporations. However, even the free enterprisers and the capitalists have admitted that the weaknesses in their own system have necessitated the inauguration of Crown corporations. When private enterprise Governments have asked themselves why they have inaugurated Crown corporations, invariably the answer has been because the private sector could not or would not occupy that area of economic or social endeavour in the economy.

There is another reason for the existence of Crown corporations which was endemic in the early years of Crown corporations in Canada. A federal Liberal Government or a federal Tory Government would start a Crown corporation, not because it believed in it; not because it served a necessary public good, need or demand; not because the private sector would not fulfil the role, but because the private sector could not fulfil the role. The histories of Canadian National Railways and Trans-Canada Air Lines-Air Canada are classic examples of this. Canadian National Railways was made a Crown corporation not because the Government of the day thought there was a need for a publicly-owned national railway system but because the Government wanted to bail out five bankrupt railway companies. The Crown corporation started off with a debt of something in the order of $1.5 billion, which in 1922 or 1923 was a sizeable sum in today's terms. It was done for that reason only. The bondholders and the banks got their money and the taxpayers have paid ever since.

During the 1920s, the 1930s, the 1940s, the 1950s and the early 1960s, we heard the hue and cry how Canadian National was losing money and Parliament would have to vote to give it $200 million or $800 million. Since I came to the House, every

year we have had to vote to supply Canadian National with amounts of money which were in that range whenever the CNR financing Bill came to the House. We heard the hue and cry about how terrible it was that this Crown corporation was losing all that money. However, as soon as it starts to make money, we hear the hue and cry from the same people who now say that these Crown corporations have no business making money and they should be privatized. I find that strange.

When a Crown corporation is making money, surely it benefits the taxpayers. Members of the Official Opposition and the Liberal Government claim to be sound businessmen who use sound business practices. Why would they want to sell off the corporations that are making money? Why do they not try to privatize the corporations that are losing money and save the taxpayers that expense? In my province, we have heard that same hue and cry over the last two years. We have heard it in this place and we read about the hue and cry over privatizing Crown corporations in the financial pages of the newspapers. The fact of the matter is, Mr. Speaker, that in a modern industrial economy, whether it be that of Canada or of a host of other countries, enterprises take the form of one of the following or a combination of two or three of the following: public enterprise, co-operative enterprise or private enterprise, That is called a mixed economy. The trouble is that Crown corporations run by Liberal and Tory Governments create a mixed up economy.

Our national governments have never formed Crown corporations because they believed in them. They set them up either to bail out bankrupt private-sector companies and save hundreds of millions of dollars in losses for mainly wealthy investors or because there is a public need either locally, regionally or nationally which the private sector refused to fulfil. In the latter case, the Government of the day has no choice but to establish a Crown corporation. There is nothing intrinsically bad or intrinsically good about Crown corporations.

The necessity for accountability of Crown corporations is something about which Members on all sides of the House agree. The question is how we go about getting that accountability. I am proud of the history of the Government in my province. In the early days of the Tommy Douglas administration of the 1940s, a legislative Crown corporations committee was set up. The annual reports of provincial Crown corporations automatically by statute went before that Crown corporations committee. I do not think that that would be practical in the federal Parliament because there are several times as many federal Crown corporations as there are provincial Crown corporations in any given province.

No one parliamentary committee could by itself deal with all of the annual reports and get accountability from all of the Crown corporations. Therefore, it would seem to make sense that, by statute, the annual report of every Crown corporation should be referred to the appropriate standing committee of Parliament. That would be a good beginning, and that system is in place in the case of a number of Crown corporations. One of the very few times, and in fact perhaps the only time, a former Minister of Transport, Mr. Lang, accepted an amendment I proposed was when it was made statutory that the annual report of Air Canada be referred to the Standing Committee on Transport. That requirement is now incorporated into the Act and applies to Canadian National Railways as well. It should apply to all Crown corporations.

Something more must be done regarding accountability. First, each standing committee should be appropriately staffed with accountants, research staff, actuaries and whoever else is required so that every member of a committee, no matter to which Party he belongs, can be armed with information and questions to ask which have been arrived at independently. This must happen if any member of a committee is to be able to fulfil his duties by asking appropriate questions and demanding appropriate answers.

Second, as and when a Crown corporation's annual report goes before a standing committee, the committee meetings should not only be public but the public should also be free to appear and put forward their concerns, complaints and questions. I hope I am not speaking out of turn, but this might be starting to occur. It may well be that in the next week or two, the Transport Committee will decide to hear one or two witnesses other than those of Via Rail when it deals with Via Rail's annual report. And why not? Why not provide an opportunity for groups and individuals to appear? It would seem to me that when a committee reports to the House on its dealings with an annual report of a Crown corporation, it should feel free, even though it may well recommend things that are contrary to current Government policy, to report such and to recommend such. It still remains the prerogative of the Government, whoever is in power, to decide whether or not it will accept or reject those recommendations in whole or in part. That is the final responsibility of the Government. I have no quarrel with that, so long as each individual member of a standing committee has some degree of independence, whether he be on government side or on the opposition side.

● (1630)

It seems to me also that there will be—and undoubtedly should be from time to time, depending on the kind of enterprise that it is—joint ventures. There should be a mix. Frankly, I would like to see, for example, Petro-Canada, federated co-operatives, the United Co-operatives of Ontario, and one or two private companies in joint ventures.

I think my hon. friend from Ottawa Centre (Mr. Evans) raised the matter of privileged information, private and confidential information, in joint ventures. I would see nothing wrong with having part of the hearings—where it was a joint venture in which the private sector and the co-operative sector were involved—held *in camera*. The committee could report in confidence to the Government with its recommendations. Because every Crown corporation has to operate within the framework of the general policy laid down by the government of the day, and it is the duty of the board of directors to pass the internal policies of the Crown corporations that stay within

that over-all framework laid down by the policy of the government of the day, in terms of the over-all accountability it is the duty of those who administer and manage the Crown corporation to manage it on a day-to-day basis and conduct the operations within the context of that policy. If there are any failings by way of policy, then it is the government of the day and the board of directors who are accountable. If it is a failing in day-to-day operations, the day-to-day, week-to-week, month-to-month management of the corporation, then it is they who are accountable. They can be and should be accountable to a standing committee of this House.

I would like to turn now, Mr. Speaker, to the matter of the right of the Auditor General to audit as a matter of right. I have no objection to that provision being there. I would be very surprised, in fact, and it would be an extremely remote occurrence if the Auditor General exercised that right on every single Crown corporation every year. He would pick out two, three or four a year and maybe different ones each year. If he were to audit, as a matter of right, every single Crown corporation, he would need a staff of another 2,000, 3,000 or 4,000 people. Then of course he would have the Chartered Accountants Association of Canada madder than heck at him. But in any case, there is no reason why the Auditor General should not, if he feels that a standing committee was unable to dig up enough information or could not adequately carry out its task, pick out a certain Crown corporation and do an audit on it. Why should he not? Then the appropriate standing committee could deal with that audit also in the next annual report of that same Crown corporation.

When it comes to Crown corporations, one hears much about losses, breaking even or profitability. It depends on what kind of Crown corporation it is and what it is there for. If it is of a public utility nature, something that the public utilizes, something for which there is a public need and of which there is a public acceptance regardless of whether it loses money some years, breaks even some years, and makes money in some other years, those are not the criteria for the existence of that Crown corporation. If it provides an essential public service and most years loses money, then the nation as a whole shares in the cost of those losses. In order to provide an essential and needed public service or public utility, whether it be national in scope, regional, or local, you cannot have a Crown corporation operating only on the criterion of its profitability.

Mr. Speaker, one looks at Canadair, de Havilland, Chrysler and so forth. Governments, of whatever political stripe, have to decide if they should make it a Crown corporation, or do they lend it money, or do they guarantee its loans? Whatever route they choose to follow they have to take it in order to keep that particular enterprise viable either economically or in terms of long-term prospects to preserve employment, to preserve technology and to keep well trained people in the country. That is a legitimate decision for a government to make. The question is not how much de Havilland or Canadair lost. The question is, on the other side of the coin, are the present short-term or long-term prospects and benefits sufficient to make any losses now perfectly justifiable? Some of that will have to be guesswork. But it seems to me in general that it is a worth-while effort for a government of any political stripe to make.

It was also mentioned that every Crown corporation should have its own legislation. I for one agree with that. We have been trying since 1975 to get a VIA Rail Canada Act out of this Parliament. We still do not have one. VIA Rail Canada operates on a $1 vote from the Estimates of 1975. The operations of VIA Rail Canada are subject entirely to whatever the Minister of Transport of the day decides. He can do absolutely anything he wants with it. Even if he were to do something that we all agreed with, would that be appropriate? Is that appropriate? Surely a Crown corporation should have the legislation that allows it to exist as a totally legal entity, accountable and answerable to Parliament.

On the issue of accountability, we all agree that there should be a maximum of accountability from Crown corporations. I only wish we had the same degree of accountability from the private sector. In the overwhelming majority of cases, shareholders in private corporations do not know and cannot find out what is being done with their investment. They cannot find out about the goofs and mistakes that occur in private corporations. I am sure there is nobody in this House who will tell me that private corporations do not make goofs. They do. If you went to the annual meeting of Canadian Pacific Limited and tried to find out, Mr. Speaker, you would not have a chance. I wish we had legislation that would require the same kind of accountability from the private sector as that which we are asking for in Parliament from Crown corporations. Let us keep, Mr. Speaker, the principle of the necessity of Crown corporations in various sectors of the economy as an essential part of a western industrialized nation. It is in conjunction with a mixed economy, the co-operative movement and the private sector that Crown corporations should function, not only with full accountability but also with the ability to go into joint ventures and derive the maximum benefit, whether economic, financial or social, for the people who put up the money, namely, the people of the country. That is all that is required, but that is a large order. Surely that is what this Parliament should be doing.

● (1640)

Mr. Blenkarn: Mr. Speaker, I was wondering if the Hon. Member could advise us whether it is still the position of the NDP to call for the nationalization of CPR by turning it into a Crown corporation? In view of the fact we have had a number of Crown corporations losing money, is that the kind of thing he says we should continue to do?

Mr. Benjamin: Mr. Speaker, I than my hon. friend for the question. I was afraid he would not ask it. Too often, and it has occurred with Liberal, Tory and NDP Governments, we have taken over losers. Well, here is a winner we should take over.

Mr. Gamble: Then we can make it a loser.

Mr. Benjamin: I say that because, for historic and economic reasons relating to the welfare and good order of the entire

national economy, it does not make good private enterprise economic sense to have competing railroads. They are a public utility and provide a service everyone has to use, directly or indirectly, whether they like it or not. If it were logical to have competing railroads, it would be equally logical to have competing highways, sewer systems, water lines, power lines, and telephone lines. However, anyone suggesting that would be locked up.

It is a longstanding Party policy to take over Canadian Pacific Limited. This will continue, I am sure, for a long time to come, until it happens, as it will one day. It may well be a Liberal or a Tory Government which will have no choice but to take it over. We suggested a way of doing this during the debate on the Crow Bill last year. In return for any capital funds given to CP by the Government of Canada, the Government would take common voting stock in the company. What is wrong with the taxpayer as a public investor having an opportunity for a return on that investment the same as a private investor? It makes good business sense and protects the taxpayer's investment.

We need to put that enterprise under public ownership, Mr. Speaker. Some of it we might sell off. I do not know if we would want to stay in the hotel business. I am sure we could make a bundle selling off Marathon Realty. That would be a nice change for the taxpayer. However, given the transportation needs of this country, Canadian Pacific Limited, in all of its transportation aspects, should be under public ownership as a Crown corporation and answerable to Parliament.

Mr. Blenkarn: Mr. Speaker, in view of his statements, would the Hon. Member agree that the CNR should sell off its hotels, which, as he knows, lost $2.7 million last year? Is it his view that the Government should be running hotels and supplying accommodation for the less fortunate, as the Chateau Laurier does? Or does he think we should build more CN hotels so we can lose more money? Is that the policy of his Party?

Mr. Benjamin: Mr. Speaker, the Hon. Member did not ask me that question in any year when CN hotels made money.

Mr. Blenkarn: When did that happen?

Mr. Benjamin: There were not very many of them. Private as well as public transportation companies, airlines, and railroads all over the western world have hotels as a necessary adjunct to their transportation system in order to keep their customers as long as possible. What is wrong with that? CN was looking at privatizing its hotels and shopped them out to the Hilton chain to operate them for CN. That was a disaster and so CN has had to take some of the management them back. The hotel business, whether owned by a Crown corporation or privately, has been going through some tough years. That is no reason to condemn public ownership of hotels. If it is, I suppose there is no reason either why Canadian Pacific should own hotels, because that is costing shareholders money. But the CPR directors are not accountable to their shareholders the way CN is to Members of Parliament. I would be inclined to keep the hotel operation.

I note there are various rail, airline and other sundry operations in Europe which own, in whole or in part, hotels, resorts, condominiums and shopping centres, you name it. It is strange that it is all right for the private dollar but not for the public dollar. That kind of double standard has been prevalent too long under successive national governments. What is so holy about a private dollar and unholy about a public dollar? Public dollars do as much or more good than private dollars. If a hotel as an adjunct to a transportation system is a good and sensible part of the operation to deal with tourists and the travelling public, then it should have some hotels. Why not?

Mr. Blenkarn: Mr. Speaker, I am interested to find out that the railways are carrying passengers again. It was my understanding that the passenger service had been designated to VIA Rail. Perhaps the Hon. Member could tell us about the express operations of CNR. For example, CNR has lost considerable money over the past several years on its trucking services. Would he have them sell those trucking services? As he knows, private truckers all make a profit and pay corporate taxes and so on. Does he think it is the business of the Government to own trucking companies?

Mr. Benjamin: Mr. Speaker, first I should tell the hon. gentlemen that VIA Rail, even though it is a one dollar item in the Estimates, is classed as a class of railway. Under the laws of Canada and under the North American Association of Railroads, it is a class 1 railway.

Do I think CN should sell its trucks? Mr. Speaker, I do not think they should, because no one would buy them right now. It would be a dumb time to try to sell them if they are losing money, unless you plan on giving them away to some friends. I do not think my hon. friend is like that. There might be some Members on the Government side willing to do that, I do not know. But, again, where a Crown corporation like CN uses trucks to take advantage of the highway system and the various laws and regulations in each province which enables it to do it cheaper than it could do it by rail, that is one thing. But if it is at the same time hauling heavy bulk commodities by truck, that is economic stupidity. I would prevent CN from long distance trucking iron ore and heavy steel products and what not. That is not the place for the trucking industry. I would prevent CN from entering that area of transportation which any transportation economist will tell you is just sheer nonsense. It is a loser, and it has been finding that out the hard way.

We had the bitter experience in Saskatchewan of trucking potash. The province had to rebuild a highway and then the potash mine, which was privately owned, had to agree to pay so much money to rebuild the highway. In the end both the taxpayer and the potash mine lost money. That is dumb. You do not haul heavy bulk commodities on the highway for long distances at high speed. It makes no sense. No government of any political stripe would countenance that, given the experience we have had.

If CN's trucks are a necessary adjunct to its transportation operation, then it should retain its trucking sector. That is part of the whole transportation package.

• (1650)

Mr. Taylor: Mr. Speaker, I have just a quick comment and then a question. When the President of CDI Corporation checked Canadair last year he found that it had 22 vice presidents and he cut them down to 12. A few were retired. The difficulty with Crown corporations is that the employees multiply like rabbits. If the hotels of our railways were taken over by the Government, the first thing that would happen is that the number of employees would double. That is a bad part about Crown corporations.

If Crown corporations can do so well with hotels, why are they not doing so well with the post office? They have certainly had a wonderful chance there.

The Acting Speaker (Mr. Guilbault): Order, please. I am afraid that the time allowed for the question period is over now. We are reverting to debate.

Mr. Benjamin: Will you not let me answer his question? I am sure you will get unanimous consent.

The Acting Speaker (Mr. Guilbault): Is there unanimous consent for the hon. gentleman to answer the question?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Guilbault): The Hon. Member for Regina West (Mr. Benjamin).

Mr. Benjamin: Mr. Speaker, the only thing I have to say about the post office is that no one anywhere in any political party in the whole western world, or perhaps the whole world, would suggest for one moment that postal services should be part of private enterprise. That is some kind of dream world. I do not know of post offices that make money anywhere in the world, at least it would be very rare. The public does not expect them to as long as they get the service. If there are some losses, the public is prepared to share in the cost as long as they get the service. That has been the problem.

On the matter of the number of officers of Crown corporations, I plead with my good friends to the right, both physically and politically, not to condemn Crown corporations because of stupid government policies that allow a Crown corporation to have a dozen vice presidents. It is not the fault of the Crown corporation; it is the fault of government policy. Do not condemn a Crown corporation because of that. Go after the ones who did it. Do not blame the person who happens to be the vice president in charge of Wicker Chair in the lobby of all the hotels. He may have been a former Liberal organizer or something. Blame the Government that allows that to happen. It lays down the overall policy.

One of the disasters of laying down an overall policy occurred when Mr. Lang, a former Minister of Transport, instructed the board of directors of Canadian National to start making a profit. Ever since then it has been downhill. There have been lay-offs and cancelled services from coast to coast because of an outrageous demand by the Government for CN to start making money. This has hurt a lot of Canadians. Surely that is the wrong reason. It is not the number of vice presidents but the policy of the Government which allows that to be at question. It is not the principle of whether you should have a Crown corporation.

Mr. Ron Stewart (Simcoe South): Mr. Speaker, it is a pleasure for me to join my colleagues today in expressing my condemnation of this latest attempt by the Government to hoodwink Canadians. There has not been a major overhaul of Crown corporation legislation since 1951. The Liberals have been considering changes since 1972 and, as my colleague from Calgary South (Mr. Thomson) has pointed out, have been promising reform since 1977. This has not come about.

Now that we are into an election year, the Government has produced a most flawed piece of legislation in an attempt to convince Canadians that they will gain control over the monsters that have been created. Most of these are not really Crown corporations but are Crown corpses and should be buried.

As has been pointed out by previous speakers, there is no provision for any sunset laws in the legislation. The legislation will not work the way it is, Mr. Speaker. It will not work because the legislation is flawed and because we will let Canadians know that this is another example of the tired Government that has run out of fresh ideas. The current leadership race of the governing Party is evidence of that.

The biggest flaw in this Bill is that it does not deal with all of the Crown corporations that have been set up by this Government to interfere in the private sector, which is the engine that drives our economy. It applies only to about 183 Crown corporations, a little less than half of the total amount. Note, Mr. Speaker, that we cannot talk precisely about the number of these corporations because no one really knows for sure how many there are or what they do. Any number of Crown corporations can be exempted from this legislation by Cabinet. That is one of the major flaws. The Bank of Canada, the Canadian Wheat Board and the IDRC are excluded. If this is a good piece of legislation, why does it not apply to all Crown corporations? If it is bad legislation, why apply it at all? The trouble with this legislation is that it raises more questions than it answers.

Why, for example, will Cabinet be given the power to deny information to Parliament without explanation? Why is this so in a Bill that purports to make Crown corporations more accountable to Parliament? Why will Cabinet be given the power to amend the Bill, by regulation, without informing Parliament? There were see shades of metric. Why will a Crown corporation be able to operate freely, with Cabinet approval only? Why will Cabinet have the power to regulate how Crown corporations dispose of property and what is done with the proceeds? Why will Cabinet be responsible for appointing boards of directors and chief executive offciers as

well as setting pay scales? Why is there a clause giving Cabinet the power to alter the by-laws of Crown corporations?

I will tell you why, Mr. Speaker. It is very simple. It is because, to a Liberal, parliamentary accountability is a contradiction in terms. Everyone in Canada now realizes the low esteem in which the lame duck Prime Minister views the institution of Parliament and its Members. He has expressed it publicly. It often borders on contempt. Government by Order in Council has become a way of life under that administration, and Parliament has been turned into a rubber-stamping organization. Its only corollary that I can think of, Mr. Speaker, is the Politburo of the U.S.S.R. State and centralized control is the desired effect. That is why we have Bills such as this before us. That is why this Bill gives all the power over Crown corporations to the Cabinet. It would never occur to Members opposite to seek the approval of Parliament when it comes to spending the taxpayers' money, as has been pointed out by the Hon. Member for Bow River (Mr. Taylor) this afternoon.

Lack of accountability and lack of trust is what this is all about. In this morning's *The Toronto Sun* there is an editorial about the Canada Unity Information Office, which is a Crown corporation. It indicates that it began in a tiny way with $10 million, which is mere peanuts to the Government. The CUIO was supposed to counter separatist rhetoric. Perhaps it did, but the CUIO is still operating after the separatist business is all washed up and its budget has tripled. I would like to quote the final paragraphs of that editorial, Mr. Speaker. It says:

> And that's how come the CUIO got into the business of printing a 52 page booklet praising the virtues of eight Quebec Liberal MPs to a few hundred thousand households in their ridings.
>
> The booklet didn't cost that much—just $158,000—but multiply that by all the other patronage, rip-offs and handouts our governments give their favorite sons and daughters and it adds up.
>
> A lean, small, accountable bureaucracy is not just knee-jerk thinking. It's necessary to prevent layer after layer of civil servants, playing with taxpayers' dollars in a moral vacuum that destroys the citizens' trust in government and bureaucrats' own moral worth.

That is why we want accountability in this Bill. We know what the Government has done. You cannot trust it. Canadians do not trust it. Canadians will remember that from 1968 to 1984 Government spending increased 751 per cent. That is why we want accountability. The deficit increased almost 6,000 per cent and the interest on that debt increased over 1,300 per cent. Right now 31 per cent of the Government's revenue goes for interest alone. That is why it is not trusted. That is why it must be replaced. That is why we oppose this legislation. People will remember that the dollar fell from 93 cents U.S. to 78 cents. Business bankruptcies increased 314 per cent. Should we trust it not to have accountability? I hope not. Why has all this come about? Because the Government did not care to consult Canadians on how their own dollars were being spent.

• (1700)

The Acting Speaker (Mr. Guilbault): It being five o'clock, the Chair regrets to interrupt the Hon. Member. He may have time to complete his remarks when the Bill is before the House again.

[*Translation*]

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

PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*Translation*]

The Acting Speaker (Mr. Guilbault): Shall all orders and items preceding item No. 25 stand?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Guilbault): Agreed.

* * *

[*English*]

CONSTITUTION ACTS, 1867-1984

MEASURE RESPECTING TENURE OF SENATORS

Mr. Bill Yurko (Edmonton East) moved that Bill C-231, an Act to amend the Constitution Acts, 1867-1984 (tenure of Senators) be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, I am very pleased to bring before the House once again the urgent matter of Senate reform. More specifically, I move second reading of Bill C-231, an Act to amend the Constitution Acts, 1867-1984, tenure of Senators.

Permit me to read the last paragraph on page 41 of the Special Joint Committee on Senate Reform. It reads:

> The question may be asked: if a system of direct election is not established, should the term of those senators who have already been appointed for life or to age 75 be shortened? We believe that this question should be addressed if and when it becomes clear that an elected Senate is unlikely to be put in place. It may, however, be noted that the turnover of membership in the Senate has been fairly rapid. From 1970 to 1980, for example, 59 per cent of the seats in the Senate became vacant. This would suggest that not many years would elapse before most Senators had been appointed for nine-year terms.

I would like to read the explanatory note from Bill C-231 before I get into my remarks. It reads:

> Recently, the Special Joint Committee on Senate Reform recommended a single nine-year term for newly appointed Senators. If implemented, such a recommendation would create three classes of Senators: those appointed for life, those appointed until age seventy-five, and finally, those appointed for a nine-year term.
>
> This bill, in contrast, would create one class of Senators by making all existing appointments subject to a nine-year term or retirement at seventy-five years of age, whichever occurred first. Because this amendment would not affect paragraph 42(1)(b) of the Constitution Act, 1982, 'the powers of the Senate and the method of selecting Senators', it could be passed by Parliament exclusively

without recourse to the general procedure for amendment requiring provincial approval.

Concurrently with the passage of this Bill, it can be expected that Parliament will pass legislation to adjust the statute law relating to the retiring and severance allowances of Senators.

I recognize fully that the current problems facing the nation are economic in scope and priority. Nevertheless, there is a larger problem facing Canadians that must be seriously and urgently addressed. That is the need for the reform of our federal institutions, and Senate reform tops the list.

The speech given by the Prime Minister (Mr. Trudeau) on March 30, 1984, at the colloquium organized by Laval University students concerning reform of federal institutions is well worth reading as reference is made there to the need for Senate reform.

On this matter of Senate reform we must ask ourselves two questions. The first question is, why has Senate reform been pursued with such vigour over the last dozen years? Second, why have we failed so miserably in effecting any meaningful reform whatsoever?

Permit me to try to answer these two questions from my own perspective. First, the reason Senate reform has been pursued so vigorously over 12 years is that Canadians in general and we in Parliament have realized that the Senate has lost its relevance. It has neither legitimacy nor accountability nor independence and it has doubtful authority. It sure has continuity. Longevity and stability.

There is an increasing public revulsion against any institution giving lifetime tenure without accountability to anyone in our society. There is a revulsion against handing out guaranteed tenure of 30 to 40 years because of political friendship or political compatibility. There is no sense of fairness, no sense of justice, not even a sense of propriety to such overwhelming patronage.

Canadians are saying that political patronage is acceptable but it must have limits and not be abused. An increasing number of Canadians are becoming committed to Senate abolition if meaningful reform is not soon effected. I am against abolition.

In 1972, a special joint committee of the Commons and the Senate co-chaired by Senator Molgat and the then Minister of Justice extensively studied Senate reform and put forth a proposal. In January of this year, another joint committee chaired by the same Senator Molgat and the Hon. Member for York-Scarborough (Mr. Cosgrove) issued another report after extensive hearings. How greatly the two reports differeed! They are as different as night and day. What a revelation occurred in a mere 12 years!

In the interval between these two special joint committees we had the following studies and reports: the federal Government Bill C-60; the Ontario Government proposal; the B.C. Government proposal; the Pepin-Robarts Council of the Federation proposal; the Quebec Government proposal; the Senate 1980 proposal; the Alberta Government proposal; and the eighth was my own proposal, Private Member's Bill C-640. All the nine previous proposals prior to the present one recognized and advocated the need for direct provincial involvement in the senatorial selection process.

Why has this matter of Senate reform been pursued so vigorously and yet no action has occurred? It is downright irresponsible, though a significant effort was made by the federal Government with its Bill C-60 in 1978. The 1972 special joint committee chaired by Senator Molgat and the Minister of Justice recommended an appointed Senate of 130 Members, with one-half appointed federally and one-half appointed from provincially supplied lists. They were to be lifetime appointments with mandatory retirement at age 70.

The western provincial representations were doubled to 12 for each of the four western provinces. The Yukon and Northwest Territories representation was also doubled from one to two each, increasing the total from 104 to 130 Senators.

Twelve years later a special joint committee, co-chaired by Senator Molgat and the Member for York-Scarborough, recommended an elected Senate, expanding the size from 104 to 144 Senators. It also recommended a doubling of the Members from each of the four western provinces, with an additional increase of 12 Senators for the four Atlantic provinces and an increase of four for the Yukon and the Northwest Territories. All Senators in this most recent proposal would be elected for non-renewable terms of nine years.

Almost unanimously, the recommendations were for: one, the election of Senators to provide legitimacy and accountability; two, a nine-year non-renewable senatorial term to provide independence and a more frequent turnover to increase effectiveness and remove the deadwood; three, equal regional representation from what might be considered the six regions of Canada, each with 24 Senators, for a total of 144 Senators. These six regions, as I see them, are the B.C.-Alberta region, or the Mountain region; the Saskatchewan-Manitoba region, or the Prairie region; the Ontario region; the Quebec region; the Nova Scotia-New Brunswick region, or the Acadia region as I call it, and a supposedly complex, somewhat fanciful region composed of the Yukon, the Northwest Territories, Newfoundland and Prince Edward Island, having a total of 24 Senators altogether. I must conclude that the above distribution may be difficult for Ontario and Quebec to swallow. Of the above structural recommendations only the term of nine years can be effected constitutionally by Parliament. All other structural reform recommendations need the constitutional approval of seven provinces having at least 50 per cent of the Canadian population.

• (1710)

In my view, Parliament should move immediately to introduce the nine-year term to provide more independence, more frequent turnover, and more effectiveness. This type of amendment, which is what Bill C-231 effectively accomplishes, is politically responsible and necessary. It is a giant first step in Senate reform. If a nine-year non-renewable term is desirable for an elected Senate, then surely it is even more desirable for an appointed Senate.

In my opinion, a nine-year non-renewable senatorial term would provide the turnover dynamics which would tend to reduce regional and federal-provincial tensions. Co-operative federalism would be advanced and national unity would be enhanced.

This simply must be the first act on Senate reform. The other recommendations may bog down in federal-provincial wrangling. Let us do it as a House of Commons. We must effect Senate structural reform a step at a time. During the last 18 years, two minor Senate reform proposals were passed. In 1965, the senatorial tenure was limited to forced retirement at age 75. However, 16 senators still have lifetime tenure. Canadians do not accept the continuation of this anachronism of the past, and neither does Bill C-231. All present Senators above 75 years of age should retire or be retired. The Senate should establish a senior advisory council of retired Senators which would meet periodically and provide advice to Parliament. Former Senator Forsey is performing a useful and similar advisory role now. The Senate should implement an appropriate pension plan. In 1975, another minor change was passed which added two additional Senators to give both the Yukon and the Northwest Territories representation.

But why has there been no meaningful structural Senate reform in the last dozen years in light of the ten proposals put forth? I believe it is because the size of the package has always been too large and too complex for the Canadian federation to swallow in one gulp. A more step-wise process is advisable. Was not the pursuit of too large a package the prime reason for decades of failure in constitutional reform and patriation itself?

Of course it was. The Prime Minister in his March 30 speech at Laval University effectively acknowledged this realization. A two or three stage or step-wise process for reform of the Senate is also necessary and workable.

I simply do not agree with the contention that if Parliament acts to effect Senate reform, where it can do so without the agreement of the provinces, it may jeopardize the achievement of reform where approval of at least seven provinces having 50 per cent of the Canadian population is necessary. In fact, I believe the converse to be more accurate. Indeed, if Parliament acted to incorporate the nine-year non-renewable term on its own, this would signify the beginning of reform, and the Canadian people would then put significant pressure on the provincial Governments to go all the way with the joint committee's recent recommendations. Certainly such action would whet the public appetite for Senate reform.

I agree fully with the statement in the special joint committee's report which stated:

> We were told frequently that, after so many abortive attempts at Senate reform, the time has come for vigorous action—for fundamental change in the Senate—and that it would be a mistake to adopt inconsequential reforms.

Well, Bill C-231 is a giant step and the first step in fundamental reform of the Senate. And it can be done by Parliament. So let us do it. And as we do it, let us continue negotiations with the provinces to entrench constitutionally the remaining recommendations of the special joint committee. I believe that the provinces will accept some of the recommendations, such as increasing the size, perhaps even to 144, to provide more equitable regional representation. However, in my view, many moons will set before the provinces accept an elected Senate. The people of Canada will have to push the provinces into accepting a fully elected Senate. The provinces will continue to demand direct or indirect provincial appointment of Senators as was proposed in all nine proposals prior to the present joint committee report. But in time either a fully elected Senate will be a Canadian reality or else the Senate will disappear. Only then will a Senator have legitimacy, accountability, and independence.

Since coming to this House in 1979, and even as a provincial Member, I have worked increasingly on federal institutional reform. Senate reform has been one of my top priorities, as was patriation of the Canadian Constitution. In the last five years, I have issued many letters and reports, and I have taken several initiatives through private Member's Bills and resolutions in this assembly on Senate reform. I am convinced that we are now on the threshold of reform of this institution, mainly because the people demand it. Reform of the Senate should be a major plank in the election platform of each political Party in the next election. Those politicians and would-be politicians with an eye focused on the future will make it an issue.

I trust that the people will respond to their cries for Senate reform and that the next House of Commons will be filled with elected Members in all Parties demanding Senate reform. I think that Senate reform will come to pass during the four to five-year tenure of the next Parliament of Canada. It is interesting to recall that the Prime Minister in 1968, when he was seeking to become Leader of his Party, had Senate reform as one of his top planks in his platform. What are the views on Senate reform of today's would-be Prime Ministers who roam the country? Why do they not speak with conviction? Some have, but not all.

But let us approve second reading of Bill C-231 today and let us send it to committee for additional consideration.

Hon. Roger Simmons (Burin-St. George's): Mr. Speaker, first I would like to commend the Hon. Member for Edmonton East (Mr. Yurko) on his continuing campaign to encourage parliamentary and public debate on Senate reform. Indeed, some of us will recall that just over a year ago, in April 1983, we discussed another Bill proposed by the Hon. Member for Edmonton East, Bill C-640. It dealt with structural reform of the Senate. It was a detailed and comprehensive proposal, and a number of Members recognized then, as they do now, that it was a good and thorough piece of work on the part of the hon. gentleman.

The Hon. Member for Edmonton East later appeared as a witness before the Special Joint Committee on Senate Reform. He modified his proposal somewhat on that occasion, but I know his ideas and strong belief in Senate reform caught the attention of the members of that committee at that time.

Tenure of Senators

● (1720)

On April 4, 1984, the Hon. Member introduced Bill C-231 which is now before us. It proposes that all future Senate appointments be for a single nine-year term and that all existing appointments be subject to a nine-year term or retirement at age 75, whichever occurs first. The Bill's explanatory notes show that there is some similarity between the proposal before us today and one of the recommendations in the recent report of the special joint committee. I would suggest that in order to assess the merit of Bill C-231, we need to look first at the work of the special joint committee, for its work has influenced public debate on Senate reform and, arguably, accounts partially for the nature of the constitutional amendment which is now before us as proposed in this Bill.

The Special Joint Committee on Senate Reform was established by a motion of both Houses of Parliament in December 1982. The most important part of its mandate was the following:

To consider and report on ways by which the Senate of Canada could be reformed in order to strengthen its role in representing people from all regions of Canada and to enhance the authority of Parliament to speak and act on behalf of Canadians in all parts of the country.

The committee began to hold public meetings in Ottawa in May, 1983. By the end of June, it had already heard from a large number of academics, interested groups, Members of both Houses and others. During the committee's first round of hearings, the Minister of Justice (Mr. MacGuigan) appeared as a witness and presented a discussion paper on Senate reform on behalf of the Government of Canada. That paper did not put forward a detailed government position on Senate reform. However, it contained a number of significant statements that revealed both the Government's interest in Senate reform and some of its general inclinations on the relevant options. I would like to refer to a couple of those statements this afternoon.

First, it seems clear that the Government saw the launching of the special joint committee as the beginning of a second phase of constitutional renewal. In its introduction, the Government's discussion paper referred to the three steps in constitutional reform that had been suggested in 1968 in Mr. Pearson's paper entitled "Federalism for the Future". The discussion paper stated that with the patriation of our Constitution and the adoption of the Charter of Rights and Freedoms, the first stage had been largely completed. The paper then went on to say:

The Government of Canada believes that it is now time to begin the second: to strengthen the national institutions of Government, beginning with the Senate of Canada, the chamber of Parliament in which Canadians were intended to be represented on the basis of regions, rather than strictly on the basis of population. In due course, we will then be able to take the third step on the path of renewal, for which the Royal Commission on the Economic Union and Development Prospects for Canada is already preparing the ground.

I believe that those words in the introduction to the discussion paper on Senate reform are worthy of note. In my view they illustrate this Government's interest in the reform of our national institutions and its belief in the importance of Senate reform in particular.

It seems clear to me from reading the discussion paper that the Government hoped the committee would give particular attention to the Senate's role in regional representation. The paper defined the regional representation role of second Chambers in federal states as "the representation of the regions or the constituent political units on a basis other than representation by population". The Government's particular interest in improvements in the Senate's regional representation role was stated at another point in the paper, and I quote:

Although there are a variety of potential functions for the Senate, the Government of Canada believes that, if the second chamber of the Canadian Parliament is to help us respond to the challenges facing our country and make a contribution similar to second chambers in other federations, the role which needs the most attention at this time is the role of regional representation. Yet the strengthening of regional representation in the Senate should be undertaken, if at all, for the purpose of stengthening Parliament too, and enhancing its authority to act on behalf of Canadians in all parts of the country.

The Government's discussion paper also noted that substantial provincial agreement under the amending formula would be required before major reform of the other place could occur. The paper specifically stated that "before such changes can be made, the federal and the provincial governments will have to discuss Senate reform and reach a sufficient measure of agreement". However, parliamentary consideration was to precede intergovernmental discussions. In the words of the discussion paper, Parliament would first "consider its own reform and reach conclusions about the best means of strengthening its role as the primary focus of our political life as a nation".

I thought it might be helpful to remind Hon. Members of some of the views the Government of Canada submitted to the committee last June. I think they give us an idea of the Government's reasons for encouraging parliamentary and public debate on Senate reform during the past year.

The special joint committee resumed its work in September, and between then and the end of October it visited all provincial and territorial capitals. It heard witnesses and held meetings with members of six provincial Governments. Although it had invited all provincial Governments to speak to the committee, the other four chose not to do so. Nevertheless, the committee should be congratulated on its decision to consult closely with provincial Governments. Those Governments will have a major influence on the course of Senate reform. It is in the public interest that their views be part of that process at this stage.

The committee deliberated during the last two months of 1983, and on January 31, 1984 it tabled its report. I would add a comment on the support behind that report. Committee members of the two major Parties and both this and the other House endorsed it. It thus bears the stamp of a bipartisan, bicameral consensus within that committee. That is a significant achievement, especially when one considers that the report proposes a bold, clear-cut plan for Senate reform. That bold plan is centered on the committee's most important conclusion, which is found on page 1 of its report to Parliament, and I quote:

An appointed Senate no longer meets the needs of the Canadian federation. An elected Senate is the only kind of Senate that can adequately fill what we think should be its principal role—the role of regional representation.

The committee stated in its report that it did not reach that conclusion lightly or easily. It obviously had an ample body of evidence and research before it, and it drew on the background and political experience of its own members. The committee also looked at the Senate's historical origins and the role it was meant to play within the federation, as is plain in the report's statement that "only an elected Senate can satisfy the original intent of the Fathers of Confederation".

Apart from its being elected, what are the characteristics of the reformed Senate proposed in the report? First, the report suggests the Senate should have significant powers, "but it should not be able to undermine Canada's well-tried system of responsible government". With that in mind, the report proposes that the reformed Senate have a suspensive veto of a maximum of 120 sitting days over ordinary legislation. On legislation of linguistic significance, the report recommends that the Senate would have an absolute veto, and its own approval of such legislation would have to be by a double majority.

The committee proposed that the number of Senate seats be increased to 144 from the present 104. Ontario and Quebec would retain their present 24 seats each, but all other provinces would have their number increased to 12, except Prince Edward Island, which would receive two additional seats for a total of six. The Northwest Territories and the Yukon would be allotted four and two seats, respectively. The committee thus did not opt for equal provincial representation in the reformed Senate, even thought the proposed distribution, in the words of the report, would provide for "substantial over-representation of the less populous provinces and territories".

● (1730)

The report recommended that Senators be elected in single-member districts according to the first-past-the-post system values for the House of Commons. Although the committee considered proportional representation, and many of the witnesses who advocated an elected Senate also favoured some form of that method of election, the committee concluded that the same electoral system should be used for the reformed Senate as for this House. In proposing that the method of election used for the House of Commons be adopted for an elected Senate, the committee did not explain how this would significantly improve the Senate's role in regional representation.

The report recommended that Senators be elected for a nine-year term, which would not be renewable. One-third of the Senate would face election every three years, and those elections would be held on fixed dates so as not to coincide necessarily with elections to the House of Commons.

The proposed term has received a good deal of comment so far. It might be helpful to recall the committee's rationale for it. The committee in its report said:

Tenure of Senators

If Senators are not able to seek re-election they will have more independence of Party influence and greater freedom to speak out as regional representatives, they will be less likely to get involved in the kind of constituency duties that would duplicate those of Members of the House of Commons, and they would be able to devote most of their energies to sitting of the Senate and its committees.

It is worth considering whether such a long, single term would allow Senators truly to be effective regional representatives.

There are other recommendations in the report, some of which are meant to be acted on in the short term. Nevertheless, the committee did not produce an overly detailed set of proposals. Public comment so far has noted the clarity of the report and the straightforward manner in which its conclusions are presented. I think I can speak for other Hon. Members when I say that we owe a great debt to the committee for bringing forward such a broad analysis of the problem and a clearly presented proposal for a reform of the Senate.

Under our rules, the special joint committee requested a response from the Government. That response was tabled in both Houses of Parliament on April 10. I do not know whether Hon. Members have read it, so I would like to take some time this afternoon to review the key points in it. First, the Government, through a letter from the Prime Minister (Mr. Trudeau) to the co-chairmen, has given its general response to the committee in the following words:

The Government of Canada believes the committee report contains a useful set of proposals on which a fruitful public debate might be based. I am therefore pleased to inform you that the Government intends to use the report as a whole as its working document on Senate reform for future consultations with provincial governments, interested groups and individual Canadians.

The response goes on to refer to the report's recommendation that the reformed Senate's primary role should be regional representation. The Government states that it accepts the committee's assessment of the problem and its recommendation that the primary role of the Senate should be in the area of regional representation.

Within the response, the Government states its specific acceptance of some of the committee's other recommendations. For example, the Government concurs with the Committee's view that in addition to the primary function of regional representation, the Senate should continue to make the two complementary functions of investigation and the improvement of legislation. The Government has not yet accepted the report's specific proposal for the distribution of seats, but in the response it agrees with the committee's suggestion that any revised seat distribution should substantially increase the proportion of seats allotted to western Canada.

It seems clear from reading the Government's response that it sees the committee's report as a very useful analysis and proposal for Senate reform. The Government has announced its intention to use the report as its working document on Senate reform. Moreover, the Government has said it will include provincial governments in its consultations and that it will use the report as the point of departure for those discussions. In my view, the Government is on the right track. Substantial provincial agreement will be required if any significant change in the other place is to come about. It is wise, I

think, to begin to involve provincial governments in planning the way for that reform.

With that bit of background on the Government's discussion paper, the recommendations of the special joint committee and the Government's response to those recommendations, I will return to Bill C-231. It seems to me that the Hon. Member's proposal is inspired by a recommendation in chapter 7 of the committee's report. That chapter is entitled "Reforms that should be made now", and in it the committee proposed that all future Senate appointments should be made for a nine-year non-renewable term.

The Hon. Member's Bill points out, quite correctly, that if that recommendation were implemented, three "classes" of Senators would result: those appointed for nine years, those who would retain their seats until age 75, and those others, not very numerous, who would keep their seats for life. Therefore, he has proposed in Bill C-231 that those now holding Senate seats should be obliged to give them up after they have served nine years or reached the age of 75, whichever occurs first, and that all new appointments be made for nine years.

I think the Bill before us is a useful contribution to the ongoing debate on Senate reform. However, I do not think that, on its own, its acceptance will bring about the degree of change the joint committee had in mind and which many Canadians expect. I do not think we should take one small part of the committee's report, separate it from its context and act on it at this time. The Government has stated its intention to pursue the issue actively, particularly with provincial Governments. When we have a better idea of the general reaction to the committee's proposals as a whole, we might be better equipped to decide whether action on all or on any part of it should be undertaken.

Hon. Bill Jarvis (Perth): Mr. Speaker, I join with the Hon. Member who just spoke in extending my sincere thanks to our colleague from Edmonton East (Mr. Yurko) on bringing the matter before the House for debate. As he likely knows, I was a member of the Special Joint Committee on Senate Reform since its inception until its report. I hasten to point out that I do not pretend to speak on behalf of that committee, nor do I speak necessarily on behalf of my Party, I speak, rather, as an interested Member of Parliament during Private Members' hour.

As I said, I compliment the Hon. Member for Edmonton East. I deplore the fact that more initiative in terms of this type of debate has not been taken in the Senate. If the Hon. Member has been following the proceedings of that Chamber, he will know that little of substance has been said, not just with respect to the committee's report but to the broader subject of reform which the Senators are quite capable of initiating in any number of matters. Frankly, to their discredit, they have not sought that initiative. That is not to cast aspersions broadly, because I believe there are a good number in the other place who are generally concerned with the status quo and generally interested in seeing some reforms initiated.

• (1740)

I believe that the Hon. Member for Edmonton East quoted the exact sentence from the report. An appointment for a nine-year term was recommended almost as a last resort. I believe that that is what our general thinking was at the time. The Hon. Member has put that in a much different context. I believe I heard him say a few moments ago that if a nine-year term for an elected Senate is important, it is even more important for an appointed Senate. I might get into a debate with him on that point. I do not think I will, but it seems to me that the thinking of the committee was not necessarily along the same lines as his in terms of those priorities for the nine-year term.

I would like to deal with the explanatory note. I hope that I am not doing the sponsor of the Bill an injustice. He indicated that his Bill may have an advantage over the committee's report in that the committee's report could result in more than one class of Senator. That is absolutely true. He says that his Bill will eliminate that possibility. Something about that, however, does cause me grave concern. I am not sure that it is a good analogy, but the Hon. Member will recall the Government's six and five program. At that time, a number of us thought that that program was in part a moral breach of contract if not a legal breach of contract. Its effect on some of those in the Public Service troubled me deeply.

I do not know why I should be the spokesman or defender for those in the other place who are well able to speak for themselves, but it would trouble me somewhat to think that a person who had been appointed either for life or until age 75, despite having been given that rather enviable appointment, now finds that the rules have been changed. I would be less than frank if I did not say to my colleague that that causes me some concern. I am not so concerned that it would cause me to ract totally negatively to this Bill, but it would be something that I would want to think about and explore very deeply in committee before saying amen to that particular proposal.

I absolutely agree with the sponsor of the Bill when he says that, because of economic priorities, little or no attention has been paid to this issue either by leadership candidates, leaders of Parties, or the public in general. I think his timing is dreadful. I thought that the timing of the special joint committee was dreadful, coming as it did in the penultimate year of a Parliament when our Party had just chosen a new Leader and an election was being expected, and now that we have a leadership contest in the Government Party. Despite all that, what is really wrong with the timing is the natural preoccupation of the electorate with economic matters. I would think that we would really be living in a fool's paradise were we to say to ourselves that a leadership candidate or the leader of a Party could make this a burning issue across the country in a general election.

Frankly, I did agree with the Hon. Member for Edmonton East when he said that the leadership candidates and leaders of Parties should be put on the spot. They should be asked how they feel about Senate reform. There is nothing wrong with that, but to think that this issue will be a major vehicle with

which to persuade or dissuade the electorate would, I think, be pretty naive.

As the Hon. Member has said, there is no question that those who are thinking about Senate reform want accountability. As well, they overwhelmingly reject patronage. I believe they were simply saying to the committee that if we could not as a committee, a Government and a part of a constitutional process effect significant Senate reform, then we might as well abolish it. I think that was the difference between what the committee heard as evidence and what was contained in the seven, eight or nine reports. I myself was a member of the committee which dealt with Bill C-60.

Attitudes have hardened and I believe that that is the difference between this report and previous reports. I think many of the institutions of Government have fallen into some disrepute. I think there is a cynicism and suspicion that exists, and that is natural for a population suffering economic pressures. This cynicism and suspicion has resulted in a hardening of attitudes, and there are very few people other than several here in Ottawa who would be great defenders of the present Senate system.

I would like to deal with my concern about, to use the Hon. Member's words, "provincial involvement in the Senate process". We must be extremely careful at least to attempt to differentiate between the involvement of people who live in a province and the involvement of provincial Governments in the Senate process. Those two things are dramatically different. It is simply too trite to say that because a provincial Government has been elected, it should be directly involved in the Senate appointment process. I have always had grave difficulty with provincial appointments. Again, I do not wish to be too cynical, but let us be realistic. Say that I am a premier of a certain province and I have a Cabinet Minister who has outlived his usefulness, is causing me trouble or is a threat to my leadership, and I have the power of appointment.

Mr. Bloomfield: Put him in the Senate.

Mr. Jarvis: As my friend, the Hon. Member for London-Middlesex (Mr. Bloomfield), just said, I would solve the problem by putting him in the Senate. I would do the same thing to my fund raiser who had made too many calls to the same well.

I believe it goes deeper than that, Mr. Speaker. I do not believe that a provincial Government which has successfully sought from its electorate a mandate on a certain set of issues has *ipso facto* or automatically a mandate to involve itself directly in the appointment of a person to a federal institution. Unless senate appointments were part of the campaign issues of that Government, its electorate has given it a mandate to act within the boundaries of that particular province.

I believe that I as a member of the committee and all members of the committee diligently sought an alternate and more acceptable form of an appointed Senate. It was not to be found. I can say to the Hon. Member for Edmonton East, that with respect to regional representation, it was made clear to us by witness after witness that in the minds of Canadians a region is now a province. It is not the western region or the Atlantic region or the maritime region. A region is a province. I think we should forget all about lumping Manitoba and Saskatchewan together or lumping two or four of the Atlantic provinces together. We should forget that because it is not going to work.

I am absolutely convinced that when people now talk in terms of regions, they talk in terms of provinces. That is why, instead of proportional representation or election at large within a province to the Senate, we recommended a senatorial district or whatever it might be called. Those of us from Ontario, and I am sure those from other provinces, know that there are extraordinary differences in the interests, ambitions, prejudices, fears, hopes and aspirations of those who live in rural southwestern Ontario and those who live in metropolitan Toronto. Even more dramatically, those who live in northern Ontario from North Bay up to James Bay have different interests. I am sure the same is true in every province. Therefore, we said to ourselves that if we need greater regional representation in the Senate, then we cannot do so by election at large or by using a list of eligible candidates from our particular Party from the Province of Ontario. If we have as our pillar the principle of greater regional representation, then we must carve the regions into districts.

Frankly, I would be one of the first to support having this Bill go to committee if I were convinced that it would act as an effective lever to get the provincial premiers and the Prime Minister (Mr. Trudeau) to the bargaining table. If that is all that it accomplished, it would be worthwhile. There is no question about that. We in the committee had serious doubts about using that kind of lever. We are very anxious for the next First Ministers' Conference to see if anyone will take the intiative to put it on the table. We have some hope that the premiers, who have their annual conference I believe in August of each year—just the provincial premiers, no federal Government involvement—will put it on the agenda for the next conference.

• (1750)

With respect to the Hon. Member's remarks that no reform had occurred because the package was too large to swallow, he may be right. There is no question about the present report; it is a package. It is a package and it is inextricably interrelated—an elected nine-year term senatorial district. It is very har to carve out the pieces, pull out the district and put in proportional representation. One will find that argument very flawed if one accepts the regional representation argument. It is very, very flawed. That concerned me deeply with respect to the reply of the Prime Minister. I do not think that the Government has thought through those three principles and how they were interrelated. I appreciated receiving the reply of the Prime Minister well before the time required for that reply.

I certainly hope that the subject matter raised today by the Hon. Member for Edmonton East will be the subject matter for further debate and, particularly, I hope that it is a matter

for further debate in the other place where, so far, that debate has been saddly lacking.

The Acting Speaker (Mr. Guilbault): The Hon. Member for Carleton-Charlotte (Mr. McCain).

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, I want to compliment the Hon. Member for Edmonton East (Mr. Yurko) on the work that he has done on this subject matter and the literal thesis which he wrote about it. Whether I agree with him or not is another question.

Unfortunately for us, we have lost sight of the purpose of the Senate. The Senators themselves have lost sight of the very basic philosophical and political logic on which the bicameral system was instituted in Canada at the beginning. The initial understanding of Canada was that it was, in fact, made up of regions; that these regions had differences of needs and opinions, and that the best way to have these represented was by a Senate with a regional representation rather than to have representation by population. This, of course, has been the principle on which the Senate of the United States was formed. State by State there are two Senators. There is a regional impact in that Senate at any point in time they wish to exercise it. It is perhaps more noticeable in the farm belts of the United States than it is in any other region. The Senate, by virtue of its two Senators per State, has been able to exercise the interest of the region which it represents in a fashion which is in the best interest of the nation as a whole. There has been very little criticism of the failure of the Senate to be there by representation by population.

Again I am very sincere when I refer to the very hard work the Hon. Member for Edmonton East has done. Of course the Hon. Member for Perth (Mr. Jarvis) and others who sat on the committee did an equally diligent job of considering the subject matter. What we have not considered in any of the remarks today is the fact that the Government of Canada, since I have been here, has chosen to issue ultimatums to the Senate, and the Senate has chosen suppliantly to give them exactly what they ask for in the ultimatums. For instance, budgets have gone from this House to the Senate and back in the same afternoon. That means that the Senate has absented itself from its—

Mr. Evans: Matters of supply do not go to the Senate.

Mr. McCain: Supply and other items of a comparable nature do go, but they cannot change supply, I agree. Let us take Canagrex. Canagrex was a Bill in which there were regional inputs, with regional differences of attitude toward that particular Bill. That Bill went there about noon and was back not later than the next morning. In that case, I submit to you, Mr. Speaker, that those regional Senators did in fact divest themselves from the responsibilities of their office as appointed and as it was intended that they should function.

I submit that another primary example is the lassitude which Maritime or Atlantic Senators have shown toward to the reduction in federal allocations of money for cost-shared programs, which has put the Atlantic provinces in a very, very serious financial position. Yet, there has been no debate that I am aware of with Atlantic Senators speaking up on behalf of the Atlantic provinces. In round figures—and I cannot get an exact figure; I perhaps could get one from the Minister of Finance (Mr. Lalonde)—the Minister of Finance has stated that in a five-year period we will have some $6 billion. With respect to the Bill on health care, which will pass, that Bill and that attitude, coupled with the reduction in the percentage of cost-sharing which the federal Government has exercised recently, will put Atlantic Canada $1 billion short of its needs to render service on the same level as in the rest of Canada. This is an opportunity for the Senators of Atlantic Canada to speak up and to exercise their input.

I submit to you, Mr. Speaker, that an elected Senator is not the answer. It might be the answer if elections were simultaneous, because in that case the body of the Senate would in fact correspond with, in most instances, the Government that might be elected at a particular moment in time. But if perhaps a senatorial election should happen some 18 months after a change in Party of the federal Government, there is no doubt that with any backlash against an 18-month old government in this nation—18 months after its mandate was granted by the vote of the people—the Government would find itself in conflict with that Senate which was elected 18 months thereafter.

I do not see it as a solution. I see it as an amplification of the problems which we already have in respect to the purpose of the Senate, namely, to give second tought to all legislation as well as to give regional representation which is so badly needed. I come from that region and understand that need.

I would have to say to you that I agree with the Hon. Member for Perth when he said that each Member should have his own constituency as far as an elected Senate is concerned. I also agree with the Hon. Member for Perth when he suggested that it is very difficult for provincial Governments to make appointments. I give the instance of the last siege of federal Government, which has gone on since 1963. If the provinces of Atlantic Canada, which are all Conservative, were to appoint Senators, I submit to you that the same problem would exist in the Senate, if they exercised their regional influence as they should, as would, in my opinion, result from elections of the House of Commons and Senate which were not simultaneous.

I submit to you that the Senate is in disrepute because it has neglected its regional responsibilities and, secondly, because the Government has issued ultimatums to it, to which it has unfortunately submitted itself and thus brought upon itself the great bulk of the criticism which has been levelled at it of late. It blame the Prime Minister of this day and the Senate itself for its capitulations to ultimatums one after the other which have been issued to it by this Government. Properly appointed and with their responsibilities exercised as it was perceived they should be exercised, the appointed Senators can accumulate skills which I do not believe can be accumulated by the election process. I do not believe it can be accomplished.

If a government were conscientious in the selection of skills in its appointments to the Senate, it would be a much stronger Senate. If it is to be the home of bagmen and people in need who have supported a particular Party, then of course it will not function very well. I can think of a multitude of Senators who have outstanding ability and who have done outstanding work. Perhaps one of the best examples is the work which the Senate committee on Agriculture did some 15 years ago. In its study of that national problem, it produced a work which was very complimentary to the Senate.

The Acting Speaker (Mr. Guilbault): The Chair regrets to interrupt the hon. gentleman, but the time provided for the consideration of Private Members' business has now expired.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

CROWN CORPORATIONS—NORTHERN TRANSPORTATION COMPANY LIMITED—DATE OF DECISION TO SELL. (B) DISPOSAL OF ATHABASCA ASSETS

Mr. Jack Shields (Athabasca): Mr. Speaker, on April 9 I posed a question to the Minister of Transport (Mr. Axworthy) regarding Northern Transportation Company Limited. I requested information concerning the date the decision was made to privatize NTCL. It becomes clear, when one reviews the activities of NTCL and its abandonment of the Athabasca run from Fort McMurray to Uranium City, Fort Chipewyan and places in between, that management knew full well, probably two years ago, that they were going to privatize this Crown corporation. The line from Fort McMurray north on the Athabasca River was a profitable line. The volume of shipping was starting to drop because of the closedown of the mine in Uranium City and the subsequent drop in tonnage from that mine.

If one reviews the history of Fort McMurray when the land was purchased to accommodate the yards and dockage facilities for NTCL, one can see that a great deal of capital gain has been made in transportation with NTCL in that area. NTCL did not announce they were closing down the line, Mr. Speaker, they simply failed to apply for their license to be renewed. They did not hold public hearings to allow the people in the communities to participate. The transportation authority went up there, announced they were taking applications for the rights to handle the run, and NTCL failed to submit an application. In so doing, it circumvented any public inquiries or public input as to whether they should or should not close down.

It became clear when we examined some of the issues in committee that NTCL did not lose money on the run north from Fort McMurray to Fort Chipewyan and Uranium City. Indeed, they charged back some of the capital expenditures made on the Athabasca run and then transferred tugs and barges, charged to the Fort McMurray run, over to the eastern Arctic. This all looks very suspicious, Mr. Speaker, as if the directors were attempting to run the operation down to a point where it could be easily purchased when it was privatized. When you look at the annual report of the corporation you see that it shows assets at book value, somewhere around $40 million, when in fact NTCL records indicate the value of this Crown corporation exceeds probably $200 million. One begins to have suspicions when a group of people made up of directors and managers of the existing Crown corporation join with two other groups to form a consortium so they can make an offer for this company.

• (1805)

I asked the Minister if he would make the commitment in this House that the right of first refusal for the purchase of the land located in downtown Fort McMurray would go to the City of Fort McMurray. Mr. Speaker, that land was bought 30 years ago when land values were absolutely nil in the community. It is now a prime piece of real estate in the community. The City of Fort McMurray wants very badly to become owner of this property in order to develop it for the betterment of the community of Fort McMurray. I have yet to receive a reply to this request.

If I could refresh your memory, Mr. Speaker, the Minister said:

> I will take the Hon. Member's representation and examine it. I would point out that we took a position on the Fort McMurray alternative almost a year ago. There is a private development taking place in that area under agreements with other federal Departments. In terms of a specific request, I will refer to the proper authorities and get an answer for the Hon. Member.

I would assume that the private developments which the Minister is referring to are the developments which are taking place in the oil sands. Clearly, if developments are going to take place in the oil sands and the mining operations, it is not going to require the type of property which exists in a high density and high commercial area in the City of Fort McMurray.

[*Translation*]

Mrs. Éva Côté (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I am pleased to have this opportunity to answer the question raised by the Hon. Member with respect to the sale of Northern Transportation Company Limited, although I should add that the Minister has spoken to this subject several times within the last few weeks.

The Hon. Member suggested there was a connection between the Government's decision to privatize Northern Transportation Company Limited and the allocation of costs on the Athabasca run. I can give the House the assurance that there is no connection between the two.

Some time ago, the corporation's management informed us that losses incurred on the Athabasca run were too high. We received this information quite some time before the thorough study made by the Government with respect to privatization of this corporation.

In any case, as the Hon. Member is aware, allocation of expenditures to the components of a corporation is not an arbitrary exercise. On the contrary, it is governed by the principles of accounting practice. We are convinced that Northern Transportation Company Limited was acting in accordance with generally recognized accounting principles when it determined the cost of the Athabasca run.

The Hon. Member has argued that facilities no longer required for the Athabasca run should be sold. As far as tugs and barges are concerned, I can assure the House that this equipment will be used in a manner that is appropriate. Northern Transportation Company Limited is negotiating a contract under which a number of tugs and barges will be leased to other businesses providing a service on the Athabasca. The rest of the equipment will be transferred away from the Athabasca system, and no surplus equipment will be kept.

Sale of the tugs and barges has become rather complex owing to the privatization of this corporation. We believe it would be preferable to leave such decisions up to the corporation's new owner.

As for the land owned by Northern Transportation Company Limited at Fort McMurray, it will be sold in the same manner as the corporation's other assets. At the present time, the Government, as shareholder, wishes to sell Northern Transportation Company Limited intact, rather than selling each of its components separately. However, perhaps the Government might consider the sale, at market value, of several assets not required by Northern Transportation Company Limited for its operations, depending on the effect that would have on privatization of the corporation as a whole.

In this connection, the town of Fort McMurray would be free to make an offer to Northern Transportation Company Limited for the land located within the town limits, and such an offer would certainly be taken into consideration, at the same time as offers to purchase the entire corporation.

[*English*]

CANADIAN NATIONAL RAILWAYS—REQUEST THAT SUBSIDIARY OPERATIONS BE PRIVATIZED. (B) GOVERNMENT POLICY

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, last April 17 I raised with the Minister of Transport (Mr. Axworthy) the question of certain subsidiary operations by Canadian National Railways in competition with the private market. Those operations are CN trucking operations that are in competition with private trucking operations across the country, the hotel and restaurant operations that are in competition with small businessmen across Canada who are hotel and motel owners. In those kinds of operations a small private businessman makes a profit and pays taxes; that is not the case with the conglomerate run by the CNR. Frankly, the hotel operations by the government through the railway has been a disaster for well over a decade and a half.

• (1810)

The railways originally got into the hotel business to actively promote passenger transportation by rail. We know that for some time now the whole matter of transportation of passengers by rail has been delegated to VIA Rail, and that the railways are no longer involved. It would seem that the railways would try to get out of the hotel operation and let private hotel, motel and restaurant operators run this business. Surely there is no public necessity for the Government of Canada in terms of transportation and maintenance to in fact own hotels.

However, on reading the annual report of this Crown corporation it seems that it wants to expand its hotel operation. For example, it is building a 600-room hotel in Toronto, next to its tower. We know that the tower only cost approximately $60 million, plus the cost of the land it is on. It has not made a nickel since it was built; it is a loser. Now a hotel is to be built next door to the tower. Toronto has lots of hotels, and private entrepreneurs who build good hotels. It is ridiculous that the Government of Canada under the auspices of this railway should build a hotel.

It will also spend the taxpayers' dollars to refurbish the MacDonald Hotel in Edmonton. This might be acceptable if it were making a profit. However, in respect of the hotels owned by the railway in this country there is $124.5 million on a depreciated basis. That means, taking capital cost allowances into account, this year this operation lost $2.7 million. It lost also money last year and the year before. While it made a very slight profit the year before that, every year prior to that it lost money.

In this situation more and more money is being poured into hotel operations every year than is allowed in capital cost allowances or depreciation. The Government of Canada, through the railway, gets more deeply involved in an activity from which it has proven it cannot make money. It should not be involved.

I ask the Minister why he simply does not turn the hotels and restaurants over to people who know how to run them? The Government should sell them and get out of the business. I am suggesting that it should not only get out of the hotel business but the trucking business as well.

Let me name some of the companies involved in the railways' trucking business. One is CNM Incorporated. I am not sure if these are trucking companies but they include Domestic Four Leasing, Domestic Three Leasing and Domestic Two Leasing. There is the Royal Transportation Company, Transport Husband (Quebec) Incorporated and Transport Route Canada Incorporated. There is Empire Freightways, and the list goes on. This is not a complete list. It loses money in trucking. There is some $30.4 million involved in trucking. The loss last year was $8 million. The whole investment is doubled

in losses every three and one-half years. There is no justification for that.

Let me deal with the express service. At one time it was necessary for the railway to be involved in moving express. The total investment by the railway in express service at the present time is $23.8 million. Last year it lost $25.4 million. The railway would have been better off to turn the key in the lock and not operate a single express facility. It would not have lost $25 million. If it had written off the whole $23.8 million in assets, it would have saved $2 million on the balance sheet.

• (1815)

That is the kind of thing that is happening with Crown corporations, not only with the Canadian National Railways, but everywhere. Subsidiaries of Crown corporations and Crown corporations themselves are pretending to do a job in the public interest, pretending to do a service that must be done. But invariably when that service is performed by a Crown corporation in competition with private entrepreneurs a loss is incurred. Let us consider this area of express. The bus companies deliver express packages, the airlines deliver express packages, Purolator delivers express packages and Courier delivers express packages. Everybody is in the express business, and a loss is incurred. We have the Government of Canada through CNR in the express business showing a loss of $25.4 million. This is disgraceful and it must end. The assets should be sold to those who can handle those assets and make a profit and pay tax. That is the way business ought to operate. Things ought to be done properly, reasonably and effectively.

[*Translation*]

Mrs. Éva Côté (Parliamentary Secretary to Minister of Transport): Mr. Speaker, as the House is aware, from the very outset the railways in Canada have had to undertake many peripheral activities to ensure efficient operation of the railroads as such. They had to provide their own telephone lines and they also had to provide the infrasctructure for traveller accommodation. In addition to these peripheral activities, the railways were also granted non-monetary privileges. The latter included title not only to land but also to minerals and oil.

With the passage of time, the needs of the railways and the value of their assets have changed. Canadian National Railways had to decide whether it would sell its assets and made a financial profit immediately or optain a maximum profit on a long-term basis. The Government, as shareholder, will have to decide whether CN's activities with respect to non-rail assets are appropriate. The question of privatizing the corporation has been the subject of several studies. With the exception of CN Rail, CN's assets are managed by CN Enterprises. This division has been given the mission to manage and control assets so as to ensure maximum returns on a long-term basis and also to develop new projects that would complement and enhance current CN projects. In 1983, CN Enterprises made a profit of $65 million, specifically in communications systems, marine services, real estate and oil. These profits have enabled the corporation to increase borrowing by $100 million without changing its debt/asset ratio. This means that CN has been able to finance other projects such as expanding railroads in western Canada.

Like other hotel chains, the Hotels Division and the CN Tower have suffered from the recent recession. In 1983, the Division incurred a loss of $2.7 million. In 1982, it incurred a loss of $0.7 million. In 1981, it made a profit of $0.9 million, and in 1980, a profit of $2 million. In 1984, the corporation expects the market to expand and its income to increase. Over the next five years, the corporation intends to integrate all its hotels in a unique and distinguished chain of first class hotels. The Government is confident this project will be a success.

[*English*]

RAILWAYS—LEVEL OF INVESTMENT BY RAILROADS. (B) SIZE OF INVESTMENT TO MOVE GRAIN

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, I rise to take part in the adjournment debate regarding a question I asked the Minister of Finance (Mr. Lalonde) on April 16, 1984.

It is very interesting to follow my colleague, the Hon. Member for Mississauga South (Mr. Blenkarn), who spoke on the Canadian National ownership of hotels, trucking lines, parcel services, restaurants and towers in downtown Toronto. The CNR, which is supposedly in dire straits financially, has to charge the farmers who produce the grain for a hungry world more to move that grain. Yet it continues to operate in areas where it could very well be displaced by enterprising individuals who wish to make an investment and obtain a return. The investments the CNR has made in hotels and the trucking industry, as my colleague pointed out, have not brought a return to the taxpayers of Canada.

• (1820)

On April 16, following a question by the Hon. Member for Brandon-Souris (Mr. Clark) to the Minister of Finance, the Minister stated that over $1 billion from the Government of Canada was being put into the farming industry in western Canada. I would like to quote briefly from *Hansard* for April 16, as reported at page 3080, wherein the Minister stated:

> The Hon. Member's Party opposed the improvement which we put forward in the Crow legislation, but the Hon. Member should realize that with that legislation goes substantial support to the farming sector and to the grain community.

Anyone who has ever sat on a tractor for more than 37 seconds, or grown any more than a half bushel of grain would understand that that is a complete fallacy. The people in western Canada will give action to that knowledge by way of the ballot box when they have a chance.

Let us determine, by using Westack figures, who uses the railroads and who benefits from the investment. In 1982 coal took up 45.5 per cent of available space on the railroads in

western Canada. In 1990 coal will take up 60.5 per cent of the available space on railroads in western Canada. In 1982 potash took up 7.5 per cent of available space and by 1990 it will take up 7.9 per cent of that space. The percentages for lumber and petrochemicals will increase. But grain, which took up 32.5 per cent of available traffic space on railroads in western Canada in 1982, will decline by 1990 to 23.7 per cent. That is the only commodity which will decline between now and 1990 in movement in western Canada over the rails. Yet the Government said that it had to charge producers of grain more to move their product because they would use the rails and displace all other available traffic. However, we find that by 1990 grain will use the rails less than any other available product.

The Minister said that there would be huge investments in western Canada. Now the Minister of Transport (Mr. Axworthy) is saying that $1.1 billion will be invested this year in railroads in Canada. That is true, when we take into consideration all of Canada, but the figures of the railroads for capital investment in 1984 indicate that CNR will invest, in western rail related investment, $281 million and that CPR will invest $345 million, for a total of $646 million.

However, what are these railroads getting from the Government of Canada this year? They will be getting $652 million from the people of Canada. This is the great investment which was to come about in the western transportation system with the passage of Bill C-155! The railroads are not even investing in western Canada the total amount the people of Canada are giving them. These are exact figures for the two major railway companies in Canada.

Also we find that the original proposed investment of $16.5 billion has now been cut to $12.5 billion. The Department and the Minister say that that is because things have changed. If they have changed that drastically; if the proposed investment has been reduced by 25 per cent from the supposed commitment of the railroads to the people of western Canada, perhaps the tariff proposed in Bill C-155 should also be reduced by 25 per cent. In terms of the investments which will take place, the drop of some $4 billion in those investments, roughly $2 billion is due to changes in plans by CN, $1 billion is due to changes in plans by CP and $1 billion is due to inflation.

• (1825)

Canadian National Railways, which is committed to double-tracking in the next five years, has said that it will not do it in five years, but will push it to seven years. Maybe in two years' time it will be pushed along another seven years. It will be deferred. It is like the deferred maintenance that used to be done on the tracks in western Canada. They got paid for deferred maintenance but never did the maintenance. It was never done.

This year Canadian Pacific will only invest $95 million more than it invested in 1983. In 1983 it spent $355 million on rail capital programs and in 1984 it estimates it will be spending $450 million. When we look at the share the farmers will have to pay, and the cap put on in Bill C-155, we see that the producers will pay 5 per cent more because of additional volume. The Government will benefit. It will pay 7 per cent less because of the blended rate. We are very concerned about that because we remember the promises in the 1980 election about a blended gasoline price. Now it is higher than the world rate. That is what we will have in western Canada with this blended freight rate in Bill C-155.

I look forward to hearing an explanation from the Parliamentary Secretary as to the rationale for the lack of investment and the need to charge producers of food and grain more so that railway companies can invest less in western Canada.

[*Translation*]

Mrs. Éva Côté (Parliamentary Secretary to Minister of Transport): Mr. Speaker, in the question put by the Hon. Member for Kindersley-Lloydminster (Mr. McKnight) to the Minister of Finance on April 16 of this year, the Hon. Member asked why the Minister of Transport rationalised that investment by the railroads would be down some $4 billion from what was in Bill C-155, because substantial financial support of $1 billion was being made available by the Government to the grain producing industry.

There is still a certain amount of confusion with respect to these two amounts. First of all, the $4 billion represents a reduction in the expenditures forecast by both Railways for the period 1982 to 1991. At the beginning of 1982, on the basis of the economic situation and traffic predictions, it was estimated that railway expenditures during the decade in question might go as high as $16.5 billion. Since that time, however, inflation rates have dropped substantially, and predictions with respect to growth in railway traffic have become less optimistic. Forecasts by the Advisory Council on Western Transportation for shipments of grain, coal, sulphur and potash to this part of Canada, for the period from 1981 to 1990, dropped by about 13 per cent between October 1981 and August 1983. As a result, predictions have been revised to allow for the present economic situation, which also means that new coal cars will be introduced at a slower rate.

Furthermore, regarding the amount of $1 billion mentioned by the Hon. Member, I would point out that this represents the Government's total expected annual expenditures for grain transportation. The Western Grain Transportation Act does not in any way oblige the government or the railways to make specific investments. It does require the railways to invest sufficient funds to make the system viable and efficient and adapt it to changing needs with respect to the movement of grain. However, it obliges the Government to pay the Crow subsidy after 1986, that is, $658.6 million per year, plus part of the annual increase in the costs of the railway companies, this to help pay the expenses incurred by producers as a result of the grain transportation rate.

We estimate that this year, the Government will pay a total of $580 million. Furthermore, during the current financial year, the Government will spend the following amounts on grain transportation: $84.3 million for the purchase of hopper cars; $20.6 million to lease hopper cars—

Adjournment Debate

The Acting Speaker (Mr. Guilbault): I am sorry to interrupt the Hon. Parliamentary Secretary.

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

At 6.30 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, May 1, 1984

The House met at 11 a.m.

• (1110)

GOVERNMENT ORDERS

[*English*]

FINANCIAL ADMINISTRATION ACT

MEASURE TO AMEND

The House resumed from Monday, April 30, consideration of the motion of Mr. Ouellet (for Mr. Gray) that Bill C-24, an Act to amend the Financial Administration Act in relation to Crown corporations and to amend other Acts in consequence thereof, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

Mr. Ron Stewart (Simcoe South): Mr. Speaker, when I left off speaking yesterday I was stating that the Government does not really care to consult Canadians on how their dollars are spent. The Liberal economic record is something that any intelligent leadership contender would want to distance himself from. Unfortunately, all of them are somewhat tarred with that brush. The new would-be leaders will not even stage an honest to goodness debate with each other as we did in our leadership race. Why, Mr. Speaker? Because they are afraid to say something that might give Canadians some type of policy, something to look forward to. All you have to do, Sir, is pick up *The Toronto Sun* for this morning and take a look at Donato's cartoon. That cartoon says it all very clearly.

I suppose the only positive thing to have come out of the past 16 years is the clear lesson that Canadians have learned, namely that socialism does not work. The Prime Minister (Mr. Trudeau) has provided proof of that. The phalanx of Crown corporations is central to the attempt to create a socialist state in Canada, and of that there is little doubt.

The Government, through its army of state-owned enterprises, has a hand in everything. It is active in all forms of transportation, in telecommunications, in energy, in exploration, in computers and aircraft and in the nuclear, fishing, and agricultural industries. Most of them are identical. We have "Cana-this" and "Cana-that" to the point where we "Cana-do" anything right economically and we have lost what once was a proud economic record. It would be quicker and easier, Mr. Speaker, to list all the things into which the Government has not put its hand.

Today's Crown corporations represent the most massive intervention by Government in the private sector that we have ever seen in Canada. This network of state-owned agencies outside the control of Parliament—and I say in all seriousness outside the control of Parliament—has almost as many employees and almost as large a budget as the regular Public Service. It is disgraceful.

This parallel government has been used to carry out the centralizing policies of the Prime Minister. I thank God for his *dénouement* from the political stage. Through the CIDC, CDC, the NEP and FIRA, power has become increasingly centralized in Ottawa, and specifically in the Prime Minister's office. These corporations have siphoned off investment and jobs from the private sector. They have intervened massively in the ecomony and they have used taxpayers' money to compete with the free enterprise businesses of this great nation. The result has been the loss of foreign investment and the concomitant loss of jobs, pushing up an already high unemployment rate. These policies have bankrupted small businesses across the country, and this is in spite of the established fact that small business is the only sector that is generating new jobs today. Statistically in the last two years only the private sector has created new jobs.

The Government has invaded the free marketplace with a vengeance and with our tax dollars. When governments use our money to interfere with our livelihoods, then something has gone awfully wrong and it certainly has in Canada.

William Simon in his book entitled *A Time for Truth* repeatedly warns that if you lose your economic freedom, then you lose your individual freedom. Personally I do not want to see that happen in this great country of ours. When governments waste our money in this way without accounting to us for the way it is spent, then that is doubly wrong. And that is exactly what has happened through the creation of these Crown corporations, Mr. Speaker.

In response to the Opposition's repeated demands for corrective action, what does the Government do? It brings in a Bill that will only make the situation worse. If this legislation were to pass in its present form, and we intend on this side to see that is does not, accountability would be curtailed even further and Cabinet control of a significant amount of taxpayers' money would actually increase.

Exactly what is the magnitude of the problem we are considering here, Mr. Speaker? As I have already pointed out, we do not know for sure how many Crown corporations there are. We do know that annually they account for more money than do the annual budgets of some countries, for example, Switzerland, Greece and Austria. The Auditor General was by no means exaggerating when he referred to Crown corporations as sub-governments. In the countries I have mentioned, the taxpayers have control over how their dollars are spent.

The problem is that in the case of our sub-governments we have no control.

• (1115)

Bill C-24 will do nothing to change this sorry state of affairs. It has not happened by accident. It has come about as a result of the deliberate socialistic policies of the Prime Minister; it has been financed by taxpayers at the gas pumps, in the hotels, motels and restaurants; by old age pensioners, farmers and fishermen; and by small business owners. All of this has been at the expense of over 1.5 million unemployed.

The Crown corporations may be "ours", but has it been worth it? A recent poll indicated that 41 per cent of Canadians believe our national oil companies should be sold, while 34 per cent do not. One Liberal leadership aspirant is already making mouthing sounds about selling off the stations of Petro-Canada. I do not think we will see that come to pass because it is contrary to the policies of these fellows.

Has it been worth the outrageous deficit, the staggering unemployment rate and the loss of investor confidence in the country? I think the answer is obvious. I would suggest, however, that it has been worth it for certain individuals. It has been worth it for Jack Horner of CN and Ivan Head of IDRC. It has been worth it for Bud Drury of the NCC and Donald Macdonald. It has been worth it for Pierre Juneau of the CBC, Jack Austin of the CDIC, Joel Bell and Bill Hopper of Petro-Canada, as well as another host of Liberal hacks. They are blatant public hacks. They are parasites of the worst kind, feeding on Canadian taxpayers and dragging down the country to a state of not a banana republic but surely of a snowball republic. I would say that it has been good for the Liberals. There have been nothing but job-creation programs.

The grave concerns expressed by the Auditor General with regard to the lack of accountability of Crown corporations are well known and totally documented. There is no need to repeat all of them, but I would like to quote from his 1982 report because it goes to the heart of the matter before us today:

> Parliament is becoming further isolated from an increasing portion of government activities. The growing practice of using Crown-owned corporations to conduct a widening range of government activities has so strained the capability of the existing accountability framework that Parliament may not be able to exercise its fundamental responsibility for overseeing receipts and expenditures of public funds.

That was the reason every one of us was sent here by our constituents. Unlike Hon. Members opposite, we over here will not quietly sit by while the authority of Parliament is eroded in this way.

How can we be expected to carry out our responsibilities when we will be shown under Bill C-24 only summaries of the corporate plans and operating and capital budgets, and only after the President of the Treasury Board (Mr. Gray) has had a chance to determine just how much of those will be shown to the public? Are we really expected to trust the Cabinet? Are we really expected to have confidence in legislation drafted by Ed Clark? Ed Clark gave us the disastrous National Energy Program, but what was his claim to fame? It was writing a thesis on the socialism of Tanzania. That is who is running the National Energy Program; that is the type of people we have in Crown corporations. Where is the control over Crown corporation subsidiaries? There is none. This is the area where the greatest proliferation and mismanagement have taken place.

Why are there severe restrictions on debate of legislation to set up new Crown corporations with only 30 committee days and seven hours of debate? That is closure by statute. The Government has run itself on closure and on Orders in Council ever since it came into power.

Can we imagine a Bill which purports to give Parliament more control over Crown corporations but comes equipped with built-in closure clauses? That is legislated closure before the fact. Bill C-24 contains all that we have come to expect from the Government—increased powers for Cabinet and a gag on parliamentary debate. To Hon. Members opposite I say that this Bill is totally indefensible, no matter how many of them stand in their place, no matter how many platitudes they offer supposedly from the Auditor General. One leadership candidate is speaking out against the Bill. It would be refreshing if more of them would carry the ball as it relates to Petro-Canada alone.

This Bill will do nothing to meet the real concerns of Canadians with respect to Crown corporations. How will we address the intervention of Canada Post into the marketplace, for example? Mr. Warren appeared over national television the other day. What did he say? He said if the unions demand more money, they will increase the price. That was his answer. This is happening in all Crown corporations. The post office will continue to compete with private retailers by subsidizing the operations of Consumers Distributing. It will continue to use subsidized staff to the tune of hundreds of millions dollars a year to create unfair competition, government-controlled. There will be no recourse under the new competition Bill.

• (1120)

Bill C-24 will do nothing to curb the huge appetite of Crown corporations such as Canadair and de Havilland. What happens to the executives who mismanage billions of taxpayers' dollars? As we are all aware, they are given bonuses of up to $20,000 for mismanagement and ineptitude. What happened in CIDA when $25 million in taxpayers' dollars was funnelled into Haiti? They knew that fraudulent payments were being made to the people in the government there. It was a proven fact. Was anyone fired? Was one word said about it? Not a word.

We know what would have happened to those individuals in the real world. They would quickly have become part of the growing army of unemployed. Under this Government they are rewarded for ineptitude and for doing nothing. How can productivity in this country be increased in that fashion? There are unending examples of this type of fiscal ineptitude both in the Government and in the sub-government. It is fitting, is it not, that Senator Austin, who was unable to get elected, controls over half the budget of the sub-government over which the public has absolutely no control? Bill C-24 has

nothing whatsoever to do with accountability. It is the reverse. What it does is increase Cabinet control over the state-owned corporations and ask Members of Parliament to trust Cabinet to make the right decisions. When we go to the polls, the people will show the trust they have in this Government. This Government has given us no reason to trust it. A government that would attempt to mislead Canadians with a Bill of this nature obviously cares not a whit about the electorate, the money extracted from it and the purposes for which it will be used.

There has been the National Energy Program, the unilateral imposition of metric, the Canadian ownership charge at the gas pumps, the Liberal slush fund for Liberal ridings, the Department of National Revenue and on and on *ad infinitum*. Are we really expected to trust that Government? I am afraid not. In almost 15 years the Liberals have not been able to come up with anything better than Bill C-24. I suggest that it be defeated, as that Government will be in the next election. The new Progressive Conservative Government will show Canadians that not only can the job be done, but done without porkbarrelling and done with accountability. We will show them exactly how it can be done. I urge all Members to put Bill C-24 out of its misery, or at least ensure that it is amended to the point that it will give Canadians something they really need.

The Acting Speaker (Mr. Guilbault): At this time in our proceedings a ten-minute period is provided for questions or comments.

Mr. Foster: Mr. Speaker, I listened to the Hon. Member for Simcoe South (Mr. Stewart). I wonder whether he has actually read the Bill. He talked about accountability to the Government and to Parliament. Has he had the chance to check that each Crown corporation will have to table a summary of its corporate plan before Parliament? The plans will be referred to the appropriate standing committee, as will the annual report as well as any instructions given to the Crown corporations, as will a summary of all the Crown corporations held by the federal Government. This represents a continuous flow of information which will automatically be tabled in the House and referred to the appropriate standing committee. Parliament will have a great deal more information. Ministers will have the responsibility for defending those Crown corporations both on the floor of the House of Commons in Question Period and before the standing committees.

The Hon. Member also mentioned the recent Gallup poll concerning PetroCan and the support for it in the country. I thought we had been through that in the 1979-80 election. Has the Hon. Member had a chance to read the Gallup poll this morning which indicates that the Liberals have 46 per cent support in the country, the PCs 40 per cent and the NDP 13 per cent? I wonder if the Hon. Member had had a chance to read that Gallup poll as well as the one to which he referred.

• (1125)

Mr. Stewart: Mr. Speaker, what the Bill purports to do is very obvious. It is nothing more than a smokescreen. When the Bill does come before Parliament, it goes back to Cabinet and the decisions are made by Cabinet. Cabinet has full authority after the Bill has been in the House. The fact that these Bills come to the House first has no real meaning whatsoever.

The Bill does not provide for control of the subsidiaries. This is not because the Bill has come before the House but because there is no one Minister who will be responsible for a Crown corporation which makes a mess like Canadair did. As the Hon. Member knows, there is no control over the appointments of the chief executive officers, chairmen and directors. Cabinet does that. In my view, that is politburo and state control.

As far as the Gallup poll is concerned, I think it is wonderful. Just maybe those fellows over there will screw up enough courage to go to the people. Then we will see what happens.

The Acting Speaker (Mr. Guilbault): Are there any more questions or comments? We will resume debate.

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, I would like to continue the debate on Bill C-24, the Crown corporations legislation. I would like to draw to the attention of the House the fact that the most conspicuous examples of government mismanagement in recent years have been in the operations of Crown corporations like Canadair, de Havilland and other companies which are 100 per cent owned by the Crown as well as companies like Consolidated Computer, AECL and Devco, to name just a few.

Having been burned by some of these disasters which have stemmed from lack of control, lack of accountability and lack of lines of responsibility between the Cabinet and Parliament and between the board of directors and management of the companies concerned, the taxpayers expect the Government to make a serious effort to address this problem. They expect the Government to set in place some structures, rules and systems to help avoid a repeat of these problems which have cost the taxpayers billions of dollars and which have obviously cost the Liberal Government grave political embarrassment.

Addressing those problems should have been the objective of this Bill. It should have been the objective of the Bill if Government members had understood the problem, if they were serious about addressing the problem if they were really concerned about the loss of those billions of taxpayers' dollars and if they understood the political significance of the fact that when the average voter thinks of government mismanagement, he or she thinks of Canadair, de Havilland, Maislin and AECL. The voter thinks of Crown corporations or government investments which have gone sour.

What is shocking about the legislation that has been put in front of us today is that it simply sidesteps the problem. It ignores the fundamental problem of the lack of control and the lack of accountability which led up to this tremendous loss of taxpayers' funds. That is one major reason why taxpayers and

other voters in Canada are saying that this government must go and that it must make way for a team of people who are competent in management, who understand management problems, who understand how to deal with a lack of accountability and who understand that a lack of management control leads to a loss of money. It must make way for people who understand that managers who do not know whether their superiors are the Cabinet, a public servant, a board of directors or management end up with no one controlling them. When there is too much flexibility in the system, it leads to too much ad hockery and too little discipline, both of which combine to lead to a tremendous loss of money.

It is obvious that Government members do not understand these problems. They do not understand what good management is and what good management must try to do. They do not understand the significance of the questions we ask about Crown corporations. They simply do not understand. When we ask them why the Government did not replace the directors of Canadair who preside over a company which lost $1.5 billion in one single year, they say that we are against the development of that company in the City of Montreal and that we are against job creation in the City of Montreal.

• (1130)

That is simply not the point, Mr. Speaker. When we ask whether they have done a cost-benefit analysis and why they are willing to spend nearly $1 billion of taxpayers' money on a new program for de Havilland, which they say is not commercially viable, they say we are out to destroy de Havilland. I ask you, Mr. Speaker, how can we destroy de Havilland? The company has had a great record of success over the past 40 or 50 years but this company has undertaken the Dash-8 program which they say in black and white will not be commercially viable period. I do not understand.

What will destroy this company is not the Opposition Parties, but a lack of attention to the problem, a lack of understanding of the problem and an inability to deal with the problem on a timely basis. That is what is hurting these companies today and that is what has led them to the position that they are in today.

I would like to give some insight into the attitudes of the Ministers of this Government. We all remember the Consolidated Computer Limited debacle that took place two or three years ago. Consolidated Computer was purchased by the Government about ten years ago. It ended up being given away, effectively, by the Government at a total loss to the taxpayer of some $124 million. The Government tried to hustle the final loss past us in December, 1981, or the end of November, 1981, at the last possible minute, through supplementary estimates. The House was given no chance to consider the problem and no chance to get an understanding of the lessons which could have been learned by the mess that we had gone through.

I listened while the Hon. Member for York-Peel (Mr. Stevens) and the Hon. Member for Mississauga South (Mr. Blenkarn) asked questions of the Minister, the same Minister who is putting this legislation before us today, the current President of the Treasury Board (Mr. Gray). I listened while the questions were being put to him and then my turn came just shortly before ten o'clock. I said: "Mr. Minister, I have one question to ask you. Who in the Department was responsible for the $124 million loss?" I asked that question four times in different ways and the answer that I kept getting was: "Look, I do not think it is right for me as Minister to reveal the name of a public servant; that is something that must be kept within the Department". He was not going to answer that question. So, I said: "I accept that, Mr. Minister. I do not agree with you, but I accept it. Let me ask you one other question. Did you find out who was responsible"? I received a double-talk answer. I said: "No, I want a straight answer, Mr. Minister, yes or no. Did you ask who was responsible for the $124 million loss?" Again I received bafflegab. I asked the question four times and each time I got the same ring around the rosy. Then I put the answer to the committee, which was not denied by the Minister. I said: "All I can take from the way you are answering the question, Mr. Minister, is that when this came on your desk you said, 'How can we sweep this under the rug? How can we avoid parliamentary concern and parliamentary debate on this? How can we avoid publicity for a $124 million loss? What is the best way to cover up this problem?' "

That is the attitude of the Ministers of this Government. That is the attitude of the Minister who presented this legislation today. I give that insight because that is what this Bill is trying to do. It is attempting to give the Government the flexibility to sweep problems under the rug. There are no precise rules for accountability. There is a lot of ministerial discretion in this Bill and that was the answer the Parliamentary Secretary gave—that the discretion is there to avoid putting things in front of Parliament if the Minister decides that he does not want to do so. That is the weakness of this Bill. There is no requirement for a precise mandate for Crown corporations. We have a general mandate in the legislation, but no mandate is required to take into account the changing circumstances under which a company is operating.

There are increasing opportunities here to rely on that favourite tool of Liberal Governments for the past 15 years—the Order in Council. The Government tells us in this Bill that it can do things by Order in Council because there are a lot of things that it does not want to put under parliamentary scrutiny. It wants to do things quietly in the Cabinet room and then have the question come out after the fact, after we cannot do anything about it, after it is totally beyond our control to have any impact on the decision that has already been made.

Bill C-24 is not what we want. it is not what we need, but sadly it is what we should expect from this Government. Let us look at some of the things that have been presented to us as Members of Parliament in this piece of legislation. Bill C-24, first of all, does not cover nearly the extent of Crown investments as it should. It omits mixed and joint enterprises—de Havilland, Canadair and investments such as Consolidated Computer. It includes only the parent companies, so there is a

great gap in the control that we as Members of Parliament will have over vast investments by the federal Government. As I said previously, there is a lot of room for ministerial discretion. Most aspects of the Bill are covered by regulation. We have not seen the regulations. As far as I am aware the Government has no intention of informing us of the regulations before the legislation is passed.

Some aspects of the Bill look pretty good at first glance. There is a requirement for the operating budgets, the capital budgets that my colleague referred to previously. The Government also has the option to exempt individual corporations from these requirements, so that we are kept in the dark like the growing of mushrooms.

The result is that Parliament could end up with less information than it is receiving now. The operating capital budgets will only be put before Parliament if Treasury Board and the Minister allow. The Bill restricts Parliament's ability to debate special Act corporations. This, as my colleague and other Members from this side have said, is a tremendous gap in the powers that we have as Members of Parliament. My colleague referred to it as closure by legislation—30 days of committee time and seven hours of House of Commons debate for the formation of Crown corporations which could have a tremendous impact on the economy and on the operations of government. There is simply no more control given to Parliament when there are big gaps like that in the legislation.

Let us look at the position of Ministers who are supposedly responsible for the Crown corporations. They are designated as the shareholders. They are the ones who are supposed to control the operations of the company, but effectively under the terms of this Bill that is fully taken away from them by either Cabinet or by Order in Council. There is no increase in real responsibility. In fact—I will develop this thought later, Mr. Speaker—when there are so many focal points of possible responsibility, either of the Minister, of the full Cabinet, of the Public Service, the board of directors, or in management, and there is no indication within this Bill as to where the final authority resides, it means that everybody's business is nobody's business. We are left floating in a sea of ill-defined responsibilities. That is bound to result in more disasters. The Minister, as others on this side have pointed out, becomes simply a post box address. That is purely and simply the result of it. The role of the board of directors, the chief executive officers and the senior officers of Crown corporations is set not by the Minister or the board of directors but by Cabinet. That is a very major weakness.

If you think back—and I encourage you to read this, Mr. Speaker—on June 7, 1983 there was a very important report released by the Senator from the other place on the operations of Canadair. This was a text book example of how Crown corporations should not be run. It pointed out all the problems from which Canadair suffered because there was lack of responsibility and lack of understanding of where the lines of authority lay. The result has been that we got into this $1.5 billion loss.

• (1140)

This new legislation does nothing to remedy that situation. It learns nothing from the problems we suffered and from the tremendous loss that we, as taxpayers, have underwritten here. The quality of the people who are appointed to these boards of directors by the Liberal Government will continue to be the same. We all know the problems of the Mackaseys and the Horners, but there are also the financial contributors, the bagmen for the Party and the campaign people who are on the boards of directors of these companies. I do not have anything against campaign people or boards of directors, but I do have a very serious difference of opinion when these people are put into jobs for which they have no training and no understanding as to what corporate affairs are all about, what budgets are or what corporate planning entails.

Bill C-24 does nothing to change that situation. It does nothing to indicate to these people the importance of the job which they are being asked to do and the reasons why they should not be appointed to those positions by this Government. Bill C-24 reinforces the problem we have today and leaves us in a position where the directors of these Crown corporations are eunuchs; they are cyphers and they are simply there to collect a political pay-off. The result is there is no accountability, no check and balance at the board of directors' level of the performance of the senior officers, or the company at large. Until the Liberals demonstrate by their actions that directors have a clear role to play, that they have specific responsibilities, we must expect a continuation of the problems of the Canadairs, the de Havillands, the CCIs, the Devcos, and so on.

With respect to ministerial responsibility, Bill C-24 leaves the Minister as the shareholder by law but requires the Cabinet to approve most of the major initiatives, a responsibility which one would expect the shareholders to take, such as appointments of directors, auditors, chairmen, chief executive officers, preparation of the budgets. All this is taken away from them by this legislation and put into the hands of the Cabinet. The result will be a significant lack of accountability and that simply is not going to serve the taxpayers of our country well.

Let us now look at where some of the responsibility does lie. Bill C-24 gives authority to the Governor in Council, subject to the approval of the Minister of Finance, to approve borrowings and guarantees. The Minister of Finance is provided with the final authority for these Crown corporations. What I was looking for in this legislation was something I have been asking for in this House for about three years now, that is, overall control of borrowing, not just the direct borrowing of the Government of Canada which comes under the borrowing authority legislation, but an overall authority which covers the direct and indirect borrowing of Crown corporations plus the guarantees and the letters of comfort and things of that nature which add up to the hidden deficit. I am not talking about just the $31 billion but about the larger hidden deficit of the Government of Canada of $36 billion or $37 billion. I have asked the Minister of Finance, both the previous Minister of Finance and the current Minister of Finance, for this. I have

been told it would be looked into but to date it has been totally ignored. This is a very major gap in this legislation.

The final point I would like to cover, Mr. Speaker, is the mandate of Crown corporations. This is a problem which has developed in recent years as Crown corporations have suffered some setbacks, and I use that word in a very gentle way. There have been instances such as this with AECL and with Canertech, where the Crown corporations, with the full financial support of the Government of Canada, have moved into areas which are not covered by their mandate at all. The result has been very unfair competition between these Crown corporations and the private sector, which previously has been able to look at that area of business as part of its own area of responsibility.

Let me give the example of Canertech. It is doing retrofits on buildings which involves a very extensive capital expenditure. What Canertech is saying to the owners of the buildings is: "We will do this business for you. We will pay for the total capital cost of it and you pay us by the savings which you make on the heating and air conditioning as a result of the retrofit". This is a very good deal. It is a deal which no one can refuse. But it is a deal which no private sector company could possibly offer. I say in the best of parliamentary spirit to the Parliamentary Secretary, since the Minister is not here, to take back this thought of giving Crown corporations and federal Government wholly-owned companies such a mandate and give them a much clearer mandate so that they are restricted in their ability to compete on unfair terms with the private sector.

In conclusion, this Bill is a major disappointment to us as Members of Parliament. We have no confidence that the Government has learned the lessons of the past and that is an overwhelming reason not only for a change of government but to scrap this Bill and allow a new government which understands the problem to bring in better legislation which will deal effectively with the situation.

The Acting Speaker (Mr. Guilbault): Are there questions or comments? Resuming debate.

Mr. Albert Cooper (Peace River): Mr. Speaker, I am pleased to have the opportunity to participate in this debate because I believe it is a very important debate. All of us realize that Crown corporations have taken an increasingly important role in implementing the policy of this Government. As a result, any changes which are made to the way in which these Crown corporations can act, in the way they can respond and generally do their business, becomes increasingly important to deal with in this House.

First in my remarks today I would like to comment on what essentially we had hoped to see in the Bill, in fact what, I suppose, we expected to see in this particular piece of legislation. What we wanted to see dealt with was ministerial responsibility for Crown corporations, which becomes very important when we look at a simple example, one with which I am familiar, of Canada Post. Time and time again we have addressed questions regarding that particular Crown corporation in this House of Commons only to have the Minister say: "I will have to check with the responsible people in Canada Post. I will have to see what they say". The Minister never gives a direct, straight answer here in the House of Commons. It is always a circuitous answer. That is the kind of thing which we as parliamentarians want to address because we see it as being absolutely essential to make sure that Crown corporations are responsible to Parliament.

The second thing we had hoped to see in this particular piece of legislation is a statement of principle on the role of Crown corporations. What is happening with them? In what direction are they intending to move? That has to be important to any kind of parliamentary overview of Crown corporations in our present set-up.

Third, we looked for a classification system of Crown corporations which was based essentially on the level of subsidization which they received from the Government. In other words, if you have a Crown corporation which is accepting a high level of funding from Parliament, then obviously it has to be very much accountable to Parliament because it must be responsible for the use of public funds, taxpayers' money. On the other hand, if a Crown corporation receives little or no funding from Parliament, perhaps then we can be a little less stringent in relation to that corporation.

The fourth thing we saw as being significant and important to this legislation is that there should be controls over Crown corporation subsidiaries. In other words, the subsidiaries of any particular Crown corporation must be held accountable, must be responsible and must in some way answer to Parliament, thereby to Members of Parliament, and ultimately to the Canadian people.

• (1150)

The fifth thing we were looking for is comprehensive public business plans. The Canadian people have a right to know where any public agency is going. They have a right to know what kind of plans are being made for that agency and in which direction it intends to move.

The sixth thing we looked for is very important. It is an effective and meaningful audit by the Auditor General. That is very important when we consider the number of examples we have seen lately that have demonstrated waste by Government.

We also wanted to have some form of standardized accounting procedures. We have heard a lot of discussions on the significance of comprehensive auditing lately. We feel a need to have those accounting procedures standardized.

The eighth thing which we felt was essential was to have boards of directors comparable to those in the private sector. In other words, they must have some clout, authority, impact and ability to give direction to the organization they are dealing with.

The final thing which we were looking for is something which I personally feel is extremely important. We wanted to see a joint committee of the House of Commons and the

Senate set up with a mandate to initiate periodic reviews of Crown corporations. That becomes essential.

A short time ago I was very pleased to work with the special committee on parliamentary reform. We spent a good deal of our time studying this particular area of concern. We studied it because we felt there was a tremendous interest by Canadians in knowing what is happening with Crown corporations. Canadians felt a need to make sure that these corporations were accountable to Parliament. We spent a good deal of time considering various ways of making sure that sort of thing was addressed.

One of the recommendations which I thought was significant was put forward in the report commonly referred to as the Huntington-Lachance report. That was a recommendation to set up a special committee to look into what we called the quasi-government agencies. It would be a committee to look at Crown corporations which are once removed from Parliament, but which at the same time play a significant role in the policies of the Government and the directions that these corporations were taking. We felt that kind of scrutiny was essential.

We needed those things because of the central role of Crown corporations and other agencies and their growing impact upon Canada.

I would like to speak for a few minutes about why we were looking for those things to be done and why we expected to see them in this particular legislation. Anyone who has paid any attention to the subject for any amount of time will know that there has been a great deal of debate and interest in this subject. There have been various reports by the Auditor General calling for the nine basic points which I have discussed briefly. The Lambert Commission is another example of a group and a report which was seeking reform in the way that Crown corporations were dealt with in Parliament. There is the Privy Council Office blue book. There was previous consideration in the forefathers of this particular Bill—Bills C-27, C-123 and C-153. In addition to those Bills and reports there have been a number of academic papers done on this subject across Canada, all of which have stressed the very important need for reform in our ability to deal with Crown corporations.

In addition to that, probably one of the most important elements calling for reform has been Canadians themselves from coast to coast. Any Member of Parliament, whether on the Opposition or Government side, will tell you that Canadians are very much concerned with the impact Crown corporations are having and how they are held accountable by Parliament for the Canadian people. All of the groups which I have just referred to expected to see these nine basic principles addressed. All of them stated the need for reform and control over Crown corporations.

The reason these various groups have come up with these essential points can probably be broken down into five general statements. The first reason or need for reform is the dramatic increase in the number of Crown corporations. I understand that the piece of legislation which we are debating today will apply to 183 Crown corporations, all of which have an impact of varying degree upon our country and the policies and directions taken in our country.

Second, there has been a significant increase in the number of Crown corporations and agencies and in their importance, but there has not been the corresponding balance of accountability. That is the sort of thing we want to encourage.

The third reason is that there has been no comprehensive system of control or accountability. Another reason dealing with accountability is that accountability has tended to be spread out. When accountability is spread out it becomes diluted and ultimately there is no accountability.

My colleague who spoke before me addressed the fifth reason. It is the idea of political appointments of directorships. When that happens frequently it becomes increasingly important to have well-defined regulations, guidelines and policies to ensure that things are carried on in a businesslike and efficient manner.

I have essentially spoken about what I feel we need. I have spoken about who I believe has suggested the kind of things we need. I have also spoken a little bit about why I think we need these particular amendments. I would now like to touch briefly upon what I believe we have ended up with in this Bill. As I see it, it has essentially been a contrast between what we needed and what we ended up with.

I would first like to discuss ministerial responsibility. By looking at the way things are laid out we find that the Minister shares his responsibility. He shares it generally with Treasury Board and specifically with the Finance Minister. He shares it generally with Cabinet and specifically with the board of directors. There is a lot of shared responsibility. It goes back and forth and in and out. We end up with no one individual taking absolute responsibility. This can have a tendency to create confusion and misunderstanding. The essential concern is that with that watered down approach individuals will be passing the buck in an endless cycle and no one will take responsibility.

I will refer back to the Crown corporation Canada Post. There is a situation within Canada Post which is having a tremendous impact upon Canadians and is causing a great deal of concern to small business people across the country. Canada Post is doing some testing on the idea of getting into the catalogue business by way of serving as a counter to take orders. Several times in the House the Minister has been asked what is going on, what is happening, where we are going. Time and again his response has been that he will check it out. The ultimate response we have received is that Canada Post will make a decision after the results of those tests are received. The question that Parliament wants answered is: If the results of those tests are good for Canada Post, is that all that is required for it to proceed or does it have to be good for the business community at large and the Canadian public? Those are the issues which need to be addressed.

● (1200)

Let me give an example. There is a lady in my area who makes her living by running a shop in which she takes orders

for a particular catalogue company. That provides her with her livelihood to support her family. As well, she has two or three part-time employees who earn part of their living from that particular business. If Canada Post proceeds to open up this type of business in the post office in that small community, that woman will immediately be out of a job. Her business will cease to exist. Her family will have lost its means of support. Is that the kind of action we as parliamentarians want to encourage? I do not think so. The only way we can prevent that from happening is by having an accountable and responsible Minister in the House who can stand up and give a definitive answer and make a decision. One would certainly doubt that this is the case at the present time.

Let me proceed and talk about the statement of principles regarding Crown corporations. I do not see a clear definition of that in this legislation, nor is there a classification system according to the subsidization level that I referred to in my third point. Rather, there seems to be a somewhat arbitrary list. For example, Air Canada is put together with CDIC. However, what is included within CDIC? It is Canadair. One corporation has been very successful while the other has not.

There is a corporation and an administrative agency lumped together. These are Canada Post and the National Capital Commission. It is difficult to understand how they relate to each other. Of course, the joint or mixed enterprises in which government agencies are involved are not even included. I think that lack of a comprehensive guidance system, which we believe is so essential, has allowed, and in fact in some ways encouraged, Crown corporations to invent their own policies and objectives. How can Crown corporations really be effective policy instruments without that kind of clear direction and guidance?

The question remains: Is this legislation going to create a standard approach to Crown corporations? Will it end the jumbled and *ad hoc* approach that exists at the moment and make an actual improvement? We on this side suggest that there will not be much significant improvement as a result of this particular piece of legislation.

We do not believe there is a meaningful attempt in this legislation to control the creation of Crown corporations, their subsidiaries or affiliates. We do not believe there is an assurance for the presentation of clear business plans so that there will be good, clear financial reporting. We do not believe there will be a standardizing of the necessary accounting procedures to ensure that its practices are clear and understandable to allow us quickly and efficiently to understand if the corporation is operating as we believe it is.

I believe there are a number of reasons why there is no real attempt to accomplish those goals. First, there are contradictions within the legislation. Second, this Bill has not amended the original Crown corporations and incorporation legislation that allows open-ended treatment of these particular agencies by Cabinet.

The third reason concerns the wide exemptive clauses that are imbedded in this particular Bill. The final reason involves the regulatory powers. One only needs to look at Clause 135(4) to have an example of that. It reads:

> The Governor in Council may, on the recommendation of the Minister of Finance, make regulations
>
> (a) exempting a specified Crown corporation or a Crown corporation of a specified class from the application of subsection (3)—

One can see that exemptions are already taking place. There are loopholes in the legislation that allow a particular corporation to get around the particular concerns that we believe should be addressed in the Bill.

This legislation also allows the exclusion of individual Crown corporations from the requirements of the Bill. That exclusion is contained in the clause to which I just referred. I immediately see a red flag whenever such a provision is brought to my attention. I know there are some dangers inherent in such a clause. It also provides that regulation will allow individual Crown corporations to be treated differently from others. Again, one must see a red flag warning because there is concern for potential problems and difficulties.

Therefore, in my view this Bill is one that advocates the *ad hoc* treatment of Crown corporations rather than the standardizing of the approach. I think this legislation goes part way in clarifying the role of the auditor. The Bill makes some clarifications in this case, but since it is a very important area it is not sufficient to move part way. Essentially, the Bill limits the scope of the special examinations by the auditor. For example, Clause 148 indicates that he cannot really get involved in reviewing policy. That is very important because we as parliamentarians want to make sure that policies are being enacted and carried out.

I thank you for the time given to me, Mr. Speaker. It is an important piece of legislation but I think it is inadequate. We are not satisfied with it and I will not be supporting it.

The Acting Speaker (Mr. Guilbault): Are there questions or comments related to the Hon. Member's remarks?

Mr. Foster: Mr. Speaker, I have some questions for the Hon. Member for Peace River (Mr. Cooper) concerning the Bill. I am not sure that he has read the same Bill as I.

He talked a great deal about the question of ministerial responsibility. It seems to me that the Bill clearly sets out that there will be a Minister designated for each Crown corporation. Of course, decisions are made by Cabinet but there is only one Minister who is on the firing line, whether it is during Question Period in the House or when legislation is put through the House. Whether the Minister is defending his estimates, the corporate plan, the budget, the auditor's report or the Auditor General's report, it is the individual Minister who is responsible.

In our system of collective Cabinet responsibility, I find it difficult to understand how the Minister who is designated to be responsible for a particular Crown corporation is somehow not responsible. In the case of Crown corporations which are totally owned by the Government, he is the shareholder and there can be no question about his responsibility.

The Hon. Member raised the issue of Canada Post and its trial business with the Consumers Distributing Company. This Bill gives the responsible Minister directive powers. I am not certain this is contained in every special Crown corporation Act but clearly this Bill is one which overrides all other legislation relating to Crown corporations. All Crown corporations must comply with it. I suggest that meets the concern that the Hon. Member has already expressed. Clearly, the powers of the Bill apply to wholly-owned subsidiaries just as they apply to parent Crown corporations.

The Hon. Member for Etobicoke Centre (Mr. Wilson) I believe mentioned one corporation in which the Government has an interest or share. I am not clear how the Government can completely control a company when it only has a partial investment. Clearly, this Bill provides that where there is 100 per cent ownership, those subsidiaries will be subject to the same directive powers as the wholly-owned parent Crown corporation.

With regard to auditing, the provisions set out in the Bill are that generally accepted accounting principles must be used. These principles are contained in a book that is approximately four inches thick and they guide and control all Canada Business Corporation Act companies. It provides that not only must those accounting principles be used, but the Minister may require that stronger provisions be made.

• (1210)

I agree with his argument that the House should consider whether it wants to have a special Crown corporation committee or a joint committee with the Senate, but that is a question for the House rules committee to deal with. I do not think that matter needs to be dealt with in this Bill.

Clearly with the number of corporations, I believe it is 60-some parent Crown corporations and many subsidiaries, it would be impractical not to have those corporate plans, the budgets, the audits and so on all referred to regular standing committees. It seems to me it would be impractical to have one special committee of the House deal with them on an ongoing basis.

The Hon. Member suggested that the Bill does not cover the growth of Crown corporations. Clearly it is set out in this Bill that there are only two ways Crown corporations can be established. One is through the Canada Business Corporations Act, which the Government has used in the past. When Crown corporations are set up under that provision now, a motion has to be brought in the House stating exactly their powers and prerogatives. The motion would have to be referred to a committee for some 30 sitting days and then it would be subject to at least seven hours' debate in the House as well. If it was a special Bill, such as the CDIC Bill which is before the House now, something like Petro-Canada, or other major pieces of legislation relating to Crown corporations, these special cases would continue to be brought forward under special legislation where there is no limitation on debate or discussion.

I think many of the concerns which the Hon. Member raised will be apparent when we get into discussion in the standing committee. A lot of them have been dealt with. I hope the Hon. Member will have a chance to read in more detail the provisions of the Bill and perhaps be reassured in our committee discussions.

Mr. Cooper: Mr. Speaker, obviously if I went into a detailed response, I would need another 20 minutes to answer the Parliamentary Secretary, but let me reply in this sense. Why, if we have such ministerial accountability, can we never get a straight answer from the Minister responsible for Canada Post? Why, if the Liberals are so concerned with this Bill and feel that this Bill clearly demonstrates urgency, while we in this Party are concerned about parliamentary scrutiny, is closure in advance applied to Crown corporations? Third, if the Liberals are so impressed with this idea of a special committee, why do they not show some leadership and put that suggestion forward as a recommendation attached to this Bill?

The Acting Speaker (Mr. Guilbault): Are there any more questions or comments? We shall now resume debate. The Hon. Member for Athabasca (Mr. Shields).

Mr. Jack Shields (Athabasca): Mr. Speaker, I rise to speak on Bill C-24 with a great deal of apprehension. I see in this Bill exactly the same process that was imposed when the National Energy Program was introduced into this House of Commons.

First, Bill C-24 was an initiative by the Government for the so-called control of Crown corporations because of the pressure building across the country and because of a position which our Party took in laying down policy. We indicated some of our ideas that were necessary for Canada and the taxpayer to gain control of a government, a hidden government, and I am referring to Crown corporations.

I think we all know, Mr. Speaker, that the total number of people employed by Crown corporations exceeds the total number of people employed in the federal civil service. It is clear that these corporations have to be brought under control. The Government, at the urging of this Party, has introduced Bill C-24. The Bill is a typical smokescreen which we have seen this Government use on the taxpayers of Canada time and time again. This Government is introducing legislation and tying every major point of control in that legislation to regulations that will be imposed or set up after the Bill becomes effective; after the Bill is passed by this House. Then we will see the regulations and the regulations will be tied to the very substantive clauses within the legislation.

Let me give you an example, Mr. Speaker. The National Energy Program was introduced and the regulations were introduced afterwards. These regulations gave wide discretionary powers to the Minister of Energy, Mines and Resources. It is the Minister who can determine who will or will not get grants which are being paid for by the taxpayer for off-shore drilling. It is the Minister who by regulation will determine whether there is or is not enough Canadian content for compa-

nies to become eligible for grants to drill in the Beaufort Sea or on Canada Lands. It is the Minister with discretionary powers, not tied to legislation but tied to regulations, which allow him to determine who in fact will get a contract and who will not. That takes the complete control, the complete accountability, out of Parliament and puts it into the Minister's hands.

Those huge regulation-making powers of the Government insulates a Crown corporation from any public scrutiny, any parliamentary scrutiny. I ask you, Sir, what individual would invest in a company and allow that company to take part in the kind of activity required of it that may be set down in its by-laws? What individual investor would allow that to happen if a company were exempted in all cases from tabling before that investor the result of its year's activities through a profit and loss statement showing how the company spent its money, the investors' money? This practice is fundamental to the business world. Individual investors would not accept exemption of the tabling of a profit and loss statement and neither should taxpayers.

Crown corporations must be accountable to the Members of the House of Commons who represent the taxpayers and shareholders of Crown corporations. What many people fail to realize but are starting to understand is that Crown corporations like the CNR, Air Canada and Petro-Canada must be held accountable to the shareholders, namely the taxpayers. They are not the Government; they are the taxpayers of the country. Crown corporations must be made accountable, and this legislation will not bring that about.

● (1220)

As I said, virtually every clause of substance within Bill C-24 has attached to it a regulation-making power by which government, not the people accountable to the taxpayers, defines how the clause will operate or which Crown corporations can be exempted. Without seeing the regulations, which the Government continually stonewalls and refuses to table in the House of Commons, how do we know how the Government intends to use the Bill? It is absolutely impossible to expect Members of Parliament representing the taxpayers of the country to pass Bill C-24 without knowing beforehand how the Government intends to use it.

I hearken back to the Petro-Canada Act. That company was formed so that the Government would have a window on the industry. There had been some poor forecasts of oil and gas reserves in Canada. The Liberal Government of the day brought in an Act to form Petro-Canada. Its members now say that Petro-Canada is ours. It is not ours, it is theirs, because that company is not accountable to Canadian taxpayers. The original intention was to form a window on the industry, as I said. It has grown by taking over and purchasing other companies. The clear intention of the Government has been to make it very large and unaccountable to taxpayers. That cannot continue. That was not the original intention. If in the debates at that time we had asked the Government what it intended to do, its members would have said: "We do not intend to open up service stations across the country". By regulation they have been able to do that because the Government controls what happens to Petro-Canada.

A mirror of the Petro-Canada legislation is the Canagrex legislation. Because of the regulatory powers vested in that legislation, the Minister of Agriculture (Mr. Whelan) can open up corner grocery stores from coast to coast. If we ask him whether that will happen, he will say: "Of course we will not do that; we never intend to do that". There is lack of control by taxpayers, the people who indirectly own every lock, stock and barrel of those Crown corporations. We cannot go to those Crown corporations to obtain the inside information which is required by investors. It is ludicrous, absolutely ludicrous, when we as taxpayers and as Members representing taxpayers are not privy to the information within those companies concerning their day to day operations because it is a closed door.

The Auditor General of Canada cannot go to Crown corporations and demand that their books be opened to him. The chairmen and presidents of those companies have stated publicly, as all Hon. Members of the House know, that the Auditor General has no business within our Crown corporations. The Auditor General is appointed by the House of Commons to account for the spending of taxpayers' dollars. Everyone agreed that the Auditor General should be the watch-dog and should point out where money was being wasted or spent unwisely. He is not privy to information from Crown corporations unless Crown corporations on their own or the Minister decide to open the books to him. We see this fiasco time and time again.

The very sad state of affairs of Crown corporations today will not be covered or changed by this legislation. Appointments of boards of directors and chief executive officers are made and approved by the Minister or some of his colleagues. That has clearly been abused in the past and continues to be abused. I will not name specific appointments but there have been appointments of clear political hacks. The time has come for every Member of the House of Commons to be satisfied that Crown corporations have the best possible choice of people in chief executive officer positions and on their boards. We have had case after case of appointments to various boards of Crown corporations where the people appointed had absolutely no concept of how business was run or even what the Crown corporations were supposed to do.

Crown corporations are needed in a mixed economy like that of Canada's to provide service where the private sector does not have the capability to do so. We have seen it with the Northern Transportation Company, with which I am familiar. It operates off the eastern Arctic. It operated a tug and barge service from Fort McMurray up to Uranium City and all points in between. That Crown corporation decided five years ago to sell off that company, and some of the chief executive officers or members of the board were to try to buy it. They used the excuse that Uranium City was shutting down and drove the profit margin of the Fort McMurray to Uranium City part of the operation into the ground so that they could

show a loss. Also it is becoming clear that they repaired and put new bottoms on barges, repaired tugs on the Athabasca line, moved those tugs and barges over to the eastern Arctic, and charged the repair, the upgrading and the transportation of those vessels to the Athabasca run. In my view that was done purposely to show that it was operating at a loss so that they could shut it down and free up some very valuable land in downtown Fort McMurray.

• (1230)

All of this has been done. When you question the Minister of Transport (Mr. Axworthy), you do not get an answer. He is not accountable because the Crown corporation operates as a separate entity. It is accountable to no one. In their wisdom, Crown corporations have spawned other Crown corporations by forming subsidiaries and the subsidiaries have done the same.

We ask questions about these corporations in this House, but they are not accountable either to this House or to the taxpayers of this country. When a Crown corporation runs a severe deficit, the Canadian taxpayer picks up the tab with no questions asked. We make noise in this House. We question the Minister. We asked the Minister of National Revenue (Mr. Bussières) why the chief executive officers of a Crown corporation received bonuses of $130,000 and $150,000 while at the same time the employees of that corporation were being asked to take a cut in pay. The Minister replied they had to do that in order to keep top management; otherwise the corporation would not operate and there would be no jobs for the workers.

The shareholders in a corporation the size of that Crown corporation would demand the resignation of those chief executive officers. Private investors and shareholders in such a company would demand the removal of the board of directors. They are accountable. We have seen that done time and again. One need only look at the history of the major corporations in this country to see that they are truly accountable. Chief executive officers constantly get canned if they do not do their jobs. A board of directors is removed if it does not do its job.

This Minister stood in the House and said that even though Canadair lost $250 million of the taxpayers' money as a result of poor management decisions, we have to pay bonuses to the chief executive officers in order to keep top-notch people. There is no accountability to the taxpayers of this country. There will be a revolt in this country with regard to our tax system if we do not—

The Acting Speaker (Mr. Guilbault): I regret to interrupt the Hon. Member but his time has expired. Are there any questions or comments? Resuming debate.

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, Bill C-24, an Act to amend the Financial Administration Act in relation to Crown corporations and to amend other Acts in consequence thereof, has some serious flaws. The Act will not be binding. It is just more window dressing and another Liberal smokescreen. Bill C-29 will be coming up for debate in the near future. It contains a clause which states:

> This Act is binding on an agent of Her Majesty in right of Canada or a province that is a corporation, in respect of commercial activities engaged in by the corporation in competition, whether actual or potential, with other persons, but not in respect of commercial activities engaged in by the corporation that are directly associated with its regulatory activities.

That is what is weak in Bill C-24, namely that it is not binding. When we see the disgraceful performance of our Crown corporations, Bill C-24 should be more binding. It took this Government five years to bring forward this legislation. It lacks several important features that are contained in Bill C-27. In 1979 it took the Conservative Government six months to begin the clean-up of the Crown corporation mess.

Bill C-24 does not cover mixed and joint enterprises. Although it catches 183 Crown corporations and subsidiaries, the legislation does not cover 109 Crown corporations, mixed and joint enterprises and their subsidiaries. It is strange that it would leave out 109 Crown corporations. It is impossible to know the effect of this Bill because everything is done by regulation and we have not seen the regulations. Assuming the Bill is passed, all regulations will be made by the Government behind closed doors. In the majority of instances they will not be made public. Therefore, Bill C-24 is just mere window dressing.

When the Canada Post Corporation Act was formed in 1981, the Hon. Member for Mississauga South (Mr. Blenkarn) introduced an amendment asking that the accounts and financial transactions of the corporation be audited annually by the Auditor General. That would be a complete audit. It was voted down by the then Liberal Government.

Bill C-24 is supposed to bring more accountability to Crown corporations. Bill C-31, recently tabled by the Government, an Act to amend the Freshwater Fish Marketing Act, states:

> All that portion of subsection 17(2) of the Freshwater Fish Marketing Act following paragraph (b) thereof is repealed and the following substituted therefor:
>
> "shall not exceed thirty million dollars".

That is increasing the borrowing authority just like that. The current level is $20 million. The board will have the power to borrow an additional $10 million with absolutely no explanation. The manager of that corporation is a local Manitoba Liberal who is obviously going to carry on in the Liberal tradition. Their solution to all problems is to spend more borrowed money. There is no explanation or accountability clause, no calling in the corporation to explain the increased borrowing.

Snow White and the Seven Dwarfs are parading around the country. I refer to John Turner and the others who are running for the leadership of the Liberal Party. They have a goodies list, bribing taxpayers with their own money. Each one of them has the qualifications to take over as leader of the Liberal Party, especially John Turner who, when he was Finance Minister, introduced the "blank cheque government" to Canada. He played a large part in the uncontrolled spending.

They are talking about moving Crown corporations around. They are going to give Manitoba a Crown corporation. Mr. Turner did not explain to his audience that if a Crown corporation moves from Ottawa to Winnipeg, under the Public Service Act the employees do not have to move if they do not want to. He would move the Crown corporation to Winnipeg. Perhaps only 10 per cent of the employees of that corporation would want to move. What would we do with the other 90 per cent of the employees? They would stay here and we would have to find jobs for them some place. This would be an excellent way to almost double the size of the bureaucracy. He neglected to explain this to his audience. He did not explain what it would cost the people and he did not explain that it would almost double the size of the bureaucracy. Not very many employees would want to move from Ottawa to Winnipeg or any other place because they are already established here. Of course, "Three-position Turner" did not suggest that a cost-benefit analysis be undertaken before moving Crown corporations. He simply said he would move Crown corporations. He is a true Grit.

● (1240)

The expansion of these hundreds and hundreds of Crown corporations began around the time that Mr. Turner was the Finance Minister. During Mr. Turner's tenure, government spending rose almost 100 per cent. He holds the marvellous record of inheriting a $700 million surplus and turning it into a $5.4 billion deficit during his tenure as Finance Minister. So much for controls under Mr. Turner, the man who introduced blank cheque government to Canada.

Mr. Turner is promising to move Crown corporations and he is promising many other goodies. We will see in the future whether he will suggest that a cost-benefit analysis be undertaken. However, since he is a true Grit, I would doubt very much it would. The promises of Grits mean absolutely nothing. In the last election we heard the Grits promise cheap gas and lower interest rates. We never did see that come true.

As well, Mr. Speaker, we are concerned about the activities of Canada Post which is in direct competition with the private sector and is making things as awkward and difficult as it can for the private sector through its latest venture, Consumers Distributing. I have noticed that a number of Liberal members have complained about the post office venture into Consumers Distributing and I hope that they will put some pressure on the Minister who is responsible for Canada Post so that he will take some direct action to have Canada Post withdraw from the Consumers Distributing venture.

That venture is causing serious concern across Canada. The Canadian Retail Hardware Association has expressed its concerns about a Crown corporation competing directly with that association and its operations. Mr. Thomas M. Ross, the executive director of the Canadian Retail Hardware Association, pointed out the following in a letter to me dated April 25, 1984:

> It is my understanding that Mr. Warren's mandate at Canada Post is so broad, that he can really do anything he desires. If this is the case, I am greatly troubled as to the outcome of this affair since Mr. Warren seems to have "painted himself into a corner".

It is not the purpose of government to compete with the private sector. It is not the purpose of a Crown corporation to receive government hand-outs to establish programs like the Consumers Distributing venture and all the other plans Canada Post may have. The main function of Canada Post is to see that the mail is delivered. When Mr. Warren was questioned before the Public Accounts Committee, he did not give straightforward answers about how this scheme would work and whether it had been costed. We really do not know what it will cost Canadian taxpayers.

Years ago under a Conservative Government, the post office was run in an orderly and efficient manner. As an example of how efficient the post office was under the Diefenbaker Government, the post office made a profit of $1,836,713 in the year 1960. That is a remarkable profit and a remarkable record. However, after the year 1963 and under continuous Liberal Governments, the post office went from disaster to disaster. We have some very serious concerns about Canada Post being a Crown corporation and about its being accountable to Parliament and to the people.

Speaking of control, the list of executives who are employed by Canada Post is unbelievable. There is a huge chart consisting of five pages which breaks down the executive of Canada Post. I doubt if any large multinational corporation could come close to the expansion that has occurred at the executive level of Canada Post. Canada Post has six executive vice-presidents, 27 vice-presidents, 11 executive directors, 69 directors and 18 divisional general managers. Canada Post is certainly solving the unemployment problem for high-priced personnel. I would surely question whether it needs that many executives.

The chart to which I have referred goes on to mention managing directors, treasurers, special assistants, co-ordinators, human resources officers, regional directors and senior directors. The list goes on and on. All of those people have cars and we do not know how many of them have chauffeurs. Dating back to May 24, 1983, I have put questions on the Order Paper to try to get a breakdown indicating what these individuals are paid, how many cars they have and what all the rest of their benefits are. However, I cannot get an answer from a Crown corporation that is supposed to be accountable to Parliament and to the Canadian people.

Another example of lack of accountability is Canadair. In 1976 I warned the Government that Canadair was on a disaster course. At that time I said that the Government should come clean, state its plans and expectations for Canadair and begin revealing true information about Canadair's financial position. However, the present Minister of Energy, Mines and Resources (Mr. Chrétien), who is now running for the leadership of the Liberal Party, said that things had never been better in Canada and that things were going very well. Well, today we can see the absolute disaster that has occurred with the management of Canadair. We have had to bail Canadair out to the tune of about $2 billion, so far but one can never get a point across to a Liberal.

We pointed out that the National Energy Program was on a disaster course. We did not use partisan rhetoric but documented evidence to point out that the Government was on a disaster course. In 1976, we pointed out that Canadair was on a disaster course but Government members do not pay any attention. They simply carry on in their wild and crazy manner. It is the Canadian taxpayer who must pay for that.

Of the group of people who are running for the leadership of the Liberal Party, not one can offer any kind of explanation. The present Minister of Energy, Mines and Resources has said that he is proud of his 20-year record in government. That must mean that he is proud that there are a million and a half people unemployed, proud that there are record bankruptcies, proud that Canadair is on a disaster course and proud that de Havilland and other Crown corporations are on disaster courses while their executives are getting big bonuses. He has said that he is proud. What on earth is there to be proud of, Mr. Speaker? He is probably more guilty than all of the rest of them combined because he has been in the Cabinet the longest. Obviously he has no administrative ability at all and is not the least bit interested in seeing that Crown corporations or any other government departments are accountable to the people.

It is unfortunate that the Liberal Party could not find any responsible people to run for the leadership of that Party. It is unfortunate that the Liberal Party could not find people who are prepared to have government departments or Crown corporations accountable rather than making ridiculous promises to taxpayers and saying they will move a Crown corporation around without doing a cost-benefit analysis.

There is no doubt that Bill C-24 is nothing but a smokescreen. This type of legislation would certainly suit John Turner. When he was the Minister of Finance, we witnessed his position on accountability. He was not accountable to the people at all. He should be explaining to Canadians why this is so and he should be apologizing to them.

• (1250)

In closing, I have had other representations made to me about Canada Post going into Consumers' Distributing. The publishers of Ontario are very, very concerned. The Ontario association passed a motion opposing Canada Post being in any business other than the delivering of mail. Talking about delivering the mail, I have reports about big tractor trailers sitting in lots. The computer system does not work and, therefore, the trailers cannot be located. Trailers full of mail are sitting in lots. Thousands of pieces of mail are sitting in lots for a period of up to six weeks. These are the issues we should be dealing with. Let us find out why trailers full of mail are sitting in lots instead of competing with the private sector. I hope the Government will reconsider and get some teeth into Bill C-24.

[*Translation*]

The Acting Speaker (Mr. Guilbault): Are there any questions or comments on the Hon. Member's remarks? The Hon. Member for Laval (Mr. Roy).

Mr. Roy: Mr. Speaker, I would like to ask the Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie) whether he is aware of the fact that where advanced technology is concerned, when a country decides to manufacture an aircraft, its efforts are financed by various departments. I am referring to France, Great Britain, Belgium and the United States, which have built aircraft with funds provided by the Department of Defence or other departments.

When the Canadian Government decided to buy Canadair and de Havilland in 1975, Canadair had 750 employees. Today, ten years later, there are as many as 7,500 employees in this high-tech field. When I hear Progressive Conservatives making their usual partisan remarks about Canadair, I wonder whether they are really helping Canadians who are looking for jobs.

In Montreal we now have 16,000 graduates from twenty CEGEPs in this field, who are looking for and are interested in a job in the high-tech industry. That is why Canadair is building an aircraft, why we are developing the aeronautics industry. This is part of research and development and should appear in our appropriations as part of the Canadian Government's investment in research and development in the aviation industry. Unfortunately, this is not emphasized often enough.

I would therefore ask the Hon. Member whether the Government's position is against developing advanced technology. That is exactly the kind of development it has had in mind with respect to de Havilland and Canadair. As far as management is concerned, I believe corrective action has been taken. No one here was particularly proud of Canadair's administration. I have spoken many times about Canadair here in the House. I feel that the federal Government's objective has been to give Canadians a chance to develop expertise in the area of advanced technology. Quebecers no longer want to concentrate exclusively on the so-called soft industries such as textiles or footwear. They want a share of the high-tech industry, and that is why the Government of Canada is investing in Canadair. I intend to keep on defending the appropriation of funds for advanced technology, and I think it is unfortunate that some people are making gloomy speeches about advanced technology because the industry seems to be concentrated in the central provinces.

Mr. Speaker, I can assure the Hon. Member that countries that have invested in the aviation industry and have developed aircraft have done so, not on the basis of short term operational funding but with funding provided by the Department of Defence. They did so with funds that were set aside for research and technology, for R&D. About Canadair, they keep saying that it is costing us $1.6 million; all kinds of

figures are mentioned. It is true! This is the book cost. But if we consider the contribution to technological development and job creation for young people, the investment in research and technology, in research and development, I agree with the Progressive Conservatives that perhaps we have not increased our funding enough. The present rate is 1.3 per cent of the Gross National Product for research and development, which should be increased—and we want to do this—by one-tenth of a percentage point per year. Of course Canadair's operational deficit exists on the books! However, we must not forget the multiplier effect all this has had on the field of advanced technology. In fact, the funds thus invested in advanced technology should be considered a vital contribution to research and development. And that is exactly what it is, Mr. Speaker.

[*English*]

Mr. McKenzie: Mr. Speaker, I do not need the Hon. Member to put words in my mouth. I did not mention anything to indicate that we are against high technology. We are talking about management. There has been definite mismanagement at Canadair. I would suggest that he read the Auditor General's report.

The only change that we have seen at Canadair is that the president has resigned. The rest of the staff is there. The de Havilland corporation and the disastrous conditions which exist there, is another example. What did the Government do? It reappointed the same board of directors. Every one of them should have been replaced. On top of that the Government gave them bonuses. They do not deserve bonuses. They are not running the plant properly. The management has not changed at all. That is what we are talking about, not the workers. We are not against high technology.

There is a problem with the Challenger. I understand that that plane cannot be serviced in Europe. If it cannot be serviced in Europe, I do not know who is going to buy that aircraft. There are many executive aircrafts being built in North America; it is a highly competitive business. If we are to compete with the United States in building executive aircraft, we must ensure that we have the right people running the plant or there will be a lot more youth unemployed in the Province of Quebec. They will not be able to sell those planes. They will not be able to service them. The Government simply has not got the right personnel at the top. That is the point which we are making.

We want more accountability. That is what this Bill is all about. If we get the right people, we can start selling the aircraft. It is a tremendous investment. I would suggest that the Hon. Member read the Auditor General's report. The Auditor General is very disturbed about the management and the way it is handling funds. Another example is de Havilland.

Mr. Taylor: Mr. Speaker, I was very interested in the splendid address given by the Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie) and particularly in the examples that he used.

I was amazed at the question which was asked by the Liberal member who seemed to be proud of the fact that as a private enterprise company there were 150,000 employed and now that the Government has taken over there are 600,000 people employed. That is what we are worried about. We are not worried about high technology development. That would save money, not cost money. That should be able to give better service for every dollar spent. Yet Joel Bell, president of the Canadian Development Investment Corporation, said when he looked over the Canadian company that it has become large and cumbersome. That is what the Hon. Member just said he was proud of.

I would like to ask the Hon. Member for Winnipeg-Assiniboine, can we not expect this situation to get worse, if the Liberal regime keeps on going, when Clause 112(4) of the Bill reads:

> No action of a Crown corporation, including a transfer of property, is invalid by reason only that the corporation was without the capacity or power to so act.

Anything done by a corporation today is valid according to this clause. I wonder if the Hon. Member would like to comment on this terrible type of legislation?

Mr. McKenzie: Mr. Speaker, that is typical of the blank cheque government we have. That is a blank cheque clause and it has absolutely nothing to do with proper accountability at all. The Hon. Member is absolutely right. He is 100 per cent right.

The Acting Speaker (Mr. Guilbault): Order, please. It being one o'clock p.m., I do now leave the chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

LABOUR CONDITIONS

YOUTH UNEMPLOYMENT

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, it is highly appropriate that I speak on youth unemployment on May Day. Canadian citizens from age 15 to 24 have been in an employment tailspin since the Government took office in March of 1980. The Liberals have cast a deaf ear on those individuals who are crying "Mayday", and the youths who manage to make it to the parachute stage are Roman candelling into the depths of despair.

During the recession, from June, 1981, to November, 1982, the number of young people with jobs decreased by 388,0000. Those youths accounted for a whopping 68.9 per cent of job losses across the board. Since the advent of recovery, such as it is, only 9.4 per cent of the employment recovery involves Canadian youth. To put this debauchery into perspective, there are 293,000 fewer young people working today than when the Government took over four years ago.

Instead of addressing the problem, the Government has not allocated any more money to youth unemployment this year over last year. The Liberals are guilty of mass pacification. Their training programs are not working, and neither are half of their graduates three months after completing those programs. This is a fine way for the Government to treat the future leaders of the nation. No wonder young people are bitter and see the Government as the enemy. It is time—

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

* * *

AGRICULTURE

GOVERNMENT POLICIES AFFECTING GRAIN PRODUCERS

Mr. Gordon Towers (Red Deer): Mr. Speaker, it is nauseating to hear the Liberals attempting to woo the western farmers now that an election is forthcoming. Where were they when we needed them? They were all busy in the East, ignoring the western farmers whose importance in grain production cannot be underestimated in the Canadian economy.

Initial grain prices are going to drop by from 6 per cent to 10 per cent on August 1, which could mean 40 cents on a bushel of wheat. At the same time the farmers are producing more grain and will be shipping more than anticipated over the 31.5 million tonne cap that the Liberal Government insisted be put into place. What this implies is the increased cost for moving grain will be approximately between 20 per cent to 25 per cent on that amount.

The Government is destroying every incentive for western Canadian grain producers to become more efficient in producing more for the hungry world. The farmers cannot sustain a 10 per cent loss in selling price, and a 25 per cent increase in the cost of moving the extra production.

* * *

GARRISON DIVERSION

UNITED STATES RESPONSE TO MANITOBA GOVERNMENT REPRESENTATIONS

Mr. Terry Sargeant (Selkirk-Interlake): Mr. Speaker, a delegation of government representatives from Manitoba came home from a three-day trip to Washington last week with some good news. After meeting with American officials, they were able to report that the Americans have agreed, in principle, to fund studies for alternative designs for the Garrison Diversion unit. This means that, for the first time in any public way, the American Government is acceding to Canadian requests that this massive irrigation project be redesigned so as not to affect Canadian waters on the northern side of the Continental Divide.

People in Manitoba are happy with this turn of events. We have watched for years as the Americans poured more and more money into the first phase of Garrison construction. Finally, they have agreed to spend some money on ways of altering the project to allay Canadian concerns about biota transfers.

In congratulating the provincial Government on this breakthrough, I want to extend my thanks to federal officials as well, who have been working hand in hand with their Manitoba counterparts in recent years in fighting Garrison. However, I must point out that this is far from being a complete victory. It is but one, small, albeit important, step. We will continue to monitor the situation and to press our concerns vigorously when and where needed.

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[*Translation*]

YOUTH EMPLOYMENT

COMMENT ON STATEMENT BY MEMBER

Mr. Jean-Guy Dubois (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I wish to take this opportunity to comment on the remarks of the first Progressive Conservative Member who spoke this afternoon about youth unemployment and the programs made available by the Government. I must challenge those remarks. In the February Budget, the Government earmarked one billion dollars for young people, and the Minister of Finance added another $150 million. In addition, the Government created a Ministry of Youth, and not long ago, Hon. Members heard the Minister of Youth say that a total of $30 million was being set aside for summer job creation. I would also urge my hon. friend to check the programs of the Department of Employment and Immigration, especially the Career Access Program which is aimed at helping young people who, after finishing their education, have entered the labour market, are having trouble finding work and lack financial resources. The Department of Employment and Immigration is prepared to give financial assistance to employers who hire these young people for a number of weeks. The programs are aimed at young people who are looking for a job. The Hon. Member's remarks show how ignorant Opposition Members are of the federal Government's programs and may explain why Canadians have decided to stop supporting them.

S.O. 21

[*English*]

HOUSE OF COMMONS

TRIBUTE TO PARLIAMENTARY INTERN KILLED WHILE CYCLING HOME

Mr. Tom McMillan (Hillsborough): Mr. Speaker, each year some ten young men and women from across the country are carefully selected on the basis of academic excellence and extra-curricular accomplishment to participate in the Parliamentary Internship Program. Through the Program, each of these young people is exposed to the practical day-to-day workings of Parliament, and to the Canadian political system as a whole, by working in an individual Member of Parliament's office of the intern's choice.

One such intern was Maureen Dobbin of Vancouver, British Columbia, who worked in my own office for the past two months. Before then, she worked in the office of the Hon. Member for Essex-Kent (Mr. Daudlin). Last Thursday, in the full bloom of youth, Maureen was killed. An automobile struck her down while she rode her bicycle home from work on Parliament Hill.

Maureen was an intelligent, conscientious, hard working, and deeply religious young woman who was a credit to her family, to the Intern Program and, indeed, if I may say so, to Parliament as a whole. A memorial service for Maureen is to be held this evening at five o'clock at St. Matthias' Anglican Church on Parkdale Avenue. I know all Members of the House join me in expressing to Maureen's father and mother, and to her brother, heartfelt condolences and our own deep sense of loss.

Mr. Speaker: I am sure the Hon. Member speaks for every Hon. Member of the House in the words he has just spoken.

* * *

MEDICAL CARE

NEED FOR HOSPITAL ETHICS COMMITTEES

Mr. Stanley Hudecki (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, the time has come when all large hospitals and medical schools must have a formal ethics committee. With the current rapid social transformation, and with the continuing advances in medical technology and techniques, doctors and society at large face dilemmas beyond the imagination of other generations.

It is not enough, as is the custom now, for complex ethical decisions to be made at a meeting of the medical advisory board of a hospital, or by a special committee struck for a specific issue. A formal ethics committee in a hospital must consist of medical staff, social workers, religious representatives, and legal advisers. Less formal committees are more ideal in difficult situations such as making a decision as to whether or not to discontinue life support systems and should, therefore, involve only people most closely involved with the patient—the family, the doctor, and the religious adviser.

These groups in their discussions need the expertise of a person trained to deal with the ethical question, that is, an ethicist. Such people may come from a variety of professions, medicine, law, philosophy or theology. At least one year's intense training is desirable to prepare such individuals. There are only a handful of such persons at the moment in Canada. As an important matter of concern, I feel that financial support from the Government is the stimulus which is required to encourage and promote the establishment of the essential services of ethicists throughout our country.

* * *

• (1410)

EXTERNAL AFFAIRS

CALL FOR DEBATE ON GOVERNMENT POLICIES

Mr. Douglas Roche (Edmonton South): Mr. Speaker, it was quite astonishing to hear the Secretary of State for External Affairs, in a speech last night to a conference in this building on Parliament and foreign affairs, lay the blame for inadequate discussion of foreign affairs on the Opposition. It is not the Opposition that controls the principal use of House time, but the Government. The Minister then excused the Government's lack of making Statements on Motions by saying the Opposition wants to debate them too much. Mr. Speaker, the Minister cannot have it both ways.

The real reason Statements on Motions have fallen into disrepute is that the Government cannot stand probing by the Opposition into weak and ineffectual policies. What is the Government's stand on the Central America crisis today? What is the Government's stand on the full meaning of the U.S. action on UNESCO? What is the Government's stand on the breakdown in the quest for global economic negotiations? These are but three of the many critical areas of foreign affairs that need debate in the House.

There is an urgent need today for Canada to play a stronger role in international action to put into place a new system of collective security and in implementing a strategy of international development co-operation. Coherent and comprehensive policies on these two paramount issues should be placed before the Parliament of Canada.

* * *

INDUSTRY

WESTERN RESOURCE INDUSTRIES

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, like many Canadians, I noted with interest the meeting of the Liberal leadership candidates in Saskatoon last week to discuss western alienation, and their solutions to that problem. By and large I found the solutions to be generalities and platitudes, and very disappointing. In the 60 seconds I have left I would like to suggest an approach.

When you look to western Canada, Mr. Speaker, you must look to the primary resources of fish, mining, forests, agriculture, oil, and gas. You have to remember that these are cyclical industries. With the exception of the Province of Manitoba, our western provincial Governments are gutting these resources. My province of British Columbia, for example, is losing its forests. There is no way that we can keep up with Japan and high technology as an alternative. Therefore, you must look at these problems with a sector by sector approach. For example, we must consider reforestation in forestry.

We must also look at the Pacific Rim to see what markets are there and where we can sell. Finally, we must look at education and planning. People in western Canada want to train, but what are they going to train for?

I suggest that we need a regional plan for western Canada to integrate industries there. We must have a new type of labour relations, perhaps based upon worker ownership. We should look at regional marketing and re-investment of profits that are taken out of the West. Finally, westerners want politicians to look into the future of Canada and tell the West with concrete policies—

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

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POLITICAL PARTIES

REPORTED REFERENCES TO NEW DEMOCRATIC PARTY IN SEIZED GRENADIAN DOCUMENT

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, a United States unclassified document reports that, during that country's rescue operation in Grenada, evidence was found titled "Report on the Meeting of Secret Regional Caucus Held in Managua, Nicaragua, January, 1983". This secret document of a subversive strategy meeting lists the NDP of Canada as a strong political ally of the revolutionaries with "good potential".

This "good" revolutionary "potential" has also been discovered by the Committee of Friends of El Salvador. As reported in an interview by the Farabundo Marti National Liberation Front, an armed rebel communist organization, an invitation has been extended to the Leader of the NDP to "publicize Canadian's reaction to the Salvadoran situation, and to represent social democracy" in El Salvador.

The people of Canada join me in condemning the NDP for their involvement with the Communist Marxist Leninist and revolutionary organizations, for the persual of a common goal with the Communist Party of Canada to establish a socialist society in Canada—

An Hon. Member: Sit down.

Mr. McKenzie: —as reported in the June 21, 1982, *Communist Canadian Tribune,* and for their 1981 resolution to terminate Canada's membership in the NATO Alliance.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

GROSS NATIONAL INCOME AND UNEMPLOYMENT LEVELS

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, my question is for the Minister of Finance. I am sure the Minister was disappointed at the announcement today of a 1.2 per cent drop in the gross domestic product of the country for the month of February. He must realize that it has been flat for the last six months. That explains why the jobless rate today has resulted from two upward increases in the past two months. What action does the Minister propose to reverse this trend which is putting the skids under those 1.5 million people who are trying to find a job today?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, no doubt the Hon. Member knows that this year the Government is spending more than ever before directly on job creation, either through programs of the Department of Manpower and Immigration or the special recovery capital projects. Several hundreds of millions of dollars are going to be spent in those areas this year. As a matter of fact, it will be close to $1 billion. Therefore, in terms of direct expenditures, the Government has assigned more funds than ever on both the special recovery projects and the direct employment programs.

In addition, I remind my friend that the Government has provided for very generous and large incentives to the private sector to stimulate job creation in that sector. There are tax incentives which run to $2.4 billion over a period of a few years. Most of them will be taking effect this year.

I remind my friend also that, through the simplification we have introduced to the taxation of small businesses, that sector is going to benefit from a $150 million decrease in taxation provided in the last Budget.

Mr. Wilson: Mr. Speaker, these direct job creation programs of the Minister are simply not working. That was the reason for the question.

BUDGET POLICIES

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, I have here the January edition of Statistics Canada's *Current Economic Analysis* which is riddled with signs of weakness in the economy at that time. It talks about the Conference Board index of consumer confidence dropping 20 points in the fourth quarter. It talks about the softness in investment plans in Canada, which is clearly going to lead to more unemployment here. Finally, it talks about the weakness in labour market conditions in western Canada as a result of slowing activity in the primary industry, the construction industry, and the service industry. It also reflects a weakness in investment demand.

In the face of this clear evidence of weakness in the economy before the Minister brought down his Budget, why did he

proceed with the Budget which, in his own words, was intended to do nothing to change the course of the economy?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the Hon. Member refers to some weakness in western Canada. He knows, for instance, that one of the big factors in the last several weeks has been the lock-out in the pulp and paper industry in British Columbia. That lock-out was decided upon by the industry. That comes under the responsibility of the provincial Government. A number of steps have been taken. I am happy to see that the industry is going back to work. I hope that this will indeed produce results in the very near future. That lock-out had a very significant negative effect on British Columbia in the last several weeks.

As far as the general trend is concerned, I indicated that indeed my Budget was planned to reinforce and consolidate the positive trends that were taking place in the economy. I had concluded that this was no time to proceed to any radical change in the general thrust of government policy. I am still of that view.

As far as the general performance of the economy is concerned, I continue to believe that we will experience strong growth this year. Those forecasts are supported by private and public forecasts, both national and international.

EFFECT OF INTEREST RATES

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, we are not talking about projections. We are talking about what has happened in the last six months. It is not a short term phenomenon. It is something that started back in August. The Minister has his head in the sand.

The dollar has weakened. It is weak now. It hit 77.5 today, and the only response the Minister has made to that is to increase interest rates. That in itself led to further weakness in the already weakening economy over the past six months.

Will the Minister not admit that this high interest rate policy will only add to the plight of the 1.5 million unemployed men, women, and young Canadians who are looking for a job today?

● (1420)

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the Hon. Member knows that we do not have a high interest rate policy; we have had a policy for the lowest possible interest rates in this country. As a matter of fact, if the Hon. Member wants to check the facts, today the prime rate in Canada is half a point below that of the United States. This is in spite of the fact that a few years ago it was as much as 4 per cent more than the United States. Certainly the policy that has been pursued over the last few years has been very much in the direction of a lower interest rate policy and the lowest possible interest rate policy. I would be very interested to hear from my friend what interest rate policy he would like to follow himself.

As far as the dollar is concerned, indeed the Canadian dollar has weakened against the United States dollar, but I would like to remind him that if one takes the weighted average measure of overseas currency during the last month, the Canadian dollar has increased by 2.1 per cent.

The Canadian dollar declined 0.9 per cent against the U.S. dollar since March 30, but it has increased by 4.9 per cent against the Deutschmark, 2.9 per cent against sterling, 4.5 per cent against the Swiss franc, and 0.9 per cent with respect to the yen. This is what has happened to those other currencies vis-à-vis the U.S. dollar during the same period: the Canadian dollar had declined less than the Deutschmark, less than sterling, less than the Swiss franc, and was at the same level as the yen.

DOLLAR'S EXCHANGE VALUE—REQUEST FOR INTRODUCTION OF NEW BUDGET

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, my question is directed to the Minister of Finance. If the Minister is so proud of the activity of our dollar on foreign exchange markets, why is he pouring hundreds of millions of dollars into the market to support the dollar? The fact of the matter is that our dollar has dropped from 81.5 cents to 77.5 cents and is going down. The only response by the Minister is to raise interest rates. He knows that interest rates are rising dramatically.

Surely the direction of the country is at fault. Surely we should have a new Budget, a new proposal and a new, honest projection. When will the Minister produce new projections and new spending controls that somehow change the economy around and get at the fundamental weaknesses of the Canadian economy?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, this a good example of the contradictory policies being recommended by the Progressive Conservatives. The Hon. Member who spoke previously asked what we were going to do to create more jobs and complained that the Government was not spending enough money to help the unemployed. Now we have the next Progressive Conservative Member pointing out that new spending controls should be introduced, that expenditures must be cut back, and so forth.

The Hon. Member knows perfectly well that in Canada, interest rates have not gone up as much as they did recently in the United States. He knows perfectly well, for instance, that today, the prime rate is 11.5 per cent in Canada and 12 per cent in the United States. He also knows perfectly well that in Canada, we cannot have an interest rate policy that is substantially different from that in the United States, and that we cannot afford to let interest rates in Canada drop substantially below those in the United States. I challenge the Hon. Member to come up with a policy and to make a specific proposal that would achieve this. He knows perfectly well it is not a realistic solution.

[*English*]

MINISTER'S PLANS

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, is the reason the Minister is looking for another job because the going has got tough and he will do a John Turner, and abandon the finance portfolio to someone else?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I am not looking for another job. I have been very honoured and privileged to be asked to let my name stand for a very prestigious position, and I have agreed to do that.

* * *

INCOME TAX

NON-PAYMENT OF TAXES BY HIGH INCOME EARNERS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister will understand the kindness with which I say, God help the world community if he is accepted. I have a question for the Minister of Finance on this May Day, a symbolic day for ordinary people all over the world. Today is also the day in Canada which comes 24 hours after families have had a last chance to submit their income tax returns.

My question concerns income taxes. Please note, Mr. Minister, that in 1981 there were 239 Canadians earning an average of $635,000 who paid no income tax. There were another 1,200 Canadians earning $100,000 who paid no income tax. At the same time an unemployed man or woman with one dependant would have to pay $600 in income tax this year.

If there is any compassion, any sense of justice left in the Liberal Government, will the Minister bring in a measure before we recess to ensure that wealthy Canadians at last pay their share of taxes?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, if the Hon. Member looks at the record and compares the situation in Canada with that of other industrialized countries, he will find that the system in Canada in terms of distributing the tax load amongst the various levels of income in the country is as fair as that of any other industrialized country. He says that some lower income Canadians are required to pay so much. It will depend on how they arrange their affairs under the Income Tax Act. There are provisions in the Income Tax Act that provide, for instance, that one can claim losses in one year against one's income, and is dispensed from taxes in that year, but is required to pay in the following years as one is making profits.

There are a number of provisions that have been passed by Parliament, of which I am sure the Hon. Member has been made aware. I would invite him to examine those provisions. He will find that the arrangement is that those who have income are entitled to a number of deductions under the law, but are also required eventually to pay those taxes as the claims that they are making in a particular year, whether in terms of depreciation, claims against losses, et cetera, are used up and they have to pay taxes.

Mr. Broadbent: That answer is just short of being absurd. The Minister ought to know that an unemployed man or woman who must pay $600 in income tax has almost nothing under this law provided by a Liberal Government by which they can provide for any deductions at all. They have to pay their share. We are saying that it is time millionaires in Canada paid their share. That is the point.

UNITED STATES TAX SYSTEM—REQUEST FOR SIMILAR PROVISION IN CANADA

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister has suggested a comparison with other countries. First, I would say that there are at least a half dozen countries in western Europe that have a tax system that is more fair. However, with reference to the United States, a country closer to home, I would ask him if he is aware that even under President Reagan the wealthy must pay a minimum of 20 per cent tax on their income? If the Minister is concerned about any justice at all, will he at least bring in a requirement that upper income Canadians have to pay a certain minimum of their tax burden so that all other Canadians who must pay their taxes do not pay the whole load in this country?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I have indeed examined in great detail the provisions of the American legislation in this regard. I have examined this very point very carefully, and have considered it as an option. I decided not to proceed with it when I found the number of loopholes that exist in the United States in their regime. The number of advantages to the wealthy in their system and the comparison of advantages to the better off in the United States appear to show that there are significantly more advantages in the United States than in Canada.

Mr. Broadbent: The Minister has frequently been accused of being unfair or unjust, but very rarely has it been suggested that he is talking nonsense. With respect, I say that is what he was just doing. I indicated that in the United States every rich person must pay a minimum of 20 per cent. In Canada, rich people get away without paying a cent. We in this Party think that is unfair. We think it should be changed.

• (1430)

GOVERNMENT POLICY

Hon. Edward Broadbent (Oshawa): Would the Minister agree if we have, as I suggested, 239 Canadians earning an average of $635,000 who pay no tax, and another 1,200 Canadians who earn $100,000 and pay no tax, that their taxes have to be made up by ordinary workers, and by the unemployed, and by pensioners? If the Minister of Finance thinks that if one group who pays nothing has to be compensated by others, in effect subsidized by others, is he telling us that this is just? Is this what the Liberal Party believes in? Is this the

new Liberalism? Or is new Liberalism merely a slogan, a covering for the old Liberal injustice?

Mr. Nielsen: Ask Roberts.

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the Hon. Member talks about a minimum of 20 per cent. The question is 20 per cent of what? That is what I told the Hon. Member in the previous answer. Indeed, once you look at the American legislation and look at the definition of income, you end up with a situation where that so-called minimum is one that has a very different notion or concept than it would have in Canada if we were to follow the same rule. I invite my hon. friend to examine the American legislation very carefully and to inquire, to investigate, and to study the matter, as I have studied it. He will, I hope, come to the same conclusion that I have come to, that this is not an appropriate route to follow for this country when you look at our whole legislative arrangement and our Income Tax Act.

The Hon. Member talks about a number of people not paying taxes as if these people, year after year, were not paying taxes. That is not the case, Mr. Speaker. Maybe they were not paying taxes this year because they had accumulated losses or depreciation, or had investments which they were entitled to deduct. By not paying taxes this year it will mean that they will be paying taxes next year, the year after, or the year after, because the depreciation you take this year is something you have to account for later on. This is the situation under the Income Tax Act, and it has been the situation in practically every other industrialized country of which I am aware.

* * *

THE ADMINISTRATION

LIBERAL PARTY LEADERSHIP CAMPAIGN—ROLE OF JIM MACDONALD

Hon. Allan Lawrence (Durham-Northumberland): Mr. Speaker, on April 11 the Prime Minister, in a very unequivocal statement to me in the House, for which I congratulated him, said:

> But of course there should be no active involvement of such staff—

That is, ministerial or exempt staff—

> —in the leadership campaign in an overwhelming way, or any other important way, without that staff either resigning or asking for a leave of absence.

Yesterday I believe the Prime Minister was in the House when he heard his Minister of Justice, of all people, indicate that his publicly announced leadership campaign manager, one Jim MacDonald, is still on the government payroll and will be until at least the end of June—and that is significant—through the laundering technique of being paid as a ministerial speechwriter from a paper company which, in turn, is receiving government funds. Has the Prime Minister taken any action, or will he, to terminate this very obvious attempt, manoeuvre, to get around the Prime Minister's own very worthy guidelines?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I listened to the exchange yesterday between the Hon. Member and the Hon. Minister of Justice. I understood the Minister to say that Mr. MacDonald was not being paid by the Government, that he was a participant in a company which did contract with the Government, and that company was receiving money from the Government on contract, but that Mr. MacDonald himself was not. That is what I understood the Minister to say yesterday. I see the Hon. Member nods in assent. If that is the case, Mr. Speaker, there is nothing I can see that is untoward in that.

I am sure even in the Tory leadership campaign there were active people in various companies dealing with the Government, whether it be the public utility companies, or the Bell Telephone company. I am sure some of the corporate elite supported Mr. Mulroney's campaign. The fact that the company to which they belonged was contracting with the Government did not cast any doubts on the conduct of those members. In other words, if the facts are as I understood them, and as the Hon. Member understood them, I do not see that they contravene the guidelines.

CONFLICT OF INTEREST GUIDELINES

Hon. Allan Lawrence (Durham-Northumberland): My supplementary question, Mr. Speaker, really relates, I suppose, to the spirit of the whole necessary activity of establishing conflict of interest guidelines. I merely ask the Prime Minister to put his mind to a manœuvre that obviously circumvents the spirit of those guidelines. Unless the Prime Minister is asking for each of the leadership campaign candidates not only to reject his policies but also to reject the spirit of this own guidelines, surely the spirit is that there should be no appearance of conflict as well as no actual conflict? There are other cases, Sir. Here is a very obvious one in which that spirit is being circumvented. It is a very easy manœuvre. Surely the Prime Minister still has enough power in his Cabinet to indicate that this sort of thing should stop. We are using taxpayers' funds to further a leadership campaign, and that should not happen.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Hon. Member recognizes that my guidelines apply to ministerial staff. Mr. MacDonald ceased, quite some time ago, to be ministerial staff. That should settle the matter of my guidelines.

There is another question of whether companies which contract with the Government should have none of their people working politically in a campaign of one Party or another. That is another matter. I have no power to direct companies to permit their staff to act in that way.

Mr. Shields: Not much.

Mr. Trudeau: Certainly my power is over Ministers and their staff, but not employees of companies which happen to contract with the Government.

SPORTS

REVIEW OF FEDERATIONS' PLANS

Mrs. Jennifer Cossitt (Leeds-Grenville): Mr. Speaker, my question is for the Minister of Fitness and Amateur Sport. In a letter from the Minister sent to the individual amateur sports federations, in which he said he has approved an advance of fitness and amateur sport contributions for this fiscal year, he states "it is my intention to review the total plan and contribution request for each national organization on an individual basis."

With some 62 sports organizations, will the Minister tell the House how long this individual, comprehensive review will take to complete, and will he assure the House that by delaying further the release of the balance of the funds to the sports organizations he is not jeopardizing our athletes' competitiveness in the Summer Olympics, and internationally?

[*Translation*]

Hon. Jacques Olivier (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, perhaps I may correct my hon. friend and say that Canada has more than 62, in fact it has 70 amateur sport for federations and 15 for physical fitness. All we did was ask 22 federations located on Vanier Street to observe and implement the provisions of the Official Languages Act, and federations receiving 50 per cent of their budget from the federal Government and with 20 per cent Francophones among their membership, to try to provide services in French. We did not ask employees to become bilingual. We did not ask the coach to become bilingual. We merely asked these federations to provide services to Canadian athletes in the language of their choice. That is what we asked them to do!

[*English*]

Mrs. Cossitt: Mr. Speaker, the Minister is in effect holding the sports federations hostage.

Some Hon. Members: Hear, hear!

REQUEST THAT MINISTER UNDERTAKE CONSULTATIONS

Mrs. Jennifer Cossitt (Leeds-Grenville): Mr. Speaker, the Sport Federation Executive has on repeated occasions attempted to meet with the Minister, has attempted to consult with the Minister, and has attempted to discuss this and other issues with the Minister, but the Minister repeatedly refuses to respond.

Will the Minister assure the House that he will immediately consult with the Sport Federation Executive and resolve this matter in a fair and conciliatory manner, and stop using the threatening and almost blackmailing tactics which he has publicly demonstrated in the past?

• (1440)

[*Translation*]

Hon. Jacques Olivier (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I may be mistaken, but there seem to be two different positions within the Progressive Conservative Party, one being that Francophones and Anglophones in this country are entitled to receive services in their own language . . . Or else the Party Opposite is being hypocritical—

Some Hon. Members: That's right!

Mr. Olivier: —Mr. Speaker, what we are doing is giving all Canadian athletes, from Moncton to Halifax to Vancouver, a chance to receive services in their own language. Mr. Speaker, we are also providing funding in the amount of $30 million per year, which comes out of our taxes, and it is being given to people who are entitled to receive these services in their mother tongue. If you do not agree with that, stand up and tell the country!

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF DELEGATION FROM FRANCE

Mr. Speaker: Order. I wish to draw the attention of the House to the presence in our gallery of a delegation from France, headed by the by the Hon. Michel Rocard, Minister of Agriculture.

Some Hon. Members: Hear, hear!

* * *

[*English*]

HOUSING

MORTGAGE RATE PROTECTION PLAN

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is directed to the Minister of Finance. Could he inform the House when he will introduce legislation to give effect to two measures announced in the Budget Speech, first, the mortgage rate protection plan and, second, the proposal to give borrowers the right to prepay their mortgages at any time?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, indeed we have had extensive consultations with the housing and construction industry, with consumer groups and with financial institutions. These consultations have been concluded. The legislation is being drafted. I hope the legislation will be introduced in the House before the end of May and that it will receive the prompt consideration of the House and the support of all Parties so that it can come into effect before the summer.

I would like to add that under the budget proposals every mortgage holder who has taken out a mortgage after March 1 will be eligible for the program when it comes into effect. Those who have taken out mortgages since March 1 will be eligible under the new program as soon as it is approved by Parliament.

REQUEST FOR FREEZE ON MORTGAGE INTEREST RATES

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is directed to the Minister of Finance. I am sure he will have noted over the weekend that Richard Thomson, Chairman of the Toronto-Dominion Bank, indicated that he expected the prime rate in Canada to reach 15 per cent within the next 12 months. At the same time, Earl Bederman, Vice-President and Chief Economist for The Permanent, said:

People have been getting bargains in mortgages. They're damn cheap in relation to other rates.

Taking both of those statements into account, and recognizing that at the present interest rate only 14.5 per cent of all renters in Canada will be able to qualify for an average mortgage, will the Minister, in anticipation of the projected increases which both those individuals are telling us are inevitable, freeze mortgage interest rates for the next six months in order to ensure that we will no longer tolerate the kind of gouging which has gone on through the financial institutions of Canada?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I think it is rather interesting that the New Democratic Party should rely on the presidents of Canada's major banks to tell them what is going to happen during the next twelve months.

[*English*]

Mr. Deans: We are not going to the banking leaders in order to find out what will happen. We have been predicting that this would happen, for the better part of the last year.

REQUEST FOR SPECIAL TREATMENT OF MORTGAGE RATES

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, will the Minister take the necessary steps to ensure that mortgage interest rates are not permitted to rise to the 15 per cent, 16 per cent and 17 per cent levels predicted by these banking leaders? Will he do what was done in the United States and separate mortgage interest rates from other interest rates to ensure that those who want to buy, or who want to maintain ownership of the homes they have purchased, will be able to do so within their means?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the Hon. Member knows perfectly well that in the past, the Government has implemented measures to help those in greatest need and protect them against high mortgage rates.

I pointed out that we did not expect increases on the scale mentioned by the Hon. Member. In the past, when mortgage rates rose to excessively high levels, we showed that this Government was prepared to take the necessary measures to ensure that those in greatest need would be protected.

I would remind the Hon. Member that our last Budget included a proposal for a mortgage rate protection program that would provide protection against rate increases when mortgages are renewed.

I would therefore urge the Hon. Member to support this legislation when it is introduced in the House, instead of adopting the purely negative and pessimistic attitudes of the New Democratic Party.

[*English*]

TRUST COMPANY'S REQUEST THAT MORTGAGORS WAIVE RIGHTS

Mr. Doug Lewis (Simcoe North): Mr. Speaker, my question is supplementary to the one of the Hon. Member for Trinity and is directed to the Minister of Finance. Is the Minister aware that at least one financial institution—and I am speaking of Sterling Trust—is presently asking mortgagors to waive any rights they may have under the legislation which is to be brought in with respect to mortgage bonuses effective March 1? At least Sterling Trust is asking people renewing mortgages to waive their rights. What is the position of the Government when financial institutions—and there may be more—are asking ordinary Canadians facing mortgage interest rate hikes to waive their rights to discharge without a bonus?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I am not aware of this particular case nor of the case mentioned by the Hon. Member in connection with Sterling Trust.

I find it rather surprising that a trust company should resort to such measures at this time. However, I must say that I hope people who deal with these companies will not hesitate to consult other trust companies that do not resort to such measures.

At the present time, there is no lack of funds on the money market for mortgage loans, and I hope that people who find themselves in a situation where lenders impose such terms upon renewal, or prior to approval, of certain mortgage loans will not hesitate to seek out other institutions to obtain more favourable terms.

* * *

TRADE

SHOE IMPORT QUOTAS—GOVERNMENT DECISION

Hon. Roch La Salle (Joliette): Mr. Speaker, my question is directed to the Minister for International Trade. A long time

ago, the Minister received a request from the Shoe Manufacturers' Association of Canada for an extension of import quotas. Can the Minister inform the House whether his Government has made a decision, in response to repeated requests from the Shoe Manufacturers' Association of Canada?

Hon. Gerald Regan (Minister for International Trade): Mr. Speaker, we have not yet reached a decision in this respect.

REQUEST THAT MINISTER PROVIDE DETAILS

Hon. Roch La Salle (Joliette): I wish to thank the Minister for his eminently clear answer. In that case, can the Minister inform the House when he will be in a position to reply to the Association and to thousands of employees who are very anxious to know the Government's answer? When will the Minister be able to inform the House, as concisely as he did just now, on what day the Government intends to make this decision?

Hon. Gerald Regan (Minister for International Trade): Mr. Speaker, Cabinet will be considering the situation in a matter of weeks.

* * *

STATUS OF WOMEN

SITUATION OF BATTERED WIVES

Mr. Marcel Roy (Laval): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs, responsible for the Status of Women. In May 1982, as Chairman of the Standing Committee on Health, Welfare and Social Affairs, I tabled a report on "Violence in the Family", which dealt more specifically with the situation of battered wives.

One of the report's objectives has been met, which was to make Canadians aware of a situation to which no one can remain indifferent. In the light of the testimony received, Committee members made seventeen recommendations which included financing transition homes, a research program, setting up agencies and also the subject of federal-provincial relations in this area.

Five departments were involved in the report's recommendations.

Some Hon. Members: Order! Order!

Mr. Speaker: Order! Perhaps the Hon. Member would like to put his question?

Mr. Roy: Mr. Speaker, I am surprised the Members opposite are not interested in the contents of this report.

I would like to ask the Minister responsible what her attitude is and what the Government intends to do about the specific recommendations for the departments which I mentioned earlier.

• (1450)

[*English*]

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Mr. Speaker, may I say at the outset that I am somewhat disturbed by the derision with which the Hon. Member's comments were greeted, because it is a particularly important report. I would like to assure the Hon. Member that a great deal of work has been done as a result of the standing committee. All 17 recommendations have either been implemented or are being actively pursued. I should like to point out that a federal-provincial working group has been put together and will be making a final report at Niagara-on-the-Lake at the end of this month. That report will be made public at that time.

IMPLEMENTATION OF COMMITTEE RECOMMENDATIONS

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, I would like to pose a supplementary question to the Minister responsible for the Status of Women. It is two years since that committee filed this report. We have heard many comments from the Minister and her colleagues that sometime there is going to be action. I want to know when there is going to be action. For two years there has been absolutely nothing.

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): On the contrary, Mr. Speaker. The Hon. Member for Kingston and the Islands has once again not done her homework. As I said, all 17 recommendations are either under active pursuit or are in place. Indeed, the work that is being carried on by the federal-provincial working group has been received enthusiastically by my provincial counterparts. I would advise the Hon. Member to come in for a briefing to see exactly what has been done. She would then know what she is talking about for a change.

Miss MacDonald: There has been absolutely nothing done, and you should be ashamed.

* * *

CROWN CORPORATIONS

NORTHERN TRANSPORTATION COMPANY LIMITED—DISMISSAL OF EMPLOYEE

Mr. Jack Shields (Athabasca): Mr. Speaker, my question is for the Minister of Transport. With regard to the privatization of Northern Transportation Company, independent appraisers have now gone into the company. Will the Minister explain why a 30-year employee, who headed up property development, building design and maintenance, who had a very good understanding of the real work of that company, was fired without cause? Why was the employee fired just when

independent appraisers are going in to evaluate the work of Northern Transportation Company?

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, as the Hon. Member may or may not know, the reason why we have an independent appraisal is because we had taken a decision along with the board of the company to offer the Crown corporation for sale to private sponsors. It was felt that under those circumstances it would be important to have an outside appraisal of the various costs and assets of the existing company. The outside appraisal has nothing to do with whatever management decision was taken in relation to this individual. If the Hon. Member refers the information he has to me, I will be glad to look into it.

EVALUATION OF COMPANY ASSETS

Mr. Jack Shields (Athabasca): Mr. Speaker, will the Minister of Transport assure this House that the independent appraiser will evaluate the company, not on the basis of book value of property and assets but on the market value? The book value assets are listed in the annual report at $49 million, whereas the property alone of Northern Transportation has a value of $150 million to $250 million. He should be aware, particularly when—

Mr. Speaker: Would the Hon. Member ask his question?

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, I always respect the opinions of the Hon. Member for Athabasca. I am sure his comments relating to what should be considered as part of the evaluation will be referred to the company that has been commissioned to undertake that appraisal. Considering that they are the professionals in the field and will be following the normal accounting financial practices, I suggest we leave the appraisal up to them.

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HOUSE OF COMMONS

COLLECTIVE BARGAINING FOR EMPLOYEES

Mr. Terry Sargeant (Selkirk-Interlake): Mr. Speaker, my question is for the Prime Minister. It concerns the recent decision of the Commissioners of Internal Economy, all Liberal Cabinet Ministers, to appeal the Labour Relations Board decision to allow Parliament Hill employees to bargain collectively and exercise the democratic rights enjoyed by all other employees in Canada. Is it the policy of the Government to subvert the democratic rights of this group of employees by blocking the certification bid, without the consent of Parliament, I might add—

Mr. Speaker: This is not a matter which can be subject to questioning this way. The matter is *sub judice*.

INCOME TAX ACT

REVIEW OF PROVISIONS

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I have a question for the Minister of Finance. At page 13 of his Budget of February 15 the Minister indicated that he was going to do another review of Section 31 of the Income Tax Act and that he intended to establish a consultative group. Has the consultative group been set up and, if so, who is on it?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I must advise the Hon. Member that a number of preliminary steps have already been taken within my department and that I should be able to announce the composition of this task force very shortly.

[*English*]

TIMING OF REVIEW

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, in the House in February the Minister indicated that he hoped it would be done quickly and that it would be reporting back within three months. Is he deferring action and ignoring the plight and the interest of farmers, or why could he not get this done a little more quickly?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I think I already answered this when I replied to the first question.

* * *

[*English*]

WESTERN GRAIN TRANSPORTATION ACT

COMPOSITION OF BENEFIT PAYMENTS COMMITTEE

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, I have a question for the Minister of Transport. The Minister has established a committee under Mr. Justice Hall to look at the question of payment of benefits under the Crown legislation. There have been widespread complaints across Western Canada that the composition of the—

Mr. Benjamin: Which Hall?

Mr. Hnatyshyn: Gordon Hall—that the composition of this committee does not reflect the interests of western grain farmers. Is the Minister receptive to enlarging the committee he has established with respect to the method of payment of the Crow benefit? Is he amenable to the suggestion of having more producers on that committee?

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, it is well known that the Hon. Member and I probably read different reports coming from different sources. My estimate is that the composition of that committee has been quite widely

applauded in western Canada for the basic reason that they are independent and will be able to give a rational objective of the different proposals relating to the method of payment. The Hon. Member knows how difficult it would be to have found senior representatives of the producers community who were not in some way deeply involved in the debate which has gone on for the past two years. He knows full well that those individuals who were appointed represent both knowledge of the grain business and the general economy of the country and, at the same time, have not been in any way attached in a deeply inventive way to one point of view or the other. That is what we want to achieve, an independent, objective evaluation of the different methods, and not to have one side or the other predominate.

REPRESENTATION OF WESTERN GRAIN PRODUCERS

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, the western grain producers do not expect to dominate this committee. Rather, they would like some reasonable representation on the committee because only they understand the problems of western Canada, as the Minister will appreciate. On behalf of western grain producers I would again ask the Minister whether or not he is amenable to increasing the membership on that committee so that western grain producers could have reasonable representation.

• (1500)

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, I am tempted to give the same answer to the same question. No, I do not intend to increase the membership, but I can give the Hon. Member the assurance that the points of view and interests of the different groups in western Canada as well as other parts of Canada will be well represented as these different groups will certainly be consulted. However, I still believe that it is important to have a group that, while knowledgeable, has not been a part of the past debate and competition, so that Parliament may receive a very honest, rational, objective assessment of what the best method of payment might be.

* * *

PETITION

MR. WADDELL—COMPUTER-GENERATED TELEPHONE SOLICITING

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Vancouver-Kingsway (Mr. Waddell) on Monday, April 30, 1984, meets the requirements of the Standing Orders as to form.

PRIVILEGE

MR. YURKO—PRINTING OF SPEECH IN *HANSARD*

Mr. Speaker: The Chair has received notice of matters to be raised by the Hon. Member for Edmonton East (Mr. Yurko).

Mr. Bill Yurko (Edmonton East): Mr. Speaker, I rise on a matter of personal privilege which affects my performance in this House. As a Member of this House, I fully expect that when I rise to speak to the assembly, what I say is accurately recorded and then distributed from the House through *Hansard* to thousands of Canadians including my constituents.

Yesterday, Monday, April 30, 1984, I had the privilege of speaking on second reading of Bill C-231, an Act to amend the Canadian Constitution Act in regard to the tenure of senators. This was my Private Member's Bill. I spent hours preparing this—

Mr. Speaker: The Hon. Member is making the point that there is apparently some concern about whether or not a proper version of *Hansard* was produced yesterday with regard to his remarks. The Chair will certainly take note of that and investigate it. I recognize the Hon. Member for Selkirk-Interlake (Mr. Sargeant).

Mr. Yurko: Mr. Speaker, I think it is appropriate that I have a chance to put my point of privilege before you.

Mr. Speaker: The Hon. Member has made his point concerning *Hansard*.

Mr. Yurko: I have not made my point.

Mr. Speaker: The Hon. Member cannot make a lengthy speech. The Chair will look into his complaint and will take the appropriate measures.

Mr. Yurko: Mr. Speaker, I intend to have my say.

Mr. Speaker: Will the Hon. Member please resume his seat? The Chair has indicated that the Hon. Member has raised a matter which will be investigated.

Mr. Yurko: I expect the House as well as you to hear my point of privilege.

Mr. Speaker: Order. Will the Hon. Member please resume his seat? I recognize the Hon. Member for Selkirk-Interlake.

Mr. Yurko: You have not heard my question of privilege, Mr. Speaker.

MR. SARGEANT—STAFF SALARY BUDGETS

Mr. Terry Sargeant (Selkirk-Interlake): Mr. Speaker, I rise on a question of privilege which relates to a memo that I received from you, Mr. Speaker, relaying a decision that was made by the Commissioners of Internal Economy which changed the way in which Members of Parliament could

administer their staff salary budgets. I would like to raise two points with regard to that matter, Mr. Speaker.

As we all know, Members' staffs are not well paid when compared with persons doing the same or similar jobs but directly employed by the House of Commons or by Cabinet Ministers—

Mr. Speaker: Order. The Hon. Member is seeking to raise a matter of privilege which is not a matter of privilege. He may have a grievance. If so, the appropriate channel is the Management and Members' Services Committee. It is not a matter of privilege before the House.

ROUTINE PROCEEDINGS

[*English*]

BUSINESS OF THE HOUSE

Mr. Speaker: Statements by Ministers. I recognize the Hon. Member for Kindersley-Lloydminster (Mr. McKnight).

Mr. McKnight: Mr. Speaker, I rise on a point of order. On checking the Order Paper, I find that there is no record of any changes being proposed to the western grain stabilization fund. I would presume that the Government, in ordering the business of the House—

Mr. Speaker: Order. We were dealing with Statements by Ministers.

Mr. McKnight: Mr. Speaker, I was waiting a minute to see whether the Minister might say something.

* * *

Mr. Yurko: Mr. Speaker, I rise on a point of order.

Some Hon. Members: Point of order!

Mr. Speaker: The Hon. Member cannot repeat the matter that he attempted to raise before. The Hon. Member brought to the attention of the House his concern about an improper version of *Hansard*. The Chair has ruled that it is sufficiently serious and the Chair has instructed that the matter will be investigated. The Hon. Member cannot make another speech on the matter.

Mr. Yurko: Mr. Speaker, I have a point of order.

Mr. Speaker: I recognize the Hon. Member on a point of order which presumably is very different from the matter he previously raised.

Mr. Yurko: Mr. Speaker, my point of order is that the "blues" specifically recorded what I said last night but *Hansard* has a totally different version.

Mr. Speaker: The Hon. Member has raised a question about whether or not a proper version of *Hansard* has been produced. He cannot labour that point any further.

Mr. Yurko: Yes, I can.

Mr. Speaker: Would the Hon. Member please resume his seat?

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 262, 662, 739, 762 and 772.

[*Text*]

HEARING AIDS

Question No. 262—**Mr. Young:**

1. Did the Department of National Health and Welfare conduct a review of the feasibility of developing standards for magnetic induction for hearing aids with regard to their compatibility with hearing aids and, if so (a) has the review been completed (b) will the results be made public?

2. Does the Department plan to address the question of international hearing aid standards?

3. Did the Department have an advisory committee on hearing aids and, if so, does the Department plan to re-establish the Committee?

4. Does the Department plan to require all hearing aid manufacturers selling their products in Canada to publish in their specification data the frequency response and distortion measurements of the induction coil of their hearing aids?

Mr. Russell MacLellan (Parliamentary Secretary to Minister of National Health and Welfare): 1. The Department of National Health and Welfare conducted a study of the feasibility of re-introducing mandatory standards for hearing aids under the medical devices regulations of the Food and Drug Act. Such standards would include provisions for electro-magnetic coupling to telephones. (a) The study was completed on September 12, 1983. (b) Copies of the study report are available on request from the Health Protection Branch.

2. Since the majority of hearing aid brands sold in Canada are imported, the question of international hearing aid standards and their compatibility with Canadian regulations will be given careful consideration.

3. No. The Department of National Health and Welfare has never had an advisory committee on hearing aids and does not at present plan to establish one. The Department of Communications (DOC) has recently created an Ad Hoc Technical Committee on Telephone Access for the Hearing Impaired. An officer of the Department of National Health and Welfare is a member of the DOC committee. The question of telephone-hearing aid compatibility will be a major part of the committee's work.

4. If regulations for hearing aids are introduced, requirements for disclosure of technical performance specifications will be included.

OLD AGE SECURITY PENSION

Question No. 662—**Mr. Knowles:**

1. On February 14, 1984 were any persons in (a) Canada (b) each province, in receipt of the Old Age Security pension and, if so, how many?

2. Of these recipients how many persons in (a) Canada (b) each province were in receipt of the Guaranteed Income Supplement and, of these, in each case, how many were in receipt of the full amount?

3. For (a) Canada (b) each province, what average amount was received as a Guaranteed Income Supplement by recipients of the Old Age Security pension?

4. Do the answers to the above questions take into consideration persons living outside Canada who are in receipt of the Old Age Security pension and, if so, how many of such persons are there, and if they are considered as belonging to the various provinces, what is the number for each province?

Hon. Monique Bégin (Minister of National Health and Welfare): Yes.

	Yes	1. Old Age Security Pension	2. Guaranteed Income Supplement	Full Guaranteed Income Supplement	3. Average Amount of Guaranteed Income Supplement
(a)	Canada	2,486,086	1,247,654	304,002	$173.36
(b)	Newfoundland	47,285	37,701	15,708	196.91
	Prince Edward Island	15,513	10,743	2,920	186.95
	Nova Scotia	98,146	62,593	17,300	180.17
	New Brunswick	75,176	49,021	14,613	184.26
	Quebec	607,375	375,057	111,194	179.84
	Ontario	905,662	373,557	68,975	163.83
	Manitoba	127,112	63,704	12,270	168.44
	Saskatchewan	121,984	59,267	13,222	174.83
	Alberta	170,356	80,451	18,392	172.16
	British Columbia	311,789	132,404	27,870	168.68
	Yukon Territory	752	380	212	211.45
	Northwest Territories	1,335	1,075	821	224.67
	International Operations[1]	3,601	1,701	505	183.23

[1] Represents the persons paid under International Agreements.

Note: The figures given are for the month of January, 1984.

4. The Number of Persons outside Canada receiving Old Age Security Pension

Yes	
Canada	33,723
Newfoundland	217
Prince Edward Island	79
Nova Scotia	887
New Brunswick	1,031
Quebec	7,096
Ontario	12,926
Manitoba	2,063
Saskatchewan	770
Alberta	1,503
British Columbia	5,436
Yukon Territory	—
Northwest Territories	—
International Operations[1]	1,715

[1] Represents the persons paid under International Agreements.

FUNDING FOR EMERGENCY SHELTER

Question No. 739—**Mr. Fretz:**

Did the Government approve funding for an emergency shelter for selected officials in New Brunswick and, if so (a) what will be the final cost to the taxpayer (b) who will be provided shelter (c) what are the criteria for the selection of those sheltered?

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): The project has been approved in principle only; no funds have been allocated as yet.

(a) Preliminary estimates indicate a cost of approximately $3.3 million.

(b) The basic purpose of the facility is to provide fallout protected living and working accommodation to people carrying out functions essential to the continuation of established authority and the provision of essential services in the event of a nuclear attack on North America. The facility will also serve as an operating centre for peacetime emergencies.

(c) The criteria are determined by the functions to be performed as described in (b) above.

FUEL CONSUMPTION DAIRY

Question No. 762—**Mr. Fretz:**

1. Was a Fuel Purchase Diary published by Statistics Canada and, if so (a) how many were published (b) what was the total cost to the taxpayer?

2. Was consideration given to a less costly method and (a) if so, what was the result (b) if not, for what reason?

3. What percentage of people surveyed answered the questions?

4. Was a bilingual Diary sent to persons who speak only English and, if so, for what reason?

Hon. Charles Lapointe (Minister of Supply and Services): Statistics Canada reports:

1. The Fuel Consumption Diary is a data collection document provided to potential respondents to the Fuel Consumption Survey conducted by Statistics Canada on behalf of Transport Canada. Respondents are requested to record basic information about the vehicle and details for each fuel purchase made during a one-month reference period. One copy of the diary is mailed to the principal driver of each of 1,780 sampled vehicles per month. The unit cost of the diary is approximately $1.50, resulting in a monthly cost of $2,670.

2. Consideration was given to alternative data collection methodologies. Given the identified information requirements,

the use of the diary was deemed to be the most cost effective method.

3. Of the persons requested to complete the Fuel Purchase Diary, approximately 70 per cent provided the required information.

4. Bilingual diaries were sent to all survey respondents to allow the respondent to provide the requested information in the official language of his/her choice.

PENSIONS FOR WIDOWS OF VETERANS

Question No. 772—**Mr. Towers:**

What provisions are made for pensions for widows of deceased veterans and what is the (a) total number of pensioners (b) number of pensioners by province (c) total amount spent on such pensions (d) the average amount of such pensions?

Hon. W. Bennett Campbell (Minister of Veterans Affairs): The Pension Act, which is administered by the Canadian Pension Commission, provides for payment for a full widow's pension to the surviving spouse of a deceased member of the Armed Forces if it can be established that his death was attributable to military service, or if he was or should have been in receipt of pension for a disability or combination of disabilities assessed at 48 per cent or higher at the time of his death. The Pension Act also provides for the payment of a proportionate pension to the eligible surviving spouse of a pensioner who, at the time of death, was in receipt of a pension paid for a disability assessed between 5 per cent and 47 per cent.

(a) 21,489 full widow pensioners, 19,040 proportionate widow pensioners, (b) data on widows not maintained in accordance with province of residence, (c) $238,971,408 per year, (d) full widow pensioners $815 per month, proportionate widow pensioners $127 per month.

[*English*]

Mr. Speaker: The questions as enumerated by the Hon. Parliamentary Secretary have been answered.

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

Mr. Speaker: Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

FINANCIAL ADMINISTRATION ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Ouellet (for Mr. Gray) that Bill C-24, an Act to amend the Financial Administration Act in relation to Crown corporations and to amend other Acts in consequence thereof, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

Hon. David Crombie (Rosedale): Mr. Speaker, it is a pleasure for me to be able to speak on this Bill today. I have had the opportunity to read Hon. Members' remarks as recorded in *Hansard* and to hear some comments made by Hon. Members about the Bill. I do not choose to repeat a number of those points today.

I believe it is of unusual interest to note that when we speak of Crown corporations these days, we are for the first time in our history speaking more and more of Crown corporations in general. That was not our practice in the past. Historically, Crown corporations have been brought to the attention of the public and discussed in the House primarily in specific terms. We have discussed a specific Bill or a specific matter relating to a specific Crown corporation for a specific purpose. By and large we have not for many, many years had any significant debate regarding what is to be the role, function and purpose of Crown corporations.

Throughout our history, Mr. Speaker, Canadians have been very pragmatic about what Crown corporations are supposed to do. We have not engaged in any excessive ideology about them. We have throughout time tried to organize Crown corporations to do specific jobs. These specific jobs were primarily jobs relating either to a specific social objective or very often relating to questions of economic growth. In the early part of this century in particular, we found that Crown corporations—

Mr. Deputy Speaker: Order. Could we have order in the House, please?

Mr. Crombie: Thank you for doing your best, Mr. Speaker. As I was saying, Crown corporations have traditionally been used for specific purposes, either for pursuing social goals or economic growth. In the early part of the century in particular, Crown corporations were primarily concerned with economic growth. That is why when we come to a debate on the role, purpose, function and accountability of Crown corporations, we are not using language which we have ever used before.

The Parliament of Canada and the Government of Canada have been able to depend upon the understanding of most Canadians that Crown corporations were established for a good and sufficient purpose—to achieve either social or economic goals. That, of course, lasted until the alarm bell was sounded by the Auditor General's report of 1976. As in Lewis Carroll's novel, Crown corporations just "growed up like Topsy". There was no coherent sense of what their purpose was in a new time, in a new age, in the 1970s.

• (1510)

It is worthwhile repeating the sentence that the Auditor General used in 1976 in his annual report. It is simple but devastating. He said that we now have a "weak and ineffective

control of public spending through Crown corporations". That was in 1976. His report to Parliament referred to the weak and ineffective control of public spending through Crown corporations.

Six years later he had this to say in his report of 1983:

> Parliament is becoming further isolated from an increasing portion of government activities. The growing practice of using Crown-owned corporations to conduct a widening range of government activities has so strained the capability of the existing accountability framework that Parliament may not be able to exercise its fundamental responsibility for overseeing receipts and expenditures of public funds.

The Auditor General's report of 1983 hearkens back to his earlier report of 1976. He noted that during the six-year period, nothing was done to improve the situation. It was worthwhile for him to note, as he did in his report, just where we had been for the last 20 years in terms of the size and the value of Crown corporations.

In 1962, 22 years ago, there were 28 Crown corporations in this country which controlled $8.4 billion worth of assets. There were 28 Crown corporations; $8.4 billion worth of assets. Twenty years later, in his report of 1983, he noted that there were over 300 Crown corporations employing 263,000 people, with assets of $74 billion and liabilities of $63 billion. We had gone that far in 20 years with almost no debate on what was the purpose, function and accountability of Crown corporations.

That is why we on this side of the House have been saying to the Government for years—certainly for the six years that I have been here: "You have heard the Auditor General's report, you have read the report, you have established the Lambert Commission, and you have heard from the Standing Committee on Public Accounts". Why has nothing been done? All the boards, commissions and special purpose bodies that were established in order to deal with the problem were totally ignored by the Government.

That is why we looked forward to Bill C-24 when it came in. We were looking to see how close it would come to a similar Bill which was established by the Government of the Right Hon. Member for Yellowhead (Mr. Clark) in 1979-80.

As other Members of the House have noted, the Bill that was brought in four years ago by the Government of the Right Hon. Member for Yellowhead was vastly superior to the Bill that is before us. The current Bill deals not at all with the one fundamental question that most people walking the streets of the country, if they have any interest in Crown corporations at all, simply want to know, namely: Who is responsible, who is accountable, for federal Crown corporations in Canada? It is a question that might be asked at the provincial level where there are many, many Crown corporations as well. Indeed, there are public utilities at the municipal level which carry out similar functions to that of Crown corporations.

The questions that people ask not only refer to financial management. The real question is: Who is accountable? Is it the Minister? Is it the President of the Treasury Board (Mr. Gray)? Is it a specific Minister in the House? In Bill C-24, is the Minister made responsible? Can Canadians now say: "We know the Minister is responsible"? If you read the Bill, the power and responsibility of the Minister is totally stood on its head because the Minister has responsibility but no power. This Bill takes power away from the Minister and gives it to the Cabinet.

If it is not the Minister who is responsible, then maybe it is the board of directors of the corporations. That is not true either. If you read the Bill you will note that the powers which would normally be assumed by a board of directors are also sucked away and given to Cabinet. If it is not the Minister and it is not the President of the Treasury Board and it is not the board of directors, then maybe it could be Parliament. After all, when the Auditor General first of all sounded his alarm in 1976, it was Parliament he was talking about. Seven years later in his 1983 report—since his former report had been ignored by the Government—he said on page 15:

> I remain concerned—

Seven years later he is still concerned because nothing has been done.

> —about the Government's and Parliament's monitoring and controlling of Crown-owned corporations. During the past year, circumstances in a number of Crown-owned corporations have further illustrated the existing deficiencies. For simplicity, I describe only the events involving Canadair Limited and the Canada Development Investment Corporation . . . to illustrate the continuing accountability deficiencies.

He goes on to point out that we are talking about six basic ways to control corporations. First of all is authorizing and mandate, financing, directing, controlling, reporting and auditing. I will not go through all of those points. The questions related to reporting, directing, auditing and controlling have been dealt with by other Members.

I want to talk about the first one. The Auditor General's report makes it clear that when he talks about accountability, he talks about authority and mandating. That is the best example that we can use and that is what I would like to talk about. He indicated that the essence of accountability, in the first instance, finds itself not in financial management, important though that may be; not in reporting mechanisms, important though they may be; not in financing frameworks, important though they may be. The essence of accountability for Crown corporations lies, in the first instance, on the ability of Parliament to control the authority and the mandating for the establishment and creation of a Crown corporation. That is the point.

In the first instance, at birth, is the right and ability of Parliament to hold Crown corporations accountable to the people of this country. It is in the first creation of the Crown corporation that this must be established. I looked at the Bill to see whether or not the Government had taken that first fundamental step. Did the Government in Bill C-24 provide for the important thing? As the Auditor General understands and as everyone understands, the important thing is for Parliament to be able to control the terms of reference for the creation of a Crown corporation. Indeed, that is such an important and fundamental principle that the Minister put it in his press release; he said that Crown corporations should be created by Parliament. The Bill does not clearly state that. It

is not honestly exposed by the Government. There are no less than at least four ways, even with this Bill, that Crown corporations can be established without this Parliament even having a look see or a say in it. First, Mr. Speaker, there is no authority in this Bill for this Parliament to have anything to say about the creation of Crown corporations which are subsidiaries of current parent corporations. As anyone knows who has looked at the literature, the biggest proliferation of Crown corporations has been from parent corporations establishing subsidiary corporations. Bill C-24 does not change that one bit. Crown corporations can go on creating subsidiaries as long as they want without reference to this Parliament.

● (1520)

Second, Mr. Speaker, a Crown corporation can be established without reference to this Parliament if its power derives from an already existing Act of Parliament. And there is an already existing Act of Parliament which allows a Crown corporation to be established without having to come to this Parliament. Some of the most enormous Crown corporations can be established that way. That is indisputable. Large Crown corporations can be established without reference to this Parliament simply because there is an ancient authority in an existing Act of Parliament.

Mr. Peterson: That is not true.

Mr. Crombie: It is true. Third, Mr. Speaker, a Crown corporation can be created by a special Bill, and in doing so the Government knew that it had to come to Parliament. That is why, Mr. Speaker, in that part of the Act where it knew it had to come to Parliament, it limited debate. In creating a special Bill where it knew it had to come to Parliament, it decided it was going to limit debate; and if you read the Bill, Mr. Speaker, you will see it has limited debate to seven hours in the House of Commons and to 30 days in committee. Government can create any corporation it likes in a new Bill and this Bill contains a clause which closes down Parliament's ability to debate it beyond seven hours in the House and beyond 30 days in committee.

Fourth, Mr. Speaker, there is still a very open question with which the Government has not yet dealt, and that is whether or not this Bill is stronger than Section 16 of the Interpretation Act which gives prerogatives to the Cabinet to create Crown corporations without reference to Parliament.

Those are four clear examples, Mr. Speaker, within this Bill, which is supposed to control Crown corporations by giving accountability to Parliament, which shows that in fact the Government can establish Crown corporations, or Crown corporations can be established, without reference to Parliament.

The short point, Mr. Speaker, is that this is not a Bill which expands Parliament's rights and ability to control Crown corporations. What it does, Mr. Speaker, is expand the Cabinet's power to run Crown corporations without reference to Parliament. That is what it does. As a matter of fact, on page 22 the Auditor General in his report of 1983 said in the shortest way I know, and it is not changed by the Bill:

> Taken together with my earlier words about the Financial Statements of the Government of Canada, the result is—

I underline this to the Minister now in the House:

> —nothing less than the fragmentation of the sovereignty of Parliament.

That is exactly what it is, Mr. Speaker, because all that has been talked about is the power of the Cabinet, not the power of Parliament. We have not been talking about the ability of Parliament, acting on behalf of the people of this country, being able to control the power and authority of this Government to deal with Crown corporations.

I said earlier, Mr. Speaker, that the establishment of financial and management systems for Crown corporations, of reporting systems and so on, are very important and fundamental to this Bill, and fundamental to everything about this place is the power of government and the ability to control it. Throughout the whole history of parliament, not only this Parliament but of all Westminster parliamentary systems, the rights of the Speaker, my rights as a Member of Parliament, the rights of a Minister and, indeed, all the rights of the people of this country have been linked to the ability of Parliament to control the expenditures of government.

If you read your history, Mr. Speaker, you will find that the most important debates affecting the rights of individuals in this country and the rights of Hon. Members of this House have been directly related to the ability of this House to control the expenditures of the Crown. All the old battles between kings and parliaments were precisely on that point. Our system of parliamentary democracy exists or does not exist on the basis of our ability to limit the power of government. Our ability to limit the power of government rests directly on our ability to control expenditures and hold the government accountable for those expenditures. That is a simple fact of the history of Westminster parliaments.

That is why people attach so much importance to it, and they finally woke up, Mr. Speaker, when they saw us going from eight Crown corporations to over 300 Crown corporations, when they saw us move to $63 billion from the figure in 1962, when they saw the massive change in the power of government with no control by this Parliament. They instinctively know that if the people of this country, through Parliament, cannot control the expenditures of government, and in this instance the Crown corporations, then its ability to control the power of government generally is fundamentally flawed.

People do not pay attention to Parliament, Mr. Speaker, on a daily basis. Some people do but most people do not. They go about their daily affairs, trying to organize their lives as best they can. What they hope will happen, Mr. Speaker, is that the accountability which they assume Parliament has to hold the Government responsible is in place. That is why, Mr. Speaker, in the final analysis, what we are talking about is not finance. What we are talking about is not finance but the ability of the people of this country to control the power of government through Parliament.

The people know one other thing, Mr. Speaker. They know that this Bill is a whitewash because they know the Govern-

ment has had the ability to act responsibly but has not done so. That is the truth of it all. No tinkering with the structure of government, bad as it is, can change the face of a bad and irresponsible government.

The only reason we have this Bill before us is that this Government has been badgered to bring something forward; but it is thin and pale and will not restore the ability of the people of this country to hold this Government accountable through this Parliament.

Mr. Deputy Speaker: Are there any questions or comments?

Mr. Foster: Mr. Speaker, I would just like to draw to the attention of the Hon. Member that this Bill provides many more provisions for Crown corporations and for the Government to report to Parliament. The Hon. Member spoke a great deal about reporting, directing and monitoring activities. This Bill sets out a continuous flow of information, from Crown corporations through the responsible Minister, to be tabled in the House and put before parliamentary committees for review and action. The Hon. Member has talked about accountability. The Bill provides that each Crown corporation will have a responsible Minister who will have to account to the House, and to the parliamentary committees, for the actions and activities of each individual Crown corporation.

The Hon. Member for Rosedale (Mr. Crombie) has suggested that this Bill does not provide for the control of Crown corporations because there is no control over subsidiaries.

• (1530)

The corporate plan of each Crown corporation which will be tabled in the House requires that if extensive new plans are being made by a Crown corporation it must reveal details of new subsidiaries being established. In any event, they would have to be approved by the Cabinet.

The Hon. Member spoke about the fact that at the present time Crown corporations can be established under the Canadian Business Corporation Act without reference to Parliament. That has been done in the past. Under this Bill a motion will have to be brought before the House. There will have to be 30 sitting days for debate in committee and at least seven hours for debate in the House before a Crown corporation established under the Canadian Business Corporations Act can be established. That motion before the House will set out the exact areas of activity in which the Crown corporation can engage. Likewise, there is no time limit on the establishment of major Bills such as that for the establishment of PetroCan or the Bill relating to CDIC. The Member talked about Section 16—

Mr. Deputy Speaker: Order. The Chair cannot allow the Hon. Member to go on at length. Both comments and questions should be brief and to the point. The Hon. Member has had three minutes so far. I think we ought to give the Hon. Member for Rosedale (Mr. Crombie) an opportunity to respond at this time, after which, if no other Member rises, the Hon. Parliamentary Secretary could continue.

Mr. Crombie: Mr. Speaker, it was not my intention to respond as I believe I made the arguments initially. The Hon. Member indicates that if a new Crown corporation is established it will have to come before the House. I wanted to indicate to him clearly that if it is a subsidiary it goes to Cabinet. That does not allow the House to deal with it directly. That is the point in terms of subsidiaries.

I do not know what he was going to say about Section 16. My point in terms of the ability of the House to control the creation of new Crown corporations, let alone to manage the ones we already have, is that the power has been given to the Cabinet. It has been taken away from the Minister and from the House and has been given to the Cabinet. This is nothing more or less, Mr. Speaker, than yet another document by which the Cabinet of the country sucks away power from the House and from its own Ministers.

Mr. Deputy Speaker: Further questions or comments? The Hon. Member for Humber-Port au Port-St. Barbe (Mr. Tobin).

Mr. Tobin: I listened with a great deal of attention to the Hon. Member for Rosedale (Mr. Crombie) as he is a Member for whom I have a great deal of respect and time whenever he is on his feet in the House or in any other forum.

I would like to make a comment, Mr. Speaker. In listening to comments from Members opposite about this particular Bill I find that this debate has become an opportunity for Members opposite, and for that Party in particular, to vent their spleen about Crown corporations more than an opportunity to look at the particulars of this Bill. I have been here for two days listening to all the speeches and I find the discrepancies in them somewhat akin to the kind of discrepancies we observed during the leadership convention which that Party recently held. On the one hand, Mr. Speaker, there was the Member—

Mr. Deputy Speaker: Order. Would the Hon. Member resume his seat? The Hon. Member cannot at this time make general comments on all the speeches he has heard so far. His comments must relate specifically to the remarks made by the Hon. Member for Rosedale.

Mr. Tobin: Yes, Mr. Speaker. That is my intention. I did not want the audience, as large as it is, to be lost without its having heard an appropriate preamble.

I wanted to point out, Mr. Speaker, that I am trying to decide who speaks for the Conservative Party in this regard. First, we have had spokesmen for the Conservative Party suggesting that Crown corporations be sold off. The Hon. Member for Etobicoke Centre (Mr. Wilson) suggests that CN should be sold off. Then the Member for Central Nova (Mr. Mulroney) says that no one would buy it and that it is a mad proposition. We now have the Member for Rosedale being nit-pick about the Bill by condemning the notion of having Crown corporations in a country as large and diverse as Canada.

I feel I must make this comment, Mr. Speaker. Petro-Canada and the attack on it was a good example. Yet we found out in recent days that the Leader of that Party had in fact made a very bad investment in the offshore oil and gas action on the East Coast because of the NEP policy associated with Petro-Canada. I am saying that that Party will better serve this country and itself if it does away with nit-picking and silly criticism and starts to come forward with some policies. There is a terrible vacuum in this House, Mr. Speaker. There is nothing but an echo of rhetoric and criticism in the House.

Mr. Taylor: Why do you not set an example?

Mr. Tobin: It flows across the floor. It is troublesome to me, Mr. Speaker. My ears simply cannot stand it.

Mr. Thomson: Poor baby.

Mr. Tobin: Neither can the Canadian people, Mr. Speaker. Witness the latest Gallup poll. Wake up gentlemen. Where are your policies?

Mr. Taylor: What is your question?

Mr. Deputy Speaker: Order. The Hon. Member for Rosedale (Mr. Crombie).

Mr. Crombie: Mr. Speaker, I am glad the Hon. Member who just spoke did not engage in rhetoric and simply confined himself to the Bill.

The Member may remember, and you may as well, Sir, that in my opening remarks I indicated that, except possibly for the Hon. Member who just spoke, we have not treated the matter of Crown corporations as a question of ideology. There were pragmatic reasons why certain Crown corporations were established over time and others let go. They have served this country well on a number of occasions at the federal, provincial and municipal levels. My concern was to have the Hon. Member and the Government understand that the nub of the Bill ought to be the accountability to Parliament, and not the increasing power of the Cabinet. That remark still stands.

Mr. Thomson: Mr. Speaker, with regard to the accountability process, my colleague referred to the fact that one of its essential elements is the mandate of a particular corporation. I totally concur with him. One of the problems which we have experienced with Crown corporations over a period of years is that in terms of mandate it is a moving target. What Parliament approves gets changed in succeeding years. There is no accountability process to catch up with that moving target.

By what means does the Hon. Member for Rosedale believe Parliament will come to grips with this changing mandate which takes place year after year? How can we hold a Crown corporation accountable to Parliament when, of its own volition, a Crown corporation chooses to change that mandate as the years go by?

Mr. Crombie: Mr. Speaker, I think there are two approaches. I have already mentioned one. There must be an understanding that the power of the Cabinet needs to be circumscribed. Also, Mr. Speaker, it is very important that we understand that, as a consequence of that, we should expand the powers and responsibilities of the committees of the House. In my view this Bill is almost as much a part of reforming Parliament as it is of specific financial accountability. That is why the Auditor General couched his own recommendations many years ago in terms of parliament's accountability, and not simply the Cabinet's ability to control.

Mr. Deputy Speaker: Order. The House will now proceed to debate. The Hon. Member for Vancouver East (Ms. Mitchell).

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I welcome this legislation. Many Canadians are concerned at the proliferation of Crown corporations which consume such a large amount of Government spending and appear very often to have little accountability. It is important to review and re-evaluate the purposes and performances as well as the financing of Crown corporations. This Bill gives us an opportunity—although we should not have a time restriction on it—to look at Crown corporations as a broader concept rather than just look at the immediate aspects of the Bill.

The Conservatives sound as if they would do away with most Crown corporations. That is what we usually hear from them day after day. However, when it came to the crunch when they were in the Government, they were defeated because of the Crosbie Budget which threatened to do away with PetroCan. I can say that this specific item in the Budget was the reason that our Party did not support the Tory Budget and that our caucus voted against the Tory Budget.

• (1540)

Mr. Stevens: Shame!

Ms. Mitchell: We have been blamed ever since for doing the dirt to the Tory government.

Mr. Stevens: Look at what you have done.

Ms. Mitchell: Of course, the Conservatives have never forgiven us. While they are still crying about that, they still refuse to accept the facts about why we voted against that Budget.

It is interesting to note as well that, despite their distortion of the facts, they have made a campaign of this across Canada. I noted that the former Prime Minister eventually recognized the political reality, after he was out of office of course, and backtracked on his earlier policy regarding Petro-Canada. I am sure that the present Leader of the Opposition (Mr. Mulroney), who is very mum on this subject, will probably do the same.

Like many other Crown corporations, I am sure that Petro-Canada needs review, reorganization and certainly more accountability. We would agree with that. However, Canadians realize that it is in their interest to have a Canadian-controlled public company which will plan and develop energy resources for Canada, not only for the present but also for

future generations. I suggest that, in the interest of all Canadians no private company would hold that long-term view. I ask what is wrong with having service stations if they help finance this venture? It seems to me that our friends on the right would agree that this is probably good business practice.

Crown corporations are established in order to provide essential public services which private corporations could not provide to consumers in an equal and affordable way.

Mr. Stevens: Like the Challenger.

Ms. Mitchell: I am stating what I feel Crown corporations should be doing.

Mr. Stevens: Should they get rid of the Challenger?

Ms. Mitchell: As public organizations, they should have a social purpose as well as make a positive contribution to the economy. Since Crown corporations are financed by all taxpayers, they must be accountable not only to the Cabinet but also to Parliament. Parliament has a responsibility to make them accountable to the public at large.

Crown corporations should have clearly defined goals, a long-range plan which is known to the public and into which the public has some input. There should be a built-in process of evaluation and financial accountability. Boards of directors should be established and appointed democratically, with nominations from the public. While people with expertise should be included, why should we not consider consumer representatives from the public at large for board positions? Since these corporations are funded by all Canadians, fiscal accountability and sound management is even more essential in public corporations than in private businesses.

I agree completely with the Conservatives that the Liberal practice of political patronage in the appointment of Liberal hacks to Crown corporation boards is undemocratic and really prevents the necessary reforms which are needed in many of our corporations from being made.

Mr. Stevens: What about NDP hacks?

Ms. Mitchell: However, the first and only memorable policy statement that the Leader of the Conservative Party made, at least the only one that I remember, is that he would aggressively appoint Conservatives to positions of power at all levels of Government.

Mr. Blais: That's right.

Ms. Mitchell: This sounds like patronage to me, perhaps more direct and not as sleazy as patronage in which the Liberals engage, but blatant political patronage nonetheless. If the Tories are elected they will need to continue all the Crown corporations that exist now, and perhaps create a few more just to find places to reward all of their friends.

We have a tradition in Canada of government responsibility for providing transportation, communication and social programs to meet the practical needs of all Canadians at prices they can afford. When I travel to other countries, particularly to the United States, I am very proud to hear people, such as artists, speak with some wonder about the fact that we have government support for so many of our institutions. Of course, because of our widely dispersed population and the long distances involved in northern and rural communities, government subsidies must be provided to supply adequately and equally such goods as mail, televison, telephone and fuel services, to mention only a few, to the remote areas. A private corporation could not do this in the interest of all citizens because profit is their first motivation and it could not make much money by running rural phone or mail services.

I believe that Crown corporations that operate on a user pay principle should be carefully scrutinized. I believe these principles run contrary to the reason for setting up Crown corporations, which are really meant to ensure that there is a fair service to meet the needs of all Canadians, regardless of income.

I have been referring to Crown corporations that are primarily in the service field. With respect to the question of economic development, the function of Crown corporations becomes less clear to me personally. Our Party favours a mixed economy in which the Government takes initiatives to develop our resources to ensure environmental protection, sound planning and renewed resources for future generations. When private corporations refuse to take risks to develop necessary industries or new areas of employment, the Government often must act directly.

Mr. Stevens: Why?

Ms. Mitchell: It did this recently. Perhaps my friend could ask that question of his colleagues from the Atlantic region about the Maritime fishing industry when there was a question of there being no industry without government intervention. I might say in that respect that we in the West only wish that equal government attention was given to the fishery on the West Coast.

Regardless of the purpose of Crown corporations, whether it is primarily social or economic, they should be well run organizations with sound fiscal policies and accountability to the public not only through Cabinet but also through Parliament. Unlike most businesses, the public, including consumers, should be encouraged to participate at all levels wherever possible, particularly at regional levels. They should have the opportunity to run for the board of directors. Many Crown corporations are much too large, institutionalized and bureaucratic. Inevitably this leads to a concept of top-down management which, of course, is dominated by political influences, particularly as the policy makers are usually appointed by the Government.

A policy of decentralization should be established wherever a government service is provided. Local communities should be involved in the regional and community planning process. Canada Mortgage and Housing would be a good example of this.

One example of major reform and decentralization of a large centralized Crown corporation was the recent establish-

ment of the Canada Port Corporation. The establishment of local port corporations which gave considerable autonomy in the management of ports in the local region to a local port board is a considerable improvement on the old National Harbours Board. Ports can now approve funds for improving facilities without having to go to Ottawa and the Cabinet only to wait months and probably in the end not get the kind of improvements they wanted, as has happened previously.

However, although the Minister was urged in committee and in the House, he did not trust democracy enough to go all the way. In typical Liberal fashion, he had to maintain political control by personally appointing the board of directors. He refused to allow open nominations, which would have been one way of circumventing political patronage. He also excluded local municipalities and communities, which are very much affected by local port development, from having any kind of meaningful participation in the policy and planning structures.

Another long established and essential Crown corporation is Canada Mortgage and Housing Corporation. In this instance it seems to me that there is a confusion in roles between the needs of consumers who need affordable housing and should have a right to it in our country and the desires of housing developers who want to make as many bucks as possible by having housing under the control of the private sector, provided, of course, that there are lots of government subsidies and tax write-offs. CMHC is not accountable to the elected Members of this House. There is no housing committee in the House of Commons. There is no place where we can discuss the housing needs and problems of our constituents and of the country as a whole. Housing is a very critical and basic need affecting every family. Surely this is a prime example of a Crown corporation that should be much more accountable not only financially but in the establishment of its goals and priorities for housing programs.

● (1550)

Decent, affordable housing should be the right of Canadians. It should not be left to the whims of bureaucrats or of HUDAC developers to establish housing policy. Yet that is what has happened. There should be long-range planning based on population trends. That is another thing that does not happen. There should be a sound controlled mortgage assistance policy so every time we have a new budget we do not need to have a new program that nobody understands and that lower income people usually cannot use. There should be assured financing for social housing so that societies that are planning housing should not have to do all their planning for a year or two, putting all kinds of effort and funds into initial planning, only to find in the end that there are no funds available.

The development of housing is a social investment. It creates jobs and is an industry that should be stabilized rather than being based on *ad hoc* programs which vary from one political budget to another. This corporation and the housing industry itself should be accountable to a committee of Parliament to develop sound, long-range non-partisan planning for the future housing needs of Canadians. Accountability involves more than financial accountability. There must also be accountability for policy objectives and for the quality of service in relation to the social goals and needs of our people.

I want to cite two examples of CMHC policies which have been of considerable concern to this Party and to many of our constituents. As I have pointed out several times in Parliament, CMHC has chosen to ignore the fair wages and hours of labour provisions of the Canada Labour Code as a result of pressure from private, non-union construction firms and the powerful HUDAC lobby. This means that housing societies in Vancouver, which in many cases have been helped by pension funds provided by construction unions, are not allowed themselves to employ union construction firms to build their housing. Highly skilled and experienced union tradespeople are unemployed in very very high numbers in British Columbia, as they are in other parts of Canada, while CMHC, by its policy, prevents housing societies from using union labour and using firms which are unionized.

CMHC and other Crown corporations should be required to adhere to decent labour standards under the fair wages provisions. I was told by CMHC officials that because it was a Crown corporation they did not apply. I think those labour standards should apply. Also, I think policies such as mandatory affirmative action should apply equally in Crown corporations right across the board.

The unfair negative evaluation of CMHC social programs in the news last year is another example of a biased kind of report done by private people with vested interest. This definitely influenced public opinion across Canada very unfairly. We had no chance to hear about this in the House or to have alternate points of view presented in committee. The City of Vancouver had a housing researcher who used the same facts, analysed them and came to a conclusion the opposite to that in the CMHC report, that there should be continued support for co-op and non-profit housing, with some changes perhaps in the application of it. There was no opportunity to hear, as I said, any of these reports or to hear from witnesses from housing societies and co-ops in a committee of the House. There was no chance for us as Members to participate in representing the views and the needs of our constituents. I am pretty sure we have all had practical experience as housing has been very difficult in many areas of Canada.

The negative impact or impression that was left on the public was a great disservice to people who have worked for many many years in housing societies and co-operatives to build affordable housing, who had put in hours and hours of volunteer time and who had developed housing for low and middle income people. Certainly there is room for improvement and modification in most Crown corporations, and CMHC and the non-profit housing program is no exception. This could be done again with sound objective research, wide involvement and with accountability to Parliament and to the public in general.

I do not have time to go into other examples in the time that I have left, Mr. Speaker. I know I have concentrated mostly on

the kinds of Crown corporations which relate more to social policies, my area of concern in this caucus as housing critic. However, we all and the public share a very great concern. I think the negative image of Crown corporations is certainly exemplified most in the examples of de Havilland and Canadair. I am sure most Members have mentioned the $2.6 billion of government funds allocated to these two companies. Executives in de Havilland got bonuses to the tune of $155,000 while workers were laid off. de Havilland spent over $500 million, tax dollars again, to cover its debts for 1983 alone. The CDIC also gave bonuses to seven senior officials to the tune of $82,000. We can go on and on about executives and the gifts they receive.

Another area where more accountability is needed is from the very minister responsible for this situation, a minister who is not elected and is not responsible to this House. We have no way in which to question him. He is like an emperor in British Columbia as the Senator appointed for that territory. He makes decisions with no reference back to democratic government and to committees which should be established in this House.

Finally, in reviewing this Bill I share the concern of other Members. It is unfortunate that we are restricted by imposed time limits. We all agree that changes are needed to make Crown corporations more accountable. There should be regular reviews, not only budget reviews but reviews of programs in terms of the service the people of Canada deserve. The mandate of those corporations should also be reviewed. It is very doubtful that this Bill will allow accountability to Members of Parliament and through us to the people of Canada. It is the people of Canada after all who pay the bill for all Crown corporations, Mr. Speaker. People are also paying in some cases for inefficiency, political expediency, when they should be paying for a much more efficient service.

Mr. Deputy Speaker: Are there any questions or comments? The Hon. Member for York-Peel (Mr. Stevens).

Mr. Stevens: Mr. Speaker, according to the standard the Hon. Member laid out to the House with respect to whether or not it is necessary or possible to have Crown corporations, could she indicate whether there are any Crown corporations which the federal Government now owns that she feels are dispensable? If so, what are they?

Ms. Mitchell: Mr. Speaker, I do not feel, partly because we do not have a way of getting information in this House, that I am the person to evaluate every Crown corporation in Canada. I think that would be pretty presumptuous of me. I have some personal opinions, but I do not have enough data to mention this in the House. I think there should be a way of making evaluations. Most institutions are self-perpetuating, that is the nature of large institutions, but there should be times when some Crown corporations are terminated. What we would be most concerned about is whether they are of value of the people of Canada, whether tax dollars are justified from that point of view and whether they are run efficiently. I think that would be the criteria at which we would look.

• (1600)

Mr. Taylor: Mr. Speaker, the Hon. Member for Vancouver East (Ms. Mitchell) mentioned that a number of our Crown corporations have become "far too large". Would the Hon. Member agree with the comment that Crown corporations can add personnel more easily to their payrolls than can private industry and that consequently in most of our Crown corporations there is an over-abundance of staff? That was certainly found to be true in Canadair. It had 22 vice-presidents and now it has only 12. They have retired a few and have done away with 338 jobs. This means that 338 people were being paid for their good looks or for some other reason.

If the Hon. Member believes that a Crown corporation can act as efficiently as a private corporation, which is under the control of someone who wants to make a profit from the operation, how would she or her Party control the tendency to increase the number of employees in Crown corporations, because they are being paid, not from a payroll as a result of its operations, but from tax revenues of the country?

Ms. Mitchell: Mr. Speaker, I think that is a very valid question. Having worked in a public agency myself, I can say that it is natural, as is the case in the Public Service, for bureaucracies to tend to grow and perpetuate themselves. Therefore we have to build something into the system to reverse this. It does not mean that the purpose of the corporation is invalid or that there is not a need for a particular Crown corporation. There may or may not be a need, but I would think that it comes back to the debate about accountability.

I am not an expert in this area, but if the Government really wanted to improve the situation—and certainly it has a responsibility to see that tax dollars are used efficiently and effectively—there could be an ombudsman service or an auditing service which would have real clout and could make changes. That is why it is important to have more accountability to Parliament or to bodies established for that purpose.

Mr. Taylor: There is another point to which I listened with interest when the Hon. Member was speaking. That was the matter of homes for our people. I do not think there is any disagreement among Hon. Members of the House that we want Canadian families to own their own homes. I assume that is an objective of the NDP as well as of the PCs and the Liberals. In meeting that objective we have to be realistic in terms of setting the final prices of homes. Otherwise we simply bar scores and perhaps even hundreds or thousands of families, particularly young families upon marriage or with small children, from ever buying homes. Some of my own constituents have said that they would love to own homes but that they are unable to accumulate that much money.

Also the Hon. Member mentioned union wages and fair wages. I believe in fair wages, because often union wages are not fair. Plumbers who are charging $18 to $25 per hour shove the price of homes impossibly high so that people cannot buy them. Also there are carpenters who are insisting upon $12 to $16 per hour, whereas others are quite prepared to work for $8

or $10 per hour. I believe in fair wages and I believe in unions. However, how does the Hon. Member reconcile keeping the final prices of homes within reach of our people when hourly rates go into the building of homes?

Ms. Mitchell: In relation to the first question, while I think there are many Canadians who want to own their own homes, time have changed. It is interesting that in urban settings well over 50 per cent of the people are tenants, many of whom are so by choice. We cannot always think about this question in traditional terms. However, certainly those who have families should have the right to own homes.

When I talked about housing, I talked about shelter in a general sense. That included rental housing and co-operative ownership, which is different but somewhat like a co-operative rental situation. We must have a range of ways for people to accomplish this. We must have fair wages. When we talk about fair wages legislation, it does not mean that people have to unionize if they do not want to. It comes somewhere within the realm of ensuring the payment of sensible and practical wages so that workers are not exploited by getting excessively low wages.

I also referred to housing developments, non-profit developments or co-operatives where larger housing developments are being built and are more deserving of unions. Quite often in the case of individual homes people want to put in some of their own labour. However, there is no question that the role of Canada Mortgage and Housing Corporation—and this was the point I was attempting to make—should be to develop programs from a long-range point of view, not just this ad hockery. These programs should allow for choices, for people within certain income ranges to get into starter homes with some assistance, and for people who simply do not have downpayments to have co-op housing available to them. It is also very important to have decent rental accommodation, including rental accommodations for people with higher incomes. We are talking about a range of programs, but certainly CMHC should be responsible for them in the interests of Canadians, not in the interests of private developers.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Pembina (Mr. Elzinga)—Supply and Services—Procurement of armour-plated automobiles. (b) Reported deficiencies in vehicles; the Hon. Member for Kootenay East-Revelstoke (Mr. Parker)—Regional Development—Lingan-Phelen coal mine project in Nova Scotia. (b) Lack of employment; the Hon. Member for Fundy-Royal (Mr. Corbett)—Labour Conditions—Unemployment in Atlantic Canada—Request for Minister's advice. (b) Plight of jobless.

GOVERNMENT ORDERS

[*English*]

FINANCIAL ADMINISTRATION ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Ouellet that Bill C-24, an Act to amend the Financial Administration Act in relation to Crown corporations and to amend other Acts in consequence thereof, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

Mr. Deputy Speaker: For debate, the Hon. Member for Prince Edward-Hastings (Mr. Ellis).

Mr. Peterson: Mr. Speaker—

Mr. Deputy Speaker: Order. The Chair should have seen the Hon. Member on the government side. I apologize to the Hon. Member for Prince Edward-Hastings. The Hon. Member for Willowdale (Mr. Peterson).

Mr. Jim Peterson (Willowdale): Thank you very much, Mr. Speaker, and I thank the Hon. Member of the Opposition for standing aside at this particular time.

First, I want to commend the Opposition for having established its task force to look into Crown corporations. Also I commend the Hon. Member for Calgary South (Mr. Thomson) for the work he did in chairing that task force. I believe this approach, followed through to its logical conclusion by Members of Parliament, will make us all better equipped to deal with the very complex issues that we face. This type of undertaking to develop policy should be made far more on the basis of a House approach, mandated by Parliament. I do not necessarily believe that it should be restricted to the particular Parties in Parliament and be funded by those particular Parties.

Having said that, I find it very difficult to understand why the Hon. Member for Calgary South, in commenting on this particular Bill to regulate and make Crown corporations accountable, said that the Bill was an almost incomprehensible piece of legislative mishmash and gobbledegook. The Bill is very complex. It is not going to be perceived at one glance as solving all of the problems we face with respect to Crown corporations.

• (1610)

On the other hand, the main point I want to make today is that this Bill responds almost measure for measure to the concerns that were raised by the task force of the Official

Opposition. It is perhaps not unusual, but very beneficial that the recommendations contained in the provisions of Bill C-24 almost mirror the recommendations put forward by the Opposition task force. These were the two groups researching this issue. They came to almost identical conclusions. This is why this Bill should not be the subject of partisan debate. I believe we should get this Bill into committee as quickly as possible in order that should there be any technical problems inherent in it, we can deal with them on a non-partisan basis, and this House has demonstrated that it is prepared to deal with it on that basis.

I wish to deal with the recommendations of the Tory task force. I will go through them one by one in order to show how we have responded to those concerns and our solution in dealing with them. The first is the requirement for the submission of business plans by Crown corporations, that they be tabled in Parliament and be examined by appropriate parliamentary committees. That is in our Bill.

Second, the Opposition study recommended clarification of the role of the Auditor General in auditing Crown corporations as well as clarifying the relationship of the Auditor General who audits Crown corporations with the private sector auditor. The role of the auditor and the Auditor General is very clearly set out in this Bill. This is what we have done. I might also add that we went to considerable lengths to weigh carefully the views and the recommendations made over the past years, not only by the Auditor General but also by the Public Accounts Committee and the Lambert Commission. In essence, we have chosen to follow Lord Macauley's famous dictum, namely, choose wisely, consult liberally. I know the "consult liberally" aspect of this dictum might be anathema to the Opposition, but I suggest that that is the way, through consultation, and through careful study that is epitomized in the results of this Bill. That is the way in which we have been able to come to the conclusions we have arrived at.

The third aspect of the Tory report calls for improved accounting procedures and practices. Our Bill sets out, in a way that matches the view of the Opposition task force, the concerns about ways of improving accounting procedures and practices. We go one step further. We take the additional step of requiring by legislation that statements set out information clearly and in accordance with the major businesses or activities of each Crown corporation. In other words, we are using a new type of accounting approach for Crown corporations whereby each of their individual businesses, even if they are all contained within one corporate shell, have to be accounted for separately. That was not the generally accepted accounting practice previously.

With regard to some of the remaining recommendations of the Opposition task force, you will find slight differences between our approach and that adopted by the Opposition. I am prepared to elaborate on these differences at the present time, but because they are largely technical in nature, I believe they would be best resolved without polemics in the House and on television. We should sit down in committee and work through these areas in a very non-partisan manner. Since we are not there, and with the emphasis on trying to get us there sooner, let me deal with these points.

First, the Opposition seeks a rationalization in the relationship of Crown corporations to the Government based on a return to effective, individual ministerial responsibility. We have done this. Each Crown corporation is the specific responsibility of a Minister who is available in this House. Each Crown corporation is that Minister's responsibility to account for to this Parliament. A Minister can be called to account publicly at any time in this House for every one of our Crown corporations.

I am wondering what the implication is of the criticism of the Opposition. Is it that there should be only one Member, whoever looks at the financial statements, business plans or ideas of a Crown corporation? We do not feel that that is realistic. We do not know of any system in the world where only one Minister is involved in looking at the business plan and in paying attention to the public policy aspect inherent in Crown corporations or in any particular Crown corporation. For example, why should the designated responsible Minister not be able to consult with the Minister of Finance, the President of the Treasury Board, the Prime Minister, or even the whole Cabinet, on particular issues affecting Crown corporations? It is only good advice. It is good practice to seek the advice and recommendations of other Ministers, particularly those who have a particular concern about a Crown corporation.

In our Bill we have clarified this relationship between the Government and the Crown corporation and strengthened the existing system whereby an individual Minister is designated for each parent Crown corporation. The role of the Government *per se* is clarified. Surely that must have been what the Opposition was seeking. Why then the hassle on these particular provisions?

Another area where the disagreement is more rhetoric than actual is the classification system, the way in which we have classified Crown corporations as to whether they have largely a social or commercial purpose, whether or not they are in competition with the private sector, and the way we have scheduled those Crown corporations. Our approach has been to segregate the commercially-oriented Crown corporations according to the extent to which they are exposed to competition from the private sector. That makes eminent good sense. If the Crown corporation is competing with the private sector in a particular area, why should that Crown corporation not have some of the advantages in a competitive marketplace that the private sector corporation has?

This does not necessarily mean that there should be a Crown corporation in an area which is being adequately served by the private sector. It does not mean that we as a government want to hold on to our Crown corporations. In fact, in a companion Bill before Parliament dealing with the Canada Development Investment Corporation, part of the specific mandate is articulated there. The Government is to continue the policies of trying to dispose of Crown corporations which are no longer essential to the public purposes and to the service of public

needs in Canada. That is one area in which I think the Official Opposition and the Government would find accord and harmony. Again, there is no reason for bickering or hassling.

• (1620)

Another area in which I believe the apparent differences between the Government and the Opposition are more perceived than real is that with respect to the acquisitions and new incorporations of Crown corporations; in other words, the establishment of new Crown corporations to undertake certain activities. We have proposed that the Government be permitted to incorporate a parent Crown corporation under the Canada Business Corporations Act.

In some cases, one would have to agree with members of the Opposition who say that it would be most appropriate if there were to be a special Act of Parliament passed such as the ones which have been passed before for large operations such as the CN when establishing a new Crown corporation. However, why should every new Crown corporation need to go through that type of legislative parliamentary scrutiny when most Crown corporations fall under the umbrella of one of the following four Crown corporations: CN, Air Canada, Canada Development Corporation and Petro-Canada?

I hope that Hon. Members are trying to introduce a degree of private-sector accountability into the decision-making processes of Crown corporations. That type of accountability is critical. However, why should an airline not be able to hive off some of its operations into a separate Crown corporation for business reasons only?

In order for us to use a Canada Business Corporations Act type of subsidiary corporation, there are constraints which must be met. First, that subsidiary corporation must fall within the overall mandate of the Crown corporation itself. It cannot go on a new lark and it cannot go from widgets into doughnuts. That is one type of control which we have and we still require that the Crown corporation receive the consent of Parliament. The matter would automatically be referred to a parliamentary committee for 30 sitting days, and then an opportunity would be afforded for at least seven hours of debate in the House before the new corporation is established.

I know what kind of constructive work can be done in 30 sitting days by a parliamentary committee that is dedicated to making things work rather than one which is hell-bent on electoral gains and political advantage. That is one very responsible measure. When we are speaking about seven hours of debate in the House as an additional control on the establishment of Crown corporations, we are speaking of at least two full days' debate. I ask if we really do need to impose that type of shackle on a corporation such as Air Canada, which might want to hive off some of its tourist-generating activities into a subsidiary corporation for accounting and management structure purposes. The private sector has no such constraints; yet we have put these constraints on our own ability to act in this area.

I am prepared to listen to reasonable arguments from the other side and I believe that they would best be heard in committee. I am prepared to hear why these safeguards are not adequate, particularly when referring to corporations which fall under Part II of Schedule C such as the big ones which compete with the private sector in various areas.

Another area on which the Tory task force recommended clarification was that of the responsibilities of directors and officers. The issue involving the appointment of officers, directors and chairpersons of federal agencies and boards is one which our task force on regulatory reform looked at very candidly and very thoroughly. Three members of the Opposition were members of that task force and we came to the unanimous conclusion that full public scrutiny by subjecting appointments to congressional debates, like those which occur in the United States is not the proper way to go. We felt that there is a better way to go in terms of appointments. We suggested that anyone should be entitled to recommend people who would be competent to fill particular positions. However, we felt that after consultations, it must in the end be the decision of the responsible Minister. This decision would be made after consultations and after soliciting a public list of names. That conclusion received unanimous Opposition approval from members of both the NDP and the Conservative Party.

There are very good reasons why it should be the Government that appoints directors of Crown corporations. The Government is the shareholder. It is the body which is responsible to the Canadian people. It is the trustee for the Canadian people. If we as a Government cannot act to remove the directors who manage and control a Crown corporation, then how can we say that we are responsible? How can the Minister stand up in the House and say that he is responsible? How can Opposition Members pin down anyone on this side of the House with respect to a Crown corporation if we do not have the ability to control those who are responsible for management and control on our behalf? We in turn must act as trustees for the public interest.

Through this Bill, Mr. Speaker, we are striving for control, direction and accountability. I fail to understand how this can be achieved without the Government having the ability to appoint directors and chief executive officers.

Another aspect of this Bill of which I am very proud is the fact that we have control over the remuneration received by those directors and chief executive officers. In my opinion, that is critical because there are times in our public lives when we cannot have increases in wages and salaries being paid to executive officers of particular Crown corporations.

Mr. Lewis: Or bonuses to de Havilland.

Mr. Deputy Speaker: Order. I regret to interrupt the Hon. Member but I must inform him that his time has expired. Are there questions or comments?

Mr. Thomson: Mr. Speaker, I would like the Hon. Member for Willowdale (Mr. Peterson) to answer one question. How can the president of a Crown corporation be held accountable? If a board of directors has any role to play in a Crown

corporation at all, how can that board hold the president of a Crown corporation accountable if, in effect, the Prime Minister (Mr. Trudeau) makes the appointment? Could he answer that simple question for me?

Mr. Peterson: Mr. Speaker, if what we are trying to do is to invite a comparison between the public sector involved in the control of a Crown corporation and the shareholders of a private corporation, then there is something I would like to say about that. In a private corporation other than a Crown corporation, shareholders or investors are the ones who elect the directors to act on their behalf. In a private corporation such as a Canada business corporation, an Ontario business corporation and, I would venture to say, even an Alberta corporation, there are certain times at which the shareholders are entitled to act and to undertake by resolution certain responsibilities. This is particularly true with a corporation whose shares are not widely held. There are provisions in the law whereby the shareholders, for whom the directors are merely trustees acting on their behalf, can undertake that direct responsibility. To me, entering into the role of being able to appoint a chief executive officer is merely by-passing the role of the directors and going directly to the people for whom those officers are working. That is a power which we have under this particular law.

• (1630)

I fail to see how that differs from a closely held corporation in the private sector. There is no difference whatsoever. As a matter of fact, what it does is to allow the type of accountability which Hon. Members opposite have been talking about. It allows us to act very quickly if the chief executive officer is botching it up. Then we do not have to call a directors' meeting in order to dismiss that individual. There might be times when we would want that to take place.

Mr. Thomson: That, Mr. Speaker, is exactly the point. The Hon. Member has just confirmed it. What is a board of directors for then? I am quite prepared to admit that there is a vast difference between a multi-shareholder company and a single shareholder company such as we have in a Crown corporation. But, as the Hon. Member has just said, if need be the board will be by-passed. Therein lies the problem. That is exactly what happened in the case of Canadair. The directors served no purpose whatsoever. My point is: Why have them? Why resort to the subterfuge?

Mr. Peterson: Mr. Speaker, the directors can play a very valuable role in a corporation. I do not know whether in the Hon. Member's business life he had a lot of outside directors in his corporation, but if he did he would realize that they performed many more functions other than just choosing the chief executive officer. As a shareholder of a corporation, I am sure that he would have indicated to the directors who he wanted to serve as the chief executive officer. Forget the sham. We are laying it right there. The chief executive officer will be accountable to the people of Canada, the shareholders of the corporation, through the Minister. That is not a sham; it is calling a spade a spade. It is putting the responsibility there.

The Hon. Member mentioned Canadair. The trouble was that the directors were by-passed. By-passed by whom? Members on this side of the House agree that what happened with Canadair was a disgrace. We did not have the type of instrument in Parliament to supervise adequately what was going on. We as the shareholders did not have the type of business strcuture, such as is proposed in the CDIC Bill, that could give us instant results. It can place before Parliament, very quickly, quarterly results of Crown corporations such as we are proposing so that we as Members acting for the shareholders, the public of Canada, can perform the watch-dog interest that is critical.

I want to ensure, and I think it is shown by the board of the CDIC which is proposed, that we are setting up a good structure which will adhere to sound business principles and which will have a blue chip board of directors—people with proven competence in business areas; people with proven competence in running big businesses in many sectors in Canada. That is why I would like to see the CDIC Bill as a companion Bill to this one.

Mr. Deputy Speaker: Order. There being no further questions or comments, it is my duty to inform the House at this time that the eight-hour period provided for 20-minute speeches, comments and questions has now expired and the House will now proceed to ten-minute speeches. The Hon. Member for Prince Edward-Hastings (Mr. Ellis).

Mr. J. R. Ellis (Prince Edward-Hastings): Mr. Speaker, you recognized me 35 minutes ago for a 20-minute speech, and out of courtesy I deferred, and if my colleague from Calgary South (Mr. Thomson) had not asked a question, of course I would have been within the 20-minute time period. So I am sure that you, Mr. Speaker, will not see the clock for at least ten minutes toward the end of my—

Mr. Deputy Speaker: Order. I take the comment of the Hon. Member as an invitation for the Chair to seek unanimous consent for him to make a 20-minute speech at this time. Does the House agree?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: Is there unanimous consent?

Some Hon. Members: Agreed.

Mr. Ellis: Thank you, Mr. Speaker, and I thank my colleagues across the way. I do not really mind if there are no questions; that does not bother me at all. I will certainly try to stay well within the 20 minutes.

In dealing with Bill C-24, as my colleagues have done, I intend to be critical of the Bill. It seems to me that this is indeed another example of the state of the Government in that we have had, over the past number of months, indeed over the last few years, a number of Bills brought before us that have been rushed in, have been deficient in make-up and not really

ready to be presented to the House. I had hoped to spend a few moments dealing with some statistics, but my colleague from Rosedale (Mr. Crombie), who was very eloquent in that area, did a good job. I intend to get involved only in one statistic that my colleague from Rosedale did not cover, that is a statistic having to do with special enterprises. I quote the following from a recent article in *The Financial Post* which reads:

Statistics Canada publishes data on what it calls government enterprises—"agencies engaged primarily in operations of a commercial or industrial nature, which either compete actively with similar operations in the private sector or monopolize activities that would otherwise be carried out in the private sector."

In 1981, this description fitted 155 federal agencies and subsidiaries (total assets: $50.9 billion);

These were the agencies which compete with private industry and, in fact, to continue the quotation:

—there are six of these animals among the top 50 non-financial firms ranked by *The Post*, ranging from Canadian Wheat Board (number nine) to Air Canada (number 35)—

I intend to quote fairly extensively someone who is well known to my colleagues on the other side of the House. I thought I would use an article by Mr. Paul E. Martin, son of a former illustrious Member of this House and now President and Chief Executive Officer of The CSL Group Incorporated, simply because if I were to use entirely original material in speaking to this Bill this afternoon, I am sure I would have a great deal of criticism and comments from my colleagues opposite. It seems to me that if I quote to them from what was said by one of their own people, perhaps it will carry some weight with them.

Mr. Blais: Was he ever a Member of the House?

Mr. Ellis: Mr. Martin has the qualifications of the Liberal Party at his back and there is no question about that. I will be quoting some excerpts from an article written by Mr. Martin in a publication called *Policy Options* of March, 1984. While I will not, of course, try to deal with the whole article, nonetheless it will not change the thrust. Let me begin with a very brief quote from Mr. Martin's article. He says this:

● (1640)

Governments are by nature slow in seizing opportunities, facing up to changing conditions, or simply correcting mistakes.

He goes on to say:

Indeed, it would not be unreasonable to suggest that one of the reasons for the unwarranted expansion in the activities of Crown corporations arises from governments' attempt to shortcircuit Parliament in the development of policy.

Is this why, Mr. Speaker, as others have said, and in particular my colleague, the Hon. Member for Capilano (Mr. Huntington), that this legislation does not cover 109 Crown corporations mixed with joint enterprises and their subsidiaries? Is this also why we have a dearth of regulations in this particular piece of legislation? My colleagues have all pointed out, Mr. Speaker, and I do not intend to repeat it, the lack of regulations available to us and the continual reference in this piece of legislation to regulations. The fact is that the Bill relies entirely on regulations, and we have no idea what those regulations will be. This is not the first time we have been faced with that situation in this House, and when we have been faced with that sort of thing, we found to our grief that when the regulations did come out, they did not bear much resemblance to what we felt was the intent of the particular legislation.

I want to deal again briefly with Mr. Martin's article. He goes on to say, and I quote:

It is difficult to envisage a circumstance in which Crown corporations can be as efficient as private sector companies. Not that the latter are models by any means. But, lacking some of the inherent advantages and political constraints of Crowns, private enterprise is forced to be more disciplined, and hence more cost effective.

Do we really believe, Mr. Speaker, that the post office in attempting to get into the retail business is going to be effective? Is it going to pay taxes comparable to other merchants in small communities? Is it going to use tax free trucking to carry the merchandise back and forth? Is it, indeed, going to attempt to hide the inefficiency of the post office by getting itself involved in competition with small businessmen? Obviously, that is an area which all of us must decry.

Let me quote again from Mr. Martin, and I said I was going to quote fairly extensively from the article in order to make my point. He said the following:

And government owned companies possess some very powerful advantages.

First, Crowns operate and invest without fear of bankruptcy in the knowledge that government will not let them go under. This in turn enables their managements to engage in programs in which the cost incurred may well be disproportionate to the benefits gained but which nonetheless result in a major long-term advantage over private sector competitors who are more subject to short-term cash flow fluctuations.

I ask the non-rhetorical question, Mr. Speaker, of my colleagues across the way: How many of you know companies in your constituencies which would be successful if money were available, if it were not a problem; if agencies like the Federal Business Development Bank would provide funds to no end; if there were guarantees from federal agencies; if Revenue Canada were not on their backs trying to put them out of business? If, indeed, that was not a problem, how many companies in your constituencies would in the long run make a profit? I suggest to you, Sir, that in my own constituency I can think of at least a dozen which have had some very serious difficulties, and if they could have had unlimited resources for the first two or three years there is no question but that over the long haul they would have made money. Going back to Mr. Martin again, he said:

—Crown corporations have superior access to government and thus the greater ability to influence government policy that affects them. Indeed, it is not unusual for their personnel to be drawn from the very bureaucracy which has the final policy say over industries in which the private and public sectors compete.

On the Order paper I have a number of questions regarding the Savin Corporation which buys photocopiers from Japan and resells them. It was purchased by the CDC when it was losing money. It is now in the market selling below cost, competing unfairly with other companies which either produce or buy and resell photocopiers. Yet, how many government corporations do we fund today using the Savin photocopiers? I

know that my constituency and the surrounding area are flooded with them. I assume the same is true in other constituencies. I doubt that mine would be an exception. I assume the same is true in Ottawa and other areas. Certainly, to have access to the Government is a very real benefit to a Crown corporation. Quoting again from Mr. Martin, he said:

I would suggest that, as the need for Crown corporations to spearhead frontier development declines and the need for commercial discipline becomes paramount, the time has come to consider privatization of mature Crown corporations.

I want to make a point here, Mr. Speaker, that I am now getting into an area which I am personally advocating. The task force, which was very effectively headed by the Hon. Member for Calgary South and the Senator from the other place, has not dealt with this particular question. The excellent report of the task force left out this particular area of privatization. I think it felt that its terms of reference did not go that far. I suggest that I would like to see some privatization of our Crown corporations. I go back to Mr. Martin to make my next point. He said, and I quote:

It is important to emphasize that privatization in no way detracts from the national symbolism of the institutions concerned. They would still be as much Canadian as if owned by the government. The major difference would be that ownership, instead of being concentrated in the hands of a government elite, would be spread out among the Canadian public. In fact, it can be argued that government is so large and so remote that people have difficulty regarding its ownership as their ownership.

There have been some comments made by different speakers, particularly from the New Democratic Party, having to do with the actions of the Right Hon. Member for Yellowhead (Mr. Clark), when he formed the Government, regarding PetroCan. I believe it is fair to say today, Mr. Speaker, that Canadians by and large recognize finally that PetroCan is much the same as other major oil companies in that it charges as much, is involved in price wars, and is selling service stations. They do not feel the personal relationship, which has been suggested through advertising, with that Crown corporation. That Crown corporation, they now realize, is not making money, is building itself an empire and is generally acting irresponsibly, as many Crown corporations do where there is not sufficient restriction.

I would like to go back to Mr. Martin's article for one last time to help me make my point with regard to privatization. Mr. Martin said, and I quote:

The advantages to be derived by privatization, wherever possible, are powerful.

First, it eliminates the twin problems of Crown corporation lack of accountability and crowding out of the private sector by the simple expedient of joining the private sector and accepting the discipline of the market place.

Second, it would force government to be explicit in its policy directives. Crown corporations are too often used either as a means of developing policy outside of Parliament's scrutiny or as a means of avoiding the making of a policy altogether.

● (1650)

All of this having been said, however, the... most important reason for privatization arises from the opportunity cost of tying up scarce financial resources in well established Crown corporations, once the original public policy objectives have been met. Important new policy initiatives are being forsworn because of a lack of funding. Does it make any sense to tie up billions of dollars in mature Crowns while turning our backs, to an important degree, on entrepreneurs who would develop new technologies and people who would benefit from new or further training?

I could go on at some length dealing with those other parts of Bill C-24, Mr. Speaker. I could deal with the loopholes that, as my colleague from Rosedale (Mr. Crombie) said, prevent Parliament from dealing with Crown corporations. I could deal with the fact that there will be less information available and continuing problems with the Attorney General. However, the fact is that Bill C-24 is just not adequate.

I will not go into great detail on this, but I would like to mention a problem that I spent hours debating in the House about one and a half or two years ago. A Crown corporation headed by the man who is now the head of VIA Rail was determined to buy equipment from Japan. I questioned the Government, the Minister and the head of the Harbours Board. I pointed out, and was never challenged, that the equipment in question had never before been made by any other company than the one in my constituency. The company in my constituency had bid low, had met the delivery dates, and in fact could do a better job than any other company in the world. Yet this Crown corporation gave a $20 million contract to Japan. Shortly thereafter, in another bid in South America, the Belleville company was successful. It seems to me, Mr. Speaker, patently absurd that we would have a Canadian Crown corporation buying offshore, having all the advantages to buy from a Canadian company, while foreign companies on another continent recognize the expertise of the Canadian company.

That is an example, Mr. Speaker, of a need for new thoughts, ideas and approaches. It is a need, Mr. Speaker, for a new Government. If the Member for Humber-Port au Port-St. Barbe (Mr. Tobin) were in the House now, I would say to him through you that the polls suit me just fine. Let us have an election, Mr. Speaker.

Mr. Doug Lewis (Simcoe North): Mr. Speaker, it is a pleasure for me to have an opportunity to address Bill C-24 in the short amount of time remaining this afternoon. As I am faced with dealing with my remarks within a 10 minute time-table, I would like to zero in specifically on the lack of regulations. By that I mean the fact that the Government has brought in Bill C-24 and has not given the Opposition any opportunity to review the regulations which are going to play such a major part in the actual functioning of Bill C-24. We have not seen them. The Bill gives wide regulations-making power to the Government. We would like to know exactly what the form and content of those regulations will be.

I refer, Mr. Speaker, to Clause 95(10) in which, by regulation, the Government intends to classify major business activity. I refer to Clause 97 which will, by regulation, apply Bill C-24 to subsidiaries. I refer to Clause 101(7) whereby the Government can deal with incorporation and acquisition of subsidiaries by regulation. I refer to Clause 102(2) where, by regulation, subsidiaries and Crown corporations can be exempted from Section 101. I refer to Clause 108(4) where, by regulation, the Government will regulate how agent companies

may sell or dispose of property. I refer to Clause 118(3) which defines remuneration. I refer to Clause 124(4) which defines, by regulation, the form and content of the exemption of by-laws from Clause 124. I refer to Clause 130(7) which describes circumstances requiring the approval of corporate plans by the Minister of Finance (Mr. Lalonde). I refer to Clause 134 wherein the Treasury Board will set the form and content of corporate plans and also set the form, content and timing of operating budgets. I refer to Clause 131(2) wherein Treasury Board may require operating budgets from any C-I corporation. I refer to clause 132(1) wherein Treasury Board may exempt any C-I corporation from requirement to submit a capital budget. I refer to Clause 132(2) wherein C-II corporations may be directed by Treasury Board or the appropriate Minister to submit capital budgets. I refer to Clause 132(4) wherein Treasury Board can approve spending items beyond the budget year. I refer to Clause 132(8) wherein the Minister of Finance may require his approval for a capital budget. I refer to Clause 135(4) wherein the Minister of Finance may exempt a Crown corporation from Clause 135. This clause defines what transactions involve borrowing and specifies the manner of granting approval under Clause 135. I refer to Clause 139(6). This clause troubles me considerably, Mr. Speaker. Therein Treasury Board may prescribe regulations for the preparation of financial statements and supplement or augment generally accepted accounting principles.

Some two years ago, Mr. Speaker, we engaged in a pretty hot and heavy debate in the House. We were able to dissuade the Government from trying to set generally accepted accounting principles by regulation. As a chartered accountant and a fellow of the Institute of Chartered Accountants of Ontario, I object very strenuously to any government trying, by regulation, to set generally accepted accounting principles. That is for the profession of accounting to do. The Government has no business doing that. It has no business telling doctors how to take out an appendix. It may be in the business of allowing professions to self-regulate, but once again the Government is trying to set generally accepted accounting principles by regulation. As a professional, I object.

By Clause 142(5) the Governor in Council intends to set regulations prescribing how auditors will be selected. By Clause 152(4) the Treasury Board may make regulations on the form and content of annual reports. In these latter three cases, Mr. Speaker, I suggest that the regulations go far beyond what the House can approve.

I would respectfully suggest, Mr. Speaker, that we call it five o'clock. Within the time limit available to me I have tried to keep my speech specifically on the subject of regulations, and thereby tell why we are specifically objecting to the regulation-making part of the Bill. I ask that I be permitted to continue the next time this Bill is brought up in the House.

• (1700)

BUSINESS OF THE HOUSE

Mr. Evans: Mr. Speaker, I rise on a point of order. I would like to make a minor change to the orders of the day for tomorrow and announce it to Members of the House. Tomorrow, the order of business will be the following: Bill C-7, Bill C-8, Bill C-11, Bill C-14, Bill C-16, and Bill C-6. I believe there is a minor change there. Bill C-14 has been moved from the last place on the agenda to the fourth position. This is according to an agreement that was reached by the House Leaders earlier this day.

Mr. Lewis: Mr. Speaker, may I inquire of the Parliamentary Secretary to the President of the Privy Council if in fact that has been communicated to our House Leader?

Mr. Evans: To my knowledge, that is correct. I want to announce it in the House so that the changes can be made to the orders of the day for tomorrow.

The Acting Speaker (Mr. Guilbault): It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS— MOTIONS

[*English*]

The Acting Speaker (Mr. Guilbault): Shall all orders and items preceding No. 67 stand by unanimous consent?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Guilbault): Before putting the motion to the House, the Chair would like to express some concern with regard to Private Members' notices of motion. It seems that lately, notices of motions contain more and more arguments that normally would form the basis of a speech. The Chair does not intend to interfere with today's projected business, but nevertheless I would like to caution Hon. Members that, as stated in Citation 423 of Beauchesne's Fifth Edition:

> A motion should be neither argumentative, nor in the style of a speech, nor contain unnecessary provisions or objectionable words.

Members will have noticed that sometimes very thick and complicated legislation is brought to the House by way of a very short motion. This case is not the worst example. Some motions have been introduced in the House with a number of "whereas" or superfluous paragraphs, which has been of some concern to all of the chair occupants. This is brought forward in the House just to warn Members of the situation.

DISARMAMENT

ADVISABILITY OF REDUCING NUCLEAR WEAPONS AND RESUMING DISARMAMENT NEGOTIATIONS

Mr. Walter McLean (Waterloo) moved:

That, in the opinion of this House, the government should call upon the nuclear powers to seek a temporary freeze by all nations on the testing, production and deployment of nuclear weapons and delivery systems pending a genuine reduction in nuclear arsenals, and for the early resumption of negotiations on a treaty for comprehensive disarmament under enforceable world law, which should include:

1. disarmament by all nations to the level of arms required for internal security;

2. an international inspection organization able to monitor disarmament and detect violations of the agreement, using both satellites and on-site inspection;

3. a world peace force able to enforce disarmament and prevent international aggression, the members of which should be individually recruited;

4. an effective system of world courts and arbitration tribunals; and

5. a world development fund through which a fixed proportion of the resources made available through disarmament will be devoted to development in the poorest nations.

He said: Mr. Speaker, the subject of the motion that I put before the House today, seconded by my colleague from Edmonton South (Mr. Roche), is, in essence, human survival. Its substance is a series of concrete proposals to establish an international climate that is co-operative rather than confrontational, that recognizes that international security must rest in a commitment to joint survival rather than in the threat of mutual destruction, and one that ultimately reduces the risk of a nuclear holocaust.

The motion which is before the House in my name today calls for the Canadian Government to press for an immediate freeze by all nations on the testing, production and deployment of nuclear weapons and their delivery systems. This is to be followed by the resumption of negotiations on a treaty for general disarmament under a reliable system of enforceable world law.

This motion underlines the deep concern felt by members within all Parties and which is reflected by the Canadian public in public marches, referendums and many other public illustrations of concern. It is a concern that the deteriorating state of international relations brought about by nuclear weaponry is so great it is a cause not only for alarm but for a call for action that is being heard across the country.

I need not review before the House the horrific statistics that indicate the probability of nuclear war or the absolute destructive power that nuclear weapons possess. Let me simply say that these facts point to one fundamental conclusion: the risk of extinction is not just one more item on the agenda of issues that face us as parliamentarians today. The life and death of every human being on earth and every future human being transcends all other issues that are on our parliamentary schedule and those of other nations. Surely we can agree on this much.

Less than two generations after the carnage of the Second World War, the world is marching toward the brink of a new abyss, toward a conflict whose consequences would exceed experience and defy imagination. It is not enough for us to remind ourselves that nuclear war is horrible and to assure ourselves that we are not for extinguishing mankind. Immediate steps must be taken to transfer our security reliance from the nuclear weapons system to another universally accepted system.

Kurt Waldheim, a former Secretary General of the United Nations, argued in his 1980 report on nuclear weapons as follows:

—Only a system of international security, based on the observation of the principles of the United Nations Charter and of other universally accepted instruments of international law, can provide a mutually acceptable basis of security. This must be, therefore, the goal on the road to disarmament. The Charter and nuclear weapons date their existence from the same time. The future road should point to a full reliance on the Charter, and the elimination of all nuclear weapons.

The present motion is unique, and in an important sense, historic. It has been introduced in the Congress of the United States of America. Within a few months it will have been introduced into the Parliaments of Australia, India, Italy, Jamaica, Kenya, New Zealand, Nigeria, the United Kingdom and the European Parliament.

The initiative has been proposed by Parliamentarians for World Order. It is the first time that legislators around our globe have risen simultaneously and, in unison, introduced concrete proposals for peace. It is my opinion, and that of 800 of my parliamentary colleagues on every continent, that this motion outlines the minimum requirements for humanity's survival.

• (1710)

Some Hon. Members will say that the proposals contained in this motion are unrealistic. They are not. Those who believe that we can carry on for another fifty or a hundred years with a system of nation states, arming themselves with ever more lethal weapons, while the earth is depleted of its resources and millions starve, are only fooling themselves. A realistic look at the requirements for human survival must lead us to seek reform of our international system.

The nuclear powers today possess approximately 50,000 nuclear weapons. These weapons have the destructive power of more than one million Hiroshima bombs. The risk of nuclear war is real. It could be triggered by accident. The Accident Measures Agreement, signed in 1971 by the United States and the Soviet Union, states:

—despite the most elaborate precautions, it is conceivable that technical malfunction or human failure, a misinterpreted incident or unauthorized action, could trigger a nuclear disaster or nuclear war.

On at least three occasions in the last two years, American nuclear forces were placed on alert: twice because of the malfunctioning of a computer chip in the North American Air Defence Command's warning system; and once when a test tape depicting a missile attack was inadvertently inserted in the system.

A nuclear war could begin through the escalation of conventional conflict. There are suggestions today that in the Iran-Iraq conflict it may be as close as two years from now when nuclear weaponry is introduced into that conflict. President

Kennedy himself stated that the odds on the Cuban missile crisis leading to a full-scale nuclear exchange were about one out of three or even. Fear that the world would be held by terrorists should the nuclear capacity fall into their hands, cannot be dismissed as irrational, Mr. Speaker. Imagine for a moment if Libya had had this capacity during the past several weeks in that tense situation with Great Britain. While there may be only a small probability of a nuclear war this year, it is a fact that over a sufficiently long period of time the probability of nuclear war must approach statistical certainty. We cannot maintain the atomic arsenals we have indefinitely and survive. Sooner or later, something will go wrong.

While it is impossible to know with certainty that a full-scale nuclear war will end human life on this planet, most experts have concluded that the long-term impact of radioactive fallout and the ecological effects, when added to the short-term effects of blast and fire, will end life as we know it. From inside the political and military system, there are voices of warning in the world today, including that of Ambassador George Kennan, Secretary Robert MacNamara, and Admiral Robert Falls.

Talk of a "limited" or winnable nuclear war is ludicrous. Two questions demand answers. We must ask, at what point will the escalation stop? If generals, diplomats and politicians are not able to prevent a nuclear war from starting, can we expect that they will be able to stop it once it has begun?

The late general, Lord Louis Mountbatten of Burma, said shortly before his death:

—the nuclear arms race has no military purpose. Wars cannot be fought with nuclear weapons. There can be no victory. Their existence only adds to our perils because of the illusions (of security) that they generate.

The key advantage of the freeze proposal that I have put before the Canadian House of Commons today is its common-sense simplicity. At one stroke, it would cut through the tangle of technical complexity that has frustrated many arms control efforts. Senator Mark Hatfield, Republican co-sponsor of the freeze resolution in the U.S. Congress, stressed this:

—the moratorium concept has the inestimable political virtue of simplicity. Its benefits to mankind are readily apparent to all and sundry rather than only to a handful of scientists and strategic analysts. There would be no mistaking the moral implications of an agreement to stop the arms race. To a world now cowering in the face of the awesome dangers and technological complexities of the arms race, a moratorium would symbolize hope.

A freeze would forestall a dangerous new round of superpower weapons systems, such as the MX missile and a new Soviet intercontinental missile. Given their astonishing accuracy, these weapons will push both sides toward a "launch-on-warning" nuclear response.

A freeze would prevent the proliferation of nuclear weapons to an increasing number of countries, such as Libya, a country which I just mentioned.

Unlike other arms control measures, a freeze would stop the nuclear arms race and set the stage for disarmament.

It will be said by opponents of the freeze that it is unacceptable because the "other side" is ahead. But we can agree that nuclear weapons are different from other weapons. More bombs do not necessarily mean more strength. When each side can destroy the other many times over, words like "ahead" and "behind" lose their meaning. Congressman James Leach, a Republican from Iowa, illustrates this point in his intervention in the American forum as follows:

—The problem with the logic of those who would reject a freeze, in favour of unrestrained weapons development until an idealized treaty is negotiated, is that their position hinges on the assumption that more nuclear weapons really matter. Death is death. A human being cannot die twice. If two rivals are locked in a small room in a duel to the death where one has 1,400 pistols and the other 1,200, the one with 1,400 has no advantage when one or both parties are likely to be killed or maimed with the first pistol used—

While a nuclear weapons freeze would set the stage for disarmament, nothing short of comprehensive disarmament will ensure our survival. Only by removing the atomic weapons can we remove the threat of nuclear holocaust. Yet as long as the risk of war remains, the nuclear powers will not give up their arsenals. It will be said that talk of general disarmament is idealistic. We must, however, come to grips with general disarmament under world law, if we wish to be realistic about having a world to pass on to future generations. Nations must give up the right to wage war. That is the minimum necessary for survival.

Shridath Ramphal, Secretary-General of the Commonwealth, speaking a few weeks ago to the consultation of National Voluntary Organizations in Ottawa, touched on this theme when he said:

—Nurtured as we are on the doctrine of the nation state, and the concept of national sovereignty which sustains it, we so easily fail to catch a glimpse of the world as a whole.

The sovereignty of all nations in the nuclear age rests in Moscow and Washington. We will only regain our Canadian sovereignty, and other nations will only regain their sovereignty, when the superpowers relinquish the power to annihilate mankind.

To achieve lasting disarmament, four institutions are essential. They are outlined in my motion before the House today. First, an international inspection organization. If nations disarm, they must know that their adversaries are doing likewise. No man will pull down his pants, bend over, and hope someone passing by will resist kicking him. Second, an international police force is necessary. If nations are to reduce the size of their military forces, they must have an alternative on which they can rely for their security. The global police force must be strong enough to enforce two world laws—that no nation may invade another nation and that no nation may rearm. This needs to be enforced.

• (1720)

Third, an improved world judicial system is needed. If nations are to renounce the battlefield as a place to settle disputes, they must have an alternative. Fourth, a world development fund to redirect resources from the arms race to development is needed. To disarm, nations must have security, and there cannot be security in a world where half the population is hungry. This motion recognizes these four insti-

tutions as cornerstones of an interdependent global community.

After 30 years, superpower negotiations have reduced neither the quantity of weapons nor their destructive power. The negotiations have provided a stage on which a global audience views its own powerlessness. At present those negotiations, however tenuous, have ceased altogether. Thus we are at a very critical juncture. We must find an alternative approach to the arms race. This is what the marchets in our cities are saying, this is what the municipal-based referendums are saying, this is what the vigils are saying, and this is what the worship services are saying across the country.

President Eisenhower wrote to an American publisher on April 4, 1956 making a crystal-clear point. He said:

> When we get to the point, as we one day will, that in any outbreak of general hostilities, regardless of the element of surprise, destruction will be both reciprocal and complete, possibly we will have enough sense to meet at the conference table with the understanding that the era of armaments has ended and the human race must conform its actions to this truth or die.

In concluding my comments in support of my motion before the House today, I invite Hon. Members on all sides to join with me in support of this motion for human survival.

Some Hon. Members: Hear, hear!

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, as chairperson for the Parliamentarians for World Order in Canada, I am pleased to rise and support this proposal. As the Hon. Member for Waterloo (Mr. McLean) stated, the substance of this resolution was initiated by the Parliamentarians for World Order internationally.

I would like to make a few brief comments about that organization. It is an international organization of legislators working for disarmament, development and strengthened world institutions. The organization now has over 600 Members of Parliament or legislators in 31 countries. This resolution, which in different words has been called "the call for global survival", has been sent to Members of Parliament around the world, for a total of 25,000 letters to 115 countries in 10 different languages.

It is unfortunate that we must debate such important questions as the freeze on nuclear weapons, and a means to deal with international conflict with so little interest in the House and with so little input from Members. That is partly due to our rules in this Chamber and partly due to our Constitution. However, it is my hope that the debate this afternoon might at least stimulate or encourage the Government to permit a wider debate on these issues which are of such great concern to Canadians. I think we were all struck by the immense numbers of Canadians last weekend who marched in the streets because of their concern about nuclear war; I think there were over 100,000 in Vancouver.

I know other Hon. Members want to speak, so I will not take much time. However, I want to put on the record some facts with respect to the threat of war today and over the last few years. People have a tendency to forget or to bury their heads in the sand and think that such things will not happen. Since 1945, since the end of the so-called Second World War, there have been 66 regional wars throughout the world, wherein more than 9 million non-military persons were killed and another 6 million military personnel were killed, for a total of 15 million in 66 wars since 1945.

In 1982, the nations of the world spent more than $650 billion on armaments. That is equal to the total Gross National Product of Latin America and Africa. Of this amount, $100 billion was spent on the production of nuclear arms, which now number 50,000. In contrast to that, the moneys required in the world to provide adequate food, housing, health care and education amount to only $18.5 billion. I say only $18.5 billion when compared with the $650 billion spent on armaments. What a pity, what a shame!

In the United States today, 53 per cent of every tax dollar is spent on military expenditures. That is the greatest percentage in the history of the United States during peacetime. Thirty-five percent of all world armaments are produced in that country, and the 50,000 nuclear weapons which now exist in the world have one million times the destructive power of the explosion at Hiroshima. Imagine that, if you can. The nuclear arms existing in the world today have the capacity to wipe out or destroy 800 million lives in one day. If a nuclear war were to start at the beginning of the day, before the end of that day 800 million lives could be destroyed. Turning to another point, the world now spends 2,300 times more for military activities than for peace activities. I just wanted to put those facts on the record because they are very relevant to the resolution introduced by our colleague today.

Since I want to give other Members a chance to support and talk on this resolution, I will simply say that when we have 50,000 nuclear bombs with a destructive power one million times the Hiroshima bomb which can virtually destroy the world, certainly the only alternative is disarmament and arms control.

I said at the beginning of my remarks that I regretted the fact that we carry on this debate with so little interest in this Parliament. It is too bad we cannot have a process or procedure whereby we could vote on these issues as we did with capital punishment. In that case it was a free vote because we were dealing with life and death issues, something very close to the conscience of Members of Parliament. Here we are dealing with something which could destroy 800 million lives, and we have to deal with it in a process like this. I think that is a very unfortunate set of events. It is too bad that we cannot do what was done in the United States which has so-called non-binding resolutions. The Senate of the United States passed a resolution in favour of a nuclear freeze. It expressed the will of the members of the Senate but it had no binding force on the President. At least the people of the United States knew where their members stood. I wish we could do that in this House. If we cannot do it tonight, let us have an opportunity to do it together and to have a much more lengthy debate with more Members involved. It is vitally important to the people of Canada and of the world.

Some Hon. Members: Hear, hear!

• (1730)

Mr. Doug Anguish (The Battlefords-Meadow Lake): Mr. Speaker, I am pleased to take part in this debate this afternoon. I congratulate the Hon. Member for Waterloo (Mr. McLean) for introducing the motion today as well as the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand) who spoke on the pressing problems of nuclear weapons and world conflicts that have occurred since World War II, and the intense building of nuclear arms. I will not repeat much of what has gone on, but I do want to put some of my concerns on the record.

I agree with the importance of this being a broader debate in Parliament. People throughout Canada should become more educated about the real danger of the nuclear holocaust and the events which could lead up to it. It would be devastating for the human race. I plan to circulate as widely as possible the speeches given in the House of Commons by all Members of Parliament who speak today, regardless of their political affiliation. It is a common cause and there is a common bond with regard to the issue we are debating.

I had the honour and the privilege of attending the Seventy-First Interparliamentary Conference in Geneva from April 2 to 7 of this year. We had a delegation in Geneva to discuss some issues that are pertinent to the debate today. Three topics were discussed at the interparliamentary conference: first, a panel on world population; second, an emergency resolution or supplementary item, as it was referred to, on the Iranian-Iraqi war, and, third, a panel on arms control and disarmament. I was proud to be part of the Canadian delegation on the latter panel, namely, that on arms control and disarmament.

The presentation by the Canadian delegation on that panel began by pointing out the peace initiatives of the Prime Minister (Mr. Trudeau) and the broad, if not unanimous acceptance of his peace initiatives by this Parliament and the Canadian people. It is worth putting on the record again today that, out of the findings of the peace initiatives that were started, and that must continue, there were ten principles that represented a common area of interest and agreement between East and West emerging from the wide-ranging discussions that were begun there. It is not only East and West but also the developing and developed countries that hold these concerns. The ten points are as follows: Both sides agree that a nuclear war cannot be won. Both sides agree that a nuclear war must never be fought. Both sides wish to be free of the risk of accidental or surprise attack. Both sides recognize the dangers inherent in destabilizing weapons. Both sides understand the need for improved techniques of crisis management. Both sides are conscious of the awesome consequences of being the first to use force against the other. Both sides have an interest in increasing security while reducing the cost. Both sides have an interest in avoiding the spread of nuclear weapons to other countries. Both sides have come to a guarded recognition of each other's legitimate security interests. Finally, both sides realize that their security strategies cannot be based on the assumed political or economic collapse of the other side. That would just not happen.

Further, the Canadian delegation at the interparliamentary conference in Geneva put forward the priorities officially supported by Canada. First, Canada will press for a comprehensive and multilateral nuclear test ban treaty. On this subject there is preparatory work in progress, and it has been going on for some time, so that Canadian parliamentarians and the Canadian people can contribute their share to what will be a difficult process of deliberations.

Second, Canada will be pressing for a more effective non-proliferation regime. I personally pointed out that although it is not currently part of Canada's official proposals, many parliamentarians and Canadian people are pressing for a policy of nuclear weapons-free zones. I applaud all those countries which forwarded this concept at the interparliamentary conference. There were some 100 countries in attendance at the conference, including all of the countries that presently have a nuclear weapons capability or have nuclear weapons within their arsenals.

Third, Canada will press for a convention to prohibit chemical weapons. Until such time as a convention can be put in place, we call upon countries of the world to confirm or re-confirm their adherence to the protocol agreement of 1925 banning the use of chemical weapons. This has come to the fore because of the situation arising from the Iranian-Iraqi war.

Fourth, officially Canada will press toward the objective of prohibiting all weapons from use in outer space. Certainly the development of weapons for use in outer space only further endangers the tinder box in which we now live. I believe we must maintain this last frontier for peaceful and mutually beneficial purposes.

In addition, on the official position of Canada we strongly put forward that we would support negotiations to limit and reduce nuclear arms. We would participate actively in negotiations to limit and reduce conventional forces. Further, we would seek step by step to achieve ultimately general and complete disarmament consistent with the legitimate security needs of states. This ties in very well with what the Hon. Member for Waterloo said about the need for an international police force to protect states that still fear aggression from other countries.

We all realize that the major stumbling blocks to arms control and disarmament agreements are the methods of monitoring or verification and the trust of others throughout the world. We must not let the problems that lie there be excuses for not being able to overcome those hurdles. Whether we consider ourselves East or West, developed or developing countries, we must look forward to the day with optimism when we will not have to explain to our children the atrocities of war or why weapons of mass destruction exist on the face of the earth.

We should always remember that not one of us owns any piece of this planet. Although we may have a deed to a piece of property, ultimately none of us own the planet. We have inherited this planet from past generations. We will let down future generations unless we find a way to pass it on, hopefully in a better state than when we found it. By allowing the escalation and threat of nuclear weapons to increase along with other weapons of mass destruction, we are not honouring that obligation to future generations.

I now want to turn to the resolution that was adopted at the Seventy-First Interparliamentary Conference in Geneva. The panel which dealt with the arms race, arms control and world disarmament passed this resolution unanimously. As I have already pointed out, all countries in the world which are governed by some form of Parliament, whether or not we in the free world agree with that form of Parliament, are represented at the inter-parliamentary union. This resolution was adopted unanimously.

● (1740)

I believe that the resolution covered the four points which were mentioned by the Hon. Member for Waterloo. I would like to look at a few of the highlights of that resolution today. Point No. 10 of the draft resolution reads as follows:

> Calls upon Parliaments and Governments, especially those of the most heavily armed countries, to exert efforts for reducing the enormous expenditure entailed in accumulating arms for military purposes, as well as to channel the human and material potentials released by the reduction of military expenditure towards economic and social development, particularly for the benefit of the developing countries;

Point No. 12 of the resolution reads as follows:

> Calls upon Parliaments and Governments to support the creation of nuclear-weapon-free zones in various parts of the world—particularly in areas of tension—wherever all the States of the region show interest and give their agreement;

I find this point to be of particular interest since I have put forward two private Member's Bills in an attempt to declare Canada a nuclear-weapons-free zone. In the last Parliament, I put forward Bill C-678, and in the first session of this Parliament, the session we are now in, I put forward Bill C-203. I must say that that Bill has received some support, just as the motion today is receiving some support from all sides of the House of Commons. I was gratified to find that this section of the motion was adopted by all member countries of the inter-parliamentary union.

Point 13(a) of the resolution to which I have referred reads as follows:

> To initiate parliamentary debates on disarmament problems, to launch appeals and issue statements in favour of the cessation of the arms build-up, to adopt measures freezing and reducing-military expenditure, to support the prohibition of foreign bases and troops on the territory of other States and the disbanding of military blocs;

Point No. 13(b) reads as follows:

> To intensify parliamentary contacts on the regional and sub-regional levels on such problems as the strengthening of confidence and security, the creation of areas of co-operation, understanding and neighbourliness, without nuclear weapons;

I believe that the Members who have risen in the House today and the Members who will rise after me have no problem agreeing with that point. I encourage the parliamentarians who are here today and the Canadian people who have followed and will be following this debate to educate our friends and neighbours to promote international peace and arms control and certainly to promote the reduction and elimination of nuclear weapons so that all of mankind can live in a better world.

Mr. Douglas Roche (Edmonton South): Mr. Speaker, because other members wish to speak in this debate, I will keep my remarks quite brief. However, I wish to note that this debate has two distinguishing characteristics. First, there is representation in support of the motion introduced by the Hon. Member for Waterloo (Mr. McLean) from all sides of the House. This is a non-partisan debate and indeed it is a high level debate. I believe that the issues which have been put forward have been approached from a level of deep political concern in a way that lifts us above partisan debate.

The second characteristic of this debate is the unique nature of the motion before us which is being introduced internationally in many Parliaments throughout the world. Just as we here in Canada are speaking in this hour that is available to us, so too there are parliamentarians in other nations who are addressing in their own Chambers the very same questions. To me, this represents a very significant gain in the international understanding of our common concerns and the understanding of the common ground on which we all stand as we seek collective security with economic development for all, the only sane course of action for a world which has become not only international but truly interdependent. We do live in a global community and it is those of us who are specifically charged as elected politicians in national legislatures who must rise above the domestic concerns which are always real and pressing and put into place a system that will ensure true security with economic development in the world.

I wish to take a moment to note that one of the leaders of the United Nations, Mr. Brad Morse, the administrator of the United Nations Development Program, spoke at one of the first forums that was held at the United Nations by Parliamentarians for World Order, the organization which has sponsored the very motion we are debating. Mr. Morse was a distinguished Republican Congressman in the United States Congress before moving on to his post at the United Nations. I would like to read the words of Mr. Morse to indicate to my colleagues what today's debate is all about. Mr. Morse said:

> We have to make a great and noble leap in our thinking about profound issues of public policy, from parish to planet; from nation to United Nations; from abject poverty for most of our human family to progress in equity and well-being for all; from the tragic absurdity of armaments to the sanity of peace that can ennoble and enrich all of us.

The most recent forum held by Parliamentarians for World Order at the United Nations last November was a forum which was conducted under the title "Global Militarization versus Economic Development". It was a forum which tried to relate these two principal concerns in life today, development

and disarmament. It was a forum which tried to show that the two characteristics of our world today are militarization and deprivation and one which tried to show that the East-West conflict has North-South dimensions as well. These are the global concerns that this organization has tried to put forward.

At that forum, the keynote speaker was the distinguished Secretary-General of the Commonwealth, Mr. Shridath Ramphal, a man who is well known in our country. To be frank about it, Sir, he gave the forum a rather gloomy prognosis of the state of the world today. I would like to read to the House a few of the words with which Mr. Ramphal left us, because they are words worth pondering. He said:

> We are losing the ethic of peaceful settlement. Resort to force is becoming less disreputable. In fact, the gravest contradiction of all may arise if democracy begins to stand in the way of internationalism as the notion takes root that there are votes in war. We allow the machinery of peacemaking to rust away. It it any wonder that militarism is ascendant?

That, unfortunately, is a characteristic of the world in which we live today. My colleagues have already pointed out the enormous amounts of money that are being spent on the arms race literally at the cost of the poor of the world.

Mr. Ramphal went on to make another point, and I would like to conclude my remarks on this note. He said:

> Whatever the lunacies of the rich, why do poor countries persist in adding to their military budgets? . . . In an international climate dominated by militarism, some Third World leaders have sadly allowed themselves to regard modern weapons systems almost as symbols of progress or as necessary props for political power . . . What is needed is a new global ethos that rejects the military culture.

That indeed is the challenge that we as parliamentarians face when trying to grapple with larger responsibilities.

I would like to conclude by saying that last week I visited Peru. To see an example of what a combination of militarism and deprivation does to a people, one would only have to look at the people of that country. In that country, 45 per cent of the budget is spent on military armaments, the army and all the accoutrements that go with modern warfare. All of that is at the expense of the greatest deprivation that I have seen in my many years of travelling through Third World countries. It was brought home to me very forcefully.

● (1750)

In the nuclear arms race the major nations of the world—the five permanent member nations of the Security Council which have weapons and, in particular, the two superpowers that have 95 per cent of all the nuclear weapons in the world—are continuing to build a vertical mountain of nuclear weaponry, while other nations of the world are extending a horizontal network of conventional arms in ways that are horrendous to contemplate in terms of their economies and also are manifesting a militaristic culture. I believe we have to consider seriously how to get rid of it.

Even if the world could eliminate all nuclear weapons, which it seems is a political impossibility, the world from then on would have to live with the knowledge of how to construct nuclear weapons. I put this question to the distinguished Minister of National Defence (Mr. Blais) and I ask him to consider it. I put this question to him very seriously and I know he may have an opportunity to respond tonight. How is it possible, as a new political challenge, to make knowledge—as distinct from actual possession—the actual deterrence? This course of action has been labelled by Jonathan Schell among others as "existential deterrence". This would entail the abolition of nuclear arms in progressive steps, starting with a reciprocal no-first-use pledge.

The threat of deterrence would ultimately consist of the ability of one side to construct nuclear devices once it was known that the other side was doing so. The critical time factor of split-second death would be removed. On the basis of my experience as a politician, I recognize that the chances of moving into such a mode are quite remote without a tremendous political push forward. I believe that Canada has a real role to play in making a contribution to the verification systems in the world that need to be developed both in conventional arms, as we are doing in the contributions that the Canadian Government has made so far to the Stockholm Conference, and in the verification techniques that still have to be developed for outer space weapons in order to stop that escalation of nuclear technology beyond the point where it is today.

I make a very fervent appeal to my colleagues in this House to take very seriously the motion put forward by the Hon. Member for Waterloo, because it has opened up the very high level, non-partisan way in which we are speaking on behalf of humanity. Indeed, we are speaking about the survival of my children as well as the children of every Member of this House of Commons and their grandchildren. That is our responsibility. I believe that Parliamentarians for World Order have helped to lift up our thinking, and now as politicians we will have to follow it through.

Mr. Paul E. McRae (Thunder Bay-Atikokan): Mr. Speaker, I support this motion very strongly, but I support it as a second step rather than a first step. I would like to give an idea of where I think we should go first. This, I think, is tremendously important. I think many Hon. Members have seen the cartoon about the two men knee-deep in gasoline. One of them has seven matches and the other has ten matches. The matches represent nuclear weapons. Both of them are arguing about who has more matches and whether one has bigger matches than the other. It seems to me that the argument of how many nuclear weapons we have in this particular proposal is part of the solution to that argument. I have become convinced that we are working from the wrong place to start with. Maybe we should be draining the gasoline from the tanks, because we are not getting anywhere by just making these proposals.

I was very pleased when the Prime Minister (Mr. Trudeau) spoke on February 9 as a result of long discussions he had with leaders of many, many countries around the world, including the major NATO countries, the Warsaw Pact countries, the five nuclear powers, and, in particular, the two superpowers. He came to a series of conclusions. I think that these conclusions may be the very basis for the beginning of the kind of negotiations that would bring us to a freeze. I would like to mention these quickly. The Prime Minister said that there is

among all of these nations, including the superpowers: agreement that a nuclear war cannot be won; agreement that a nuclear war must never be fought; a wish to be free of accidental war or of surprise attack; recognition of the dangers of destabilizing weapons; the need for improved techniques of crisis management; recognition of the consequences of the first use of force; an interest in increasing security and reducing costs; prevention of horizontal proliferation; recognition of each other's legitimate security interests; and, finally, recognition that their security cannot be based on the political or economic collapse of the other side.

It seems to me that if we start with this—and I met with a group in the United States just recently who were talking about a common ground—it would provide the common ground. I hope the Prime Minister, when he leaves here, will carry on with the idea that these particular points could be a basis for a group of countries which would be involved in some kind of third party action to bring the two superpowers and the other nuclear powers to recognize that we must come to the point of freeze. I believe the gasoline must be drained from the tank before there can be agreement on a freeze.

Admiral Eugene Carroll said the other night that he felt a nuclear war was probable by about 1992. We must move to do the two things I am suggesting.

Mr. Gordon Taylor (Bow River): Mr. Speaker, I want to say that I believe in many of the objectives that have been set out in this motion, but I do not believe in world government and I do not believe in an enforceable police force that will force nations to do things that they do not want to do. I believe in seeking a just peace, but I do not want a world government that is going to come in and tell people what to do and use armed forces to do it—an enforceable police force. It smacks too much of world government. I believe in the sovereignty of people, and people should have the right to decide their own destiny.

Mr. McLean: Mr. Speaker, I rise on a point of order. I wonder, as the hour is drawing near, whether the House would agree that the question be put.

Mr. Blais: Mr. Speaker, I am rising—

The Acting Speaker (Mr. Guilbault): First of all, if I may, speaking to the point raised by the Hon. Member for Waterloo (Mr. McLean), let me say that the previous question can be put on a point of order.

[*Translation*]

Hon. J.-J. Blais (Minister of National Defence): Mr. Speaker, I wish first of all to commend the Hon. Member for Waterloo (Mr. McLean) for moving this motion. In view of his proposal, it is clear that differences of opinion exist within the Progressive Conservative Party.

We have heard the views put forward by the previous speaker, which in fact reflect a lot better the position of the Progressive Conservative Party.

[*English*]

I want to commend the Hon. Member for Waterloo because he has presented a wide-ranging resolution that is provoking a great deal of interest and will provoke a great deal of debate. I would ask him to recognize that the Prime Minister (Mr. Trudeau), and indeed the Government, have been very active in attempting to promote greater dialogue and greater discussion between the two superpowers to reduce the level of international tension and provide an environment within which better discussions could take place. I would invite the Hon. Member for Waterloo to use his substantial influence within his caucus to encourage the Tory Party to support the initiatives—

• (1800)

The Acting Speaker (Mr. Guilbault): Order, please. The Chair regrets to interrupt the Hon. Minister but the time provided for the consideration of Private Members' Business has expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

SUPPLY AND SERVICES—PROCUREMENT OF ARMOUR-PLATED AUTOMOBILES. (B) REPORTED DEFICIENCIES IN VEHICLES

Mr. Peter Elzinga (Pembina): Mr. Speaker, the questions I have asked in the House, and on the Order Paper, regarding the purchase of special vehicles to protect diplomats and our Prime Minister (Mr. Trudeau), are really designed to bring to the attention of the Government some rather startling deficiencies and, may I say, inefficiencies.

For example, what is the role of Mr. John Morgan, reportedly retired from the American secret service? Who recommended him as an expert in this area for our purposes in Canada? There is also the bidding process itself, and interdepartmental squabbling and reported paranoia between the RCMP, the Department of External Affairs, the Department of Supply and Services, and officious people involved in these Departments such as Superintendent Muir of the RCMP, Mr. Steve MacEachern from the Department of Supply and Services, and Mr. Barry Weaymouth from the Department of External Affairs who recently went off on another trip to Miami.

I am, of course, concerned to see that the mechanical deficiencies with the summit seven cars are remedied, particularly the problems with the glass. I would like to know if Hesse Eisenhardt, who supplied these cars will again be able to escape any guarantee provisions. What were the results of the

legal opinions with respect to the glass deficiencies in these cars? Was there any reason why the Canadian Government decided not to sue the company for these deficiencies? Taxpayers are entitled to know these things even if some egos in various departments are bruised.

What is the process which allows the Department of External Affairs to take the risk with our diplomats in the field? Also, I wonder if the Minister will produce the external affairs report of the internal audit of emergency buys for bulletproof vehicles?

With regard to the Prime Minister's new limousine, which he does not like because the windows do not open, I assume Mr. Morgan had some role in purchasing this car. Is the price we paid for the Prime Minister's vehicule the same, allowing for currency differences, as that paid for a similar vehicle for the President of the U.S.? What role did Superintendent Muir and Sergeant Banks of the RCMP play in this matter? Were specifications drafted by Sergeant Banks, changed by Superintendent Muir, and, if so, was there any good reason for it?

With respect to the vehicles known as "Popemobiles" which are being purchased—I understand there are three Oldsmobiles—John Morgan, apparently is involved, but where does this leave Sergeant Banks who was offered to the Department of External Affairs as an expert? Also, why is John Morgan signing his name as an RCMP member, as he did on February 22 when he entered the protective materials plant in Miami? Also, was this contract a predetermined contract, as with respect to the Prime Minister's limousine, but with all the fanfare of a legitimate bid?

I am very skeptical that the taxpayers of Canada are getting value for their money. I am skeptical about the legitimacy of the bidding process and I am very suspicious of what I consider to be the incompetence and the in-fighting I detected in the Departments concerned.

I would also like to know if there is an approximate $30,000 differential per vehicle in some instances between the Hesse Eisenhardt bid and that of another supplier, and, if so, how do you explain this attitude towards the bidding process? Why do so many vehicles appear to be predestined to be bought from the Hesse Eisenhardt Company, particularly when there are reports that this company may be the subject of yet another change in ownership?

● (1805)

I will have other questions, Mr. Speaker. I would like to have some sign that the Government recognizes that there is a problem, that it is prepared to be honest in assessing the causes, and is taking the actions required to remedy the situation.

[*Translation*]

Mr. Jean-Guy Dubois (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I would like to answer the question put by the Member for Pembina (Mr. Elzinga) on April 12 of this year. Following an exhaustive study of possible sources of supply, a contract for a 1983 model Cadillac Fleetwood limousine was given to Hesse Eisenhardt in August 1983.

Both Canadian and American companies appeared on the list of prospective suppliers of the Department of Supply and Services. However, none of the domestic companies was able to supply a vehicle with the type of armour-plating desired. The RCMP then consulted the U.S. Secret Service, which replied that the only American company capable of supplying an armoured vehicle meeting the security standards for the President of the United States was Hesse Eisenhardt. Consequently, the RCMP asked the Department of Supply and Services to negotiate a contract with Hesse Eisenhardt, for supplying the limousine.

As far as the Summit meeting is concerned, it is correct that seven cars, made by Chevrolet and provided with armour-plating by Hesse Eisenhardt, were purchased for that occasion. As far as I know, there was never any mention of deficiencies in the armour-plating of these vehicles. However, there may have been complaints about certain mechanical deficiencies. In fact, no manufacturing defects could be found in any of the armoured vehicles acquired on behalf of the Department of External Affairs. I must point out, however, that further questions on the subject would have to be answered by the Department of External Affairs rather than the Department of Supply and Services.

As for the purchase of vehicles required for the Pope's visit in September 1984, to which the Hon. Member for Pembina seemed to be referring, the RCMP has recommended calling for tenders. Furthermore, a number of companies have asked the Department of Supply and Services to let them bid on the contract. It was therefore decided to assess the capabilities of prospective suppliers by sending each one a call for tender. Eleven companies, both Canadian and American, received an invitation to bid, and each company's capabilities have been thoroughly examined. The overriding criterion for selecting a supplier was the availability of the type of steel required for armour-plating. Although Protective Materials International Inc. of Miami Lakes, Florida, made a lower bid, it was felt that since the company did not have the required steel in stock, it would not be able to get it from the manufacturer in time for the delivery deadline.

In view of the urgent nature of the order, it was decided to give the contract to Hesse Eisenhardt. In fact, this company was the only one to have enough of the right kind of steel in stock and the expertise required to do the armour-plating within the established time frame. Consequently, a contract for Can. $358,725 was given Hess and Eisenhardt on March 6, 1984.

[*English*]

REGIONAL DEVELOPMENT—LINGAN-PHELEN COAL MINE PROJECT IN NOVA SCOTIA. (B) LACK OF EMPLOYMENT

Mr. Sid Parker (Kootenay East-Revelstoke): Mr. Speaker, on April 11, 1984 I raised a question in the House with the Minister responsible for regional and industrial expansion (Mr. Lumley). The question arose from the tragic fire at Devco's No. 26 colliery in Cape Breton.

As the Minister knows, 1,400 people are out of work because of the fire. The Leader of the New Democratic Party in Nova Scotia sent a telegram to the Minister calling on the Government to speed up development of the coal mine, a move which would provide jobs and spare these people severe economic hardship. I am advised that to this date nothing has changed in that regard. The situation is the same as it was two and one-half weeks ago. They need assistance to get another mine going. There are 1,400 miners out of work. The unemployment rate is 30 per cent to 40 per cent. There was a wire sent which reads as follows:

> Due to the serious fire and sealing off of No. 26 colliery Glace Bay and loss of over twelve hundred jobs District 26 United Mine Workers of America executive and membership request you press for the immediate opening of Lingan-Phelen mine and three new mines from one slope at former Number 20 colliery Glace Bay to alleviate any further unemployment in this area.

In his answer to me the Minister indicated that:

> My officials have been working since Friday with the Devco officials to bring this information to my attention. It is hoped that we can make a decision with respect to the new mine as soon as possible.

• (1810)

That is not good enough. The problem is that there are contracts of sale involved here. We know that the American government is aggressively moving toward an attempt to get contracts with Korean and Japanese markets. Unless there are very serious moves made soon we would lose these markets and these jobs could be gone forever.

Also, with regard to a wire we received concerning a telegram which was addressed to the Hon. Minister of Employment and Immigration (Mr. Roberts), I would hope that the Parliamentary Secretary would relay this message to the Minister of Employment and Immigration. It states:

> The United Mine Workers of America District Executive Board is requesting Minister of Employment and Immigration for the immediate lifting of the waiting period for men from the 26th colliery who because of the disaster of the fire will have to wait additional time to qualify for UIC.

Again, because of the inaction of the Government, these workers are unable to collect their unemployment benefits. In our opinion, they are unnecessarily being laid off. There are programs put forward for the opening up of other areas or slopes. They have now sealed off the fire but the situation is exactly the same. These workers need help and they need it now.

[*Translation*]

Mr. René Cousineau (Parliamentary Secretary to Minister of Regional Industrial Expansion): Mr. Speaker, I appreciate the concern of the Hon. Member and I commend him for the interest he demonstrated last April 11 when he directed his question to the Minister.

Mr. Speaker, the one thing we have to keep in mind concerning the fire in shaft or slope No. 26 is that everything has been sealed off to prevent oxygen from getting into the mine.

As a result it is impossible of course to assess the damages to facilities and machinery and to make a study to establish whether it would be profitable to re-open the mine.

In his question, the Hon. Member suggested that we ought to speed up development of a mine called Lingan-Phalen. Again I commend him, but that would not be the answer because what matters is finding a long-term solution. I do not think that if we were to speed up development of the Lingan-Phalen mine, we would actually be able to rehire immediately the 1,400 people who, unfortunately, are now unemployed.

One thing for sure is that, since the fire, the Minister has been making every effort. He has asked for a report and urged his officials to give a fully satisfactory answer to the Hon. Member in the best interests of those miners.

Mr. Speaker, I can assure the Hon. Member that no effort has been spared and I am convinced that the best interests of the miners will be taken into consideration.

[*English*]

LABOUR CONDITIONS—UNEMPLOYMENT IN ATLANTIC CANADA—REQUEST FOR MINISTER'S ADVICE. (B) PLIGHT OF JOBLESS

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, on April 12 I raised the matter of the desperate situation in which the Atlantic provinces find themselves, and have found themselves over the past number of months with respect to the unemployment that exists there. I specifically referred to the construction trades in and around the Saint John region, Moncton, Bathurst and Campbellton. Quite frankly, we find it intolerable.

I mentioned in the House before that the norm in the construction trades seems to be in the vicinity of 75 per cent to 83 per cent unemployment, which basically covers the entire construction trade segment. The frustration of these people is that there does not seem to be any sort of a response from the Government to the plight in which they find themselves.

For instance, in the Saint John region a new hotel complex recently opened up with a mere handful of jobs in relation to the number of unemployed in that region. For somewhere in the vicinity of say 150 to 200 jobs there was a lineup of over 1,500 people who were making job applications. Some people stood literally all night in that line-up so they would be the first to be considered for a job. The management of the hotel complex had to bring in a team of people to process the applicants who were lined up for those jobs.

• (1815)

In the shipyard in Saint John we find a union with approximately 1,100 to 1,200 members, with nine people as of yesterday working in that yard. Imagine nine people out of a complement of 1,100 to 1,200 workers in one of the most modern shipyards in the country, probably in North America. This Government has spent a lot of money developing that yard, but it has not done a single thing to pump any sort of meaningful work into that yard that would create jobs for more than a handful of people. That is the frustration, Mr. Speaker.

We now find that the City of Moncton has the highest unemployment of any city across this nation. That is totally unacceptable. The City of Moncton is supposed to be the hub of the Maritimes. It is supposed to be the rail centre for the CNR with its repair depots. But what do we hear, Sir? We have heard consistently over the last number of months, and the past couple of years, of lay-off after lay-off after lay-off in a Crown corporation that is directly controlled by this Government. This Government should be addressing itself to finding meaningful ways to increasing employment in that Crown corporation in Moncton which so desperately needs jobs instead of lay-offs.

We have been attempting for months and months to encourage this Government to increase grain shipments through the Port of Saint John. We are not asking for many, but one or two additional shipments during the season would make a tremendous difference to the amount of work created in that port. The Port of Saint John is one of the finest facilities in North America. It is one of those rare ports with the capacity, the capability and the work force to handle most any circumstance of shipping that we could possibly conceive of or require. This Government cannot come to grips or cope with the desperate situation that exists in the Port of Saint John, even by increasing the number of grain shipments by an additional one or two, which is all we were asking.

Speaking of the Port of Saint John, we could easily consider in a meaningful way the creation of a free trade zone. It has an ideal geographical location. The Maritime region of New Brunswick is next to the great market of New England with its 48 million people, practically twice the population of Canada. Imagine the benefit to the Maritime region, to the Port of Saint John and to that entire area if the Port of Saint John were declared a free trade zone. What about the literally billions of dollars in additional revenues that could be generated over a short period of time, creating jobs in a region that is starved economically for the maintenance of its current job level?

There are many things to which this Government could address itself to alleviate the difficulties which the Atlantic and Maritime region is facing. Instead, this Government seems to be contented with the attitude of, "send down a few paltry dollars from time to time through a new Government job creation program which will dry up in a few months, only to keep the soup kitchens rolling. It is difficult for most people in the country to realize that soup kitchens are on the increase. Not since the great depression have we seen anything like we are currently experiencing. It is a sad fact of life, but, due to the apathy of government, the number of soup lines is on the increase.

• (1820)

[*Translation*]

Mr. Jean-Guy Dubois (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I should first point out that, according to the latest unemployment data as compiled by economic region and published by Statistics Canada—they are for the week ending March 17—it is not in Moncton that the unemployment rate is the highest. With 18.6 per cent unemployment, this city ranks twelfth.

While unemployment is admittedly a serious problem in New Brunswick and indeed elsewhere, it is heartening to note that unemployment in that province did fall from 15 per cent in December 1983 to 14.7 per cent in March 1984. For Canada as a whole, during the same period, unemployment has increased by .3 per cent. All the signs show that the economy of New Brunswick, which is getting close to the pre-recession level, should continue to improve this year. According to the Conference Board reports, the mining, manufacturing and construction sectors should also show substantial growth. In fact, the housing construction, pulp and paper, lumber production and retail industries already show a marked increase compared with last year's performance. Opportunities are therefore improving for New Brunswick workers.

The Minister has already mentioned the frigate program. The $3.9 million contract granted to the Saint John Shipbuilding and Dry Dock Co. Ltd. will certainly prove to be beneficial to the economy of the Saint John area. Included in the construction projects are the Maritime Forestry Complex in Fredericton at a cost of $45 million, the restoration plans for downtown Moncton at a cost of $41 million and the development of the Sussex potash mines.

Unemployment and conditions prevailing in the building sector and the various industries of Atlantic Canada are matters of ongoing concern to us. However, in view of the improvement in the economic picture and the new projects now underway such as the frigate program, the Government is convinced that still more jobs will be created.

I therefore urge the Hon. Member for Fundy-Royal (Mr. Corbett) to promote the projects and programs developed by the Canadian Government; I am sure he is pleased with them and will be glad to tell all and sundry that Saint John Shipbuilding and Dry Dock Co. Ltd. in New Brunswick have been awarded a $3.9 million contract and that the $42 million Fredericton Maritime Forestry Complex and the $41 million improvement program in downtown Moncton are the workings of the Liberal Government led by Mr. Trudeau. These programs are aimed at improving the situation in Atlantic Canada and more especially in New Brunswick. All the work

done under the job creation programs such as the temporary job creation programs slashed by the Conservative Government in 1979 and brought back by the Liberal Government will result in an improved situation in New Brunswick.

Adjournment Debate

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

At 6.23 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, May 2, 1984

The House met at 2 p.m.

• (1405)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

THE DISABLED AND THE HANDICAPPED

PEACE RIVER JOB TRAINING PROJECT

Mr. Albert Cooper (Peace River): Mr. Speaker, I rise today to press the Government on a matter of grave concern to a number of mentally and physically handicapped people in the Peace country, not to mention their families and friends who are concerned with their well-being.

These people with special needs have developed a feeling of pride, accomplishment, and skill, by being a part of the vocational training centre project. The project receives crucial federal funding. This on the job training project provided both trainees and the general public with a valuable learning opportunity.

This project is now about to come to an end as a result of the termination of the federal funding. The trainees will suffer. Roger Jackson, and the board of directors of the sponsoring association will see their dreams falter, and the friends and families of the trainees will lose hope for their loved ones. No comparable service is available in this northern community.

As well, Mr. Speaker, the Government will suffer because these trainees may well end up drawing unemployment insurance and social assistance, without training. This is how the Government will suffer because it will be spending without gain.

Surely the Minister of Employment and Immigration (Mr. Roberts), who could find $140 million to provide jobs in Liberal ridings, can find a mere $200,000 in comparison, to help these people with special needs.

* * *

[*Translation*]

POLITICAL PARTIES

CERTAIN ALLEGATIONS PUBLISHED IN NEWSPAPERS

Mr. Gaston Gourde (Parliamentary Secretary to Solicitor General of Canada): Mr. Speaker, on February 6 and 8 of this year, I asked the Leader of the Opposition some questions about his relationship with non-resident Walter Wolf. The House will recall that, contrary to the rules that apply during an election campaign, Mr. Wolf allegedly gave the Leader of the Opposition $250,000 for the avowed purpose of dumping the Hon. Member for Yellowhead (Mr. Clark). This scheme was orchestrated by a certain Michel Cogger. This morning, the press reported that the same Michel Cogger was being prosecuted because of certain schemes which again involve Mr. Walter Wolf and that this time the amount involved was $200,000.

Could the Leader of the Opposition inform Canadians about his entourage? As long as Mr. Cogger is not required to pay the $200,000 mentioned in the suit, he must be given the benefit of the doubt. However, the events surrounding this transaction and the unlawful payment of $200,000 into the campaign fund of the Leader of the Opposition raise a number of questions and deserve a formal statement on the part of the Leader of the Progressive Conservative Party. It is said that we know a person by the company he keeps, and it is clear that in this respect, the Leader of the Opposition has left many Canadians with a number of questions marks.

* * *

[*English*]

PUBLIC SERVICE COMMISSION

CLOSURE OF OFFICE OF EQUAL OPPORTUNITY FOR WOMEN

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, in this, the last year of the International Women's Decade, the decade meant to signal the advancement of women, the Liberal Government moves to close the Office of Equal Opportunity for Women. That is the one office that has provided some limited support and counselling to the 100,000 women in the public service who are in the lower income brackets.

The closure of this office has been protested by Members of Parliament, by the Public Service Alliance of Canada, by the Advisory Council on the Status of Women, by the Women's Adviser to the Prime Minister, and by thousands of individual women, but to no avail.

The Prime Minister (Mr. Trudeau), the Minister responsible for the status of women, and the President of the Treasury Board (Mr. Gray) have decided they know better.

Last February the Minister responsible for the status of women denied that the office would be closed. At least that is

the impression she left with the House when she said in response to questions:

There is no intention to close that office on April 1.

As with so many of her statements, the Minister can again virtuously protest that she kept her word, because the office did not close on April 1 but on May 1. How semantically misleading can you get?

The Government, Sir, closes the office. Thousands of women will be denied its services.

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

* * *

[*Translation*]

EXTERNAL AFFAIRS

IMAGE PROJECTED THROUGH DECLARATIONS BY CERTAIN SPOKESPERSONS FOR QUEBEC GOVERNMENT

Mr. Jean-Guy Dubois (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, today, we read in *La Presse* and other newspapers that once again, representatives abroad of the Government of Quebec have been making statements about certain situations, and I am thinking for instance of the statement made by Mrs. Beaudoin about the Pope, who according to her, was not very well informed about the moral situation in this country or rather, in the Province of Quebec. Yesterday, the Premier of Quebec said the matter was blown out of all proportion and that it was a tempest in a teapot.

I suppose it is not terribly important to the Premier of Quebec. However, as a citizen of Canada and Quebec, I think that our international image is certainly not being improved by the Quebec Government's actions. Remember what happened when the Premier of Quebec went to France? He said that once our senior citizens are dead, Quebec will vote for independence. Here again, he did not think what he said was terribly important. Another blunder was made when the Premier of Quebec went to Italy and said that the Italian President had expressed his support for the cause of independence. However, the President of Italy, through his Ambassador here in Canada, sent a number of documents back to the Premier, including his passport for "Quebec 1984".

Mr. Speaker, according to the Government of Quebec there is no problem. However, I am very concerned about the image we are projecting abroad, because of the actions of a province like Quebec. It is a shame that the Quebec Government, elected according to our democratic rules, refuses to consider the real situation in Quebec and is trying to get its message across through all kinds of underhanded manoeuvring, which can only have an adverse affect on the status of Quebecers and Canadians in general outside the country.

• (1410)

[*English*]

FISHERIES

RESTRUCTURING OF PACIFIC FISHING INDUSTRY

Mr. Ted Miller (Nanaimo-Alberni): Mr. Speaker, last week the Minister of State for Social Development made a speech on behalf of the Minister of Fisheries and Oceans (Mr. De Bané) to the Fisheries Council of Canada in which he spelled out the approach the Government will take to restructure the Pacific fishing industry.

The Minister laid out a series of measures which are guaranteed to cause an uproar among fishermen and their communities. He then went on to say:

We hope and expect to receive the same level of co-operation from the opposition Parties that they gave last year to the Atlantic restructuring legislation.

I want to tell the Minister and his colleagues, clearly and plainly, that if he intends to treat this legislation in the same underhanded and irresponsible way as the Atlantic legislation, holding it back until the last possible moment in order to limit debate, and if he persists in bringing in legislation designed to restructure the industry by wiping out the livelihood of a large portion of the Pacific fishing fleet, he should not expect too much co-operation from this Party.

I serve notice that we will accept nothing less than a full debate in this House, and that we will press for the Standing Committee on Fisheries and Forestry to travel to the West Coast to discuss the effect the rumoured legislation will have on fishermen and their communities.

* * *

HOUSING

MORTGAGE RENEWAL COSTS

Mr. Doug Lewis (Simcoe North): Mr. Speaker, yesterday I asked the Minister of Finance (Mr. Lalonde) what steps the Liberal Government was taking to prevent financial institutions from demanding that Canadian home owners waive their rights before granting a mortgage renewal. The Minister had no answer, but he went on to suggest that home owners seek out other institutions to obtain more favourable terms.

All Canadian home owners with a mortgage know that if they seek out another institution it will cost them legal fees, appraisal fees, survey fees, and other costs. For a renewal on a $50,000 mortgage it could be as much as $1,000, whereas for a renewal with the same institution it would be a minimal fee.

It is unfortunate that the Minister of Finance has no idea of the problems of ordinary Canadians, and has no intention of helping them. The Liberal Government is simply standing by while mortgage interest rates continue to climb.

THE ECONOMY

EXCHANGE VALUE OF DOLLAR

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, 77 cents and sinking! The Canadian dollar continues to plunge on world markets as the Minister of Finance (Mr. Lalonde) stands idly by, twiddling his thumbs. How can we instill confidence in the Canadian economy? How can we encourage investment? Most important, how can we create new jobs when our currency flounders about like that of a Third World banana republic?

The only response of the Liberals to the declining dollar has been to increase interest rates, a move which can only worsen the already ridiculously high level of unemployment. Canadians must, for our own sakes, make the necessary fundamental changes to our political economy so that our currency remains sound, investment is enhanced, and employment increases. Since the Liberals are unprepared to make these changes, it is high time they were replaced by a Conservative Government which will do so.

* * *

THE ECONOMY

"ETHICAL CHOICES AND POLITICAL CHALLENGES"—DOCUMENT ISSUED BY CATHOLIC BISHOPS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I would like to bring to the attention of the House the importance of the statement made yesterday by Bishops de Roo and Proulx, representatives of the Canadian Conference of Catholic Bishops. The Bishops, following on the landmark document which they released 16 months ago, have released a new report entitled "Ethical Choices and Political Challenges". They have again had the moral courage and conviction to point out the major problems which face this country, and to challenge the present Government, especially those candidates running for leadership of the Liberal party, to face those challenges.

In their report they lay out the stark reality that our present economic growth is characterized by soaring corporate profits and an almost complete lack of new job creation. While profits for banks and multinational companies in Canada hit record levels, two million Canadians cannot find productive work. The Government lacks any effective control over the new technologies and the profit-motivated priorities of the private sector which created these problems, yet insists that the private sector will solve our problems.

● (1415)

When we see the distribution of benefits in our society becoming increasingly unjust, as we have seen over the past few years, we have to ask what are our values and priorities. The Bishops have asked the right questions, and they should be thanked. It is up to the leaders of our country to provide honest and serious answers.

ORAL QUESTION PERIOD

[*English*]

FARM CREDIT CORPORATION

LEVEL OF INTEREST RATE CHARGES

Mr. Murray Cardiff (Huron-Bruce): Mr. Speaker, my question was for the Minister of Agriculture or the Minister of Finance. In their absence I will direct it to the Acting Prime Minister.

How can anyone justify or accept the high interest rates which were recently announced by the Farm Credit Corporation? The Minister must know that interest rates have risen from 13 per cent to 14 per cent for a five-year loan, and to 15 per cent on a 20-year loan. At the same time a farmer can get a loan from a chartered bank as low as 13.5 per cent. A home owner in the City of Toronto can get a mortgage at 13.25 per cent. Farmers are forced to pay more than people in downtown Toronto. These rates are unaffordable at this time because agriculture is already close to $20 billion in debt. Bankruptcies in the farm sector are up more than 58 per cent over last year's levels. How can the Government justify these rates when it only pays 12.5 per cent for its five-year money?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I invite the Hon. Member to check the length of the loan terms made by the Farm Credit Corporation. The rates charged by the Farm Credit Corporation are closely tied to the cost of borrowing for a similar term by the federal Government. I am sure the Hon. Member is aware of this. There is a close relationship between what we have to pay for the money we borrow for similar terms and the rate at which we lend that money to farmers through the Farm Credit Corporation. The best evidence that the Farm Credit Corporation is running its operations very carefully in that regard to benefit the farmers is, as the Hon. Member knows, that the Corporation is not making a lot of money on its operations. On the contrary.

Mr. Cardiff: Mr. Speaker, we would not expect the Farm Credit Corporation to make any money. We would expect it to break even.

INTEREST RATE REBATE PROGRAM

Mr. Murray Cardiff (Huron-Bruce): Mr. Speaker, has the Minister of Finance completely abandoned the idea of the interest rate rebate program which was in place for two years from 1981? Has the Minister completely abandoned that program?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, that program was set up at a time when interest rates reached and, in fact, went over 20 per cent. The Hon. Member knows that since then there has been a very significant decline in interest rates both in Canada and the United States. Obviously the program was abandoned when there was a significant decline in interest rates.

I do not expect a repeat of the situation that occurred a few years ago, but as Minister of Finance I have to monitor the situation on a constant basis. Decisions of that nature are generally announced in Budgets, as the Hon. Member knows. In spite of what he said, I remind him that there is no shortage of farmers applying to the Farm Credit Corporation for loans. In fact many farmers find that the Farm Credit Corporation offers better rates and better opportunities than the banks or other financial institutions, including the credit unions and co-operatives.

PROPOSED AGRI-BOND PROGRAM

Mr. Murray Cardiff (Huron-Bruce): Mr. Speaker, the Minister of Finance must recognize that many farmers across Canada do not accept the rates presently being offered to the farm community by the Farm Credit Corporation. Will the Minister consider implementing a further study of the agri-bond issue, a matter that was referred to the Finance Committee some time ago? Would he support that, and ask for legislation which would provide better funding for the Farm Credit Corporation?

• (1420)

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the issue has been referred to a parliamentary committee because it is indeed an issue which deserves study. There are arguments in favour of such a proposal, but the Hon. Member also knows that there are many difficulties and drawbacks in that particular proposal. The parliamentary committee will examine these difficulties and in due time will submit a report in that regard.

I would invite my friend not to concentrate on one particular approach or one particular option. As I have indicated, when interest rates were very high steps were taken to help farmers in difficulty, and the Government has shown that it does care in that regard. We will continue to monitor the situation.

* * *

WESTERN GRAIN STABILIZATION ACT

REQUEST FOR SPRING PAYMENT TO FARMERS

Mr. Len Gustafson (Assiniboia): Mr. Speaker, my question is directed to the Minister of Agriculture. However, in his absence—I see he has just arrived.

Some Hon. Members: Hear, hear!

Mr. Hnatyshyn: Where's the beef?

Mr. Gustafson: Mr. Speaker, my question is directed to the Minister of Agriculture and deals with the western grain stabilization program. Farmers are facing the most severe economic problems they have faced since the 1930s. The rate of bankruptcies has risen over 100 per cent. Some farm groups indicate that 10 per cent of farmers have not been able to pay last year's fuel bills, and the situation is very, very serious.

Our Members on this side of the House have called for some quick action.

Some Hon. Members: Hear, hear!

Mr. Gustafson: Our Leader has called for action from the Prime Minister.

Mr. Dubois: Where is he? Where is your Leader?

Mr. Gustafson: We have seen no action taken. Our House Leader, Mr. Speaker—

Some Hon. Members: Oh, oh!

Mr. Speaker: Order. This is supposed to be Question Period. Would the Hon. Member ask his question?

Mr. Gustafson: Mr. Speaker, I am trying to ask my question but there is too much noise.

Our Deputy House Leader, the Hon. Mr. Nielsen, has asked—

Some Hon. Members: Order. Order.

Mr. Speaker: I am sure that the Hon. Member realizes that it is the practice of the House to refer to Hon. Members by constituency or by function, and not by name.

Mr. Gustafson: Excuse me, Mr. Speaker. The Hon. Member for Yukon, Mr. Nielsen—

Some Hon. Members: Oh, oh!

Mr. Gustafson: —asked the Government House Leader, in writing, for some quick action. The Government and the Minister have disregarded that request.

Mr. Dubois: What is your question?

Mr. Gustafson: Mr. Speaker, the farmers need money this spring.

Mr. Speaker: Order. With all due respect to the Hon. Member, when an Hon. Member takes more than five minutes with an exchange, it is at the expense of the backbenchers of his own Party. I would invite the Hon. Member to ask his question.

Mr. Gustafson: Mr. Speaker, my question is the same one we have been asking for over a year.

Some Hon. Members: Oh, oh!

Mr. Gustafson: Will the Minister make a payment to the farmers this spring? They need the money.

Some Hon. Members: Hear, hear!

Mr. Nielsen: Yes or no? Are you really serious?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the Hon. Member knows that we are bound by legislation until the legislation is changed.

An Hon. Member: So change it.

Mr. Whelan: We cannot make a payment under the present legislation. The new legislation will be presented in the House very soon.

Mr. Gustafson: When?

Mr. Whelan: We have said that earlier this week, and we still stand by that.

REQUEST THAT INTERIM PAYMENT BE MADE

Mr. Len Gustafson (Assiniboia): Mr. Speaker, again my question is directed to the Minister of Agriculture. The Minister will note that farmers have not received a payment since 1979. The Minister will also know that farmers have each paid $4,800 into the fund since 1979. If interest payments were attributed to that money at bank prime rates, it would have amounted to $7,100.

Mr. McKnight: Per farmer.

Mr. Gustafson: Yes, per farmer. In the announcement he made in Winnipeg, the Minister suggested that he would pay out $2,500 to $3,000 per farmer.

Some Hon. Members: Shame!

Mr. Gustafson: And he suggested that he would probably pay that amount next fall. I ask the Minister again, will he consider making an interim payment as he did twice in the spring? And will he make the payment when the farmers need the money—and they need it now? And will he make it at a level which will help them solve their cash flow problems?

• (1425)

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the Hon. Member knows that 25 per cent of the farmers did not join this plan and he is trying to get the impression across that every farmer in western Canada will benefit from this payout. It is a voluntary plan. The federal Government puts $2 in for every dollar the producers put in, plus we administer the plan free and pay the interest on the money at the same rate it costs the Government of Canada to borrow. The Hon. Member knows full well how far this money can go. He also knows full well that the producers have received every dollar they put in that plan right from the beginning up to last year, if he wants to be fair about it.

The Hon. Member knows also, Mr. Speaker, that the plan is not going to do everything he is trying to intimate. For instance, the Premier of Manitoba says: "Pay out all that money and just get rid of it", which would make the plan unsound. We have an actuarially sound plan at the present time. We want it to remain that way, and so do the producers.

The advisory committee, which is made up of farmers from western Canada, have approved what we are doing, and approved it unanimously. These are farmers from western Canada who are in contact every day with other farmers, and their surveys show that what we are doing is what the farmers want.

* * *

INCOME TAX

HIGH INCOME EARNERS—INCREASE IN NUMBER NOT PAYING TAXES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of Finance who was busy yesterday trying to defend our very unfair personal income tax system. He made two points; first, that the loopholes used by the rich are available to everyone, and, second, that the system is fair. The Minister should try to explain to the ordinary worker or pensioner, or virtually anyone in the reasonable income category, where they are going to get the money to use those loopholes. He knows it is unfair.

My question really concerns the change in the system as it has developed in recent years. It relates to the fact that, between 1970 and 1981, those individuals earning over $100,000 and paying no tax increased in numbers from three to 1,500, and the number of those earning over $200,000 and paying no tax virtually doubled between 1980 and 1981.

Will the Minister acknowledge to the House that the reason we are seeing more and more rich individuals in Canada in a position where they are not paying their fair share is because the Government has introduced new tax loopholes for their benefit?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, it would be typical of the New Democratic Party to qualify any incentive, complaining of the tax system, as a loophole. If the Hon. Member would look at the Income Tax Act he would see that there are a number of tax incentives which have been provided in order to encourage investment and stimulate the economy. Some of these incentives have to do with research and development, which is very important in creating jobs. Some have to do with capital investment or investment in equity, which this country needs. These incentives have been provided for all Canadians in order to encourage them to invest in the Canadian economy, thus stimulating economic growth.

I indicated something yesterday to the Hon. Member, and I will repeat it to him again today, taking a very simple example. You may have $100,000 of income this year but if, through your activities, the risks you have taken, you lost $150,000 last year, you are entitled to claim your loss last year against your income this year.

Mr. Broadbent: Why?

Mr. Lalonde: That is typical New Democratic Party. The Hon. Member asks why.

Mr. Deans: How about the man who is not working? What does he get?

Mr. Lalonde: Because the New Democratic Party does not want any growth. The New Democratic Party is always living in the past. It does not want to see growth in this country. It is as simple as this. You have provisions in our tax system whereby you are encouraging people to take high risks in order to stimulate the economy, to stimulate growth and create jobs. If people lose money one year, they are entitled to deduct it against their income the following year, or the year after that.

You may find yourself indeed with high income one year and no tax to pay, but it will be because you have incurred losses in order to help stimulate the economy and create jobs. This is what is happening. It is the same situation in the area of research and development. The NDP Members should know a little bit about incentives in the economy.

• (1430)

Mr. Broadbent: Mr. Speaker, at least the Minister has the integrity to look uncomfortable with the hogwash he was just presenting to the House. We believe that if someone invests and creates jobs they ought to make a profit, yes. But we also believe that if they make a profit and gain income, they should pay tax on that income like everyone else.

LOSS OF REVENUE TO TREASURY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, in his Budget of 1981 the then Minister of Finance said: "There are more winners than losers in the upper income group." This Minister of Finance was responsible for a Budget which introduced additional loopholes of use only to upper income Canadians. In light of those facts, will the Minister explain to the House why the Government no longer publishes documents which show how much revenue is lost to the Treasury because of these loopholes? Will the Government make that available to the Canadian public now? What is the Government afraid of?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, in order to clarify the Hon. Member's hogwash in that regard, I would like to take him on, on what he said. He said if Canadians make profits they should pay taxes. That is fine. If they have losses should they be able to claim them against their income? That is the question the Hon. Member should answer before going on with this type of questioning.

Mr. Broadbent: Mr. Speaker, the Minister ought to realize that he is supposed to answer the questions that are put to him in this House. He has just ignored my question.

Mr. Lalonde: I have heard that hogwash before.

Mr. Broadbent: I will be happy to debate that hogwash with the Minister any time, in the House, or in the national election I hope we will have soon, and listen to him try to defend that position.

Some Hon. Members: Hear, hear!

REQUEST FOR TAX INFORMATION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, this information, which was provided for only two years, shows how much revenue is lost to the Treasury because of the loopholes made available to upper income Canadians. Does the Minister not think it is fair that when these people get the benefits, and the revenue has to be made up by ordinary taxpayers, the least those taxpayers should get is a document outlining the amount of money upper income Canadians are not paying to the Treasury that they ought to be paying? Will the Minister provide that information to the people of Canada?

Hon. Marc Lalonde (Minister of Finance): The Hon. Member is again misrepresenting the situation. He is talking about tax expenditures.

Mr. Broadbent: Misrepresenting what?

Mr. Lalonde: Yes, you are misrepresenting the situation. What the Government published on a couple of occasions was the tax expenditure table. This is not a matter having to do with loopholes; it is the total amount the Government is providing in incentives in the economy to all Canadians through various systems of incentive in the tax system or otherwise.

Mr. Broadbent: Let's have it, then.

Mr. Lalonde: This table has not been kept for a few years. I do not have it. I do not have any particular objection to collecting it and producing it in future years. I have no particular hang-ups about that. I will take the Hon. Member's view as a representation. I thought at that time it was a helpful table, but it has not been produced for a few years.

Mr. Broadbent: Why?

Mr. Lalonde: Well, I invite my friend to look at the contents of the last few Budgets, which he has not even bothered to read, if I understand his questions in the House. I am afraid he should begin to read at least the information he has obtained before asking for more.

* * *

PUBLIC SERVICE COMMISSION

CLOSURE OF OFFICE OF EQUAL OPPORTUNITY FOR WOMEN

Hon. David Crombie (Rosedale): Mr. Speaker, in the absence of the Minister responsible for the status of women I will direct my question to the President of the Treasury Board. The Minister must know that yesterday's announcement closing down the Office of Equal Opportunity for Women in the

Public Service has caused widespread concern. The move has been opposed by the Canadian Advisory Council on the Status of Women, the women's rights adviser in the Prime Minister's Office, and by interested groups right across the country. In light of all that opposition and the clear injustice to people who are looking for advancement, why did the Government take that step?

Hon. Herb Gray (President of the Treasury Board): Mr. Speaker, this step was not taken by the Government. The Public Service Commission is an autonomous agency reporting to this Parliament. I am concerned about the implications and impressions conveyed by the decision of the Public Service Commission to close this office even though the Commission issued a release saying that the work of this office is to be continued by the various branches of the Commission. In my view, the impression given by this step is not consistent with the firm commitment and action of this Government not only to foster equal opportunities for women but to make sure this action takes place through a strong, effective, and ongoing affirmative action program.

GOVERNMENT POSITION

Hon. David Crombie (Rosedale): Mr. Speaker, I do not think the Minister can wash his hands of this matter. The Government took all the credit when it set up the office, and now it wants to wash its hands of it when closing it down. This specific agency was dedicated primarily to low income workers in the Public Service to give them the opportunity for jobs and advancement. Both I and the people affected want to know from the Minister what assurances his Government will give that it will provide opportunities and jobs for low income workers in the Public Service. They have had enough rhetoric from the Government, and they now find the Government is closing down the only office that gives them some opportunity.

Hon. Herb Gray (President of the Treasury Board): Mr. Speaker, I realize my hon. friend has just become Treasury Board critic. I hope he will have that job for a very long time, and in light of yesterday's Gallup poll I am sure that is going to be the case.

Some Hon. Members: Hear, hear!

Mr. Gray: I suggest to my hon. friend that if he does some elementary homework he will find the Public Service Commission is not a branch of the Government as such; it is an autonomous agency which, by law, is not subject to control by Government. It reports directly to this Parliament. I suggest my hon. friend do as I have done and express his concern to the Commission. I hope, with this consensus on both sides of the House, the Commission will take appropriate action to reassure women across the country that the Commission is not lessening its commitment to providing opportunities for women in a way consistent with the meaningful action of the Government as such in programs under the direct control of the Treasury Board. I challenge my friend to back me up in my efforts and the efforts of this Government.

Mr. Crombie: Do something and I will.

* * *

[*Translation*]

SPORTS

BILINGUAL SERVICES FOR ATHLETES

Hon. Roch La Salle (Joliette): Mr. Speaker, my question is directed to the Minister of State (Fitness and Amateur Sport). Two months ago, the Minister had some pretty harsh comments on the lack of bilingual services for Canadian athletes, and I agree that his comments were justified. Recently, on April 19 of this year, the Sports Federation of Canada approached the Minister, saying that it was interested in working with the Government on preparing guidelines dealing with private sector advertising and bilingualism. Considering this evidence of the Federation's good faith, can the Minister inform the House today why he failed to communicate and negotiate with the Federation, and discuss the matter, before announcing his guideline, as stated in the press release?

Hon. Jacques Olivier (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I think the Hon. Member was not being inclusive when he said the Federation was acting in good faith. To my knowledge, most of Canada's sports federations recognize the fact that our athletes must have access to services in both languages, and I do not see any problem in that respect.

The Hon. Member asked whether I agreed to meet people ... When asked, I have never refused to meet any of the federation presidents.

• (1440)

REQUEST THAT MINISTER PROVIDE EXPLANATION

Hon. Roch La Salle (Joliette): Mr. Speaker, I think that yesterday, when answering questions put by the Hon. Member for Leeds-Grenville, the Minister was less than courteous in his remarks about the very relevant questions she put to the Minister. Today, I would like to take this opportunity to invite the Minister to apologize and also to ask him why, since he has been invited to the next general meeting, he is not taking advantage of this opportunity to explain his position to the delegates. Furthermore, why is his Department refusing to make a financial contribution to the cost of simultaneous interpretation services, the availability of which proves the good faith of this federation, and especially since the Minister would have an opportunity to set up services in both languages?

Hon. Jacques Olivier (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, first of all, I should like to point out that I have no apologies to offer for the position I have taken on this matter. My criticism is that the Progressive Conservative Party has two policies on bilingualism. It is against English or against French, whichever is most convenient. What I find appalling is that you will not let Francophones receive services in French—

Mr. Speaker: The Hon. Minister should address the Chair.

* * *

[*English*]

INDIAN AFFAIRS

FUNDING FOR MANITOBA RESERVE SCHOOLS

Mr. Terry Sargeant (Selkirk-Interlake): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development who has recently been soliciting support from native people for his leadership bid. He will know that yesterday and today Indian people in Manitoba have been demonstrating in the City of Winnipeg over their concerns about the lack of adequate funding for on-reserve education. The Minister has been fond of paying lip service to the idea of Indian control of education on their reserves. Can he tell us what he is prepared to do immediately to provide adequate buildings and services for on-reserve schools in Manitoba or, for that matter, across the country?

Mr. Nielsen: Donate $10,000.

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Mr. Speaker, the Hon. Member for the Yukon has just offered to donate $10,000.

Mr. Nielsen: No, you.

Mr. Munro (Hamilton East): I would inform the Hon. Member, without agreeing to his verbiage and preamble, that I met with the Indian leadership of Manitoba in my office just a few minutes ago. I am meeting them again at 3.15 p.m.

They are aware of the work that has been put together in a Cabinet submission from the Assembly of First Nations, reviewing the whole educational system for the Indian people and identifying the very large shortfalls of money that must be made up to bring it up to the standard of the non native communities. They are also aware that, in the interval, I have another Treasury Board submission trying to obtain the necessary money to correct the immediate situation in Manitoba as well as other parts of the country. I hope to have that before the Treasury Board before the end of the month.

In the meantime my officials are working with the four chiefs immediately involved to iron out over the next day or two the precise amount of money that will be required in Manitoba. We have a general idea but it has to be refined. That will be done in the next couple of days.

I believe and hope that the chiefs are satisfied that everything is being done in the short term that possibly can be done. Again, I will be meeting with them probably around 3.15. If the Hon. Member wants to get a further progress report tomorrow, that is fine. I will do so.

Mr. Sargeant: I guess the shortfall is the result of the administration up until today.

REQUEST FOR GOVERNMENT ASSURANCE ON FUNDING

Mr. Terry Sargeant (Selkirk-Interlake): Mr. Speaker, the Minister has identified correctly that there is a serious shortfall. Indeed, one study has indicated that reserve schools in Manitoba are 30 years behind in services compared to provincial schools. Provincial schools in Manitoba receive roughly $8,000 per student per year, whereas reserve schools receive $4,000 per student per year.

Will the Minister assure us right now that the package that he is putting together this afternoon and the rest of this day will at least bring reserve schools up to the minimum provincial standards so that on reserve students are not made to pay for his Department's seeming unwillingness up to this time to fund education adequately?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Mr. Speaker, I cannot give that assurance without having gone to Treasury Board and received the approval. If I gave that assurance, the Indian leadership, who are very astute in these matters, would know that it was a canard. They would know it was not true. They would know that I had not gone to Treasury Board yet. They would know that a commitment of that kind was merely window dressing without any validity behind it, as indeed I am sure they feel the Hon. Member must be aware of that himself. To an extent, he is doing nothing but grandstanding himself right here in the House.

Mr. Oberle: You are the trustee.

Mr. Munro (Hamilton East): To grandstand on a serious issue like this, that impacts on the life of the Indian people and the educational system, to me leaves something to be desired in terms of morality on the part of the Hon. Member.

The fact of the matter is that I cannot give that undertaking. I would like to give it, but I cannot.

* * *

PUBLIC SERVICE

FORTHCOMING PAPAL VISIT—EFFECT ON WORKING ARRANGEMENTS

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, my question is directed to the President of the Treasury Board. In September of this year the National Capital will be host to His Highness, Pope John Paul II. As Head of State for the

Vatican, he will be visiting our National Capital and will be received with the usual warmth, affection and attention.

[*Translation*]

On September 20, during the Pope's visit to the National Capital area, an important event will take place at the Equestrian Park in Nepean, where the Pope will say Mass. The logistics of this event will, of course, be a problem, since more than 250,000 people will be going to and from the Park.

[*English*]

The organizers are planning special arrangements in matters of health, security, transportation, and social services. Given that the federal Government is the largest employer in the National Capital area and will want to participate and co-ordinate its efforts with the organizers, can the Minister inform the House what working arrangements can be expected of public servants on that day, September 20, 1984?

Hon. Herb Gray (President of the Treasury Board): Mr. Speaker, we have been actively considering a number of options with respect to the best way to deal with the situation on this forthcoming historic date. I hope to have an announcement to make in this regard before too many more days go by. I know the interest in particular of my hon. friend in this subject. I hope to be able to have some announcement to make before too many more days go by.

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CROWN CORPORATIONS

DE HAVILLAND—EXECUTIVE BONUSES—EMPLOYEES' WAGES

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, my question is directed to the Minister of National Revenue who is answering questions about de Havilland in the House. I want to pursue a question that the Hon. Member for Kingston and the Islands put to him a couple of days ago with respect to the payment of $155,000 in bonuses to the executives of de Havilland.

I have seen a government document which states that a part of the current rescue plan for de Havilland will be to seek a concessionary wage settlement with the company's union that reflects the severity of the company's financial situation. It goes on to say that continued government support will be conditional on reaching such a settlement. Why are the unions being asked to make financial sacrifices while the management of the company is receiving bonuses?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, the Hon. Member will recall that in my previous answer I said that these bonuses applied to the year ending in May 1983, and that no bonuses were paid this year.

The Hon. Member will also recall that for the Dash-8 program, for instance, a tremendous effort was made to make sure the program would be developed on time, and in fact, results were way ahead of the projections.

I think the Hon. Member should separate the two questions and consider the issue of the bonuses within the period for which they were given.

[*English*]

Mr. Wilson: Mr. Speaker, I hope that you understood that answer better than I did.

BONUS PLAN

Hon. Michael Wilson (Etobicoke Centre): In the year 1982, the year for which the bonuses were paid, the company lost $230 million. Normally, when companies lose money there is not a bonus paid to management. Would the Minister explain under what part of the bonus plan were bonuses paid to the management for the year 1982?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I must remind the Hon. Member that the entire situation at de Havilland should be considered. Obviously, developing the Dash-8, for instance, demanded an all-out effort on the part of all employees as well as management.

We must not forget that, at the time the company was ready to market the aircraft, the market situation was deteriorating, and today, we are taking steps at de Havilland to provide for better marketing of the aircraft. As soon as market conditions improve, the company's financial situation will improve as well.

* * *

[*English*]

NATIONAL DEFENCE

NAVAL UNIFORMS

Mr. Bud Bradley (Haldimand-Norfolk): Mr. Speaker, my question is directed to the Minister of National Defence. It pertains to blue uniforms for Canada's naval forces. Last October, in response to a question from the Member for Halifax West, the Minister praised the green uniforms we presently have in the Canadian Navy, and stated: "There is no intention of changing that state of affairs". Last Friday, the Member from Halifax, the Minister for International Trade, held out the possibility of blue uniforms for our Navy, and stated: "I am satisfied very substantial progress has been made in this matter". Could the Minister of National Defence tell us whether the Minister for International Trade was simply getting a head start on the upcoming federal election campaign with some promises, or was he in reality signalling a change in government policy in this matter?

• (1450)

Hon. J.-J. Blais (Minister of National Defence): Mr. Speaker, I can assure the hon. gentleman, since he paid attention to my reply to the Hon. Member from Halifax last October, that there is indeed no change in the government policy as I announced it at that time.

Some Hon. Members: Oh, oh!

Mr. Nielsen: There you go, Gerry. Down the tube.

An Hon. Member: Halifax will never be the same.

Mr. Bradley: To say the least, Mr. Speaker, I am surprised about that answer.

BLUE UNIFORMS INQUIRY

Mr. Bud Bradley (Haldimand-Norfolk): Mr. Speaker, we have here then a Minister of the Crown who is speaking at a naval establishment as a Minister of the Crown, announcing a Department of National Defence or government program, and yet in theory announcing things which the Government is saying do not exist. I am sure that if the Minister were making the statement he would have some knowledge through Cabinet, or some approval from the Minister of National Defence. If not, he should not be a Minister of the Crown. Consequently, Mr. Speaker, where there is smoke there is fire.

Mr. Corbett: Not in this case.

Mr. Bradley: Could the Minister tell the House exactly where the naval blue uniforms sit and when we can expect a comprehensive explanation or a response from the Minister of National Defence on the issue?

Mr. Lewis: Who is telling the truth?

Hon. J.-J. Blais (Minister of National Defence): Mr. Speaker, I thought my reply was quite clear. I gave it in October and I reiterated it here today. Perhaps the hon. gentleman was there at the press conference given by my colleague. I was not there. As I understand it, the quote that he has given is misleading.

Some Hon. Members: Oh, oh!

Mr. Crosby: Maybe John Turner told him something.

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PUBLIC SERVICE COMMISSION

CLOSURE OF OFFICE OF EQUAL OPPORTUNITY FOR WOMEN

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is for the Minister responsible for the status of women. It concerns the closure of the Office of Equal Opportunity for Women. The Minister told me on February 20 that this would not happen, that there would be no closure of the office. What is she doing to reinstate this office or to beef it up? Does the Minister not agree that it is essential for women in the public service to have a separate advocacy centre, an advocacy and watchdog centre, just as we need a separate office for the status of women, which is her ministry, and that it should be detached from other Government personnel offices in order to provide a range of services, including counselling support, training, and watchdog services? Does the Minister not agree with this? What is she going to do to have this office reinstated and beefed up?

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Yes, Mr. Speaker, I do agree with the Hon. Member. I have been assured by Commissioner McQueen that in fact these services are going to be strengthened. The office as it was known no longer exists, but it is indeed integrated into the new affirmative action program and is being strengthened. All of the people currently employed will continue to be employed. However, I am as concerned as the Hon. Member, and I have arranged to meet with Commissioner McQueen next week to see that these services continue.

GOVERNMENT POSITION

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, considering the Minister had all this information way back in February, why is the Minister waiting until now to meet with the Public Service Commission on this matter? Did the Minister not hear the response of the President of the Treasury Board, whose views are apparently much stronger than hers on the continuation of this particular office? Does the Government not have any influence at all over the Public Service Commission in making sure programs that are going to offer opportunities for women are implemented? How can they implement their own affirmative action program if this is the case?

I want to ask, Mr. Speaker, a specific—

Mr. Speaker: The Hon. Member should ask a supplementary question.

Ms. Mitchell: Since the closure of this office particularly concerns low income public servants, something like 95,000 women clerks and secretaries, who need this office and need it as a separate entity not integrated in other—

Mr. Speaker: Would the Hon. Member ask her question?

An Hon. Member: She did.

Mr. Speaker: The Hon. Member for Fundy-Royal.

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AIRPORTS

LANGUAGE NOTIFICATION GIVEN TO SAINT JOHN RENTAL CAR AGENCY EMPLOYEES

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, my question is for the Acting Prime Minister who would have knowledge of

the Department of Transport. The Minister will know that in the Saint John airport employees who have been employed by the rental car agencies have been notified that they must become bilingual in those positions by January of next year. Can the Minister assure us that the people who now hold those positions will find themselves secure and that indeed they will not be thrown out of their jobs?

Hon. Jean-Luc Pepin (Minister for External Relations): Mr. Speaker, I know many things, and one of them is that it is not normal for a Minister to answer for his successor after he has left a Department. I will find out all the facts and make sure my hon. friend has an answer.

Mr. Corbett: I appreciate that, Mr. Speaker. Of course the Acting Prime Minister realizes that if the Minister of Transport were in the House I would have placed that question before him.

POSITION OF EMPLOYEES

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, while the Acting Prime Minister is looking into this matter, will he kindly make sure that we are made aware of the facts about this situation within a reasonable period of time so that those employees can assess their situation and hopefully be assured that they will not be turfed out of a job by a policy which, in this particular situation, is not relevant to the one that exists in Saint John?

Mr. McKenzie: Or any other airport.

Hon. Jean-Luc Pepin (Minister for External Relations): Mr. Speaker, that was inferred in the answer I gave. I will make sure of that in exactly four minutes.

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FINANCE

LEGISLATION AFFECTING FARMERS' REGISTERED RETIREMENT SAVINGS PLANS

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, I have a question for the Minister of Finance. Yesterday he assured holders of home mortgages that the proposal for mortgage insurance in the Budget would be retroactive to March 1. Will the Minister of Finance give that same assurance to farmers who have sold land, that the RRSP to shelter $120,000 of capital gain will also be retroactive to March 1 regardless of when the legislation is passed?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I refer the Hon. Member to my statement in my Budget.

POOLS

SPORTS POOL—GOVERNMENT POSITION

Hon. Steven E. Paproski (Edmonton North): Mr. Speaker, my question is for the Minister of Fitness and Amateur Sport. Send him in here. He is right behind the curtain.

Some Hon. Members: Oh, oh!

Mr. Paproski: The federal Government is violating Criminal Code regulations with this new sports pool. The reason is that the prizes are fixed, which means it is a lottery and not a pool. The federal Government is also violating a 1979 agreement with the provinces which stipulates the former will stay out of the lottery field. Surreptitiously and blatantly, yesterday or early this morning—

Mr. Speaker: The Hon. Member, I presume, is going to ask a question?

Mr. Paproski: Yes, Mr. Speaker. This morning the Government changed the pool to a lottery by Order in Council. I would like to ask the Minister: did you do this?

Some Hon. Members: Oh, oh!

[*Translation*]

Hon. Jacques Olivier (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, all I can say is that I was still giving information to a Member of the Official Opposition who wanted further details. That is why the Hon. Member had trouble finding me. The answer to his question is: No.

[*English*]

Mr. Speaker: The Hon. Member for Prince George-Peace River.

Mr. Frank Oberle (Prince George-Peace River): Mr. Speaker, I have a question for the Minister of State for Mines.

Mr. Paproski: I have a supplementary question, Mr. Speaker.

Mr. Oberle: I will let Steve go ahead, and I will wait.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Speaker: The Hon. Member for Edmonton North has a supplementary question.

ORDER IN COUNCIL INQUIRY

Hon. Steven E. Paproski (Edmonton North): Mr. Speaker, I do not consider this matter very amusing at this stage of the game. We put through a Bill here which set up a pool, and this Government has surreptitiously and blatantly changed a government Act without coming to Parliament. It changed the pool to a lottery. Did the Minister, by Order in Council,

change the pool Bill that we now have in the House of Commons to a lottery, either yesterday or this morning? Yes or no?

[*Translation*]

Hon. Jacques Olivier (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I refuse to comment on the proceedings before the courts, because I have great respect for our judicial system. And I have no intention of commenting on the kind of argument the Hon. Member wants to start.

We have always maintained publicly that it was a sports pool. Now, the Progressive Conservative Party is absolutely against our helping amateur sport; it does not want us to support medical research; it is against our helping culture and the arts. And so it goes . . . Mr. Speaker, what they like to do, every 15 or 20 years when they are in power, is to give everything to the provinces and make it impossible for the federal Government to receive international athletes by, for instance, providing funding of $200 million for the Calgary Games. That is why we are trying to help our amateur athletes across Canada and not just in one province.

• (1500)

[*English*]

Mr. Paproski: I have a supplementary. I want to know whether he is violating the Criminal Code. Yes or no.

Mr. Speaker: The Hon. Member has had a supplementary.

Mr. Paproski: That is a real phoney answer.

Some Hon. Members: Oh, oh!

Mr. Speaker: Presenting reports from standing and special committees.

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PRIVILEGE

MR. PAPROSKI—POOLS—ORDER IN COUNCIL INQUIRY

Hon. Steven E. Paproski: Mr. Speaker, I have a point of privilege.

Mr. Speaker: Order, please. The Hon. Member has been given a question, a supplementary. I hope he has a valid point of privilege.

Mr. Paproski: Mr. Speaker, I would like to ask you, Sir, as the first commoner of this House, if a Minister of the Crown can, surreptitiously, by Order in Council, change a government Act.

Mr. Speaker: Presenting reports from standing and special committees.

Mr. Paproski: I would like to know. On a point of privilege—

Mr. Speaker: Tabling of documents. The Hon. Minister of State for Finance.

Mr. Paproski: I am serving notice—

Mr. Speaker: The Hon. Member for Edmonton North has in no way related his remarks to a matter of privilege. He has an argument. He may have a difference as to facts, but in no way has he presented anything which remotely touches privilege.

Presenting reports from standing and special committees.

Mr. Paproski: On a point of order, if I may have that chance, Mr. Speaker.

Mr. Speaker: The Hon. Member for Edmonton North on a point of order, having failed to make a point of privilege.

Mr. Paproski: I am merely asking for an explanation here, Mr. Speaker, and I know that you will be able to help me. We passed a Bill in this House which entitles the Government to run a pool for the Olympics. I am just saying that we passed this Bill and we said that this Government would do it according to that particular rule. That is fine. Now I want to know—

Mr. Speaker: A point of order relates—

Mr. Paproski: Mr. Speaker, I want to know—

Mr. Speaker: Would the Hon. Member please resume his seat? The Standing Orders of the House of Commons are the procedure by which we are governed. If the Hon. Member can cite a standing order of the House of Commons and indicate in what respect he has a matter of order, the Chair would be more than pleased to hear it.

A matter relating to facts, a matter relating to whether or not certain events have taken place, is not a point of order, nor is it a matter of privilege. The Hon. Member may want to reflect. There are other avenues available to him to raise a matter which he may feel is a grievance, a matter on which he has a difference of opinion. Other opportunities are available in the procedures of this House. I invite him to reflect carefully. I am sure that, experienced parliamentarian that he is, after mature reflection he will realize that another order of proceedings would be more appropriate.

Mr. Paproski: Well, I want to thank you for that but I am still going to raise it.

ROUTINE PROCEEDINGS

[*English*]

WAYS AND MEANS

EXCISE TAX ACT (5)

Hon. Roy MacLaren (Minister of State (Finance)): Mr. Speaker, in accordance with Standing Order 64(1), I wish to table in both official languages a notice of ways and means motion to amend the Excise Tax Act (5).

In accordance with Standing Order 64(2), I also ask you to designate the order of the day necessary for the consideration of this ways and means motion.

* * *

COPYRIGHT

TABLING OF WHITE PAPER ON COPYRIGHT REVISION

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Mr. Speaker, I have the pleasure to table in the House today in both official languages a white paper on copyright revision entitled *From Gutenberg to Telidon.*

At the same time I should like to inform the House that, after consultation with all House Leaders, I am pleased to announce unanimous consent to refer this document to the Standing Committee on Communications and Culture.

Mr. Speaker: Is there unanimous consent for the motion of the Hon. Minister?

Some Hon. Members: Agreed.

Mr. Speaker: Agreed and so ordered.

* * *

PETITIONS

MR. McKINNON—PENALTIES FOR DRUNK DRIVING

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, I wish to present a petition from the undersigned residents of Canada, who now avail themselves of their ancient and undoubted right thus to present a grievance common to your petitioners in the certain assurance that your honourable House will therefore provide a remedy.

They humbly sheweth that there is an urgent need to enact legislation against drunken-driving. And as in duty bound your petitioners will ever pray. This petition is signed by Sheila Kelly and others.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Order Paper Questions

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 408, 596 and 731.

[*Text*]

RECIPIENTS OF FAMILY ALLOWANCE CHEQUES

Question No. 408—**Mr. Stewart:**

1. Did the Department of National Health and Welfare send the pamphlet "The Child Tax Credit" to recipients of family allowance cheques and, if so (a) how many pamphlets were printed (b) at what cost?

2. How many persons received family allowance cheques in December, 1983?

3. Did the Minister of National Health and Welfare send a Christmas greeting note to recipients of family allowance cheques and, if so, what was the total cost of printing the messages?

Hon. Monique Bégin (Minister of National Health and Welfare): 1. Yes. "The Child Tax Credit" pamphlet was sent to all family allowance recipients in December, 1983. (a) Some 3,807,000 pamphlets were printed. (b) The cost of printing was $32,939.77.

2. The number of persons receiving family allowance cheques in December, 1983 was 3,634,811.

3. Yes. The annual notice to beneficiaries advising of the early delivery of December cheques and extending seasons greetings was continued in December, 1983. The cost of printing this message was approximately $10,000.

NATIONAL MUSEUMS OF CANADA

Question No. 596—**Mr. Howie:**

What are the (a) names (b) positions of the persons who occupy positions on the Executive and Board of Directors of the National Museums of Canada and, in each case, what amount was he/she paid in respect of that position in the fiscal year ended March 31, 1983?

Hon. Francis Fox (Minister of Communications): I am informed by the National Museums of Canada as follows:

(a) Names	(b) Positions	
Sean B. Murphy	Chairman of the Board of Trustees Chairman of the EC*, ex officio member of all the committees of the Board of Trustees*	$17,550
René J. Marin[1]	Vice-Chairman of the Board of Trustees Vice-Chairman of the EC, ex officio member of the Board of Trustees and Chairman of the SC-AE —no remuneration— Governor-in-Council appointee	
Léo Dorais	Vice Chairman and Secretary General —no remuneration— Public servant DM 1 $79,120—$93,040	
Richard M. H. Alway	Member of the Board of Trustees Member of the EC, Chairman of the NGC-CC	$10,800
Robert G. MacLeod[2]	Member of the Board of Trustees and of the SC-AE	$ 3,600

Order Paper Questions

Roger B. Hamel	Member of the Board of Trustees of the EC, Chairman of the NP-CC	$ 5,850
Michael C. D. Hobbs	Member of the Board of Trustees Chairman of the NMM-CC	$ 5,325
Jane Thompson Edwards	Member of the Board of Trustees Member of the NP-CC Chairman of the NMNS-CC	$ 4,950
Bohdan Bociurkiw	Member of the Board of Trustees Member of the NMM-CC Member of the NP-CC	$ 5,850
Michelle Nolin-Raynauld	Member of the Board of Trustees Member of the NP-CC	$ 7,425

The Chairman receives $325 per diem for attendance at meetings plus travel and living expenses.
Other members receive $225 per diem for attendance at meetings plus travel and living expenses.

[1] Resigned February 28, 1983
[2] End of mandate—February 14, 1983

Explanatory Notes

* There are seven committees of the NMC Board of Trustees:
EC-Executive Committee
NGC-CC National Gallery of Canada Consultative Committee
NMM-CC National Museum of Man Consultative Committee
NMNS-CC National Museum of Natural Sciences Consultative Committee
NMST-CC National Museum of Science and Technology
NP-CC National Programmes Consultative Committee
SC-AE Special Committee—Audit and Evaluation

INTERNATIONAL REFERENCE GROUP ON GREAT LAKES POLLUTION FROM LAND USE ACTIVITIES

Question No. 731—**Mr. Mazankowski:**

1. Is there an International Reference Group on Great Lakes Pollution from Land Use Activities and, if so, what (a) are its terms of reference (b) is the (i) name (ii) background or expertise (iii) term of appointment of each member (c) remuneration, such as salary or travel expenses (i) do the members receive (ii) did the members receive to date (d) other funding, if any, is provided by the Government?

2. During the fiscal year 1982-83, did the Group meet and, if so (a) how often (b) how often is it required to meet (c) what matters did it consider (d) what reports and/or recommendations were published?

Hon. Chas. L. Caccia (Minister of the Environment): 1. No. (a), (b), (c) and (d) N/A.

2. Not applicable.

[*Translation*]

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

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

Some Hon. Members: Agreed.

Mr. Speaker: Stand.

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if question No. 266 could be made an order for return, this return would be tabled immediately.

Mr. Speaker: Is it the pleasure of the House that question No. 266 be deemed to have been made an order for return?

Some Hon. Members: Agreed.

[*Text*]

JAYCEE FAIR, VICTORIA, B.C.

Question No. 266—**Mr. Munro (Esquimalt-Saanich):**

1. Did the Government provide an exhibit on government services offered in the Province of British Columbia at the Jaycee Fair in Victoria from May 10 to 17, 1981 and, if so, what was the cost of (a) purchasing or leasing the tractor and semi-trailer in which the exhibit was housed (b) transportation to and accommodation at the fair (c) salaries and accommodation expenses of the staff accompanying the exhibit (d) preparing the exhibit and, in particular, the booklet "The Government of Canada at your Service in British Columbia"?

2. Is the exhibit a long-term endeavor and, if so, what is the estimated total cost for its travels to different locales in the Province?

3. At what other locations in British Columbia was the exhibit shown and, in each case, at what cost?

Return tabled.

* * *

[*Translation*]

MOTIONS FOR PAPERS

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

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

Some Hon. Members: Agreed.

Mr. Speaker: Stand.

GOVERNMENT ORDERS

[*English*]

CUSTOMS TARIFF

MEASURE TO AMEND

Hon. Roy MacLaren (Minister of State (Finance)) moved that Bill C-7, an Act to amend the Customs Tariff, be read the second time and referred to a Committee of the Whole.

He said: Mr. Speaker, Bill C-7 would enact the amendments to the Customs Tariff set out in the notice of ways and means motion tabled as part of last April's Budget.

Before noting a few details of the Bill, I should like to summarize the tariff amendments. First, improvements are being made in the rates of duty and other provisions of the general preferential tariff for developing countries. Second, we are increasing the limits on the value of goods that Canadians returning from abroad can bring home free of duty and tax. Third, duties on certain machinery parts are being increased. Finally, there are a number of miscellaneous changes affecting the dutiable status of a limited number of products.

The first group of tariff amendments which I should like to bring to the attention of the House relates to the general preferential tariff or what over a period of years has become known as the GPT. Hon. Members may recall that, as part of the 1981 Budget, there were a number of improvements made in the GPT, including new or lower rates on a broad range of products from developing countries. These rates had been recommended by the Tariff Board in response to a request from the Minister of Finance for a report on the impact on Canadian production of including new products under the GPT and of reducing to "free" the existing rates on other products.

• (1510)

The amendments in the Bill now before the House implement most of the recommendations made by the Tariff Board. That report was tabled in the House in May, 1982. Anyone interested can see the details in that report, on which interested parties were invited to comment. The comments received were carefully reviewed. While a few departures from the board's proposals have been made as a result, most of the board's recommendations are being adopted.

The amendments now before us provide for new or lower GPT rates, mainly free rates, on a wide range of products. The specific tariff amendments are set out in Schedule I to the Bill. The new lower rates would apply to qualifying imports, which in 1982 were valued at $11 million.

There are other amendments to the general preferential tariff included in this Bill which were not within the scope of the Tariff Board's study. The most noteworthy is the continuation of the general preferential scheme itself for another ten years to June 30, 1994.

Like Canada, most industrialized countries originally implemented their preferential tariff schemes for specified periods during which the impact of the preferences could be monitored and the need for their continuation determined. Those countries have also extended, or announced their intention to extend, their schemes. Canada's decision to extend the GPT rate was announced in May, 1982 by the Canadian delegation to a meeting of the Special Committee on preferences of the United Nations Conference on Trade and Development.

Provision has also been made in the Bill for a liberalization of the so-called "rules of origin" under the GPT. The purpose of these rules of origin is to ensure that only *bona fide* developing countries received the benefits of the general preferential tariff. Goods substantially manufactured in industrialized nations which are shipped through GPT beneficiaries or have had only minor processing done on them in beneficiary countries are excluded from entry under the general preferential tariff by rules of origin. The rules are being amended so that value added in any GPT country will count toward the 60 per cent GPT content that products must have to be allowed entry at GPT rates.

Previously, the content requirement could be met only in the country from which the goods were being exported to Canada. This new measure was also announced by the Canadian delegation at the UNCTAD meeting I mentioned a moment ago and is in line with action taken by other industrialized countries.

Another change in the general preferential tariff is a new provision to give the Governor in Council authority to waive the requirement that goods must be shipped directly to Canada from GPT countries in order to qualify for GPT rates. This provision, which is similar to ones already in place for the British preferential and most-favoured-nation tariffs, will provide the authority needed for a flexible and speedy response to meet particular problems which arise from time to time with respect to shipments from developing countries. I might add that the Bill also includes a number of purely technical amendments to the GPT.

I should now like to turn to tourist exemptions. Prior to the April, 1983 Budget, the Department of Finance received many representations from individuals and several Members of this House asking that the value limitations on duty and tax-free exemptions for Canadians returning with purchases made abroad be increased. It was decided to meet those requests because the limits had not been increased since 1974. Their real value had been substantially eroded by inflation. The increases in the exemptions will also speed up customs clearance procedure, making it more convenient for travellers at our airports and other entry ports and reducing costs of administration.

The following are the specific changes in tourist exemptions. The quarterly exemption, available once in each calendar quarter after an absence of not less than 48 hours, is being increased from $50 to $100. The annual exemption, available once a year, after an absence of not less than seven days, is being increased from $150 to $300. The value of goods that can be brought back tax and duty-free under the "casual" exemption, which does not provide for a frequency limitation, is being doubled from $10 to $20. The minimum absence requirement under that casual exemption is being reduced from 48 to 24 hours.

In addition, the value of goods that can be entered under the tourist item which provides for a "flat" duty and tax rate is being increased from $150 to $300. The flat rate is being reduced from 25 percent to 20 per cent to take account of the lower duty rates applying as a result of the Tokyo round of GATT negotiations. There are also a number of purely technical changes in the tourist exemptions. All of these changes should make compliance with them less onerous for the travel-

ling public and should reduce government cost in administering these provisions.

The exemption increases included in this Bill are reasonable and respond to the representations and needs of the travelling public without having any adverse impact on Canadian business or on our balance of payments situation.

I said something about the changes in the Bill respecting the general preferential tariff and the new provisions regarding tourist exemptions. I now want to turn to the tariff increases provided for in this Bill. Schedule III to this Bill contains amendments to certain machinery tariff items. While some of these amendments have the effect of lowering rates of duty, there are increases on feed pellet mill dies and rolls and on certain bulldozer parts.

Let me first say that the general policy of the Government is to work toward freer international trade and not to propose tariff increases, particularly in cases where existing rates are bound under international agreements such as the General Agreement on Tariffs and Trade, or GATT as it is commonly called.

Having said that, one might ask why we are proposing in this Bill to increase tariffs, even if the increases affect only a few specialized products. The answer is simply that these exceptions to the general rule are being made in the interest of equity.

During the Tokyo round of multilateral trade negotiations, it was decided to bind at "free" the rates of duty on a wide range of machinery and machine parts which had been entering Canada on a duty-free basis under the duty remission provisions of the machinery program on the grounds that they were unavailable from Canadian production. Some of the products covered by this agreement were dies and rolls used in feed pellet mills and a number of bulldozer parts.

Unfortunately, at that time Canadian officials were unaware that these particular articles were about to be made in Canada and that the Canadian manufacturers were counting on the fact that under the machinery program, a tariff could be applied to imports when production commenced. Accordingly, we have a situation where tariff protection considered necessary to the viability of Canadian manufacturing had been removed. In view of this, it was concluded that the appropriate duties on the feed pellet mill dies and rolls and bulldozer parts should be reinstated. Before these few tariff increases can come into effect, Mr. Speaker, they must be negotiated with our trading partners. These negotiations are now in progress. Accordingly, the Bill provides that the increases are to come into effect on a date to be proclaimed by the Governor in Council.

• (1520)

As I have mentioned, not all of the amendments in Schedule III provide for tariff increases. Provision is made for reduced rates on crawler loaders and crawler pipelayers and parts. These decreases together with the higher rates on the bulldozer parts essentially represent a package of tariff amendments designed to standardize and simplify the tariff treatment of all crawler machines and parts.

In addition, the fourth major section of the Bill includes a number of miscellaneous tariff changes. The other tariff amendments set out in Clauses 5, 7, 8 and 9 and in Schedule III of the Bill do not have the significance or impact of the amendments which I have already noted. Many of these miscellaneous tariff changes are of a technical nature and are designed to reflect anomalies or to overcome administrative problems. Others are of a more substantive character, such as the new tariff items to implement the Tariff Board's interim report covering firebrick and other refractory products. These new items simplify and modernize the treatment of those products, taking into account representations made subsequent to the tabling of the board's report.

A new item is being introduced to provide duty-free entry for church carillons of a certain character. This item has been requested by a number of Members of the House on behalf of churches in their constituencies. The tariff on mixing consoles and tape recorders used by professional sound recording studios is being removed to assist the Canadian recording industry in its efforts to remain competitive by employing the most modern recording equipment.

Tariff-free provisions are also being established for certain other products from developing countries, and these products are set forth in the Bill. These miscellaneous changes are in line with the Government's policy of keeping our tariff responsive, within the limits imposed by our international obligations, to changing economic and technical needs.

I hope that the House will agree that these tariff measures should be given speedy passage since they do provide significant benefit, both to the developing countries and to Canadian manufacturers, Canadian importers and Canadian private citizens.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, we were not intending to take up a great deal of time on this Bill but we took a look at the Bill again and are rather disturbed by some of the things it contains. I wish to bring to the attention of the House the nature of this particular piece of legislation.

In brief, the legislation extends the general preferential tariff, that would normally have expired on June 30 of this year, until June 30 of 1994, a 10-year period. Second, as the Minister has indicated, it makes provisions for Canadians returning as tourists by doubling the amount of the former duty-free allowance on goods brought into the country. Third, the Bill does make certain tariff changes.

I would like to deal with the matter piece by piece. First, I would like to direct your attention, Sir, to the various schedules in this Bill. As you are perhaps aware, Sir, the tariff system in Canada includes four general tariff structures. The first tariff structure is the British preferential tariff. The next tariff is the most favoured-nationl tariff. Then there is a tariff called the general tariff, and finally a tariff called the general preferential tariff. All that sounds wonderful until one begins

to understand that all the countries in the world fall either under the British preferential tariff, the most favoured-nation tariff or the general preferential tariff, except for one country. There is one country in the world which we in this nation apparently hate, disdain, distrust and have no use for at all. That country, which must pay higher duties than any other country in the world on its imports into Canada, is the Kingdom of Saudi Arabia.

Indeed, when looking at the Bill, one would find, for example, that if Saudi Arabia were to import vinegar into Canada, it would have to pay a 25 per cent tariff. However, the general preferential tariff on vinegar is free and the British preferential tariff on vinegar is 10 per cent. I do not know who is bringing vinegar into the country but if, for example, Saudi Arabia wished to import cigar boxes into Canada, it would have to pay a 35 per cent tariff. However, the general preferential tariff is free and the British preferential tariff is 11.3 per cent.

The Bill goes on. We all know the propensity of the Saudis to produce liquor. They are well covered by this tariff because the tariff on liquor from Saudi Arabia is dramatically higher than the tariff on liquor from any other country. I am thumbing through the Bill, Sir, so that I may tell you specifically what the amount of that tariff is. It is clear that the Saudis certainly would not be able to develop much of a market in Canada for their booze, if they should ever decide to produce booze, under the terms of this Bill. On bottled spirits like brandy, the Saudis would have to pay a $6 tariff, while the British preferential tariff is 75 cents. That is rather rough on the Saudis.

I believe that it is a bit ridiculous that the Government should produce a Bill which includes something called a general tariff when only one country in the world is subject to that tariff.

The Minister has come forward in the House and said that this is a great Bill. However, I would think that, when reviewing this piece of legislation, somewhere along the line we should simplify it. I believe that somewhere along the line, we should get rid of all this useless printing. I do not know, Sir, how much is imported into Canada from Saudi Arabia and I do not know why we should hit the Saudis with all these extra tariff charges that we do not charge any other country in the world, but that is what we do. I ask you, Sir, why should we deal with a Bill which contains schedules such as those in the Bill before us without giving it some deep consideration?

Beyond the points which I have already mentioned, Sir, we run into another series of tariff charts. In the course of preparing my comments on this Bill, I felt it was important to obtain a list of countries and their corresponding tariff arrangements from the Minister of Finance (Mr. Lalonde). A great many countries fall not only under the most favoured-nation status but under the general preferential status and indeed the British preferential status as well. The usual arrangement is to use the lowest tariff. Why would a country not have only one tariff arrangement with Canada? Why would an importer have to find out which under the particular circumstances would be the lowest tariff applicable to his country?

It is even more strange, Sir, to learn of some of the countries which fall under the most favoured-nation status. We have had difficulties with some countries in the world. We have had difficulties with the philosophy and the activities of the U.S.S.R., for example, but that country is considered to be a most favoured-nation. Hungary is a most favoured nation. Czechoslovakia is a most favoured nation. But poor old Romania is not only a most favoured nation, but it is entitled to a general preferential tariff because it is underprivileged. It has not only a rotten communist government, but it is most favoured. On top of that, it is entitled to general preferential treatment.

• (1530)

When one analyses this whole course of events, one begins to wonder under what circumstances and under what arrangements certain specific nations should have certain specific treatment from the Government. When we are discussing a Bill that affects the tariffs we are going to charge people bringing goods into the country, surely we should pay some attention to where we are going as a nation in terms of foreign trade. What kind of objectives have we got in terms of developing Canada and Canada's trade with the rest of the world? What kind of foreign aid stance should we take? If everyone is a somebody, then no one is an anybody. That is what we have here.

We pretend to assist certain countries of the world with trade preferences by giving them the benefit of the general preferential tariff, but the fact is that we give that general preferential tariff to virtually every country of the world. There is no real, specific benefit to those countries that perhaps we are trying as a nation to help.

Second, it is apparent, when one analyses the chart of the tariffs available, that some countries whose trading activities are such as to damage Canadian industry and who organize their affairs in such a way as to prevent Canadians from having reasonable access to their home markets, are given by this Government general preferential tariff treatment when they bring their goods into Canada. We are the proverbial good boy scouts. We take a kneeing every time we deal with them, yet we allow them to bring their goods into our country in many cases virtually, duty-free.

I specifically draw to the attention of the House the problems we have had in the aircraft industry. This House has been beset with problems concerning de Havilland. One of the problems de Havilland has is the unfair competition that it is experiencing from an aircraft corporation owned, operated and run by the Brazilian Government. Yet Canada gives to Brazil general preferential tariff rating on all of its imports into Canada. We do so even though Brazil will not allow us anything like that type of preference when we are selling our goods to Brazil, even though the Brazilians operate in the aircraft field and in the financing of aircraft in such a fashion

as to damage seriously and mortally our exports of aircraft from de Havilland into the South American market.

It is absolutely ridiculous that we should continue to give certain countries general preferential tariff benefits when their trading stance and the way they operate in the world is to do damage to Canadians and to Canadian business. I think it is important that the Government be prepared to go over the various countries with the House and declare and explain why this Government is prepared to give various countries the general preferential tariff rate it is obviously, by this Bill, intending to extend. There has to be a rethinking as to who should get trade advantages with Canada.

I think Canada has an obligation to help certain of the less fortunate people in the world. We have to help them help themselves, because I think we owe that to the world as good citizens. But surely as good citizens of the world we should not dilute that assistance by giving it willy-nilly to everyone, willy-nilly to those who really do not justify that assistance. For example, South Korea was certainly an underdeveloped country at one time, but now it has virtually taken the world over in terms of shipbuilding and in terms of steel. Indeed, we have had to put anti-dumping charges against steel imports coming from that country. There comes a point when an underdeveloped country ceases to be entitled to privileges beyond what is reasonable. That is particularly so when the trade arrangements we have with those countries are prejudicial to Canada and when those countries operate in such a fashion as to use Canada as a dumping ground for their products to the detriment of Canadian industry and Canadian jobs.

When we deal with a Bill of this nature, the Government has an obligation to talk not only about housekeeping changes in tariff structures, but it has an obligation to say how this particular piece of legislation improves opportunities for Canadians, improves job opportunities for Canadians, and improves business opportunities for Canadians. If one is looking at it from an aid point of view, it helps foreign aid opportunities to justify Canada's place in making this a better world. This Bill does not do anything of that nature. It just covers the waterfront and carries on with the same old scheme that has lost all sense of validity when we give preferences to everyone. We have no sense of a constant tariff provision. There is no rationale in our tariff rates. The Minister was not prepared in his explanation to defend the rationale behind the tariff-setting system.

Tariffs are something we use—perhaps they are not as valid today as they were at one time—as an inducement to other countries to allow them, force them, or encourage them to give Canadians an opportunity to trade in their countries. When a country sells goods to us at no tariff or at a very much reduced tariff, we expect that country to give to our exporters, manufacturers, and vendors of goods opportunities in its market. Trade is a two-way street.

Over two million Canadians depend on foreign trade for their livelihood. Under this Government our share of world trade since 1968 has slipped from 5.8 per cent to 3.7 per cent. If we were able to increase our share of world trade by 1 per cent today, we could increase the number of jobs held by Canadians by very close to 600,000. Yet, does this Bill do anything toward that aim or objective? Not on your life. There are in it just a few housekeeping amendments to allow Canadians to come in with $300 worth of goods when they could have brought in only $150 before. It does not even put any imagination into the subject.

We have an obligation when we are considering a Bill of this nature to ask the Government where we are going in foreign trade. Where does this Bill, in terms of tariff protection for Canadian industry and the change in that protection, help Canadian industry or, in the converse, help Canadians get into foreign markets? There is precious little in this Bill, Sir, which in any way helps.

• (1540)

The Minister mentioned bulldozer parts. He said he was increasing the tariff on bulldozer parts. Well, that is what the Bill is all about. The Bill also, I am told, Sir, if I have it correctly, reduces the tariff on certain mynah birds, which are members of the starling family and which have traditionally been allowed into the country. The Bill is to amend the Act to exempt the Chinese Talking mynah bird and the Hill mynah bird.

Mr. Roche: It is like a "mynah" bill.

Mr. Blenkarn: My friend says it is a "mynah" bill.

Somewhere along the line there has to be some better explanation as to why we should be changing the tariffs of Canada other than to deal with the problem of mynah birds. There is no provision in this Bill whereby the Government can make specific exemptions to specific countries on tariffs. A country falls within one of four categories. Most countries get some kind of preference, all except the Saudis, I would say. However, surely to goodness if we are going to improve our trade position, or if we are to be able to extend a helping hand to a specific foreign country which needs that help, there should be some specific direction, some specific look at each country's position and how that country should be treated *vis-à-vis* Canada. This Bill does not do that.

Let me speak for a moment about the British preferential tariff. You may recall, Sir, that in the early 1930s, the Government of the late R. B. Bennett created, as a result of the Commonwealth Conference, the British preferential tariff. That was the first preferential tariff that we ever had in this country. It was followed later by a most-favoured nation type arrangement. The British preferential tariff was a special arrangement which went a long way to holding the Commonwealth together and giving Canada significant trading opportunities. As a result, a number of subsidiaries of Canadian companies were created around the world. I specifically think of the Canadian subsidiaries of the Ford Motorcar Company, for example, in what is now Zimbabwe. That subsidiary was created because it was an agency in South Africa where Canadian Ford automobile parts and components were sent

and converted into automobiles there, and that was of benefit to Canada. The British preferential tariff has pretty well disappeared as an advantage now because, indeed, aside from certain trade arrangements with Australia and New Zealand, the British preferential tariff is not as good as the general preferential tariff accorded to most Commonwealth countries. As far as most Commonwealth countries are concerned, they carry on under the general preferential tariff.

It would seem to me, Sir, that in proceeding with this Bill, the Government should do some rethinking. The Government should say that, in a sense, the British preferential tariff system has served its purpose and that it should be set aside, removed. The countries in the British Commonwealth which qualify for the British preferential tariff as well as the general preferential tariff should perhaps benefit from the general preferential tariff, and other countries should have the regular tariff. I believe we could probably organize in such a way as to get along with one or two tariffs: first, a tariff structure for all countries in the world and, second, a tariff structure for those specific underdeveloped countries where an easy access to the Canadian market would help. I feel we no longer need four tariff structures. Obviously, the general tariff structure does not mean anything. Only the Saudis pay that. The British preferential tariff system really means very little. Why could we not, then, handle the whole matter with two structures? That would simplify things dramatically. We could have one structure which was a regular tariff and one structure which gave to underdeveloped, less developed, nations a special privilege or preference in Canada.

In doing this, it would be my submission that we should analyse carefully those countries to which we want to give special privilege. It should be countries which are growing, countries we can help. It should not be every country in the world, or every underdeveloped country in the world, but only certain undeveloped countries which should be given virtually tariff-free access to Canada. The rest of the world should pay the same tariff. We should not discriminate. That does not mean that, in not discriminating, we cannot make separate arrangements with countries which are not included for specific items of trade. That would be a sectoral approach to what are perhaps special bilateral trade arrangements on special goods from special countries.

It would seem to me that in the interests of the country we should move ahead. This Bill should be redrawn and simplified, and if we make tariff item changes, we should make them after rethinking them. This, Sir, is what I recommend to the House.

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

The Hon. Member for Edmonton South (Mr. Roche).

Mr. Douglas Roche (Edmonton South): Mr. Speaker, I do not wish to detain the House unduly, but I want to make a few comments on the trade liberalization aspects of the Bill before us. First of all, the changes made in extending the preferential tariff treatment which are listed are not an altruistic measure taken by Canada. Indeed, they are in harmony with the move today in the world to recognize that each country benefits according to the way in which it facilitates its trade with other nations. If we are going to be able to sell Canadian goods to those expanding, developing country markets where huge population increases are happening, we have to enable those countries to reach into Canada. Therefore, I support this Bill.

However, I believe that my colleague, the Hon. Member for Mississauga South (Mr. Blenkarn) has made an extremely important point in calling to our attention the failure of the Bill—and even the Minister's own speech—to indicate clearly enough that when certain countries increase their ability to perform—as we say, they graduate—they would no longer receive preferential treatment.

I was glad to see that the Bill before us follows, or at least it certainly takes note of, one of the principal recommendations made to the House by the parliamentary Committee on North-South Relations which reported to the House about two years ago. In the section on trade we recommended that the general preferential tariff be extended to include all manufactured goods of the world's poorest countries, and that graduation criteria be established to identify those countries no longer in need of preferential treatment. As both myself and my colleague from Mississauga South pointed out, Mr. Speaker, the Government had failed in this Bill to indicate clearly that the extensions of the general preferential tariff are supposed to be aimed at those least developed countries. That is a very important principle which ought to be followed.

• (1550)

In a statement the Minister said he wanted the developing countries to receive the benefits of the preferential tariff, but he did not specify or make clear that as Canada increases or liberalizes its trade benefits, we have in mind those countries which truly need access to our markets if they are going to be able to develop some self-reliance and become full partners in the trading system of the world. We have to consider why the Minister's speech, indeed the Bill, are inadequate responses to the points raised by my colleague and by myself.

The answer, Mr. Speaker, is that Canada today does not have a strategy for international development. We had a strategy from 1975 to 1980, some of which was implemented, some not. But at least it was a clear course of direction, covering trade matters, international financial institutions and development assistance. There was a course of action that the Canadian people and this House could see clearly. We are now in the fourth year of the subsequent decade and there is still no strategy for the 1980s. I would certainly like to have the Minister's view on why the Government does not have a full strategy for international development and Canada's role therein. If that were the case, it would be clear for everyone to see why these partial measures are being taken. It would also be clear whether we are in fact aiming this Bill at the least developed and most heavily populated countries of the world, or whether we are being less discriminating in our trade moves.

Before I leave the subject of the North-South committee's recommendations, I want to draw to the attention of the House that, although the Government has accepted our recommendation concerning the general preferential tariff extension to some extent, it has yet to respond to what we considered at that time, based on a very extensive analysis of trade conditions, that there be a major public inquiry on the question of adjustment measures. We know that if we are to allow greater entry to the products of developing nations, that is going to cause dislocation in the Canadian economy. I do not know any politician in his right mind who would advocate measures which will throw his own people out of work. The most famous example of this is, of course, the textile industry. It is well known that the Canadian textile industry is shored up by subsidies and that textiles can be produced at a much lower cost in many other countries, as indeed they are. Yet it would be an irresponsible measure for any of us to recommend holusbolus that we close down the Canadian textile industry in an effort to provide more jobs in the developing world. Having said that, it is clear as we move into the post-technological society—whatever this new society of computership and high technology is going to be called—that we have to set a course, examine our industrial strengths and set into motion a process of conversion of those industries no longer competitive in the global economy.

In a very strong recommendation the North-South committee suggested that the Government immediately launch a major public inquiry of the industrial sectors which are likely to be at long-term competitive disadvantage in relation to developing countries, with a view to adopting effective adjustment measures. In light of that, I fail to recognize why the Government has just turned its back. The Government responded that it agreed with the thrust of our report, but I am calling the attention of the House to this fundamental need for a public inquiry into the adjustment measures which are going to be required if Canada is going to be able to modernize its productive capacity so that it harmonizes with the global demand for an increase in world trade generally. My colleague has already stated that Canada's share of world trade has slipped from 5.8 per cent to 3.7 per cent. Surely that is sufficient evidence to impel us to take measures to increase our share. Surely that is the motivation for taking those steps which will increase the capacity of the growing population of the developing world to buy from us. Trade is a two-way street, Mr. Speaker.

Changes are called for, for example, in the international development strategy for the 1980s, which was adopted by consensus at the United Nations in 1980. I believe the measures set out in the international development strategy should be adopted by Canada as a proponent nation, recognizing the truth today in the North-South dialogue that the global economy is so interdependently structured that when the North goes into recession, as we have done, we cannot come out of it until the South is given an opportunity for its own expansion. We cannot live by ourselves. It is not simply a question of altruism to put forth that viewpoint; it is a question of economic survival.

• (1600)

The international development strategy was conceived and developed along those lines. The world being in an economic crisis today is a further reason for Canada to project its own international development strategy for the remaining decade of the 1980s.

I have just returned from Peru, which is a country that has a major aid program from the Canadian Government. If one wants to see all the effects of the complex web of relationships today in one location, even a small location like Peru, that is the place to see it. We see the effects of the debt crisis. The debt crisis in many countries is caused by the bottom falling out of their commodity export markets while they have to pay more for the importation of manufactured goods from industrialized countries. The debt crisis is caused by the gap widening between their exports earnings and the cost of imports. This debt crisis, which is now of staggering dimension, is affecting countries all over the world, but it is particularly noticeable in Latin American countries, which perhaps had too easy an access to the banking institutions of the 1970s which wanted to lend them money under the concept of a never ending expanding world economy.

Peru is an example of how the debt crisis has meant a larger cutback in development programs for its own people. There are people in developing countries today who are farther behind in achieving their own self-reliance than they were a few years ago, even with all the development assistance that is still taking place. I am quite sure that the Minister recognizes as well as I do the reality of what I am saying. It gives more truth to my earlier comment that we must be able to put together a package that includes the items of international development assistance, preferential trade relationships, and the development of indigenous energy supplies, both renewable and non-renewable. This package must include the enlargement of the international financial institutions, particularly the facilities within the International Monetary Fund and the World Bank. We must develop an entire enlarged package that can be sustained by the sufficiency of world liquidity, which exists today, in order that Canadians and the Canadian Government have a meaningful relationship with the expanding populations of the world with whom we have an interdependent relationship.

Those are some of the general comments that I felt impelled to make because of what I regard to be a piecemeal legislation that approaches a very serious and deep problem from a rather narrow base. I believe that there is an opportunity for Canada to play a constructive role in the enlargement of the world economy. We cannot do this alone since we are too small and have too many problems in our own country. However, it is to our own advantage to play a greater role in the push for global economic negotiations as a means of implementing the international development strategy for the 1980s. It is in our interest to do this.

I say to the Minister very frankly that I believe there is a lack of impetus and momentum in the Government today in the development of our relations.

I believe Canada should take an approach that would incorporate Bill C-7 into a larger framework which would have a much more meaningful impact on the international community and would indeed benefit the Canadian people and result in the creation of more jobs in our society. Such an approach would reflect a greater concern about the staggering effects of the rising debt burden on developing countries, the monetary policies of industrialized countries and the trade barriers that still exist, despite some of the piecemeal benefits in the present legislation. We have yet to recognize that the economic recovery of industrialized countries depends on the ability of growing markets in other parts of the world, particularly in the developing countries, to buy.

When we recognize that millions will continue to face starvation if we do not make the necessary structural improvements in the world institutions, it becomes a two-pronged motivation for greater action. There is a political and economic imperative that challenges us as politicians to do this. There is a human imperative that challenges us as human beings to do this. I have just given the example of my most recent examination of this subject in Peru. As human beings we should recognize that the extended suffering of millions upon millions of people is not a proper basis for any kind of society to call itself advanced in a world of technology that is able to produce sufficiently to feed and house every member of the human community.

We have taken some satisfaction from the fact that all of us are agreed as political Parties that Canada must reach .7 per cent of Gross National Product in international development assistance by 1990. I think that is a recognition of a sense of concern that is present in the House. Certainly, it is present in the country. When all is said and done, despite different approaches which people take on economic subjects, we want to do the right thing within our capacity to do it. I believe that reaching .7 per cent by 1990 would be, in my view, a minimal requirement.

• (1610)

The point I want to make here and on which this bill touches is that development aid is only a fraction of what needs to be done to build the economies of the South. It is not development assistance that will build the economies. It is, I would even say, of marginal benefit to developing countries. It is the enlargement of their capacity to become self-reliant; it is the enlargement of their capacity to plug into world trade. This Bill begins to approach that.

However, there are a number of steps that could be taken, and I believe this Bill could be viewed as a foundation. There are a number of steps that need to be taken if Canada is to be fully involved in contributing to the expansion of the world economy.

I think that Canada through the United Nations' system, which is intimately involved in all the intricacies of the subject, should work to expand the resources and quotas of the International Monetary Fund so that that fund itself could provide, along with the facilities of the World Bank, access to the least developed. We are seeing now the effects of the stringent conditionality of the IMF in many countries that are turning to it for assistance because of the debt crisis. We saw only last week the results of such stringent measures in Dominica where there were riots as a result of controls being put on the local economy with deleterious political effects in the country. We are going to have more of that if ways are not found to increase the capacity of the international financial institutions to respond to today's need. That is going to require, I think, more of a sense of commitment that perhaps we hoped we were going to see as the North-South Summit was held in Cancun in the fall of 1981, which once more failed to deliver the goods.

I think that Canada must take an active part in efforts to initiate a process of basic reform of world trade and financial arrangements. This reform will take the nature, in the main, of an enlargement of the facilities within the institutions. It should take a much more vigorous look at the effects of protectionism, and we should commit ourselves to contributing actively to negotiations within GATT and preparatory discussions regarding a new trade round.

I think the GATT results of its most recent trade round were certainly of some benefit, but marginal compared to the need. And, similarly, with more leadership in the GATT system in an effort to develop further the integration of developing nations into GATT, we have to pay much more attention to what UNCTAD is attempting to do in enlarging the trade capacities of developing countries.

I have to say with some real regret that the most recent UNCTAD conference in Belgrade, which I think was held about a year ago—I do not know whether you can call any conference a failure; it is not a failure if people come out of it still talking to each other,—certainly did not accomplish anything toward the enlargement of the trade capacity of developing nations, and again I say that the enlargement of that trade capacity is in the interests of the whole North-South dialogue. I believe a re-examination is needed in terms of a new GATT round and a much more serious effort made to respond to the message of UNCTAD in acting against protectionist trade barriers.

Finally, we need to develop a new strategy of international development co-operation, as I have said, that would respond to and harmonize with the United Nations international development strategy for the 1980s. I do not think that much in this way can be done realistically until there is greater public awareness in our country and greater public education of the people on the complexities of the international monetary and trading system of the world today.

When we look at relations with developing countries, the reality is that this subject goes so far beyond CIDA and so-called foreign aid or international development assistance, it goes so far beyond it, as I indicated a moment ago, as to render almost marginal those activities of an aid nature, when the real

need is to enlarge the productive capacity of the whole world in such a way that we increase our trading capacity one with another.

We have failed to keep pace in Canada. Not only have we lost our share of world trade in the life of this Government, not only have we declined from 5.8 per cent to 3.7 per cent of world trade, but we have not kept pace with the United States, Japan, and EEC in the enlargement of their trade with developing countries. Our trade balance on both sides, import and export, with developing nations is somewhere around 12 per cent, maybe 13 per cent. In the case of the United States, Japan and the EEC, it varies from, say, 20 per cent to the low 40s.

I have taken this moment to use the opportunity, which the minister provides us by bringing in what I call a piece-meal Bill, to remind the Government of its responsibilities and its obligations to take a much more sweeping approach through publishing a strategy, setting out a course of action to help Canadians understand the dimensions, and also to make the point that it is in our own interests to do these things.

I come from Edmonton South. I can tell you there are people today out of work in Edmonton South who were never out of work before in their lives. Why are they out of work today? Because of the recession and because of the cutbacks in the productive capacity of some of their own industries. I am leaving aside here the whole question of the deleterious impact of the National Energy Program on the economy of my own province and my own city. I feel pretty strongly about that, but I do not want to make a political attack on the Government in this speech because I really want to make an effort to have the Government listen and respond to this need for an enlargement of thinking in our approach to the construction of policy of a trading international financial institution and energy and commodity pricing of all those elements that are at the basis of the international economy today. The Government should hear how it would be in the interests of those people in Edmonton South who are out of work, were they able to witness and participate in a replugging of Canada into the industrial economic growth of industrialized countries, starting with ourselves.

● (1620)

There is a crisis in the world today. It is a crisis which has many dimensions. Bankers are replete with their own definitions of this crisis. It is a crisis of people in our country who are out of work as a result of the failure of the economy to expand. There is a crisis in developing countries where their debt is so horrendous that it results in a cutback in their own development programs. There is a cutback in the lives of people who are suffering as a result of the inability of the world economy to get going again.

I say to the Government that we now have a tremendous opportunity to use our ability to build an economy which can reach out to the expanding world in a way that lifts up Canadians and helps to make us a full participant as a vigorous and vibrant nation in a growing world economy, leading to some economic stability and a sense of social justice for the world.

Some Hon. Members: Hear, hear!

Hon. Sinclair Stevens (York-Peel): Mr. Speaker, I should like to join in this debate for a few moments. Often when we are considering a Bill of which most in the House take little note, a Bill such as Bill C-7, it is wise to take a little more in-depth look at what we are talking about. For example, what is this Bill that the Minister of State for Finance (Mr. MacLaren) seemed to pass off so lightly in his opening remarks? He used the term once or twice that it was a kind of housekeeping Bill.

The main thrust of my remarks today will be that I believe the House of Commons is not acutely aware enough of what the export-import or general trade picture of Canada is all about. Tied in with that, of course, we must give more thought to the question of customs tariff. Are we indeed dealing with the rest of the world in the most prudent way?

Since I have been in the House of Commons, the Bill we are now considering amending has been amended 11 other times. For example, it was amended in 1973. It was amended three further times in the period from 1974 to 1975. In the period from 1976 to 1977, it was amended four times. In the 1977-78 session, it was amended again. Again it was amended in 1979-80. Finally, it was amended in the 1980-81-82 session.

If we attempt to identify what is the existing law, bearing in mind the *Revised Statutes of Canada* which are dated 1970, we find that this is one of the most confusing pieces of legislation on the statute books of Canada. Granted, we can go to the *Canada Statute Citator* and go through the various amendments. However, I am suggesting that because of the amendments and the basic complexity of the Bill, it is now almost impossible for the average Member of the House to come up with a meaningful position, for example, with respect to Clause 2 of Bill C-7. I refer to Clause 2 because it sounds so innocent. It simply reads:

Section 3.7 of the said Act is repealed and the following substituted therefor—

The net effect of that clause would be to have the expiry date for Sections 3.1 to 3.6 lengthened from 1984 to June 30, 1994. It is not until we go to the Citator that we see the true significance of that 10-year extension. Mr. Speaker, I know that you follow these statutes very closely; perhaps it is no news to you. However, I think it would be news to many people in Canada if I indicated what in fact is being covered by that rather innocent Clause 2 to which I have referred.

In fact, in the *Canada Statute Citator* there are literally pages of amendments to the 1970 Customs Tariff Act, as it appears in the Statutes of Canada, which are now being amended by Clause 2. I will not read into the record—because Hon. Members who are interested will do it—the two to three dozen subsections affected by what is being proposed in Clause 2. I am simply using it as an illustration of how casual Ministers of the Crown can become with regard to Bills which they are introducing.

To use the words the Minister dropped on us, he hoped that there would be speedy passage. Why did he hope that there would be speedy passage? It was probably because he does not know what the Bill means. Certainly he would not entertain questions. He would be most embarrassed if I asked him questions about any of those three dozen subsections to which I have referred and which will be affected by Clause 2 of Bill C-7. I will go further and suggest that the Minister has not even read those subsections, yet he recommended a speedy passage.

I should like to deal with Clause 3 of the Bill before us. Again it sounds innocent. It simply reads:

Section 11 of the said Act is repealed and the following substituted therefor:

Then it continues:

The Governor in Council may, by order,

(a) make such reductions of duties on goods imported into Canada from any other country or countries as may be deemed reasonable by way of compensation for concessions granted by any such country or countries; and

(b) extend any reduction made pursuant to paragraph (a) to any other countries as may be required by Canada's international obligations.

It is subsection (b) which is really the amendment. However, I should like to point out that when one reads that subsection, one naturally asks, "What is the effect of including it?" Then one looks to the explanatory notes and sees that the section I have just read is the same as that in paragraph 3 of the Budget motions introduced with the Budget on December 7. In short, you are told nothing. All you are told is that on February 7 the Minister of Finance (Mr. Lalonde) tabled in the House a motion that had the same words as Clause 3 which now appears in the Bill with no further explanation. Most people would be interested in why the Minister felt it was necessary in December to move the motion. The Minister did not touch today on why we are now being asked to give speedy passage to this Bill, including Clause 3. I raise that because I did a little homework. I thought we should check into Subclause (b) to find the reason they have extended the first paragraph, which reads:

● (1630)

Extend any reduction made pursuant to paragraph (a) to any other countries as may be required by Canada's international obligations.

The bottom line is that they have added that subclause because they do not want to come back to this House. They want the ultimate in freedom. At the present time the Government is able to negotiate with countries under the present Section 2 of the Customs Tariff Act. As I indicated, it has the right to make compensation for concessions given by other countries.

Apparently because they have to make those changes in a spirit of bartering or negotiation, there are certain circumstances that may trigger the necessity also to include other countries. That is what they mean by "extend any reduction made pursuant to paragraph (a) to any other countries as may be required by Canada's international obligations". Does that wording have to be that wide? Is it really appropriate for this House of Commons, which represents the people of Canada, to say, not to any designated Minister but to the Cabinet; "If you think it is necessary to make a change and extend that change to any other country as may be required by Canada's international obligations, you go ahead and do it and don't worry us about it"? That is what we are being asked to do.

Think of the implications, Mr. Speaker. What does the Government mean by "Canada's international obligation"? Is it talking about aid obligations? Is it something to do with the CIDA program, our obligations in NATO or our obligations to such international financial institutions as the World Bank? We do not know. We are being asked to give the Government the right, a blank cheque, to extend as it sees fit any reduction made pursuant to paragraph (a) to any other country as may be required by Canada's international obligations.

Not only do I raise the question of how complicated this Bill has become. Not only is it a question of all the amendments to which I am referring. We also have to realize that if the Government has its way with the Bill in its present form, it will take even more away from the House of Commons than we have had taken away over the last decade.

It is not time for us to consider that because of the complexities and the admitted difficulties of moving quickly, of making deals with international countries and partners that perhaps have to be finalized without undue delay, it is necessary to have a committee of this House meet on a constant basis to consider whatever those in Revenue Canada feel is needed in the line of either regulation or amendments to existing legislation?

If they feel they have a deal cooking with one or more countries that may, if entered into, require some type of change with other countries because of Canada's so-called international obligations, surely a committee of this House could be structured. In a preliminary way it could hear the problem and advise the respective caucuses as to whether it thinks the Government is right or wrong. I do not feel in an elected House of Commons that it is proper for this type of further delegation to be made. It is not appropriate for us to say: "Do not ask for whatever authority you need in specifics but ask in a blanket way and the more you shelter us from what you're doing, the better".

I do not want to fault Revenue Canada or, for that matter, the implications of the customs legislation generally, but the fact is that we have not done well under the present Prime Minister (Mr. Trudeau) with respect to trade with the developing world. My colleague from Edmonton highlighted some of the problems. If you review trade with the developing world, Mr. Speaker, you find that in the case of European countries about 30 per cent of their trade at the present time is with the developing world. In the case of Japan it is about 30 per cent. Of all the trade the Japanese are doing with every country of the world, about 30 per cent is with developing world countries. In the case of the United States it is 43 per cent. In the case of Canada it is 10 per cent.

We have to start asking what has gone wrong under the "emperor" who, when he became emperor in the country in 1968, said that he was going to explore a third alternative. He

was going to shift our trade away from the American orientation to what he called the third option. If you check the figures, Mr. Speaker, you see that in 1965 when the Prime Minister spoke about shifting the orientation that we then had with the United States, total trade with the United States as far as the Canadian side was concerned was about 65 per cent. When the emperor took over, 65 per cent of our trade was with the United States. Now that he is leaving us it is 73 per cent. We have 8 per cent more of our trade now with the Americans than when the emperor began his reign.

When this type of thing is happening, is it not time for us in the House of Commons to begin taking a better look at legislation such as Bill C-7 and to say: "We need more input to make sure that you fellows are not going to continue to make the mistakes that you have been making with respect to export-import trade and, in particular, with respect to the levers that you may have, such as customs legislation." I am suggesting that a committee of the House could meet constantly to take a better look at this Bill.

• (1640)

Second, I am suggesting that we should not, without due consideration, let more authority be taken from the House and given to the Cabinet of the day as is contemplated by Clause 3. In effect, Clause 3 would simply say to the Cabinet: "If you think some international obligation is affected by some deal that you have cooked up, go ahead and make the changes without reference to the House". Too much is at stake for us to consider that.

I only wish that I had a little more time to speak, Mr. Speaker, because I would like to deal with the question of raising the duty free amount of money that Canadians can spend in foreign lands. These exemptions are coming at a time when we are living with such a severe external imbalance. At a time when our dollar is now coming close to 77 cents, is it not strange that we are telling Canadians that they can go out of the country and buy twice as much as before because we do not want to keep them unduly limited by these exemptions? Surely the time has come for the House to begin taking a more serious look at the question of whether or not this is really in the best interests of all Canadians. We must bear in mind that this change has already been put in place. If this Bill is passed, it will have retroactive effect to April 20, 1983.

The Acting Speaker (Mr. Herbert): There follows a ten-minute period for questions and comments. I would like to caution Hon. Members at this point that although the Hon. Member for York-Peel (Mr. Stevens) made reference to clauses in the Bill, discussion at second reading is on the principle of the Bill and questions or comments should not deal with specific clauses.

Mr. Blenkarn: Mr. Speaker, I would like to ask the Hon. Member for York-Peel (Mr. Stevens) a question. The Bill, an amendment to the Customs Tariff Act, contains a whole series of schedules which deal with the British preferential tariff, the most favoured-nation tariff, the general tariff and the general preferential tariff. Is it the view of the Hon. Member that we need four separate tariffs, bearing in mind that the general tariff now applies only to Saudi Arabia? Is it his view that the Saudis should be penalized by being the only country in the world required to pay $6 a bottle for booze imported into Canada?

Mr. Stevens: Mr. Speaker, I listened very carefully to the comments of the Hon. Member for Mississauga South (Mr. Blenkarn) when he was making the case as to why the four schedules to which he has referred appear to be almost out of date or archaic. I think he has made a good point. If there is substantiation for his argument that Saudi Arabia is the only country that seems to have been isolated in this way, I find it to be a most strange turn of events.

In line with what I said earlier, I think it would be very helpful if not only the schedules in the Bill but the entire Bill itself was overhauled and streamlined with the hope that more people who are dealing with this type of legislation in a day-to-day sense can deal with it and understand what it means without hiring high-priced brokers and others who must intercede and who in many cases themselves do not even understand the effects of many of these clauses and schedules. My short answer to my hon. colleague would be that if, at committee for example, he is able to substantiate what he has said concerning the situation of Saudi Arabia, I believe it must be rectified and rectified quickly.

Mr. Blenkarn: Mr. Speaker, the Hon. Member for York-Peel is our Party's external affairs critic and that position would obviously have a great deal of reference to trade. I was wondering if he had taken a look at the question of whether the British preferential tariff had any real value any longer and whether it would be possible to simplify the entire tariff structure by having one general tariff and a separate preferential tariff for under-developed nations with which we may want to deal on a special basis. I wonder if it is his view that we could perhaps get rid of the British preferential tariff, particularly bearing in mind that it really does not offer much in the way of preference to any nation and bearing in mind the fact that Great Britain and Ireland are now members of the European Community.

Mr. Stevens: Again, Mr. Speaker, in reply to the question of my hon. colleague, I think this is an excellent example of how the statute is rather out of date in so many ways. The term "British preferential tariff" is a term which presumably came from the days of the British Empire and the British Commonwealth and is simply not in tune with today's terminology. I see no reason that there could not be a smoothing out and simplification of the terminology and schedules to which my hon. colleague has referred.

I have in front of me the *Canada Statute Citator* which is published every year by McGoldrick. It is very difficult to find this in the customs tariff section of that book but the book does set out exactly which countries are treated as British preferential tariff countries. If any Hon. Members are interested, I could tell them which countries are included under that tariff.

If any Hon. Members are curious as to whether or not Christmas Island, the Cocos Islands, Guyana, Lesotho, Ghana and India are included, I could give them the answer.

In answer to my colleague's question, I would say we do not need so many schedules. We do not need so many so-called preferential categories. Those categories could be simplified and I hope that when this Bill gets to committee one of the things which would be explored with the Minister and his officials is why this is not being proposed at the present time.

Mr. Scott (Victoria-Haliburton): Mr. Speaker, I would like to ask a question of my colleague, the Hon. Member for York-Peel (Mr. Stevens), which concerns an area of Ontario with which I think the Hon. Member is very familiar, the Lindsay area. There is a manufacturing plant there which manufactures inner tubes and some minor rubber products. That plant has been very adversely affected by the importation of products from South Korea and Taiwan.

I directed the officials of that plant to the Anti-Dumping Tribunal which ruled that there was not sufficient evidence to determine that dumping was occurring. A considerable number of jobs were lost at this plant which means a lot to the community. I think the officials of the plant were probably given the brush-off by the Anti-Dumping Tribunal and I have a deep concern over the number of people whose jobs will be affected.

I believe we see too much evidence of small plants trying to establish themselves, employing up to 50 people and then running into deep trouble because of foreign goods coming into the country at a much, much lower price. I would like to hear the views of the Hon. Member about situations like that.

Mr. Stevens: Mr. Speaker, the point made by the Hon. Member illustrates why Members of the House should be taking a much deeper interest in the type of legislation that is now before us. I am suggesting that there could be a committee of this House before which the Minister and the officials of Revenue Canada could explain why they want to make these changes. That would be a good idea because it would help cover the very points raised by my colleague.

We all recall that the last round of tariff negotiations in Geneva was held in almost complete secrecy. We had negotiators there, but the rank and file manufacturer in Canada—the people who were going to be affected—had no direct input.

• (1650)

That is in complete contrast to the American approach. The Americans, first of all, went to their manufacturers, invited them to attend and hear what proposals were going to be raised in Europe, and asked for their comments and criticisms. The package that the Americans then negotiated was a package that virtually anybody who had an interest in the United States was given an opportunity for input. That is not so in Canada. It is always secret. It is always left up to the Cabinet or the Department involved.

My suggestion to the Hon. Member would be that he make a case of what is happening in Lindsay and point out the repercussions that an import will have on employment in Canada. It is safe to say that every time we allow greater importation of goods, it is generally labour-intensive. What we are gaining on the other side through the exportation of goods is very low as far as labour is concerned. In short, we are exporting not only raw materials; in many cases we are exporting jobs with them. The manufacturing occurs in some other country, such as South Korea or Taiwan, and we import back. This cannot carry on. There is no way that we can solve the unemployment problem in this country—the projections made by the Minister of Finance confirm this—if we do not get a balanced trade position, especially on manufactured goods that are now $20 billion in deficit as far as overall trade is concerned.

I thank the Hon. Member for his question because it is really at the heart of why we should be getting more into this type of legislation than the Minister indicated when he said: "Let us give it speedy passage". Speedy passage has resulted in almost two million Canadians being out of work.

Mr. Deputy Speaker: Order. Debate. The Hon. Member for Edmonton-Strathcona (Mr. Kilgour).

Mr. David Kilgour (Edmonton-Strathcona): Mr. Speaker, in making a contribution to this debate, I would like to salute the Minister of State for Finance (Mr. MacLaren) for being present today. I would like to compliment him on the courage and candour of his remarks which were made yesterday on another trade matter at a conference held at the Lester B. Pearson Building. I might say that had he stayed yesterday for the rest of the speakers, he would have found their comments as equally interesting as his own, and perhaps, in some cases, more so. I do not mean to belittle his comments. There were a lot of interesting things said yesterday on the matter of proposed sectoral free trade between Canada and the United States.

I would like to ask the Minister before he leaves why it is that a Bill such as the one we are discussing, Bill C-7, purports to help the Third World in a way that my colleagues have spoken about earlier, when at the same time as a Bill such as this is coming forward, members of the Opposition have representatives of governments coming to them asking why the Government of Canada is doing serious things in terms of their own economies. I am thinking, for example, of a person from Mauritius who came to see me not very long ago to ask why it was that the Government of Canada had unilaterally imposed a quota on cardigan sweaters from Mauritius which was threatening to throw their economy into considerable difficulty.

Mauritius is not a member of the fabric union. They have been debating with the Government of Canada for a long time about the state of the sweaters coming into Canada. They are good sweaters. It is an under-developed country. Suddenly, someone—I do not know whether it was the Minister himself—informed them that they would have a quota imposed on

them. Mauritius, I gather, is just getting on its feet economically. They are building up their manufacturing sector. It is a strategically important country to the West, situate as it is in the Indian Ocean. As a result, Mauritius has been hit very severely by a unilateral act by the Government of Canada with respect to one of its exports to Canada.

Mr. Munro (Esquimalt-Saanich): It is a member of the Commonwealth.

Mr. Kilgour: As the Hon. Member for Esquimalt-Saanich (Mr. Munro) points out, it is a member of the Commonwealth.

Is it another example of the Government appearing to do something to help the Third World—we on this side are all for that, particularly with respect to trade—but on the other hand, behind the curtain, under the table, slipping a notice, in this case to Mauritius, telling them that they must not get uppity and put their people to work because they cannot export to Canada more than a given quantity of a particular item.

Mr. Speaker, if you have not had the pleasure of reading this Bill, please do not. It is enough to give anybody a headache. Even those of us who have spent much of our lives trying to interpret statutes in front of judges find it virtually incomprehensible—from the first clause, as the Hon. Member for York-Peel (Mr. Stevens) noted, to the last explanatory notes which are, shall we say, unhelpful. They provide no more light on the matter than the clauses themselves. I wonder why the Minister of State for Finance could not have produced something that was at least comprehensible to Canadians as a whole.

I am led to believe that the substance of the Bill is as follows. It will provide for tariff reductions for goods from developing countries—that is the general preferential tariff—and tariff reductions will be provided for various goods not produced in Canada, such as diesel engines for crawler machines and electronic carillons for churches. There will be increases for certain "wear" parts of machinery. These changes were announced in the Budget of April 19. The tariff reductions are retroactive to October 20, 1983. The tariff increases will not take effect until proclaimed. The date of the proclamation for increases will not be determined until the conclusion of the ongoing GATT negotiations.

Second, the limits on goods that may be brought back into Canada by Canadians travelling abroad are doubled. What person of good will and reason would object to that? Certainly, Mr. Speaker, your wife and mine and the wives of anyone who is able to travel abroad would support that.

The quarterly exemption is increased to $100 from $50. The annual exemption rises to $300 from $150, and the casual exemption rises to $20 from $10. These measures are retroactive to April 20, 1983.

Third, the Bill points out that the expiry date for the general preferential tariff has been moved to June 30, 1994 from June 30, 1984.

Parts of the Bill, Mr. Speaker, are almost funny. They are housekeeping measures. As other speakers might have pointed out earlier, certain mynah birds, which have traditionally been allowed into the country, are members of the starling family which are not allowed into the country. The Act has been amended to exempt the Chinese Talking Mynah and the Hill Mynah.

Fourth, in the humour section—and that is not humour at all—the wording of some of the clauses of the French version are revised. There is some clarification that goods eligible for the general preferential tariff may be produced in more than one eligible country.

Finally, the Bill provides Order in Council authority to exempt goods from the need to be shipped directly from the country of origin to qualify for the general preferential tariff.

There are approximately 3,500 customs officials across Canada. Very recently, one of the customs officials came to speak with me. He indicated that customs officers are given no training whatsoever. They are essentially presented with the leaflets that Canadian tourists and Canadian travellers are given and in effect, I gather, are told to enforce the law. How can any competent customs officer interpret the provisions of amendments such as these? The Hon. Member for York-Peel referred—he may not have used the term Byzantine—to the eleven amendments which have been made to the Customs Tariff in the past number of years.

• (1700)

Unless we train our customs officials, I am told it is simply impossible for them to administer the laws passed by this Parliament. If it is impossible to enforce and interpret provisions of a Bill such as this, what is the point, I ask you, Mr. Speaker, of all of us sitting here at so much an hour passing Bills like this which are going to be unenforceable and incomprehensible to the men and women who have to interpret the various provisions?

I end on that point with a plea to the Government at least to provide training to new customs officers and to provide adequate manuals. The Minister may argue that they have manuals, but again I have information from someone who works every day in the field that the manuals are so huge and so difficult to interpret that most customs officers do not even bother to refer to them, at least in some areas. I would assume that would include the area we are talking about today.

On the question of the developing world, if I may, I would like to associate myself with what has been said by others, particularly my colleague, the Hon. Member for Edmonton South (Mr. Roche). He has been interested in the Third World for virtually a lifetime and what he says, Mr. Speaker, I feel should carry immense weight in this House.

The Third World desperately needs to trade with the developed world. I have been told, as I am sure you have, Mr. Speaker, time and time again, that it does not want aid as much as it wants the ability to trade, and it cannot trade with us unless it has the right to have its goods enter Canada. To that extent I certainly support the spirit of the Bill, which is to provide for a tariff reduction for goods supplied by developing countries. Please let there be no doubt about that.

It is so hard to get to the more basic problems. Not very many years ago, Mr. Speaker, it was my good fortune to attend a conference on crime prevention in Venezuela. There were people there from all over the world, including the developing world. You appreciate, Mr. Speaker, we were talking about crime, and one of the representatives of, I believe, the Republic of India—stood up and told us that in his view the real crime was the fact that the developed world—the 15 or 20 countries which are considered to be developed—would go into world markets for oil, would buy spot oil at prices which certainly the Third World could not afford. In other words, as a result of Canada buying oil and bidding up the price of oil in the world spot markets, we were making it more and more difficult for Third World countries to buy the oil which they desperately needed to develop their own economies.

I wonder, Mr. Speaker, how many people who might hear my voice are, like myself, shamefully guilty of wasting energy from the time we get up in the morning to the time we go to bed at night? The wastage of energy in Canada is simply, in my view, obscene. We waste energy here in this building, with respect, Mr. Speaker. We waste it in our offices. Virtually since birth, most of us have acquired the habit of wasting energy at each and every conceivable opportunity. When we can turn on one light or ten lights, we do it. I was just looking at the lights in the ceiling of this Chamber and wondering why they are really necessary. I do not know how much it is costing an hour, but every one of those lights is on. I am sure the Chamber could operate as efficiently with less energy used.

It seems to me that before we can begin to help the Third World, we must look at some of its more basic problems. There is the question of Third World debt. Is it really useful for a country like Brazil or Mexico to be encouraged by the financial institutions, public and private, to bid up their debts to the maximum feasible extent, as they did during the last six or seven years, to be now in a position where in many cases their entire export earnings cannot pay the interest on their foreign debts? It seems to me, with respect, that is not a very good thing to encourage the Third World to do to itself.

I am told, Mr. Speaker, rightly or wrongly, that there are Canadians who had their loans called, or their credit cut back, because of the present need of the Canadian banking system to cover the indebtedness to it of the Third World. In effect, it seems to me Third World countries are being put into terribly difficult economic positions partly because of loans made by the Canadian banking system and partly because of conditions which have gone sour in many of those countries. And Canadians are losing their jobs, losing their businesses, in some cases losing their homes—and I speak of my own riding in that regard—by reason of loans being called and interest rates in the Canadian banking system going up.

May I be permitted, in passing, to point out that in Edmonton today we have, I am told, about 40 per cent unemployment in the construction industry. One of our malls put an advertisement in the paper for 200 summer jobs and 5,000 people showed up for those jobs, and they were summer jobs at that. Another story out of Edmonton yesterday suggests that university students lined up—slept through the night in some cases—for the few jobs available through the Hire-a-Student Program.

I come back to the fact, Mr. Speaker, that over the last five years the so-called developed world has done a great deal to hurt the undeveloped, less developed or the developing economies of the world. I would like to make some points in this regard by quoting from a very penetrating article written not too long ago by Ivan Illich entitled "Outwitting the 'Developed' Countries". He points out that by persuading or pushing on to the developing world modern solutions we have caused them all sorts of grief. He said, and I quote from the article:

> Rich nations now benevolently impose a straight jacket of traffic jams, hospital confinements, and classrooms on the poor nations, and by international agreement call this "development".... traffic jams develop in Sao Paolo, while almost a million northeastern Brazilians flee the drought by walking 500 miles. Latin American doctors get training at the New York Hospital for Special Surgery, which they apply to only a few, while amoebic dysentry remains endemic in slums where 90 per cent of the population live.
>
> Buses are alternatives to a multitude of private cars. Vehicles designed for slow transportation on rough terrain are alternatives to standard trucks. Safe water is an alternative to high-priced surgery. Medical workers are an alternative to doctors and nurses. Community food storage is an alternative to expensive kitchen equipment. Other alternatives could be discussed by the dozen.
>
> Why not, instead, make one or two months (of education) a year obligatory for all citizens (of Latin America) below the age of thirty? Money is now spent largely on children, but an adult can be taught to read in one tenth the time and for one tenth the cost it takes to teach a child ... not only can he (an adult) contribute to the education of his children, but to that of other adults as well.

Who here can disagree with the point which Mr. Illich, who is, I believe, a priest or a former priest, is making? The developed world, it seems to me, comes along with a Bill like this and says: "Look, developing world—we are so good to you we are going to extend the general preferential tariff on some of the items".

Let me list some of them. Just leafing through the Bill, Mr. Speaker, we are going to give them help on things like biscuits, not sweetened; biscuits, sweetened; orchids, sardines, shellfish, lobsters, caviar—I wonder about that. Then there is tobacco leaf, whisky, gin, rum, brandy, vodka and alcoholic perfumes, whatever they are. Do you drink them or put them on your arm? Vinegar, labels for cigar boxes, photographs, plans and drawings, music for mechanical piano players, matches of paper, shoe blacking, baths, toilet bowls, grindstones, logging cars, flooring tiles and woven fabrics, among others. We say we are going to continue a tariff preference on these items, but, by George, in the case of Canada's proposed trade aid fund we are going to make it absolutely certain that 80 per cent of what you need in your economy is going to come from Canadian producers, whether we have producers or not, it seems to me, in that particular field.

• (1710)

Essentially, Mr. Speaker, there is too much hypocrisy exhibited in Bills like this. I think it would be very helpful if all Members, especially a new government, were to look at some of the basic issues and deal with them rather than apply band-aids such as the one I am holding.

Mr. Blenkarn: Mr. Speaker, perhaps the Hon. Member will know that the general preferential tariff, which is essentially for under-developed or less developed nations, still applies to countries like Brazil and South Korea. Both of those countries have been exporting fairly technical manufactured goods to the rest of the world and both restrict Canadian imports. Both countries have used the general preferential tariff to enter the Canadian market in a predatory fashion.

Is it the view of the Hon. Member that they should continue to receive this foreign aid, so to speak? Or should they have applied to them the ordinary tariffs, the same as any other manufacturing country? Is it his view that the general preferential tariff should be extended so as to cover virtually every fly-speck on the map in the sense that a country which really needs help does not get any more help than we give the south Koreas or Brazils of the world?

Mr. Kilgour: Mr. Speaker, I am very hesitant to try to compare tariff knowledge with the Hon. Member from Mississauga South (Mr. Blenkarn). He is an expert on tariff matters. However, it seems to me that Brazil is still an undeveloped country that needs some help. Perhaps in his next question he could tell me what its average per capita income is. Obviously some people in Sao Paulo may be doing well but there are millions of Brazilians living outside of the major centres. If you could locate a plant in those areas, it seems to me they should then be entitled to export to Canada on a preferential tariff basis.

The Andean pact, which applies to Venezuela, for example, is proposing to reduce imports from countries like Canada over the next few years. Therefore, I wonder why Canada continues to buy about $1 billion worth of oil from Venezuela. I guess that has gone down in the last couple of years, but at the same time Venezuela is making it harder and harder through its membership in the Andean pact for Canadian oil processing and technical equipment to enter Venezuela. There is a whole range of goods, particularly in Alberta, that we would like to export to Venezuela but we are faced with the Andean pact tariff barrier. I guess that speaks to this question even if it does not answer it.

Mr. Blenkarn: Mr. Speaker, there is no question that the standard of living and the general wealth of the average person in Brazil is not that great. However, the Hon. Member will know from being in Brazil that a great deal of the population lives in more than ordinary affluence. Some industries, particularly the aircraft industry, are operated in such a fashion as to seriously impede through predatory pricing the sales of Canadian aircraft, particularly those of de Havilland.

Is it the view of the Hon. Member that we should continue to give countries like Brazil that advantage when they do not seem to concern themselves about predatory practices and taking advantage in the Canadian market? Should we perhaps not play a little tougher when we run into predatory practices of people masquerading as under-developed countries or less developed countries when the poverty in those countries is largely because they refuse to allow equal opportunities to their own citizens?

Mr. Kilgour: Mr. Speaker, so the record is clear, I have never been to Brazil. There was a suggestion in my colleague's question that I have been and it should not be allowed to stand on the record. If the Hon. Member is prepared to send me there at his expense, I will be happy to go.

Mr. Blenkarn: I thought with your foreign trade experience you would know about that.

Mr. Kilgour: The question of aircraft is a very interesting one because it is my understanding that this industry is the one example of a truly internationalized industry. The industry all over the world has decided that you can make the steering wheel in Brazil, the engine in Britain and the fuselage somewhere else. As I understand it, there are very limited tariffs applicable to aircraft parts around the world. There is also the argument that that is the way the auto industry may—I underline "may"—go in the future. If it does, then presumably an under-developed Third World country might be capable of making the seat covers for all the planes built in the world. South Korea might produce something else, and Brazil something else. Barbados, for example, may produce a third item. The question of the aircraft industry is a fascinating one and I hope the Hon. Member makes a speech so I can ask him about how he sees the future of the industry as perhaps applicable to other sectors as well.

Mr. Deputy Speaker: Order. In the opinion of the Chair, Hon. Members are straying somewhat from the general contents of the Bill. I invite them to stick with the subject matter.

Mr. Cooper: The Hon. Member for York-Peel (Mr. Stevens) talked earlier about some of the concerns he had about this particular Bill. Parliament, he said, may have a little trouble scrutinizing the direction in which the Government is going and the kind of things it is trying to accomplish. One of his suggestions was the concept of having a committee study this type of situation. Would the Hon. Member who just spoke have some thoughts about the kind of committee he would envisage? Would it be a standing committee or part of the External Affairs Committee? I would like him to expand on that because I know of his interest and work in this particular area.

● (1720)

Mr. Kilgour: Mr. Speaker, the question, which was not discussed before, gives me a chance to point out that I would like to see the committee consist of the Standing Committee on External Affairs and National Defence, because it may astound you, Mr. Speaker, to know that to the best of my knowledge that committee has not met formally on any matter other than estimates since June 9, 1983.

It is rather odd that members of all Parties want to get on that Committee yet the Committee, for all intents and purposes, never meets.

Mr. Roche: It does not do anything.

Mr. Kilgour: It does not do anything, as the Member for Edmonton South (Mr. Roche) says. As best as I can determine—I know that the Chairman of the Committee will be mad at me for this—the Chairman does not seem to be very interested in having it do anything and certainly the Minister is not interested in having it do anything.

Mr. Roche: Interested in cocktail parties.

Mr. Kilgour: The Minister or the Chairman?

Mr. Roche: The Chairman.

Mr. Kilgour: May it be very clear, Mr. Speaker, that that comment is coming from the Member for Edmonton South. It is a very important point that if there is to be a standing committee representing democracy in Canada in an important area like that, there are 100 things it should be doing, including the matter raised by the Member for Peace River (Mr. Cooper), rather than sitting, waiting and primarily having basically informal discussions with visiting people from around the world. While that may be interesting, there is much more the Committee should be doing, possibly including the matter referred to by the Member for Peace River.

Mr. Deputy Speaker: Debate.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, we have had some fascinating debates with regard to customs over the years. I have been participating in customs tariff debates since 1963. It is always a challenge to ask the Minister or Parliamentary Secretary concerned with the legislation to refer to the various schedules and numbers and read out what is in the customs tariff. They supposedly know their way around. I must confess that few, if any, have ever been able to do so and even fewer have ever expressed a desire to do so.

In these various schedules there are all of these numbers, columns and various exceptions included in it and finally at the bottom there is always the phrase for all the category items "not otherwise provided for". It becomes rather confusing.

Clearly there are some interesting provisions here. One needs only to look at Clause 1(3) to see that the Hon. Member for Edmonton-Strathcona (Mr. Kilgour) was right on with regard to the development of what could be called world industry. Even some of our Canadian firms, such as Massey-Ferguson, will put engines constructed in Italy by Fiat or by other firms from Scotland into their tractors or combines. Of course, automobiles are made from an amalgamation of goods from many places. Let us not forget about TV sets and video component assemblies. Some stage of their manufacture perhaps will take place in Taiwan and then come to the United States or even Canada, notwithstanding the purists in the Department of External Affairs, because Canada does have some commercial relations with Taiwan. There are other examples.

It is only fair that a finished article being imported into the country should have a level of duty for Canadian purposes determined by the value of the goods in the country in which the components were made. Otherwise, the process becomes totally inaccurate.

Let me give an example of when I believe I beat the Department. I was sent some cigars from the Philippines in a very heavy wooden box. In fact, the box weighed far more than the cigars. The clerk placed this on the scale and wrote the figure based on the duty on tobacco. There was not only the tobacco duty but sales tax as well. The box itself was not taken into account. I had a final assessment of approximately $25, I believe, which I thought was rather excessive. I believe $17 was returned to me. I inquired about the box and the wrappings for which they were charging me. While I did not object to the assessment of the cigars, the carved wooden box was another matter. Frankly, at the time I received a wooden cigar box for free as far as duty was concerned. I did not say anything because it would have confused them. They would not have been able to figure it out, other than by charging me the total price for cigars.

I believe we should get more explanation from the Minister or the Parliamentary Secretary with respect to Clause 10 since it is retroactive to April 20, 1983. While undoubtedly there are very good reasons for putting this clause forward, it is incumbent upon the Minister to come forward and say precisely what this effect will have. Does it mean that duties which were formerly leviable against certain commodities are now being moved back and the retroactive date will be April 20? Certainly one would hope that there will not be the imposition of additional duties dating back from April 20, 1983, and that this Bill will be the authority for having levied those additional duties.

I think the House will agree completely that with respect to the special tariff that is levied under the general preferential tariff for Third World countries, one would like to see what effect it has had now that it has been in place for approximately ten years. While it is proposed to extend it for another ten years, has it really met the stated objectives at the time of its introduction? As I recall, it was introduced by the Finance Minister of the day, John Turner. He introduced that measure with a view to giving a particular break to Third World countries in so far as our tariff schedules were concerned. But has it worked? Has there been an improvement in trade from those countries to Canada? If not, it is useless.

I would hope that the Minister can come forward with some figures which will show that while not all Third World countries have benefited, a number of them have benefited from the lowering of duties under this particular preferential tariff.

● (1730)

There are always humorous things in the customs tariff. I came across some right in the very early pages. Let us look at page 4, Clause 8. It reads:

The French version of Schedule A to the said Act is further amended by adding immediately after the reference to "à ciel ouvert"—

In other words, "open sky", which is the term to be used. The clause continues:

—in tariff item 49217-1, a reference to—

The English would be "and their pieces". This is going to make a fascinating examination. I am sorry I have not had time to do so. But what on earth are they talking about in Clause 8 when they talk about "open sky"? Then we have this number 49217. I suppose one could have a quick look to see if 49217 is mentioned at all.

Mr. Munro (Esquimalt-Saanich): It isn't.

Mr. Lambert: That is all right, then. It does not have to be. It can be in the tariff. I will have a look at my copy. But then Clause 9 reads:

Schedule C to the said Act is amended by repealing paragraph (2) of item 99214-1—

And then we wonder. It continues in (2):

Any bird of the Starling family (Sturnidae) except the European Starling (Sturnus vulgaris)—

And then what is added? It continues:

—and the Chinese Talking Mynah or Hill Mynah (Gracula religiosa);

This is also fascinating insofar as these particular ones are concerned.

Then we can look over the various items under Schedule 1 which are being changed. We get the distinction between non-sweetened biscuits and sweetened biscuits, orchids, sardines, sprats or pilchards when they weigh so much. Then we have shellfish, lobster, and caviar. I want to draw this to the particular attention of the Chair because there is a very serious distinction between the Excise Act and the Excise Tax Act. Here on page 6 of Schedule 1 we find tobacco unmanufactured, for excise purposes under conditions of the Excise Act where there is a duty payable and not a tax.

Here we have "not otherwise provided for—unstemmed tobacco when imported by cigar manufacturers. Then we find stemmed when imported by cigar manufacturers for use in cigars. Then we find whiskey, gin and rum. All of these are being incidentally extended for the general preferential tariff. I suppose that means that certain ministers of the provinces will go running down to the Caribbean countries at the time of the CPA annual meetings and negotiate the best deal they can get for their various liquor commissions for liquors particularly exported from the Caribbean countries. There is a good deal, I must say, about liquor in this Bill, Mr. Speaker.

Then we move from liquor to vinegar. However, as I said, one could have a much more detailed examination of all these changes if one had the total schedule of the Customs Tariff before one. They have a very serious effect in various parts of the country. It is not known what the effect would be of really moving to free trade with either the world or the United States or to counter the Common Market.

I remember attending a conference some years ago in New York with regard to the establishment of a Japanese-North American trading bloc to counter the Common Market. There were a lot of fine theories put forward at that time, but we note that nothing has been done, and I have not heard anything more in at least 15 years about this type of, shall we say, setting up a counter trading bloc with the European Common Market.

Our Customs Tariff has been the subject of some very severe criticisms in the past. In my experience here in this House we have gone through both the Kennedy round and the Tokyo round which, in effect, is something like 18 to 20 years of experience in dealing with the reclassifications under the Canadian Customs Tariff. I understand that there is another Bill as well having to do with the Anti-Dumping Tribunal. I think if my memory serves me correctly that Bill will do something with regard to classifications of items in order that there is a uniformity of definition or description and one does not discriminate against any particular country in invoking anti-dumping provisions.

With regard to our own Customs Tariff, we have seen a lot of reduction. The one thing I do not like is not so much what is in the Customs Tariff Act as content but behaviour under the Customs Act. We have had action taken by the administration at the present time with regard to textiles, finished textiles, high quality ones, where there were slowdowns at the ports of entry and now we are having some difficulty. I had a call from a number of importers or dealers in computer parts which had to be sent back to the United States where they are manufactured. They had to be sent back for repair and then re-entered.

Unfortunately there are times when the staffs at certain of the airports, the customs officers, are absolutely swamped. They get a sort of annual average establishment. Unfortunately there are periods when there is an awful lot of traffic. Notwithstanding the fact that certain limited local additions may be made, the customers are kept waiting. There was an occasion last week where if a representative of a firm had not gone out to the airport and pounded on the counter to get, shall we say, earlier service than that company would have had, and then taken the part the representative obtained and gone helter-skelter to Calgary by car, the company would have lost the account because competition is very tight. Unless people are able to deliver a service, the account is lost.

• (1740)

Sometimes this is not appreciated in the service departments of government like customs where, frankly, customers are told; "We have handled so much today that we are not handling any more". It was not closing time but they had been under the gun all day. Local superintendents have advised me that they are looking into this matter and will take the necessary action under the Customs Act. But we could take a long time to study the customs tariff. Many more Members of the House could take an interest in it in order to understand the effect of certain proposals. This is the one Bill which is the least understood of all legislation. It is fed down the pipe and people simply say: "Let it go on the nod". That should not be. Such is the nature of the Customs Tariff Bill that it is difficult to understand and few people pay attention to it, yet they are very seriously affected by it from time to time.

I hope the Bill will go through Committee of the Whole and ultimately receive passage. I understand that certain features

of it are needed and overdue in the Department of National Revenue on the customs side. However, the fault for that lies with the Government in waiting so long to bring forward the Bill for discussion in the House. Then the Minister arrives and says: "Rush, rush, rush; we need it". That is hypocrisy and bad management in the House.

I am taking my time to say these things because they have to be said. I refuse to be stampeded by being told that the Department needs this Bill now or needed it yesterday. It should have been brought forward a month ago.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: Questions or comments? On debate, the Hon. Member for Halifax West (Mr. Crosby).

Mr. Howard Crosby (Halifax West): Mr. Speaker, second reading of Bill C-7, an Act to amend the Customs Tariff, provides an opportunity to discuss two subjects of major importance to Canada. First and foremost, the Bill involves in an indirect way international trade and, second, it involves in a very direct way Revenue Canada, both in its administration and in relation to the laws it administers.

Let me begin by reviewing those two main features of Bill C-7. The Bill provides special tariff considerations for goods produced in so-called developing countries, otherwise known as the Third World. Of course, these are goods which are not available in Canada that we can allow to be imported without affecting similar goods processed within Canada. There is no exact similarity in the kinds of goods which will be permitted to be imported from Third World nations.

This legislative initiative through customs tariff arrangements allows us to consider the whole aspect of international trade, its effect on the Canadian economy and on Canadian people. Also we have to deal with Revenue Canada, both in its administration of the laws and with respect to the laws themselves. Bill C-7 changes the dollar values applicable to goods brought into Canada by residents of Canada who are returning from foreign travel. These changes in the dollar values of goods imported in this way are very substantially increased. As I understand it, for long term periods outside Canada, seven days or more, a Canadian resident can bring back $300 worth of goods. That is an increase of $150 over the previous dollar standards. The same applies in terms of the percentage increase for goods which can be returned to Canada after a shorter stay, that is, an increase of $50 to $100.

For some people who travel abroad and return to Canada with goods, this is a very substantial increase. I know from personal experience that some Canadian residents in their foreign travel would take that as immediate legislative authority to double the amount of goods they bring into Canada on their return. In some cases that is very substantial. I know people who upon returning from shopping trips in the United States bring back a large amount of goods and claim a value of $150. In some cases they require a truck when they return because they take that legislative, mandated increase as authority to double their purchases and in that way increase the amounts of goods and services they bring back to Canada.

I have never known Canadians to overestimate the value of goods which they brought back to Canada. That is to say, I have never known them to say that the goods they brought back were substantially more in terms of dollar value than the restrictions allowed. I say that only partly with tongue in cheek because I do not know how Revenue Canada would ever be able to ascertain the total dollar amounts involved in a change such as this.

I want to speak about this more directly with respect to the administration of the revenue laws by Revenue Canada, because it is in an area where a great deal of judgment must be exercised by the administrators of the law. I do not suppose there is a customs officer on any border point in Canada who does not see time and time again Canadians returning with goods which they must suspect are greatly in excess of the dollar values permitted. However, what action should they take? Should they bother in every case that they encounter to demand proof of the value of the goods or otherwise attempt to assess the value by some objective standard?

The point I want to make and underline is: Is this another case in which the government through the legislative process will create a situation that will result in difficulties for Canadian citizens? In other words, is the Government inviting Canadians to bring back more and more goods from foreign travel and then find when they arrive at the border point that they have to submit themselves to a rigorous examination process which will possibly result in violations of laws of Canada, in prosecutions, in other enforcement actions or in imposition of sanctions in respect of those laws?

To put it bluntly, is this a case in which Canadian citizens will be lulled into thinking that the Government of Canada does not really care that much about the dollar value of the goods they bring back to Canada and, having given Canadians that impression, it then imposes with great force the full burden of the law? I would like to know the answer to that question. I hope in any final disposition of the Bill that the Minister of National Revenue (Mr. Bussières) will make very clear the exact instructions which will be issued to customs officers with respect to the enforcement of these new dollar values.

I should explain quickly that Revenue Canada, as it is commonly known, is actually the Department of National Revenue with two specific divisions, as I understand it—first, Customs and Excise and, second, Taxation. We in the House of Commons know all about the activities of Revenue Canada in its Taxation division. We know all about the harsh administration of tax laws. We know all about the quota systems imposed by senior officers in Revenue Canada, Taxation. But we know very little about Revenue Canada on the customs and excise side. I can state from my experience that customs officers can be equally difficult and present similar difficulties to Canadian residents as the officers of Revenue Canada, Taxation.

• (1750)

I do not underestimate the importance of the duties performed by the officers of Revenue Canada, either on the customs and excise side or on the taxation side. The statistics I have from the Department of National Revenue report from 1983 indicate that the Taxation division of Revenue Canada produced revenues of $56.9 billion, a very substantial portion of the total revenue of Canada. As I understand the statistics, the customs and excise side produced $3.2 billion in revenue. That is revenue from a variety of taxes including import duties, sales tax, excise tax and other excise taxes and duties. I suppose added to that are what are called sundry collections. That division of the Department of National Revenue, that is, Customs and Excise, has a wide variety of laws to administer.

As Members of Parliament and representatives of the people, our duty is to ensure two things: first, that the laws enacted by Parliament are fair in their application to the people subject to them; second, that the public administration of the laws, in this case by the Customs and Excise division of Revenue Canada, is fair. One is justified in addressing both of those points in the context of Bill C-7 because we now have reason to believe, as a result of our experience with Revenue Canada on the taxation side, that the administration of the laws may be questionable.

Those are the two points I want to make with respect to the provisions of Bill C-7 that relate to the importation of goods by Canadian travellers, namely that the written law be clear and that the administration of the law be fair to Canadians.

That brings me to this point. What we have done in Bill C-7 is double the value of goods that can be brought into Canada by travellers from abroad, as I have said several times. However, all of us in this Chamber know that Canadians are in the habit of giving a liberal interpretation to that designation of dollar value. Without naming names, I suspect there are many Canadians who bring back literally hundreds of dollars worth of goods into Canada, the value of which cannot be easily determined. I suspect in the normal course of things that some Canadians will interpret this change in the law as a permit to double the amount of goods they bring back.

I would like to know from the Minister of National Revenue how the officers will interpret these new dollar limitations. Will this be enforced more strictly than in the past or will they recognize that what the Parliament of Canada has authorized in Bill C-7 is an increase of 100 per cent of what has gone on in the past? In other words, Canadians who brought in a certain amount of goods and material on return to Canada may now feel free to double the quantity of goods and materials they are in the habit of bringing back to Canada. Will they now be faced with strict enforcement and will that result in the imposition of sanctions and penalties which are included in the law?

The reason I am so concerned about that is that there seems to be a tendency among law enforcers, whether they are involved in revenue or penal laws, including criminal laws, to demand stricter enforcement. Stricter enforcement of the law seems to be the order of the day. I want to say something very generally about strict enforcement of the laws. I am appalled by the situation that we often find ourselves in where relatively innocent citizens, those who contribute to the economy, work on a day-to-day basis, and so on, are called to task for minor infractions such as failing to file an income tax return on time or some other minor infraction of income tax law, some minor infraction of the traffic laws or laws that relate to hunting regulations and that sort of thing. More citizens are brought before the courts of Canada for those kinds of infractions than on serious criminal charges.

If we want to stamp out illegal activity in Canada and want to use the resources of government to do that, let us stamp out rape, murder, robbery and housebreaks. Never mind stamping out the minor infractions of Canadian citizens which they commit inadvertently or without any guilty intent, such as exceeding the values that relate to goods they bring into Canada on return from travel abroad.

I am told there are certain advantages to increasing the amounts that apply to goods brought into Canada by Canadians returning from foreign travel. Certainly the inflation we have experienced in the past decade justifies a substantial increase in its own right. It is my sincere hope that this will not result in a substantial change in the manner in which these laws are enforced, or it will end up to the detriment of those we are trying to benefit, our fellow Canadians.

We have reason not to trust the administration of Revenue Canada with respect to this kind of change in the law. Let me say very quickly that I have great confidence in the public servants of Canada, particularly those in the service of the Department of National Revenue. However, like any employees, they require clear direction. Employees require a code and management direction that makes it very clear what their responsibilities are and how they are to administer the laws which they are charged with.

I want to take this opportunity to say to the Minister of National Revenue and those who serve directly under him that they should make certain in the administration of this new law that instructions are given that will be consistent with the intent of this law, which is to benefit Canadians returning from foreign travel. Keep that in mind and make it the guide. This is a law to benefit Canadians, not a law to change the administration of our revenue laws.

I mentioned international trade. As I said, that subject is implicit in the provisions of Bill C-7 that relate to importation of goods from the Third World.

I see the clock is approaching six. I will take the remaining minute to underline the importance of international trade to Canada. We have had a dramatic increase in our trading capacity over the past decade. I understand that at present our international trade amounts to approximately 30 per cent of our Gross National Product. The 1982 figure for our international trade is $84.6 billion. It becomes immediately evident that that is a very substantial sum of money when you consider that the total amount spent by Canada as a nation on government business is $100 billion. I see the clock is approaching six.

Mr. Deputy Speaker: Order. It being six o'clock p.m., this House stands adjourned until 11 a.m. tomorrow morning.

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

HOUSE OF COMMONS

Thursday, May 3, 1984

The House met at 11 a.m.

• (1105)

[*English*]

OFFICIAL REPORT

Mr. Douglas Roche (Edmonton South): Mr. Speaker, I wish to withdraw a comment which appears on page 3347 of *Hansard* concerning the Chairman of the Standing Committee on External Affairs and National Defence. That comment was a private jest and not meant to be taken seriously. However, in the cold light of print it assumes a character that is untrue and unwarranted, and I apologize to the Chairman.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—FINANCIAL ASSISTANCE FOR FARMERS

Mr. Stan J. Hovdebo (Prince Albert) moved:

That this House recognizes the tremendous financial difficulty that farmers have been placed under and therefore recommends that the government immediately consider injection of much needed cash into farming through:

(1) the immediate payout of a substantial initial payment from the Western Grain Stabilization Fund in order to assist with seeding costs;

(2) the repeal of all sales taxes, well-head taxes and other taxes being charged to fuels used for farming and fishing; and

(3) an immediate interest rate reduction on Farm Credit Corporation loans so that viable refinancing of farms can take place.

He said: Mr. Speaker, the situation for farmers in Canada is so critical that my Party has decided to take the time of Parliament once again to try to convince the Government that it should take some action in the farming area. This is the third day that we have debated agricultural issues in the last month or so. We hope in the process of repeating that possibly the Government might learn something. We hope that government members are not the slow learners they appear to be.

The motion before the House is an attempt to point out to the Government that it has some responsibilities and that there are some areas to which it can react and act very quickly. The three points that we chose as possible methods of injecting funds into farming are as follows. First is the one about which we have been talking for the last year or so, the triggering of the Western Grain Stabilization Fund. The second is a rebate or repeal of the taxes on farm fuel. The third is a reduction in the interest rates of the Farm Credit Corporation which would help some farmers who happen to fall into that particular category.

There are many other ways in which the Government could inject cash into the farm economy. However, what we have chosen to emphasize are only three ways in which the Liberal Government could act now and immediately inject funds into the agricultural industry and therefore have some immediate benefit. The Government could proceed with these changes this week or next week. Although for many farmers it would be too little and too late, it would provide relief for some.

• (1110)

I want to quote from the Catholic Bishops *Ethical Reflections on the Economic Crisis*. This paper was reinforced by the Bishops recently in a statement to the Macdonald Commission. It reads as follows:

—we firmly believe that first priority must be given to the real victims of the current recession, namely—the unemployed, the welfare poor, the working poor—pensioners, native peoples, women, young people—and small farmers, fishermen, some factory workers, and some small businessmen and women. This option calls for economic policies which realize that the needs of the poor have priority over the wants of the rich; that the rights of the workers are more important than the maximization of profits; that the participation of marginalized groups takes precedence over the preservation of a system which excludes them.

It is difficult to believe that I am making that quotation refer to the prairie farmers and other Canadian farmers. Farming is the number one industry in Canada. This Government has allowed it to slip to the point where many farmers are disappearing from farming entirely. They are on the poor end of the economy.

Recognizing the farmers as a marginal group is a real shock to those of us who grew up close to the farming industry. We have to credit this to the unconcern of this Government and its lack of understanding of the farming industry. It is not only the grain producers but farmers all across Canada who feel this neglect by the Government.

The Minister of Agriculture (Mr. Whelan) will probably stand in his place and tell us that the Canadian farmer is better off than farmers anywhere else in the world. That may be so, but he will be misrepresenting the situation on the farm these days for many farmers. In 1979 there were 124 farm bankruptcies in Canada. In 1983 this had increased to 488 bankruptcies, an increase of over 250 per cent. Comparing January and February of 1984 with January and February of 1983, there was a 63 per cent increase across this country. In the west there was more than a 100 per cent increase in bankruptcies.

Anyone who knows the farm situation recognizes that bankruptcies are only the tip of the iceberg. The Canadian Federa-

tion of Agriculture states that for every farmer who goes bankrupt, there are 10 in trouble or who will pack their bags and leave the farm. During the last five years, close to 20,000 farms have disappeared. I challenge the Minister of Agriculture to state that that is good for agriculture and good for Canada.

• (1115)

This motion contains some very simple proposals which can be put into effect immediately. First, it proposes an insured pay-out from the Western Grain Stabilization Fund. It proposes that the Government make that pay-out now and not at election time. I know the Minister will tell us that that cannot be done, but where there is a will there is a way. As was suggested by the Hon. Member for Kindersley-Lloydminster (Mr. McKnight) yesterday, the Minister could make an interim payment. We are told that that has been done before.

The Minister could put the enabling legislation before the House. In the last two years since we have known that the triggering system did not work very well, the Minister has had enough time to do so. He could put the enabling legislation before the House now and have it passed as quickly as possible. If he would propose a Bill which would be honest, above-board and do what it is supposed to do, it would have our support. However, we will not buy a pig in a poke. Such a Bill could contain a triggering system which would be retroactive to the last calendar year and the initial payments could then be made for the 1983 calendar year, with a final payment if necessary at the end of this crop year.

Let us not allow the Minister or the Government to use such a Bill as a lever to get less palatable Bills through the House simply because opposition members want the Bill passed quickly and are more concerned about farmers than the Government. Let us not hear government members say: "We will pass this Bill if you will pass some of the others". These kinds of shenanigans are evidence of the low priority the Government gives to farmers' problems. After having witnessed the promising Liberal leadership contenders invade Saskatchewan last week, such shenanigans would show a great deal of contempt for Saskatchewan.

The Minister has made a great to-do about where the money for these projected pay-outs would come from. The last pay-out from the Western Grain Stabilization Fund was made in 1978. Since that time farmers have put $300 million into the fund. The Government has committed $600 million to the fund but it has never had to find that money. Not one cent of the payment which the Government is now suggesting would come directly from the Government. In the accounts of Canada I cannot find anywhere an item indicating that the Government has actually paid that money into the account. The Government has made paper transactions by theoretically putting money into a trust fund and then borrowing it back. The Government has never had to pay any money out and it would not have to pay any money out if it made a payment right now. Unfortunately, even if farmers were to receive a payment from the Western Grain Stabilization Fund, it would be too little, too late for many beginning farmers.

The second proposal contained in our motion is the repeal of taxes on farm fuels. Farmers will spend approximately $1.5 million on farm fuel this year and because of the recent increases it may be considerably more than that. That figure does not include the energy that is used to produce fertilizer, another large portion of the costs of farming these days. Of the cost of farming, upward of 20 per cent is made up of taxes which are put in place by the federal Government. If the Government had a great desire to help farmers, it would do something immediately for the primary producers like farmers or fishermen. However, in this particular motion we are more interested in the farmers. The Government could reduce by 32 cents per gallon—approximately 7 cents per litre—the cost of fuel. That would be a reduction in fuel costs of approximately 20 per cent. Farmers who use a considerable amount of fuel would be helped by $1,000, or more in their costs. For every thousand gallons of fuel that farmers bought, they would save $300. That is a sizeable injection of cash into the farming industry.

• (1120)

The third area of concern that is brought forward in the motion is the matter of the interest rates of the Farm Credit Corporation. This would help a few farmers who have Farm Credit Corporation loans, but the problem is much greater than those loans. For example, just last week *The Leader-Post* of Regina carried a quotation from the Royal Bank of Canada. It reads:

> The Royal Bank, one among many, told 84 Saskatchewan farmers last fall that they should get out of business.
>
> "The year before, we didn't tell anyone they should sell out," . . . "But it's just not worth it for some of them to put another crop in the ground. The problem is definitely getting larger."

That statement was made by the Royal Bank of Canada. It told farmers: "Quit, before you get too deep into trouble". The quality of farming does not count any more. The best farmers in the area are finding themselves going under because of interest rates. The Farm Credit Corporation could relieve a few of them.

Presently, with capitalization of approximately $132 billion, farmers owe over $20 billion. These are 1982 statistics. That is approximately 15 per cent. That does not sound too bad, but there is a catch because the interest rates are killing the farmers who are trying to start a farming operation. For instance, if a farmer had a $1 million investment in a farm—which these days on the Prairies is a fairly modest farm; a couple of sections of land—and borrowed money at a modest rate of 10 per cent, he would be paying $100,000 interest. In an average year that farmer would be very lucky to make a profit of $80,000 from those two sections of land. If there were no other costs involved, he might be able to meet the interest payments. The only farmers who are able to survive under those circumstances are the farmers who have already capitalized and do not have to depend on the production of their land to keep them going.

Considering all farmers—those who have paid for their land and those who have not paid for their land—of every $2 that they take in income, they pay $1 to the banks and the Farm Credit Corporation for the financing of their operation. What we are recommending is a small relief for that particular problem. We must put the credit on a realistic basis for farmers. We could be very nostalgic about this. A realistic basis for farm credit is approximately 5 per cent. In the days when farmers were able to borrow at 5 per cent, they could make a go of it. As well, the profit margin was greater then. We must put before the agricultural industry some kind of a credit operation which will allow it to farm and continue farming and to finance farming from within the agricultural industry.

• (1125)

In my last few comments I want to put before the House a kind of comprehensive plan for agriculture. In simple terms, which the Government might possibly recognize and understand, we could establish some kind of income stabilization plan which would recognize all of the problems of high input, high taxes, lower returns, high cost of credit and high cost of transportation. Recognizing all of these costs, we could put before the farmers some kind of income stabilization plan so that in the years when things are tough they can survive and in the years they do well, they will possibly make a profit.

If we do that, not necessarily at a rich level but at a secure level, taking into consideration all the factors of production, we can then provide something for the farmers which would keep them going in tough times. I know that some of our friends from the Conservative Party and the Liberal Party may not value the industry enough to try to control the markets in such a way that we are able to do this, but let me say that if the Government cannot bring itself to put forward an income security plan for the farmers, taking into account all these considerations, then we are going to have to do it on a piecemeal basis. And that is really what we are suggesting today.

However, in the long run we really have to go beyond the three suggestions in our motion. Besides providing adequate credit, we must protect the farmers from bankruptcies during the periods they are affected by weather and low prices. We must provide a tax system which would allow a farmer to get started. Right now, it is very difficult for a new farmer to get started because the moment he starts making a little profit in a good year, he loses it to taxation.

We must establish national marketing agencies which take the speculation and unfairness out of production of some of the crops. We must establish stabilization plans for as many of the products as possible. We must provide low transportation costs and costs of fuel at a level which has some relationship to the price farmers will get for their crops. What we need, Mr. Speaker, is a holistic approach to agricultural problems so that farmers can survive.

Mr. Deputy Speaker: Order. A question period is now provided for. Are there any questions or comments?

Mr. Hargrave: Mr. Speaker, I would like to make a brief comment directed to the previous speaker, the Hon. Member for Prince Albert (Mr. Hovdebo). I begin by saying I know from previous experience that the Hon. Member's remarks are always well prepared and given very seriously. This was no exception. However, I was attracted to his closing remarks when he used the phrase "an income security plan", and I would like to ask him if he would mind giving us a little more detail. For example, is it a form of stabilization? Is it a plan which the Hon. Member envisages would be based on costs of production for a wide variety of agricultural commodities? Or does he envisage a plan which is more or less on the traditional stop-loss concept based entirely on the market price situation? I feel it would be useful if we had a little more detail.

• (1130)

Mr. Hovdebo: I see an income stabilization or security plan as one which possibly allows us to dismantle the model situation we presently have which assists the farmer when his apples freeze, but not when he gets hailed out. That is covered by insurance. Right now we have a series of hit and miss stabilization plans, insurance plans and income security plans. Instead of taking each of the crops separately and saying that when you do not make it in this particular crop, your income from your operation, to stay alive, should be within a certain area, I would like to see a method whereby the moment you start hitting that area there is a place where you can go. Perhaps it has to be an insurance plan where you pay in some years and receive in others, such as with the Western Grain Stabilization Plan. Mainly, however, I think we want to put before the farmer some kind of security so that he knows that even when things are bad he is at least going to cover his expenses.

I know there is a problem. U.S. farmers, for example, said, when we were talking about a stable price for grain, well, if we gave $5 a bushel for wheat right across the board they would be ploughing the raspberries under and seeding wheat because there would be some security there. Basing it on price has some dangers. I know from experience that basing it on anything which does not fluctuate to some extent relative to production has some dangers. It is a very complex situation but I think it should be tackled; otherwise we are going to keep on losing farmers at the same rate.

Mr. Mayer: Mr. Speaker, the second part of the Hon. Member's motion refers to:

(2) the repeal of all sales taxes, well-head taxes and other taxes being charged to fuels used for farming and fishing;

I would like to know how many cents per gallon the Hon. Member is talking about there. I would like to know if they have done any research on what the figure is because I have written letters to the Minister of Energy, Mines and Resources (Mr. Chrétien), the Minister of Agriculture (Mr. Whelan) and the Minister of National Revenue (Mr. Bussières), as well as trying to do some compilations ourselves, and there does not seem to be any hard and fast figure as to how much tax is

actually collected. Can the Hon. Member supply us with any information he might have?

Mr. Hovdebo: I do not have the figures with me but our understanding is that the total amount collected is something less than $250 million.

Mr. Mayer: For farmers and fishermen?

Mr. Hovdebo: No, just farmers. For primary industries, I guess we were looking at when we were doing it. Our Party in Saskatchewan did a compilation and came up with seven cents a litre in provincial and federal taxes which could be removed without affecting the amount received by the oil companies. That comes to 32 cents a gallon. Whether you can take it all from the federal level or not is difficult to figure out because some of it is very indirect. Increases in the well-head tax are not always directly attributable to the cost of fuel. But our understanding is that it could be seven cents a litre.

Mr. Taylor: Mr. Speaker, I would like to make a comment and ask the Member a question. I received a letter today from a farmer who felt he just could not make it, so he called an auction sale. He thought he could get enough to satisfy the banks. When the bids came in he got a $3,000 offer for a $50,000 tractor and a $500 offer for a machine worth $75,000. He saw that he was not going to be satisfied that way and had to call off the sale. What he is going to do is sell some of his land from a two-section farm sufficient to satisfy the banks. The farmers are in dire straits and they are now having difficulty keeping their land. Two sections is not very much, and when they have to start selling part of that to satisfy the banks, where are they going to be a year from now? I would like to have the Hon. Member's comments.

Mr. Hovdebo: I know exactly what the Hon. Member is talking about. The moment they sell that land they reduce their productive base and are less able to pay interest on what they have left. They usually do not reduce their debt, just the interest. Right now in the *Western Producer* there are ten columns of ads for land for sale, which is about three times as much as there usually is. In my area around Nipawin, Tisdale and Melfort there were over 200 quarters of land available for rent or sale. Farmers are trying to get out now before they have to spend the money to put another crop in the ground. They are farmers, they cannot see the land sit there without producing so they are going to borrow money and put the crop in the ground, but they would rather have someone else do it if possible because they know they are not going to make it. For every farmer who goes bankrupt there are ten who pack up and leave or sell out.

Mr. Ferguson: Mr. Speaker, just by way of a comment, there are two federal taxes on vehicle fuels. The first is the 9 per cent tax which works out to roughly three cents a litre, and then there is the excise tax of 1.5 cents a litre. That is refundable upon application to farmers, fishermen and commercial users. I wanted to put that into perspective in case anyone thought that the total federal tax was of the amount stated, seven cents or eight cents per litre.

Mr. Hovdebo: There is a variation between the amount of tax on fuels in the various provinces. The total amount which could be removed in Saskatchewan is seven cents and that is the basis on which I made my comments. I am not that familiar with the taxes and I must agree with the Hon. Member for Portage-Marquette (Mr. Mayer) when he says it is pretty hard to figure out exactly how the well-head tax collected by the federal Government, which the Hon. Member did not mention, really increases the cost of fuel as well. It is a tax regardless of whether you call it a royalty or not.

Mr. Deputy Speaker: Order. Resuming debate.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker—

Mr. Hnatyshyn: Where is the beef?

Mr. Whelan: Mr. Speaker, the Hon. Member wonders where the beef is. I know where the baloney is.

Some Hon. Members: Oh, oh!

Mr. Whelan: I want to say to the Hon. Member who moved the motion today that I visited his area on Sunday evening last and I am fully aware that there are farmers in difficulty. I met about 400 of those farmers in a place called Hudson Bay, a small and fairly nice community of about 2,200. Some of those farmers have not had a crop in three years and they are in a very difficult position, not so much because of what the Government did but because of the weather. Certainly we in the Government have a lot of authority but not enough authority to direct what kind of weather farmers should or should not have. I am sure the Hon. Member is aware of that. He comes across as if it were the Government's fault.

• (1140)

He also talks about the loss of income. World prices of grain have gone down as much as $48 a tonne in less than six months. Is that because of something the Government of Canada did? Our system of supplying the world market with grain through the Canadian Wheat Board is probably one of the most efficient in the world. I am sure the Hon. Member approves of that system. He did not say that, but I have heard him talk about if before. I know his Party stands on that.

He also did not say that there are quite a few farmers in different parts of Canada who do not fit into the bracket he is talking about. Very few of the farmers who have organized themselves into a marketing system and are efficient producers are in economic trouble, unless they did something way outside of normal procedure and good farm management. About 50 per cent of our farmers are still in very good shape in Canada. These are farmers who perhaps did not expand. They are farmers in the kind of productive entities which I mentioned earlier.

The Hon. Member quoted the Catholic Bishops. I would like to quote a priest, Reverend Paul Mooney, who was raised on a farm in Essex County and now lives in Zurich, Ontario where he has a parish. He is quoted in the London *Free Press* as saying:

> Many farmers have gone broke in the last few years. Many got big because the government and banks told them to get big, then everything went haywire. There's been a tremendous human cost in stress and even suicides.

The article goes on:

> The greatest enemy is the farmer himself... he's a rugged individualist, Mooney says, not mincing words. I'd hoped the recession had maybe gone deeper so it would get them on their knees and they would do something.

When things are going great farmers are rabid capitalists and free enterprisers for that system. However, when things go bad, even Conservative Members of the House of Commons want the Government to step in and become involved in the free market system. They condemn Crown corporations, but today they are asking us to get more involved in the lending system with the Farm Credit Corporation because the banks refuse to do this for people.

I am pleased that the Members opposite have given us the opportunity to debate this important subject. I am glad that they share my concern for farmers and my enthusiasm about the potential for the industry as well. The motion asks that the House recognize the tremendous financial difficulty that farmers have been placed under. That is something which Members on this side of the House have recognized for a long time, Mr. Speaker. We have gone beyond recognition to action. We have undertaken a whole series of initiatives to help farmers deal with the pressures of a difficult economic time.

I can list a host of programs which the Government has initiated. It has initiated advance payments for stored crops, stabilization plans, support for fruit and vegetable storage construction, shared cost programs with the provinces for agricultural development, special interest rates for farmers in financial difficulty, and enabling legislation for national marketing programs. The list goes on and on, Mr. Speaker. Hon. Members talk as though the Government had done nothing.

The Hon. Member who tabled this motion comes from the Province of Saskatchewan where agriculture is the basic and most important industry. What have their previous NDP and present Conservative Governments done with agriculture? They have done very little compared with what the federal Government does. In Saskatchewan the federal Government spends practically double what either the previous or present governments have. We also provide the benefit of the Farm Credit Corporation and advance interest-free loans on crops. The total involvement of the federal Government in Saskatchewan is nearly $500 million a year, whereas the province contributes less than $100 million a year.

The Hudson Bay district is called a disaster area. However, the Premier of Saskatchewan has never officially written a letter to me, to the Prime Minister (Mr. Trudeau) or anyone else saying that it is a disaster area and they would like the Government to participate in the program. They have told me they are going to put money in their budget for this and want the federal Government to participate. I told them we would listen to their representation as soon as it was made. However, up until yesterday we had not received such a letter. The Government of Saskatchewan brought its budget in several weeks ago and has never made that official request. That government allocated $4 million in its budget and suggested the federal Government match that. However, that request has never been officially made in writing although the Minister of Agriculture and Premier of Saskatchewan know the proper procedures.

The motion mentions three specific things and I will try to deal with them in order. The suggestion that the federal Government issue an interim payment from the Western Grain Stabilization Fund is very tempting, Mr. Speaker, to say the least. There is no doubt that many western grain farmers are experiencing financial difficulty. That is why we have taken the initiative to amend the Act so that the payments will be based on a crop year rather than a calendar year and that the triggering mechanism will be changed to take into account per unit cash flow as well as total income.

As I said in Winnipeg last week, the Western Grain Stabilization Act is the main federal program protecting incomes of prairie grain farmers. It is a voluntary Act, Mr. Speaker. Farmers may join it if they want to. About 75 per cent of the grain farmers joined it and 25 per cent have not seen fit to join. Through that program the federal Government contributes $2 for every $1 contributed by the farmers. We administer the Act and pay interest on the total accumulation of funds every year.

Mr. Mayer: It is like a black hole. All the money goes in and nothing comes out.

Mr. Whelan: The basic concept of the program is very sound, but we need to change the pay-out mechanism to provide a more stable level of support, especially during prolonged periods of depressed world prices and markets. World prices and world markets have a greater effect on farmers' incomes than anything else, and they know it.

On the surface it would seem that to make an interim payment would be an easy thing to do. Let us first look at some practical considerations. When we made interim payments in the past it was after the end of the year under review and because we knew the receipts had projections of costs. With all this data the existing formula indicated that a payment was going to be required. That formula today does not indicate a payment will be required for 1983. There is no way the present legislation can trigger a payment. That is precisely why, on April 25, the Government announced that legislation would be introduced to amend the Western Grain Stabilization Act. We are planning to improve the program and expect that these improvements will trigger a substantial pay-out to producers for 1983-84. I expect the Western Grain Stabilization Act to be introduced within a matter of a few days.

Earlier I indicated that we were considering the possibility of making an interim payment after the Bill had received

second reading if it was clear the legislation was going to pass. However, Mr. Speaker, the Department of Justice has informed me that we cannot do so until and unless the amending Bill receives Royal Assent.

Let us take another look at the question of making an interim payment. We must first remember that a major thrust of this legislation is to make payments more promptly. The proposed switch to a crop year instead of a calendar year means that a farmer would only have to wait until October or November, just two or three months following the end of the crop year, for a payment. Under the existing Act, Mr. Speaker, there is a delay of nearly 10 months from the end of the calendar year until payments can be processed. The legislation does not allow any triggering. Last year 37 million tonnes of grain were sold, the largest volume in Canada's history. We do not have the time to study the formula here, but the western grain stabilization people in Winnipeg will show you exactly what triggers the plan.

Mr. Mayer: That has nothing to do with it.

Mr. Whelan: It does not trigger under that volume system. However, by greatly reducing the length of time between the end of the crop year and a possible pay-out, the new legislation should correspondingly reduce the need for interim payments.

• (1150)

There would also be substantial administrative problems to overcome if we were to make an interim payment under the new legislation. The thing is that expenses considered under this program are calculated by Statistics Canada using a July 1 reference date, and it takes a couple of months after that to produce the final figures. It would be difficult to project those figures in the absence of the survey data.

It is also difficult to project receipts. What about when you run into unforeseen problems such as what happened when the St. Clair River was plugged full of ice? The boats could not move and millions of dollars were lost every day. That situation had never taken place in the Great Lakes since shipping was started in the Great Lakes system. There were over 100 boats held up. At least 50 per cent of those boats, I would think, were boats coming from the Lakehead or boats going up to the Lakehead load up with grain. That cost millions and millions of dollars and there was a backlog of hundreds of thousands of cars of grain sitting on sidings because the elevators in the Thunder Bay area were chock full of grain. Everything was supposed to go according to schedule, but it did not go according to schedule because of the ice phenomenon that took place in Lake Huron and in the St. Clair River.

Finally it must be noted that if the legislation is passed, we will likely be making a payment of roughly $300 million in late October. I would argue that prairie farmers will need that money just as much in the fall as in the spring. Many farmers operate on a line of credit. They borrow in the spring and repay the money in the fall. Farmers also make a lot of their machinery purchases in the fall. Land payments are usually made in the fall also.

Mr. Hnatyshyn: Bankruptcies take place in the spring.

Mr. Whelan: I am sure the stabilization money which can be upped to $6,000 per producer would be well appreciated in the fall. I would urge all Members to give speedy passage to the Bill—

Mr. Hnatyshyn: Bring it in.

Mr. Mayer: When are we going to get the Bill?

Mr. Whelan: —so that payments can be made at that time.

Mr. Mayer: Bring in the Bill. You cannot pass a phantom Bill.

Mr. Whelan: You have a Bill right now. Mr. Speaker, they have—

Mr. Deputy Speaker: Order, please. There will be an opportunity for questions and comments later on.

Mr. Whelan: There is a Bill before the House to which they can give speedy passage, just like that, if they want to.

Mr. Hnatyshyn: Where is it?

Mr. Whelan: I am talking about the one that is before the House increasing advance payments, doubling. That is before the House.

Mr. Hnatyshyn: Bring it in.

Mr. Mayer: Where is it?

Mr. Whelan: It is before the House. Deal with it, if you want to. Show your real sincerity by giving that speedy passage and adjourning this debate—

Mr. Mayer: Where is it?

Mr. Whelan: It is in the House. It has been tabled in the House.

The second part of the motion refers to fuel taxes. It is always interesting, Mr. Speaker, how quickly the opposition members turn to elimination of taxes when they want the Government to do something to help some sector that is having financial difficulties. Then in the next breath they will be criticizing the Government for not doing enough to bring down the deficit. Their Leader says he is going to bring down the deficit. He is going to bring it down by billions of dollars, et cetera.

Mr. Mayer: So do some of your leadership candidates.

Mr. Whelan: He is going to bring it down by abolishing taxes. That is what they are advocating at the present time.

Mr. Mayer: One of your candidates says he is going to eliminate your Department.

Mr. Hnatyshyn: How about the member from Bay Street? He wants to bring down the deficit.

Mr. Whelan: Federal taxes on fuel are made up, as the Hon. Member for Lambton-Middlesex (Mr. Ferguson) mentioned, of 1.5 cents per litre excise tax on gasoline and a 9 per cent sales tax on gasoline and diesel fuel. The 1.5 cents per litre excise tax is rebated to all commercial users, including farmers. And there is no excise tax on diesel oil or propane.

Exemption from the sales tax on fuels used by farmers would save Canadian farmers an estimated $91 million a year. The Government, however, would not only lose that $91 million in revenue, but it would have to set up a complex and expensive mechanism for policing such a rebate.

In the past decade, a major consideration in government policy has been to maintain a close relationship in farm fuel costs with the United States. Fuel price monitoring by the Government has shown that between 1976 and 1978, the U.S. enjoyed a small advantage of one to two cents per litre over Canadian retail fuel prices. The advantage turned in Canada's favour by 4.5 to six cents per litre during 1971-1981, even though taxes in Canada remained two to four cents a litre higher than in the U.S.A.

Mr. Mayer: That is ancient history. This is not a history course.

Mr. Whelan: During this period, prices in both Canada and the U.S. remained substantially lower than in the European Economic Community countries, such as the United Kingdom, France, Italy and West Germany, again countries with which we compete.

In the last couple of years, we have witnessed a very substantial rationalization in the Canadian petroleum refining sector. This is partly due to the deep recession we have been through, and partly due to the successful conservation efforts by all sectors in Canada. Rationalization has brought with it retail price wars which have benefited all consumers, including farmers.

The Government is always willing to discuss ways in which input costs to food production can be reduced. As you know, a Private Member's motion is presently before the House of Commons Standing Committee on Finance, Trade, and Economic Affairs. Debate on this subject will provide ample opportunity to review farm fuel taxes in relation to other sectors.

The final portion of the motion, Mr. Speaker, deals with interest rates and the Farm Credit Corporation. I am proud of the record of the FCC over the years in providing long-term credit for farmers and I am equally proud of the responsive way it has helped farmers in the last several years.

Subsidizing interest rates is an expensive business, Mr. Speaker, but we have been glad to do it for those farmers who are in serious difficulty. As I will show in a few minutes, there are very few farmers who are paying the current interest rate of 15 per cent.

Mr. Mayer: Those paying it are going broke.

Mr. Hargrave: Some pay 16.5 per cent.

Mr. Whelan: I would first like to point out that the FCC has loans outstanding to 79,000 farmers. That means that there are some 225,000 farmers who do not feel they need long-term credit from the Farm Credit Corporation. They are farmers who own their own land and carry their operational credit with banks and other lending institutions.

The recent increase in interest rates is of concern to all Canadians. Like other Canadians, farmers will undoubtedly alter investment and borrowing plans because of changes in interest rates. However, it must be recognized that the Government has initiated programs which will, and do, go a long way in reducing and stabilizing the cost of credit to the farming community.

You are all aware of the Small Business Development Bond Program under which a total of 17,263 loans were made for $2.7 billion to December 31, 1981. Of this amount, 2,902 loans for $587 million were extended to farmers and fishermen. On December 31, 1981 the program changed to the Small Business Bond and has been used for debt consolidation purposes. Since January 1, 1982 a total of 2,878 loans for $562 million have been approved to farmers.

This program in collaboration with commercial lenders provides credit at interest rates substantially below the current market rate, about half the regular cost of borrowing money. When the interest rate was 20 per cent, farmers could borrow under that program at 11 per cent, and a lot of them did.

The Farm Credit Corporation has been a major force in providing credit to the farm sector under reasonable terms and conditions. In the fiscal year that just ended on March 31, 1984, the Farm Credit Corporation extended 5,736 loans for about $758 million, the largest level of lending activity in its history. These funds were extended at interest rates of between 12.75 and 13.5 per cent. Of all the loans extended, 962 loans for $175 million were extended under the Special Farm Financial Assistance Program where farmers receive a four percentage point rebate for two years. These borrowers have an effective interest rate of 8.75 per cent for two years, which cost the Government approximately $29 million in subsidies. When the Opposition said we did nothing, I gently remind them that we did a lot.

I see you are motioning to me that my time is up, Mr. Speaker.

Mr. Deputy Speaker: Are there any questions or comments? The Hon. Member for Humboldt-Lake Centre (Mr. Althouse).

Mr. Althouse: Mr. Speaker, as on a number of previous occasions the Minister of Agriculture (Mr. Whelan) has tried to make the point that the federal Government puts far more money into agriculture in a particular province than does the provincial government. Today he used Saskatchewan as an example. Since he has made this argument a number of times in the four years that I have been here, could he present to the House the amounts of money collected from farmers by the federal Government and the provincial governments? It seems

to me the federal Government is collecting at least in proportion to its double pay-back what the provinces do.

As an example, the provincial share in Saskatchewan of income tax collected from farmers this year was 51 per cent. I think it will be a little more next year, but it is only 51 per cent of the federal tax. Farmers are paying premiums for federal programs on which the province does not collect. For instance, there is the Western Grain Stabilization Fund. Crop insurance premiums are met by the federal Government, but the province does not become involved except to handle some of the administrative cost. The programs were developed as federal programs. Because farmers pay far more to the federal Government than they do to the provincial government, they deserve to expect to collect back far more income through the federal Government than through provincial sources.

• (1200)

Mr. Whelan: Mr. Speaker, I am just amazed that the Hon. Member would rise and say that. The facts are available to anyone. They show that the provinces are by far the biggest spenders. Sure, we collect the taxes, but we have the block funding to the provinces aside from the programs about which I have talked.

The Hon. Member talked about the program for crop insurance. Last year his province alone received $56 million of federal money that went into crop insurance. The producers pay the other $56 million. Under that great Conservative Government of Saskatchewan, the province administers it, and it even appointed a minister in charge of crop insurance. I believe for one million people that Government now has 31 cabinet ministers in Saskatchewan. I must congratulate Hon. Members from Saskatchewan. I understand the other day that province reached the million point in population as a result of an increase in the birth rate and people returning to Saskatchewan from such rich provinces as Alberta.

When the Hon. Member is talking about funding, does he not realize that in Saskatchewan we are paying nearly 80 per cent of the cost of all post-secondary education? That is block funding which goes to them. Also there is all the money which goes to them for hospitalization and medical care. Again that is block funding, and we have no control over it whatsoever. The provinces and municipalities in Canada today spend nearly 68 per cent of the tax dollars collected, not the federal Government. It is block funded and transferred to them by the federal Government.

I am sure the Hon. Member could hear a better lecture from the Department of Finance or even from university students. I was chastized in the House by one of his colleagues when I said that we gave $5 billion to schools of higher learning. Then university students who have an office here in Ottawa contacted me and said: "Mr. Whelan, you were wrong". Do you know what they told me, Mr. Speaker? They said that it was $6.4 billion—

Mr. Deputy Speaker: Order, the Hon. Member for Assiniboia (Mr. Gustafson).

Mr. Gustafson: Mr. Speaker, the Hon. Member for Essex-Windsor (Mr. Whelan) stated that he hoped we would give quick passage to the Western Grain Stabilization Act. It must be made clear for the record that our Party has been calling for this since last fall; for months we have been calling for this.

Mr. Mayer: For a year and a half.

Mr. Gustafson: My Leader, the Hon. Member for Central Nova (Mr. Mulroney), asked the Prime Minister (Mr. Trudeau) whether he would bring it in before the Easter recess, but the Government failed to act. The Hon. Member for Yukon (Mr. Nielsen) sent a letter to the Government House Leader asking for quick passage, but that has not happened. Yet the Hon. Minister is telling us that he wants quick passage. Certainly we will give it quick passage, because farmers need the money this spring.

Also the Minister said that they will pay out $300 million. There is close to $1 billion in that fund. If they were to pay out $300 million, they would not even give back the money farmers have paid in since 1979. Certainly the Minister must be able to make a calculation based upon the fact that farmers have paid in since 1979 $900 per year, except for last year when it was $1,200. That would amount to $4,800 per farmer. If they were to pay interest on the money, it would amount to $7,100 per farmer. Certainly the Minister must make a fair assessment of the needs of farmers in this situation. We on this side of the House have been calling for it for months.

Mr. Whelan: The Hon. Member makes it sound so simple. Under the Act at the present time the calendar year is used.

Mr. Gustafson: Answer my question.

Mr. Whelan: Just a moment, please. The calendar year, because of tremendous volume of sales, et cetera, does not allow for any triggering. This is why the Act has to be amended.

Mr. Mayer: Oh.

Mr. Whelan: That is what the legal advisers told me. A payment cannot be made until the Act has been passed and has received Royal Assent.

We know what the Act will do. There can be a payment and there will be a payment in the next two years, probably, unless market conditions improve. The Hon. Member is suggesting that we should bankrupt the program, and that there is $1 billion in the fund. We pay interest on the money. Even up until today farmers have received every dollar which they put into the two payments. They were ahead of the game for a while, but now they are even. The Hon. Member is trying to get across that we should make the plan unsound. It is an actuarially sound plan, and we have the Western Grain Stabilization Act Advisory Committee comprised of farmers. I met with them in Winnipeg. They are farmers from Alberta, Saskatchewan and Manitoba. They said that what we are doing is satisfactory, along the lines that they want the Act amended and how they want it to work.

Mr. Gustafson: You are playing politics with farmers' money.

Mr. Whelan: These were the facts they brought forward after meeting with farmers in grain-producing areas of the prairie provinces, including the Peace River district of northern British Columbia.

Let us be factual and put the facts on the record, rather than trying to make out that the plan is not administered properly and that we can just reach into it, like a well, and grab a pailful of money and run away. He knows full well that that will not save a lot of those farmers because their debts are so high. Those are the ones who will not reach the maximum anyhow, the $6,000. The average pay-out according to the figures show that it will be somewhere around $3,000. Bigger farmers who paid in the maximum amount will be getting about $6,000, but they are in the minority. Also he knows that 25 per cent of farmers have not seen fit to join the fund. Many of them are in financial difficulty and they will not receive one penny from that plan.

Mr. Neil: Mr. Speaker, what concerns me is the fact that the Minister said that even if the Bill passes, there will be no payment before the fall. I do not know what the representatives on the advisory committee are hearing from farmers. However, we as rural representatives on this side are being told by our farmers that they need the money now, that they cannot wait until the fall, that they have to buy fuel and fertilizer. If they cannot pay for these products, they either cannot get them or have to ask merchants for credit, and the merchants are in trouble.

Has the Minister considered the possibility of bringing in an amendment to the Western Grain Stabilization Act, an emergency section, that provided for an immediate initial payment of $2,500 or $3,000 maximum for farmers of western Canada? That would pass within a matter of minutes in the Senate. I am sure with the electronic equipment of the Western Grain Stabilization Board in the form of computers and so on, they could turn out those cheques in a matter of two or three weeks. Has the Minister considered this?

Mr. Deputy Speaker: Order. The time for questions and comments has expired, but the House may want to hear the response of the Hon. Minister.

Mr. Neil: Mr. Speaker, I rise on a point of order. Under the circumstances, and since it is not very often that we have an opportunity to question the Minister, would it be possible to obtain unanimous consent of the House to extend the question period for another 10 minutes?

Mr. Deputy Speaker: Of course, the Chair is in the hands of the House. I shall put the question. Is there unanimous consent to extend the question and comment period for another 10 minutes?

Some Hon. Members: Agreed.

• (1210)

Mr. Whelan: Mr. Speaker, the intent of the press conference in Winnipeg during the adjournment of the House was to implant in the minds of people and the lending institutions that we are interested and want to do something so that money can be obtained to buy fertilizer, seed, fuel and so on. I have said in the House that I was under the impression, and the legal people have corrected me, that if the Bill had received first and second reading and gone to committee, the intent was clear and you could probably pay half of the money if you wanted. I was told I would get into trouble with the Auditor General. I would not mind getting into trouble, even with the Auditor General, if we could make a payment. We will do what we can.

We are considering all of the options, including some that the Hon. Member mentioned, even making the Bill retroactive to 1982-83, starting it in a different year so that a payment could be made as soon as possible.

As the Hon. Member for Assiniboia (Mr. Gustafson) said, there is money there. It is not like taking it out of some envelope. Everyone knows how much money there is, how it has been contributed and how the interest is being paid. I am as concerned as other Hon. Members about supplying money to those farmers. The Hon. Member for Moose Jaw (Mr. Neil) knows that a good portion of them will need much more than can be supplied under the Western Grain Stabilization Act or under the Farm Credit Corporation. They may need some kind of a system as that suggested by the Hon. Member for Portage-Marquette (Mr. Mayer). A large group in his area are asking me to buy or take over their farms, rent them back for three years, and if they become economically viable, they want the option to buy them back. We are considering all of these suggestions. I do not want to be in the land ownership business. Many banks are becoming some of the largest land owners in Canada. Of the money we took from the Farm Credit Corporation last year, approximately 60 per cent went to the banks to refinance farmers, consolidate their mortgages and that type of thing. I have the same concern as the Hon. Member from Moose Jaw about trying to get money into the hands of farmers as quickly as possible.

Mr. Mayer: Mr. Speaker, the Minister talks about putting facts on the record. There are a couple of facts that should be put on the record. First, he is part of a Government that paid literally hundreds of thousands of dollars in bonuses to an aircraft company that cannot manage its affairs, one which has lost hundreds of millions of dollars. Second, he is not willing to pay out money that producers have contributed. He should know that in many ways money is like another barnyard commodity. When you pile it up, it causes a big smell; but if you spread it around, it does some good. What we want to do with the Western Grain Stabilization Act is spread some of that money around.

The Minister quoted a Reverend Mooney and said that farmers should be on their knees. Surely the Minister of

Agriculture for this country is not advocating that farmers should be put on their knees and have to come grovelling to the Government for programs. If that is his attitude, he is a total embarrassment to the Canadian farming population and should resign. I would like the Minister to clarify what he meant by putting farmers on their knees. That was a disgraceful statement to make.

Mr. Whelan: Mr. Speaker, I quoted from the *London Free Press* relating to a priest I know. He meant they should be praying for better weather, crops and so on. The *London Free Press* is a well-known paper. I quoted verbatim from it. I am not suggesting anything like that to Hon. Members.

When I suggested anything previously, I did not receive any support from the Opposition. When I suggested in 1977 Government approval of 100 per cent of income assurance for farmers, they said: "There's Whelan interfering now". Now they want me to rush in and spend billions of dollars. If we had done what I suggested in 1977, there would not be the hardship there is today for the farmers. I do not pretend to be any Messiah, but a blind economist on a galloping horse could see what was going to happen to some farmers if world prices collapsed, as they did. We did not know for sure that they would. The farmers had no protection against that. Prices were on an ever-increasing spiral. When there was a change as a result of inflation, they went down. That happened to many of them.

The Hon. Member for Portage-Marquette is the official agriculture critic for his Party. He has not told me how bad or good his own farm operation is. I am told that he is a good farmer. I take it he is not in financial difficulty. He knows that what he did in his own operation is probably slightly different from what some of the other farmers did, those I quoted from the *London Free Press,* who wanted to expand under encouragement from government. He will find very little encouragement from this Minister for that kind of expansion. I am a strong believer in the family farm being protected and staying alive. The Palliser growers and some others are talking about getting bigger and bigger, doing more farming and becoming more efficient.

The Hon. Member for Prince Albert (Mr. Hovdebo) quoted the Catholic Bishops. He knows that it is not so much the little farmers who are suffering. The priests talked about those who expanded rapidly and got caught in the spiralling inflation. Then the economic depression took over.

The Bill I was referring to was Bill C-23, an Act to amend the Prairie Grain Advance Payments Act. It received first reading on March 8. They have not passed that. They are so concerned about that. The Minister of Transport (Mr. Axworthy) brought that Bill into the House of Commons on March 8. They say they do not know anything about it. Why are they not pressing for that Bill if they are so concerned about farmers? Why not get on with that Bill and pass it in ten minutes?

Mr. Neil: Mr. Speaker, I rise on a point of order. The Minister should make it clear to the farmers of western Canada that the advance payments grain Bill was given first reading and the Opposition indicated it would give fast approval to the Bill. However, this Government and its House Leader have not brought that Bill forward in the House. If he brings it in tomorrow, we will pass it.

Mr. Deputy Speaker: Order. In the opinion of the Chair, that is not a point of order. It may be a point of clarification or a contribution to the debate.

Mr. Mayer: It's a good point nevertheless.

Mr. Hovdebo: Mr. Speaker, I want to make a couple of points. First, does the Government not feel any responsibility to those who are good farmers and are in trouble for a variety of reasons, one of them being the policies of this Government? Second, in 1974-75 when the original Bill was passed, the Opposition put before the Government at that time a recommendation that the net income be part of the Bill. If the Government would have had the common sense to accept it at that time, we would not have the problem of now having to change the Act.

Mr. Whelan: Mr. Speaker, the Hon. Member is certainly correct with regard to some of the suggestions they put forward. All the advice we received from those who did the studies on grain marketing, production and the cost of production, never estimated that that many tonnes would be sold. They never estimated that world prices would go down as much as they did. Members opposite keep talking about Government action. If other governments had acted as this Government did and previous governments did dating back to 1935, and had a grain marketing system like the Canadian Wheat Board and fed the world market in an orderly fashion, instead of selling it in distress fashion to get as much money as they could, there would not be such problems.

It is the grain dealers who make the money. They care very little about what the farmers receive. In the big country south of us, the multinationals control the grain sales. The Hon. Member knows that. They are bigger than the government. Three times since I have been Minister of Agriculture their Secretaries of Agriculture had to interfere in that free marketing system because of what was happening to it. Last year they interfered with a payment in kind. It cost between $15 and $20 billion to short the market. That is what they hoped to do. With the help of God, they shorted it away more than they intended to do. They did not even have a payment in kind program for oilseeds and it was shorted by 40 some per cent. Corn was shorted by 54 per cent. All they wanted was a 22 per cent short. They spent billions of dollars on that kind of program that did not do what they wanted it to do.

• (1220)

The Hon. Member mentioned the suggestion of his Party. Yes, Mr. Speaker, there is no doubt about that but when I suggested a 100 per cent income assurance program in his province in 1977 at a provincial and federal Ministers of Agriculture meeting in Yorkton, Saskatchewan, I did not

receive the support of any provincial government. I did not receive the support of farm organizations or the Official Opposition. I was not told that I was doing a great thing and should forge ahead with it. If that proposal had been given unanimous consent, we would not be discussing this matter here today.

Mr. Deputy Speaker: The House will now resume debate.

Mr. Towers: Mr. Speaker, I rise on a point of order. In view of the questions that still must be answered and the clarification that still must be made by the Minister of Agriculture (Mr. Whelan), I wonder if I could seek the unanimous consent of the House to have a further ten-minute question and answer period.

Mr. Deputy Speaker: Does the House grant unanimous consent to prolong the question, comment and answer period?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: Agreed. Could the Chair have an indication of how long this period would continue, please?

Mr. Towers: Mr. Speaker, that depends upon what kind of answers the Minister of Agriculture gives. Further to that, it depends upon his honesty. I would not say that he has been—

Mr. Deputy Speaker: Order. The Hon. Member is now engaging in debate, I am afraid. I take it for granted then that the question and comment period will be extended another ten minutes. I would hope that the questions and especially the replies would be brief and to the point, in keeping with the spirit of this question period.

Mr. Clark (Brandon-Souris): Mr. Speaker, I would like to begin by saying that I resent very much the implication made by the Minister that all those farmers who are in financial difficulties today are either bad farmers or poor managers. That, Mr. Speaker, is simply not true. I believe the Minister could only allege that if in fact he is completely out of touch with western Canadian farmers.

The Minister was in Saskatoon last week. However, I suspect that he met with the urban community and not the agricultural community. Every day of the last few weeks I have been in contact with farmers who are going bankrupt and quitting farming either voluntarily or otherwise. To suggest that they are all responsible for their own difficulties because of their own management failures is certainly to insult those farmers. Second, it seems to me that that suggestion indicates that the Minister is ignorant of economic conditions. Does the Minister really believe that all those farmers in western Canada who are in economic difficulty are either bad farmers or poor managers?

Mr. Whelan: Mr. Speaker, I am sure the record will show that the Hon. Member has made a slight misinterpretation of what I said. I said that a lot of farmers were good producers but because of the collapse of the world markets at $40 a tonne and because farmers had over-expanded and were living on inflation, when inflation went down they went down with it as well.

I am sure that if the Hon. Member would like to check my records, he would find that some farmers were bad managers. However, please do not put all farmers in the same category. A great many of them are efficient producers and are doing the very best they can. However, the markets for some of those products that they are producing like pork and beef are sick markets. These farmers have been led by the head of the Canadian Cattlemen's Association who has told them time and time again not to let Whelan put in a marketing board because it will destroy them.

Please do not tell me that I do not know anything about what farmers are saying because I probably attend more farm meetings all over Canada than any other politician in Canada. At one of those meetings, a farmer stood up and said: "Mr. Minister, in this democratic country it is my democratic right to go bankrupt if I want to go bankrupt by producing beef". In two years he did go bankrupt because he would not follow the lead of other farmers who have organized themselves into marketing boards and have some say in the marketplace. Those farmers have some say in what they get for the product rather than letting some cigar smoking broker tell them what they must receive for beef or pork. That kind of thing is as ancient a marketing system as any other marketing system in the world.

That farmer to which I referred should have taken a look at the other farmers who are using a marketing board system. There are such systems in every province of Canada and some of them are very strong. I myself only deal with three or four of them but there are over 100 marketing boards in Canada run by provincial governments. The producers who belong to those marketing systems, as I am sure you are aware, Mr. Speaker, do not find themselves in financial difficulty because they have some say in the market price.

There are a great many good, hardworking farmers who are using the best feeding programs but are still in trouble. A neighbour of mine held the record for the best transfer of feed into beef of any young farmer in Ontario. He got into serious difficulty and owed $1 million because the market did not return his input costs to him. He over-expanded at the same time. With some help, he is now making a recovery.

Mr. Deputy Speaker: Order, please.

Mr. Towers: Mr. Speaker, in his speech I believe the Minister of Agriculture made a veiled suggestion that the federal Government might become involved in the land banking system. Was this intentional or was it a slip of the tongue? Is the federal Government contemplating entering into that kind of a program?

Mr. Whelan: I said very clearly that we did not want to enter into that program but that a great many producers are suggesting that we take over their farms. These suggestions have come particularly from a write-in program of farmers who live in an area of the Province of Manitoba which

encompasses parts of two constituencies. I could show the Hon. Member the letters written by these farmers. These letters outline how much money the farmers owe and indicate that the farmers will not plant a crop this year because there has been bad weather in that area for two out of three years and because there have been depressed prices. Some of those farmers have indicated that they did not even take out crop insurance this year because they felt they could not afford it. It was too big a risk and they were gambling on the weather being on their side and on having a good crop.

I do not wish to enter into the land banking business but I could tell the Hon. Member that there are a lot of banks entering into this business and the banks will be the biggest land owners in Canada. During my remarks I mentioned that out of the approximately 320,000 farmers in Canada, we have loaned money to only 79,000 farmers. There are 225,000 farmers who have borrowed money from sources other than the Farm Credit Corporation.

One banker told me that the banks do not want to foreclose on farms because they do not want to own that much land. He said that the banks knew the farmers were not going to be able to pay that money back but the banks lent them that money. Under the Bank of Canada Act, the banks have a responsibility, when lending money to farmers, to lend no more money than the farmers can pay back. However, a great many banks have done that and they realize that they made a mistake.

Mr. Deputy Speaker: I recognize the Hon. Member for Medicine Hat (Mr. Hargrave).

Mr. Towers: Mr. Speaker, I would just like to have the Minister of Agriculture (Mr. Whelan) answer my question now.

Mr. Deputy Speaker: The Hon. Minister has had opportunity to do so. The Chair sees other Members rising. I would like to accommodate them as well. I recognize the Hon. Member for Medicine Hat.

Mr. Hargrave: Mr. Speaker, when the Minister of Agriculture (Mr. Whelan) made his remarks, he made a rather brief but nevertheless firm statement about the two-way trade in agricultural products between the European Economic Community and Canada. He did not go into detail on this matter but I would like to ask him if he would respond now to questions that he has received on this matter.

I would particularly remind the Minister of the fairly recent and quite dramatic increase in imports of beef and other meats such as pork from such countries as the Republic of Ireland, Denmark and even Holland. The Minister is aware that these meats arrive in Canada with very significant subsidies which are paid by the governments of the exporting countries. Some of these subsidies are as high as 50 cents a pound in Canadian currency. Will the Minister recognize what is happening and respond to the sensible suggestion of the Canadian Cattlemen's Association that a countervailing duty of the same amount be applied immediately to take this situation in hand?

Mr. Whelan: Mr. Speaker, I would simply like to say to the Hon. Member for Red Deer (Mr. Towers) that I do not intend to get into the land banking business.

I wish to say to the Hon. Member for Medicine Hat (Mr. Hargrave) that I am as concerned as he is about the beef and other meat products that are arriving in Canada heavily subsidized by the European Community. However, I am more concerned about those who are bringing the products in. Meat packers in Canada are bringing that meat in because they can make money on it. This is being done by good corporate citizens of Canada. That meat is not swimming across the ocean by itself. Those people are bringing it here.

• (1230)

Another startling thing I discovered on an Air Canada flight—the people's airline—is this. After eating a meat bun, I was informed that it was a new promotional program between Canada and West Germany. They said: "The meat you just ate was from West Germany". I said: "What in hell is going on now"? I was informed that Air Canada was trying to entice Canadians to go to Frankfurt; that it was a new promotional program and they wanted Canadians to realize what kind of meat they would eat when they got there. I have made representations to Air Canada about this matter, because I think it is terrible. I believe we have a countervailing duty already enforced on meat products. Revenue Canada held an investigation, has enough evidence, and if it has not done so already, it will shortly impose it.

Mr. Hargrave: Have you made that announcement?

Mr. Deputy Speaker: Order, please. There is one minute left in the extended question period. The Hon. Member for Bow River (Mr. Taylor).

Mr. Taylor: Mr. Speaker, I would like to ask the Minister two quick questions. First, why is the Hon. Minister misleading the country when he indicates that the Opposition is holding up Bill C-23, the Prairie Grain Advance Payments Act? He knows as well as the rest of the House does that the Government calls these Bills, not the Opposition. We are ready to pass it, so bring it in instead of spending so much time on corporations and lowering the morals of the country.

Second, why is the Minister working for the banks instead of the farmers? He says: "Let the farmers borrow money for their spring work". Does he not know that most farmers have already borrowed to the hilt, as far as the banks will go? They will not accept the promises of this Government to make a pay-out under the Western Grain Stabilization Act and use that as collateral. The promises of the Government mean nothing. Why not work for the farmers for a change and forget the banks? The banks are doing all right by themselves.

Mr. Deputy Speaker: Order. Unless the House is disposed to prolong the question and comment period—

Some Hon. Members: Let him answer the question.

Mr. Deputy Speaker: —we should now proceed to debate.

[*Translation*]

Hon. Roch La Salle (Joliette): Mr. Speaker, I have been listening to a very interesting discussion between Members of the Official Opposition and the Minister of Agriculture (Mr. Whelan). I would now like to take this opportunity to speak to the motion before the House today, a motion that very accurately reflects the recommendations my party has been making to the Government, especially in the past two years. We are stressing the importance of making a substantial payment from the Western Grain Stabilization Fund to assist with seeding costs; the need for repealing all sales taxes to help farmers; and the need for an immediate interest rate reduction on Farm Credit Corporation loans. These are some very pertinent recommendations the Progressive Conservative Party has been making and has been urging the Government, whose insensitivity is almost obscene, to implement.

Mr. Speaker, before going any further with my comments I would like to remind the House that I knew the Minister of Agriculture when he was a member of the Standing Committee on Agriculture. I remember very clearly how he insisted on the importance of long term agricultural policies and how at every meeting, he would emphasize the need for security and stability in the agricultural industry. I must say that, as Minister of Agriculture, he has not succeeded in practicing what he preached as a member of the committee. Maybe it was easier at the time for him to say what he wanted and what he wanted his Government to do, but as Minister, he has not succeeded in giving this vital sector of our economy the stability and security he was seeking at the time. Of course, the Minister never misses an opportunity to point out what he has accomplished. Mr. Speaker, I admit there are sectors that are doing fairly well, and I am thinking of dairy farmers. It is a fact that there has been a very substantial improvement, and my comments in this respect must be positive. Where the agricultural industry as a whole has a turnover of $50 billion, the dairy sector's share is $18 billion. As I said, agriculture generates a turnover of $50 billion, and affects about one-fifth of the labour force. Considering that agriculture is a very special industry, as the Minister is no doubt aware, I would have expected him to explain how the agricultural industry differs from industry in general. If we agree, Mr. Speaker, that we have to eat in order to live, and not the other way around, we must be consistent when dealing with an industry like agriculture. We must explain with all due honesty, to all Canadians and Canadian business people, that the agricultural industry pursues that objective and that its needs are so special that we cannot make an economic assessment of agriculture as we would of any other industry. We must ensure the survival of agriculture and we must continue to promote agriculture, for the well-being of our fellow citizens. And if we are consistent, if we believe in this principle, we must propose and introduce legislation that is finely tuned to the needs of an industry that is vitally important to our economic development and to the Canadian economy. Mr. Speaker, if we hold the principle that we must eat to survive, we must make it clear to all other sectors in this country that a government with any sense of responsibility, with any respect for its citizens and for this very basic need, has a duty to propose solutions—should, in fact, feel entirely justified in doing so—that may seem to discriminate in favour of this particular sector. However, let us remind these other sectors that before they can do anything else, they first must be able to eat.

Mr. Speaker, that is why I have raised this very important issue, namely, that in the agricultural industry, we will have to do some very special things that will be criticised by other sectors. Today, I would have liked to hear the Minister talk about this principle and the special measures that must be and that should have been taken in the agricultural sector. When the Government is criticized for not doing enough and for not providing safeguards, very often the Minister is quite content, in fact he is more than content, Mr. Speaker, which I find a little offensive, to point out that he has done more than some of the provinces. As though the federal Government and provinces should be competing instead of working together towards a common goal which would be, first, to feed Canadians and then to allow thousands of farmers to sell their products outside Canada. Are we doing this? No, the Department of Agriculture is being managed as though it were any other department. However, it has a very special mission, one that is very relevant to our responsibilities as Members of this House. Mr. Speaker, the Minister is going to say once again that he has spent millions and millions and millions of dollars which, in some cases were wasted through lack of planning. That is what we have against the Department of Agriculture and this Government, Mr. Speaker.

We would like to see an agricultural policy based on the principle that we must feed Canadians, and that we must do so without political interference. Ensuring that Canadians have access to high quality food is certainly a praiseworthy goal which we should be defending here in the House, and if that is true and if all Members of this House shared this view, Hon. Members would have no trouble rising above partisan considerations and establishing long term policies, instead of merely seeking payments just before an election. Mr. Speaker, I think the time has come to ask the Government, and I may point out that what I am saying in the House today arises from profound convictions and a very special concern that I have, first of all, for the farmers in my constituency and also for farmers in the West, the East and Ontario. We have to make sure that our agricultural policy is impartial. That is important. Bearing in mind the principles we are called upon to uphold in this House and our own responsibilities, we should be able to meet as often as necessary with the provinces, the agricultural sector and the farming communities involved so as to establish a truly long-term agricultural policy which puts the emphasis on both stability and profitability. Such is the

role and responsibility of a Minister of Agriculture and a Government whose primary concern should be to see to it that people have enough to eat. By the same token, we Canadians as a country might be still more generous than we have been so far with respect to the Third World and other nations where people are actually starving to death.

● (1240)

Our agricultural capacity is potentially unlimited and our climate enables us to initiate rather extraordinary endeavours. The technology is there, Mr. Speaker, but financing does seem to be a problem. Because he was unable to come up with adequate policies in hard times, the Minister must be held responsible for his failure to look far enough into the future to realize that our economic situation might worsen, as numerous precedents have shown. Precisely because it was unable to see what the future had in store for us, we are quite justified in censuring the Government for such unforgiveable oversights which have put thousands of farmers in a precarious situation, even though the Government is not doing anything to help them out of their predicament. Why did this Government in particular wait until it was confronted with urgent problems, instead of making concerted efforts with the provinces and the people directly concerned in an attempt to face up to the situation and find policies designed to restore stability? Nothing has been done. The Government chose to take a band-aid approach every time a group of farmers or agricultural communities from Eastern or Western Canada sought assistance. As a result of such undependable policies, thousands of farmers have been forced right out of the agricultural sector in the past few years.

Mr. Speaker, I too represent a province where agriculture is a significant economic component. But again I must say that if we fail to keep in mind the basic principle that a Government must first make sure that the people have enough food on the table, all our arguments rest on meaningless premises, we are going the wrong way and we are not facing up to our responsibilities. I would go even further, Mr. Speaker, and suggest that all Members should realize that the agricultural context has changed so much that it is no longer possible to run farming operations the way it was done before. We are all aware of that and we know that family farms are not passed on from fathers to sons, but that they can be sold and bought. We know how much money is involved and we realize that young farmers today must carry enormous debts. We all know that, Mr. Speaker, yet nothing has been done to find a solution. We readily lend money to a farmer, but we are not quite so eager to sit down with him and help him get through hard times when he is experiencing difficulties with his operations. We are aware of that. Perhaps $15,000 or $20,000 would do nicely 25, 30 or 40 years ago, but these days we are talking in terms of $300,000 and $400,000.

The son of a farmer who owned his land can go into debt because the possibilities are there. There are tools, farm credit is available, so he can apply for a loan. The problem is that he cannot make ends meet as a result of past and current interest rates. The farmer cannot meet his financial obligations and at the same time run a profitable operation to ensure his future on the farm. We are aware of that, but we have yet to take appropriate action. We shall have to consider developing policies to help the young farmer who wants to buy a $300,000 farm, because the Minister knows as well as I do that, with today's interest rates, and I am not saying that he is responsible for them, we cannot meet this need for continuity in family farms and the farming industry. We know about this and we have to be ready in the near future to examine with complete objectivity how and through which policies we can prepare and guarantee this takeover of the industry by younger farmers. As I said earlier, we have a basic responsibility to ensure the survival of the farming industry and this cannot be achieved without stability and security. Therefore, we must think it over seriously and develop policies designed to give the young farmers who are only too willing to continue in agriculture the financial means to purchase their parents' farms and this does not mean what it did 35, 40 or 50 years ago. It seems to me that this Government has yet to understand this situation which is still quite new but which now exists and will continue to exist.

In the circumstances, we clearly cannot be satisfied with a Minister of Agriculture telling us what he has done, the efforts he has made and the millions he has spent, wasted or handed out. Of course, the Government has done certain things, but it was always to solve a problem which was already something of the past, when the harm had already been done. This is a piecemeal approach, Mr. Speaker, and not a long term policy. I therefore urge the Minister of Agriculture today to think seriously of the co-operation which he should promote instead of fanning competition with the Provinces as is now the case. What I want to hear, Mr. Speaker, is not that the Minister has given more to the Quebec Government or that Mr. Garon should have invested in Quebec's agricultural industry. What I want to hear is that the Federal Minister is willing to discuss, negotiate and find a solution about marketing boards, for instance, especially as concerns the joint pork plan. What I want to hear, Mr. Speaker, is that something has been done to compensate for the weather problem last summer in the Province of Quebec, and probably elsewhere. In any case, I have received representations telling me that the farmers lost millions of dollars. This was not easy to accept in view of the increase in interest rates, but the farmers have pulled through. A request has also been made to the Quebec Government, and it seems that the Federal Government is waiting to see how Quebec will respond. I urge the Minister of Agriculture on behalf of thousands of Quebec producers to call a meeting if need be. If there is any lack of good faith on the part of his Quebec counterpart, I urge the Minister of Agriculture to organize the meeting by himself in the interests of the farmers. It does not matter to me whether the Federal Minister of

Agriculture likes or dislikes his counterpart in Quebec, Saskatchewan or any other Province. What is important is that the Federal Minister of Agriculture should know that he has a duty to the farmers and the Canadian population to ensure the survival of our agriculture. Mr. Speaker, that is why I would like to see policies based on an objective approach that would rise above partisan considerations which certainly do not have their place in an area as vital as the future and survival of agriculture.

Mr. Speaker, that is what I had to say, and I did not want to spend my time criticizing the Minister of Agriculture but rather, I want to ask him to start concentrating now on the survival of the agricultural industry and the policies that will ensure its continuation, policies that should be developed in co-operation with all sectors concerned and with the provinces. Mr. Speaker, I appeal today to the Minister of Agriculture, in the spirit of true federalism, and I would do so to any Minister of Agriculture, to bear in mind the concerns of our farmers. Many other sectors are equally concerned about economic policies that have failed to achieve the results promised by this Government and anxiously awaited by all Canadians. Once again, the Minister must realize that agriculture is a vital industry, that it is not like any other industry in this country, and that there is one objective, one goal we must all strive for, which is to give Canadians access to quality food at a reasonable price.

We must be prepared to act responsibly and realize that this industry is very special and requires special measures which we have a duty to take and are expected to take by the Canadian people.

• (1250)

[*English*]

Mr. Deputy Speaker: Questions or comments?

Mr. Whelan: Mr. Speaker, I would just like to ask the Hon. Member if he is aware of what is going on. It sounds as if we treat provinces differently. Quebec does not receive treatment different from any other province. It has refused to sign the agreement on crop insurance. Every other province has agreed to it.

Does he also not realize that almost 50 per cent of the farm income in Quebec is from the dairy industry? Does he not realize that the industry really started to become healthy from November, 1972? Does he also not realize that on the matter of frozen apple trees the federal Government moved in, not only in Quebec but in Ontario, New Brunswick and Nova Scotia, because they had a variety of trees which were uninsurable, and it cost us over a period of two years about $56 million?

He intimates there is confrontation. Quebec producers have made representations to me about crop losses. Under the agreement we have with all the provinces, if the province feels the loss is too big for them, then they make representations to the federal Government. I have not received that kind of representation from the Province of Quebec. They have said they will participate in the plan but they have not made that kind of official representation to the federal Government. I take it for granted that it is the provincial government which refused to do that because the last time I met with the provincial minister in Ottawa we talked about a stabilization program for pork and he seemed to be very agreeable at that time. I do not know what his position is at present. I know, Mr. Speaker, that you are very much aware of the fact that we do not have a potato marketing agency for eastern Canada because Quebec, not the producers but the province, has refused to go ahead with that. Is the Hon. Member suggesting that I take over total authority for agriculture? I do not know for sure but under the Constitution I probably could.

[*Translation*]

Mr. La Salle: Mr. Speaker, first of all to answer the Minister's question I would like to point out that I did not accuse the Minister of any lack of co-operation or objectivity in his dealings which the Government of the Province of Quebec. I did not accuse the Minister of being less than honest with the Government of Quebec. I merely said, Mr. Speaker, that assuming that at some time, certain provincial ministers . . . I remember hearing about losses incurred as a result of weather conditions last summer. When the Minister of Agriculture is prepared to make a recommendation, I will also be prepared to consider it. Obviously, it is always the same old story: Is it the province or the federal Government? I am simply asking the Minister, in view of his responsibilities, to make his position clear. While the Minister cannot be blamed if a provincial minister turns down a generous offer or ignores a positive response from the federal Government, on the other hand, we ought to know exactly what the federal Minister is prepared to do about a given request, depending on the situation. In any case, I suggest, and this is not meant as criticism, I suggest and I recommend increased co-operation for the purpose of establishing a national agricultural policy, corresponding to the needs of all sectors and all regions.

I feel the principle of decentralization with respect to farm products and agricultural sectors should be seen within the context of a broad national policy. I would especially urge the Minister to show even greater willingness to co-operate and to consult with the sectors concerned.

[*English*]

Mr. Whelan: Mr. Speaker, does the Hon. Member not realize that I am probably the most approachable and co-operative Minister of Agriculture on the Federal and provincial scene?

[*Translation*]

Mr. La Salle: Mr. Speaker, I am not saying that the Minister does not know how to co-operate, but when I see how important the agricultural sector is and when I see the need for setting up agricultural policies that should rise above partisan consideration, and I assume the Minister agrees with me, I

want to ask the Minister to set up agricultural policies that are not subject to political pressures and especially not introduced the day before an election.

[*English*]

Mr. Whelan: Mr. Speaker, has the Hon. Member not studied the agri-food strategy which developed after 180-odd meetings across Canada? In my view and that of many other people, this is the most advanced 20-year agricultural program of any country in the world.

[*Translation*]

Mr. La Salle: Mr. Speaker, I repeat what I said before, and I do so willingly, because I think it cannot be said often enough. What is important in Parliament, as the Minister is aware, is that we can use a motion to demand immediate proposals. We regret the delay with respect to measures that must be taken to cope with the problems facing farmers today. I also urge the Minister, speaking on behalf of millions of farmers, to show greater willingness to consult and hold meetings with the sectors concerned in order to develop policies that will provide security for farmers, which is what we are seeking, and especially stability and the assurance that their farms will survive, which is far from certain today, considering the economic situation. That is all we want.

[*English*]

Mr. Deputy Speaker: There being no further questions, the House will now proceed to debate. The Hon. Member for Dauphin-Swan River (Mr. Lewycky).

Mr. Lewycky: Mr. Speaker, could we perhaps call it one o'clock and I could begin my comments as soon as the House resumes debate?

Mr. Deputy Speaker: Does the House agree?

[*Translation*]

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

At 12:55 the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

ABORTION

PLEA ON BEHALF OF UNBORN CHILDREN

Mr. Gordon Taylor (Bow River): Mr. Speaker, every Hon. Member of the House, along with thoudands of Canadians, has grieved with the parents of the babies murdered in the Toronto Children's Hospital, as the stories on the Grange Commission's inquiry appeared in front page news throughout Canada. How could anyone kill such innocent and helpless babies?

Yet every week across this nation, not only in Toronto but in every major city in the country, helpless unborn babies are being aborted, and the daily press scarcely mentions these murders. More space is given to the hue and cry when baby seals are killed than when these helpless human beings are denied life. It is ironic that there is so much interest in trying to find the person responsible for the terrible deaths in Toronto, while at the same time many in our society condone or say nothing about respected doctors and hospitals in their own communities removing unborn children, human beings, from the wombs of their mothers.

When are the Government and the House of Commons going to show concern for unborn babies equal to that which they show when a born baby is killed? Neither should be accepted, and yet taxpayers' money is now being used to encourage abortion, not to save the life of the mother or of the child, but as a birth control measure. These innocent and helpless babies, born and unborn, are created by an omnipotent God. How long is Government going to condemn one and condone the other?

* * *

AGRICULTURE

CRITICISM OF GOVERNMENT'S LEGISLATIVE PROGRAM

Mr. Charles Mayer (Portage-Marquette): Mr. Speaker, CP is showing substantial profits, especially on its railroading—no pun intended. In fact, *The Globe and Mail* reports this morning that CP is "heading for a speedy recovery". Western farmers should also be aware that at a time when they are experiencing record financial problems the CPR is making good profits, and that John Turner has just been re-appointed to its board of directors.

That is typical of the Government, Mr. Speaker, because it has a miserable record as far as Canadian agriculture is concerned. In fact there is only one bill on the Order Paper in this session pertaining to agriculture. That is Bill C-23, a Bill to increase cash advances on prairie grain. This morning in the House the Minister of Agriculture (Mr. Whelan) berated the Opposition for holding up this Bill. In fact, the opposite is true. We on this side have supported the Minister and promised quick passage of the Bill, but even our support does not appear

to be enough for the Minister, because the Government House Leader (Mr. Pinard) has not even called the Bill for second reading yet.

The same is true for two other measures the Government is apparently proposing; a red meat stabilization plan, and amendments to the Western Grain Stabilization Act. The Government has asked us for support, but surely we cannot be expected to support phantom Bills. We must see the Bills before we can support them. the only thing that has been passed in this session pertaining to Canadian agriculture has come from this side. The Hon. Member for Bruce-Grey (Mr. Gurbin) had a motion passed referring the Agri-bond concept to the finance committee. The Hon. Member for Vegreville (Mr. Mazankowski) also had a motion passed asking for a reduction in federal taxes on fuels used in farming and fishing.

We on this side are serious about assisting producers of food. The Government, unfortunately, is only interested in putting the blame on someone else for its own inadequacies.

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

* * *

CROWN CORPORATIONS

DE HAVILLAND—SIZE OF MANAGEMENT

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I would like to comment on de Havilland in Toronto and the latest leaked report about the difficulties of that Crown corporation. I put a question to the Prime Minister (Mr. Trudeau) some time ago, and he turned it back on me saying that it was a question of either jobs or cash—we had to give the cash to keep the jobs and, if we did not give the cash we would not get the jobs. Well, we have given the cash, and now we are going to have cutbacks in the jobs. That is an untenable situation.

I checked with the people on the shop floor of de Havilland this morning. I found that de Havilland has top heavy management. For example, in 1981 there were 3,500 employees on the shop floor and 1,900 management employees. In 1984 there are 1,300 floor employees and 1,400 management employees. I found out that there is a slush fund for management retirees, and nothing for the workers except further lay-offs.

On behalf of the NDP I would like to suggest four things. One, we must support this industry. I remember, from my childhood in Etobicoke, the difficulties AV Roe had when the Avro-Arrow was cancelled. We must support our aeronautics industry. Second, we must support export credits, as other countries are doing that. Third, we must have some new initiatives. We must update. We should be flying to Ottawa in Dash-8s rather than DC-9s, for short hauls. Fourth, we must have accountability. We must have a corporate plan ratified by Parliament.

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

S.O. 21

[*Translation*]

NATIONAL REVENUE

DEDUCTIONS FOR GRATUITY INCOME EARNERS

Hon. Roch La Salle (Joliette): Mr. Speaker, for the third time I rise in the House to deal with the injustice which is being perpetrated on gratuity income earners throughout Canada and which the Minister responsible at the federal level has not deemed advisable to rectify by making it possible for them to get benefits consistent with their global incomes. Under these circumstances, Mr. Speaker, you will realize why, on behalf of the 60,000 gratuity income earners in Quebec alone, I must beseech and beg the government to introduce the necessary amendment as soon as possible, so that these workers who must bear the brunt of these hard times may be eligible to unemployment insurance benefits consistent with their incomes.

Mr. Speaker, I dare hope, that the six dozens of Hon. Members from Quebec who certainly realize the importance of my motion, will not hesitate to twist the arm of the Minister responsible to settle this matter before it is too late.

The reason I had to rise in the House today to deal again with this issue is that so far I have received no reply from my hon. friends opposite.

* * *

[*English*]

THE MONARCHY

SCHEDULED VISIT OF HER MAJESTY—OPPOSITION TO POSSIBLE CANCELLATION

Mr. Bill Vankoughnet (Hastings-Frontenac-Lennox and Addington): Mr. Speaker, 1984 marks the date for two significant anniversaries in the life of our nation. The visit to Canada of our country's head of state, Her Majesty Queen Elizabeth II, is a fitting tribute to celebrate 200 years as a province in New Brunswick, and the bicentennial of the arrival of the United Empire Loyalists in Ontario.

• (1410)

As Head of State, Her Majesty Queen Elizabeth is an important part of our Canadian heritage.

The Queen's visit will promote enthusiasm and interest in those areas where she will be present, and will provide local tourism with a much needed stimulus, particularly as unemployment remains a problem in Canada.

A decision to cancel the visit of Her Majesty Queen Elizabeth II for a summer election would be viewed by Canadians with considerable regret. The suggestion in today's edition of *The Citizen* by a Liberal source, which reads: "Those who would be really upset by the cancellation of the Royal visit don't vote for us anyway", should read: "All Canadians regardless of political stripe won't vote Liberal if a cancellation occurs for partisan political reasons."

S.O. 21

As our national Head of State, the Queen is above partisan politics. I invite government Members to consider the seriousness of this irresponsible newspaper quote before any hasty decision is made to cancel the Queen's visit for any reason.

* * *

RAILWAYS

GRAIN FREIGHT RATES—IMPACT ON FARMERS

Mr. Vic Althouse (Humboldt-Lake Centre): Prairie farmers are now getting the opportunity to see first hand the effects of the new Crow rate regime at their local elevator. Freight charges are to go up a whopping $1.90 a tonne, or an increase of 35 per cent on August 1 this year on average, with increases of up to 45 per cent for farmers in Manitoba. This comes at a time when farm bankruptcies have gone up by 78 per cent on the Prairies over the same period last year and grain prices are falling.

Farmers were worried about the cap on federal contributions, and we in the New Democratic Party tried to have this cap removed. Now, because farmers have moved a larger volume of grain in an attempt to pay their bills, they are being penalized with an average increase of 35 per cent in their freight rate even though actual costs for the railroad have risen only 4 per cent in the same period.

Government advertisements last year said rates would increase "gradually from the current 13 cents per bushel to about 25 cents in four years". Actually on average farmers have had to pay an extra 1.5 cents per bushel from January 1, 1984, and now with an additional 5 cents per bushel on August 1, 1984 this amounts to an increase of 6.5 cents per bushel in just seven months. So much for government promises compared with government actions.

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PARLIAMENT

BELL RINGING IN LEGISLATURES

Mr. Bill Yurko (Edmonton East): Mr. Speaker, approximately two years ago the bells rang in this House continuously for almost two weeks. The work of the House stalled, the Official Opposition went on strike, with cause. I was concerned. I wrote to then Speaker Madame Sauvé on March 9, 1982, and I said:

> Without firm and direct action by the Speaker to resolve this question, a dangerous precedent will be established for the future—one that will allow Opposition Parties to abruptly halt the work of Parliament at will and for indefinite periods of time.

Yes, the precedent set by this Parliament has spread. The ringing of the bells was used in the Manitoba Legislature, resulting in adjournment of its session. Then it was used in Saskatchewan by the Official Opposition. It will spread to other legislatures. In the Alberta Legislature, the Official Opposition consists of two NDP Members. Are they to be permitted to shut down the Alberta Legislature at will by a bell-ring episode?

The Canadian people are just beginning to realize the enormity and the consequences of the use of this unusual procedure to halt the nation's business. I believe that a constitutional amendment is necessary to place bounds on this growing cancer. To stimulate discussion on the matter, it is my intention to bring forth a Private Member's Bill incorporating a constitutional amendment to limit and place bounds on this growing disruptive parliamentary practice.

ORAL QUESTION PERIOD

[*English*]

FINANCE

INCREASE IN BANK OF CANADA RATE

Hon. John C. Crosbie (St. John's West): Mr. Speaker, in the absence of the Prime Minister, and of the Minister of Finance on the day the Bank of Canada rate comes out, it is difficult to know to whom to address a question. I will ask the Acting Prime Minister, if there is one. There are seven of them out in the country acting now as though they would like to be Prime Minister.

The Bank of Canada rate has just gone up again to 11.13 per cent, a considerable increase, which means that bank prime interest rates and all interest rates will be going up. Interest rates have gone up over 2 per cent on 365-day bills since the Budget was brought down. The Canadian dollar has decreased in value something like 3 cents since the Budget was brought down. Our gross domestic product is going down and not up, and the country is in a desperate economic shape. Will the Government now bring in new policies or a new Budget, or take some action that will start to reverse these horrendous economic developments since the Budget of February 15?

Hon. Roy MacLaren (Minister of State (Finance)): Mr. Speaker, the Hon. Member opposite is being his usual exaggerated self when he speaks of the economy being in—what was his word—horrendous shape. Of course the economy is not in horrendous shape. The economy is in very good shape, and it is getting better all the time.

Some Hon. Members: Oh, oh!

Mr. MacLaren: If the Member opposite had any ability to understand economic facts he would know perfectly well that the growth in the economy is proceeding at a stable and effective rate. We are seeing improvements in the manufacturing industry. Interest rates and unemployment are not increasing at any level which should cause real hardship or real concern today.

When the Hon. Member opposite speaks of the impact of interest rates in the economy, he should realize that the

increases have been of a minimal nature. They are not of a substantial character. They arise in part, as he knows perfectly well, from interest rate increases in the United States. Over the longer run the circumstances of the Canadian economy will ensure that those interest rate increases are not of a massive nature.

GOVERNMENT POLICY

Hon. John C. Crosbie (St. John's West): Mr. Speaker, I am glad to see the Minister of Finance has come into the House. I want to ask him about interest rates. As he no doubt knows, the Bank of Canada rate has just gone up to 11.13 per cent. The Minister of Finance heard the halting and unintelligible answer of the Minister of State for Finance when I asked him my question.

The Minister of Finance said on March 22, 1984:

> Our policy is to keep interest rates as low as we can sensibly keep them in this country and still have an economy which will grow.

In view of the fact that interest rates are now going up again and the economy is not growing, will the Minister take action to reverse this state of affairs? Will he admit that his February 15 Budget was of no assistance, and will he now take other actions and bring in other measures before this House to try to reverse the terrible position in which we now find ourselves?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, first I heard not an unintelligible but a very intelligent answer from the Minister of State for Finance.

Some Hon. Members: Hear, hear!

Mr. Mayer: We didn't.

Mr. Lalonde: If it was unintelligible, the problem is with the Hon. Member who asked the question, not with the person who gave the answer.

As far as interest rates are concerned, indeed the bank rate went up today by 0.29 per cent of a point. That follows a situation where we have upward pressure in the United States, as the Hon. Member knows, but even at the present moment the prime rate at the banks, which is the rate that affects people most, is still half a point below that in the United States. My hon. friend knows that.

As far as the economy not growing is concerned, my friend is wrong again. The Canadian economy is growing, and it is growing at a rate that compares favourably with most other industrial economies at the present time.

As far as the request which the Hon. Member has put forward is concerned, I have indicated that the Budget of February 15 contained a number of measures, and some of them are already before the House. I hope they will get quick and early consideration by the House. I was disappointed to see that some measures that would have helped business, in spite of an agreement with some spokesmen for the Conservative Party, have not received the early consideration that we were promised. I hope we will be receiving quick and early consideration of those measures because they will be beneficial to the taxpayers of this country.

● (1420)

REQUEST FOR MINISTERIAL ACTION

Hon. John C. Crosbie (St. John's West): Mr. Speaker, my final supplementary is directed to the Minister of Finance. The Minister's policies have had a singular lack of success. In the United States there is growth of over 8 per cent this quarter, whereas in Canada we are having a decline, not growth.

The Minister said in the House on March 26 that he was monitoring the situation carefully. Everything that has happened since March 26 has been bad. He went on to say:

> If need be, we will make the necessary adjustments. In the meantime I see no reason to change the basic policy that we have been following.

Since then the unemployment rate is up again, and over 1.5 million Canadians are out of work, interest rates are up, and the dollar is down. When will the Minister show some concern? When will he listen to Canadians and take some steps to try to relieve the situation in which we find ourselves? The answers he has given in the House are unsupportable, unsavory, and unsatisfactory. When will he take some steps to adjust the situation in accordance with these facts which today show that interest rates will go up again?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I was ready to welcome the Hon. Member back to the House because he has been away for quite some time, but I did not know that he had been outside the country as well. Indeed, he will be happy to hear that, contrary to what he said, the Canadian economy in the first quarter did not decline. It has increased. It may not have increased as much as the Hon. Member would have preferred, but it has increased.

Mr. Crosbie: What did it do in February?

Mr. Lalonde: What he says is completely wrong and false, and the rest of his question follows on that false premise.

FEDERAL DEFICIT—STATEMENT BY LIBERAL LEADERSHIP CANDIDATE—MINISTER'S POSITION

Miss Pat Carney (Vancouver Centre): Mr. Speaker, my question is also directed to the Minister of Finance. One of his colleagues and Liberal leadership candidate, John Turner, is promising to cut the federal deficit in half, or by $15 billion, by streamlining social programs, running a more efficient bureaucracy, and by other measures. When he was Minister of Finance, Mr. Turner doubled government spending and he expanded, tripled, and indexed many of these same social programs. If the Minister's former colleague feels that $15 billion could be cut from the Budget, does the Minister agree that this can be done? If so, why is he not doing it?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I am very pleased to see that the Conservative Opposition

Members are worried about the dynamic and very challenging proposals made by the various candidates for the leadership of the Liberal Party, which will hold its convention in mid-June. I should think that my colleague might perhaps be better advised to ask the candidates what means they intend to propose to achieve that objective. The Hon. Member knows that, in my budget, I said that we had to steer towards a progressive and systematic decrease in the deficit. That was my proposal. If the race for the leadership of my Party provides some of my colleagues with an opportunity to make concrete proposals to be implemented in the next few years, I will of course be delighted to entertain them, should I be a member of that Cabinet. Second, I would suggest that it shows that, unlike the Progressive Conservative Party, the Liberal Party does have people who think about the future.

[*English*]

PROPOSAL TO DISBAND THREE GOVERNMENT DEPARTMENTS

Miss Pat Carney (Vancouver Centre): Mr. Speaker, my supplementary question is directed to the Minister of Finance. If historic patterns repeat themselves, all we will see in the future is increasing deficits from any Liberal administration. He talks about other proposals being made by his colleagues. The Minister of Employment and Immigration suggests that at least three federal Departments should be axed—Economic Development, Social Development, and Labour—to save the taxpayer money. Does the Minister of Finance agree that the Liberal Government is wasting taxpayers' money, or does he feel that these three Departments should be shut down?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Quite obviously, Mr. Speaker, that is the kind of question which should not be directed to me, but perhaps I might give the same answer as the one I gave to the previous question and say that at least the Liberal Party has people who think about the future.

[*English*]

REQUEST THAT GOVERNMENT ORDER BANK RATE ROLLED BACK

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of Finance. It concerns the increase in interest rates. He has just suggested to the House, in his smiling way, that the increase is not really that great. He will now know that the rate is at its highest level in 18 months. Also he will know that we have had a record number of small business bankruptcies in the past two years, that farm bankruptcies are increasing this year at a rate, depending upon the province, of 100 per cent to 150 per cent or 160 per cent, and that all businessmen across Canada are saying that, if we do not have lower interest rates, whatever recovery we now have may be stopped.

Considering that the Liberals promised in the 1980 election campaign to have a made-in-Canada low interest rate policy, will he deliver what they promised and order Governor Bouey to roll back the interest rate increase which was announced today?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the Leader of the New Democratic Party keeps asking the same question over and over again. I have already given him an answer on this subject.

I have clearly indicated to him that I shall not give any instruction to the Governor of the Bank of Canada like the one he is suggesting because it would be counterproductive in terms of the development of the Canadian economy.

[*English*]

Mr. Broadbent: Just for once the Liberals should learn to be consistent. If they are not willing to fulfill their promises, they should not make promises in the first place.

REQUEST THAT MINISTER IMPOSE CAPITAL OUTFLOW TAX

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I want to deal with the economics argument which the Minister usually makes on this question. He has told us in the House that, if they lowered the interest rates as they promised, there would be an outflow of capital to the United States. If the Minister is concerned with that, will he do the following: lower the interest rate, but then bring in a money-changer's tax and levy such a tax on all outflows of capital beyond a certain level? Most Canadians will keep their money in their Canadian bank, as they ought to do, but those who want to speculate and take advantage of the dollar situation should have a tax imposed on them. Will the Minister do that?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): No, Mr. Speaker.

[*English*]

MINISTER'S POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, if the Minister is interested in preserving Canadian jobs, if he wants small businessmen and farmers to survive, and if he wants mortgagors to be able to maintain their homes, will he tell the House why he gave a negative answer? Why is the Minister unwilling to levy a tax on speculation, on large amounts of money going out of the country which ought to be reinvested in the Canadian economy?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, for the very simple reason that I want to preserve jobs in the country. I want to help people in the housing area. I want to ensure that there will be confidence in the Canadian economy from Canadian investors as well as foreign investors, and not resort to the kind of naive intervention which the Hon. Member is recommending.

CROWN CORPORATIONS

DE HAVILLAND—GOVERNMENT DOCUMENT INQUIRY—FUTURE OF EMPLOYEES

Right Hon. Joe Clark (Yellowhead): Mr. Speaker, my question is directed to either the Prime Minister or the Minister responsible for reporting to the House on de Havilland. It is a very simple question. Does the Government have in its possession a Cabinet document predicting that its present policy respecting de Havilland will cost the country hundreds of millions of dollars and will result in the loss of hundreds of jobs at de Havilland this year? If the Government has such a document, will it send the contents of the document to the appropriate committee of the House of Commons so that Parliament can see all the facts about the de Havilland arrangement, and come to its own judgment as to whether or not this matter, which is now being kept secret by the Government, is in the national interest?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I have a feeling the Hon. Member missed a few sittings of the House and standing committees, otherwise he would have known that the Minister responsible appeared many times with the projections and financial statements of those corporations, including de Havilland, and provided committee members requesting information with every detail on the corporations' financial situation and development plans.

If I remember correctly, the same Minister will appear shortly before the Committee of the Whole with other financial statements, and all Members in this House will have an opportunity to ask questions on the corporations' financial situation.

PROJECTED FINANCIAL AND EMPLOYMENT LOSSES

Right Hon. Joe Clark (Yellowhead): Mr. Speaker, the Minister is missing much more than a few sittings of the House, he lacks honesty, as he is fully aware that the figures that were available some months ago are not those we are concerned with today.

I would like to put the question to him once more. Is it true that the government now has a Cabinet document, dated around mid-April, pointing to the loss of millions of Canadian dollars, and of at least 300 jobs at de Havilland this year?

• (1430)

[*English*]

Is there such a document? If there is, in the interests of letting the whole truth be known, will the Minister put those facts before the committee? We are talking about facts that came to the attention of the Government since the committee hearings he has talked about. Will he tell the whole truth?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Without any hesitation, Mr. Speaker, first I must point out to the Hon. Member that, as a former Minister, he cannot have forgotten what a cabinet document is. He is nodding, so there he has part of the answer to the question he should not even have put, if he remembers what a cabinet document is.

Moreover, Mr. Speaker, the document to which the *Globe and Mail* referred is the same document that was mentioned some weeks ago, and about which the Minister in charge made a statement explaining those figures.

As far as jobs are concerned, this is no novel thing either, because due to the slowing down of business at Canadair, various forms of lay-offs are expected. However, this government will endeavour to ensure competitive financing of the Dash-8 on markets abroad, in order to keep abreast of our competitors, and support other business activities within the corporation, not only to maintain existing jobs but to create new ones, which remains this government's goal.

* * *

[*English*]

COST BENEFIT ANALYSIS

Right Hon. Joe Clark (Yellowhead): Mr. Speaker, two facts are clear. One is that Canadian jobs at de Havilland are going to be lost by this Government. Second, facts which the Government has, it is hiding from the House of Commons. We want to have those facts and save those jobs. Has the Government prepared a cost-benefit analysis of its present de Havilland proposal? Does it have that cost-benefit analysis, and will it make it available to the House of Commons?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, earlier the Hon. Member wanted to teach the government honesty. I must point out it is dishonest of him Mr. Speaker, to state that the government is hiding the facts on de Havilland's or Canadair's financial situation.

The Hon. Member simply ignores that at many sittings of the Standing Committee on Finance and Economic Affairs, and of the Standing Committee on National Accounts, these corporations' financial statements were reviewed and all pertinent questions answered by the Minister.

He did not mention either that there will be more committee sittings where other financial statements will be tabled, and the Minister in charge will appear to answer all questions.

As far as de Havilland's marketing and viability studies are concerned, it has always been the intention of the Canada Investment Development Corporation, from the start, to make such studies so as to ensure the financial and marketing consolidation of those corporations. Studies are now in

progress, and recommendations will be submitted to Cabinet in due course.

* * *

[*English*]

FINANCE

REQUEST FOR CHANGE IN METHOD OF ESTABLISHING BANK RATE

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, my question is for the Minister of Finance. The Minister has been blaming American interest rates for our problems. He will know that this week the Americans were able to borrow their T-bill money at 10.68 per cent. We had to pay 120 bases points more than the Americans. He will know that the American economy is on a roll. American government policies create jobs; our Government tears down jobs. The Minister will not bring forward a new Budget. Will he at least do one thing to establish confidence in the country? Will he change the method by which the Bank of Canada rate is established? Will he direct the rate at which the Bank of Canada will advance money to the chartered banks in a way that is consistent with keeping jobs in the Canadian economy and building the economy, instead of having our whole interest rate structure depend on a daily or weekly option of Treasury bills?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the commercial Canadian bank rates are not purely determined by the weekly auction by the Bank of Canada. The best evidence of this is that the Bank of Canada rate has moved up over the last several weeks without a similar increase in the prime rate by the commercial banks. There is no automatic relationship between what happens with the Bank of Canada rate and the commercial rates that are available to Canadians from the commercial banks.

If my friend looks at the daily comparison of selected Canadian and U.S. yields, for example, he will find that on 30-day prime corporate paper, in March and April the Canadian rate has been lower than the American rate, not higher, and that the 90-day prime corporate rate has been very lightly over the American rate. In fact the latest figure I have is at the same level as in the United States. I do not think my friend can argue seriously that Canadian rates are systematically higher than American rates. Evidence in the last several weeks has been to the contrary.

REQUEST THAT GOVERNMENT SET BANK RATE

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, the Minister cannot fool us any longer. The Canadian dollar was under pressure. To take the pressure off, he increased the rates in Canada. The Minister knows that the problem goes further than that. The Treasury bill option is a deal at the margin. In this country people are altering their interest rate expectations by the price that the Government of Canada pays at a Treasury Board auction once a week. Will the Minister do something to inspire some sense of confidence and give the people of this country some feeling that the Government, and not the Bank of Canada with its Treasury bill auction, is in charge? Will he at least set a Bank of Canada rate appropriate to the economy of this country so that we can keep what new jobs we have?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I am amazed to hear the spokesman for the Conservative Party advocating a complete rejection of the market system. I thought the Conservatives were rather favourable to the notion that we have a market economy and that the market determine the prices of either money or products in our society. My friend is proposing a very novel approach for the Conservative Party. If it is one that the Conservative Party wants to put forward, and if it does represent the view of the Conservative Party, I will be very interested in studying it further. In the meantime I see a lot of his colleagues nodding their heads negating this view taken by the Hon. Member on behalf of his Party.

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CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

SEIZURE OF UNLICENSED SATELLITE TRANSMITTERS

Hon. John M. Reid (Kenora-Rainy River): Mr. Speaker, my question is addressed to the Minister of Communications. Can the Minister confirm that the CRTC, along with the RCMP and the Department of Communications, carried out a series of raids within the last week on operations of unlicensed transmitter satellite TV signals? If so, how many of these raids were carried out in Canada? Was the community of Red Lake, in the district of Kenora, one of the communities affected? What does the Minister intend to do with regard to the equipment that has been seized and the people who have been denied television signals?

Hon. Francis Fox (Minister of Communications): Mr. Speaker, my understanding of the situation that exists at the moment is that the CRTC has indeed been enforcing, as is its duty, the Broadcasting Act of Canada. I am informed that some of these operations are re-transmitting signals, either in competition with licensed cable operators or using the airwaves to transmit to a number of people. Quite obviously, this must be done in accordance with the Broadcasting Act of Canada as passed by the House of Commons. These groups which are indeed operating broadcasting undertakings need licences to do so.

• (1440)

FINANCE

REQUEST FOR CAP ON MORTGAGE INTEREST RATES

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is directed to the Minister of Finance and deals with only one aspect of interest rates, that being mortgage interest rates. In answer to a question put to him by the Hon. Member for Mississauga South, the Minister indicated that there is no direct relationship between the Bank of Canada prime rate and interest rates charged by the chartered banks. Surely he must know that between February 16 and today the prime rate has risen by 1.29 per cent, and between February 16 and last week interest rates for mortgages have risen 1.5 per cent. This would show quite clearly that there is a relationship between what the Bank of Canada charges and what the banks charge for mortgages.

Since he is often quoting figures from the United States, the Minister will also know that in the United States mortgage interest rates are regulated. Will the Minister take steps now, before it is too late, to put regulations in place that will assure those people who wish to purchase homes in Canada, or who wish to renegotiate or must renegotiate their mortgages, that the banks will not be allowed to charge in excess of what is now being charged for mortgages that are currently available?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I refer my hon. friend to the answer I gave to the previous question. I did not say that there was no direct relationship between the two; I said that there was no automatic relationship.

Mr. Broadbent: Oh, now I see.

Mr. Lalonde: Suddenly the Leader of the NDP understands. I indicated that what was happening on a daily or weekly basis with Treasury bill rates auctioned by the Bank of Canada did not automatically signify an immediate rise in interest rates. I showed the Hon. Member that the best evidence was the prime rate itself which has remained stable for several weeks in spite of fluctuations in Treasury bill rates. Concerning the Hon. Member's question about mortgage rates, he spoke about the banks, but he should also speak about the credit unions, co-ops, financial institutions, trust companies and all private lenders. The answer to that question is no.

Mr. Deans: Mr. Speaker, it is quite clear that the Minister will allow interest rates for mortgages to rise as high as they rose in the last two to three years, and it is clear that he will see people lose their homes because he is too stubborn to recognize the realities in Canada at the moment.

MORTGAGE RATE PROJECTIONS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, surely the Minister knows that, with the present rate of interest, only 14.5 per cent of all renters can in fact qualify for mortgages. Surely the Minister knows that out of the 200,000 housing units that we require in Canada yearly in order to meet the current need, we are currently building at a rate of only 109,000 housing units a year.

Is there no way that we can convince the Minister that allowing mortgage interest rates to continue to rise can only create further unemployment on the one hand, and tremendous hardships for people who must renegotiate existing mortgages on the other. Will the Minister not take any steps now to ensure that mortgage interest rates will not be allowed to reach a level that will make it impossible for average Canadian families to own a home?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the Hon. Member can engage in all the dark fantasies he wishes. If he wants to believe and act as if the interest rates were going to rise to 20 per cent and 22 per cent, he is free to do so. I do not believe that that is what will happen, and I do not want to act as if it were going to happen. That is the responsible thing to do at this time.

In the Budget, I put forward a number of measures concerning mortgage rate interest protection. I intend to introduce that piece of legislation before the end of the month. I hope we will get the support of the Opposition when it comes to dealing effectively with these issues, dealing with the Interest Act and with mortgage protection, rather than getting the foot dragging that we have seen in the opposition Parties in the last few months when dealing with economic measures.

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THE ADMINISTRATION

MINISTERS' APPEARANCES IN HOUSE OF COMMONS AND COMMITTEES

Mr. Thomas Siddon (Richmond-South Delta): Mr. Speaker, my question is directed to the Prime Minister. Once again, three of the Government's most important Ministers who have a significant influence on the high unemployment figures in the country are not present in the House. I wonder if the Prime Minister could comment on the division of the time of Ministers between their duties in the House of Commons, particularly during Question Period, and their duties in Standing Committees. I would single out the Minister of Employment and Immigration who was present this morning and appeared for the first time in over two months before the employment committee, at which he gave the indication that he was not returning soon. Could the Prime Minister comment on the importance of Ministers' presence in the House during the week, performing the duties for which they are paid?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Hon. Member is asking me to comment on this. I think it is particularly ungracious for the Member to comment on ministerial absences when our ranks are so full today, and when most of the front bench of the Opposition, with one or two smiling exceptions, is away. Does the Hon. Member not feel that it is his duty, and particularly the duty of the Leader

of the Opposition, to be present in the House once in a while, Mr. Speaker? Our Minister was here yesterday.

Mr. Siddon: Mr. Speaker, government Ministers have an obligation to attend to the business of the nation. That is why they are paid to be here, and that is why they ought to be here.

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GOVERNMENT ADVERTISING

EXPENDITURES BY MINISTER OF EMPLOYMENT AND IMMIGRATION

Mr. Thomas Siddon (Richmond-South Delta): Mr. Speaker, will the Prime Minister comment on the over $20 million that the Minister of Employment and Immigration is expending on government advertising, most of which contains his name printed in the corners, with many blank spaces, since that program is apparently under the jurisdiction of a friend of the Minister from Toronto, a Mr. Peter Zarry, who has been under government contract to the tune of more than $400,000 for administering these programs which are apparently in support of the Minister's leadership campaign?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, that is just a jumble of inaccuracies and allegations. The Minister of Employment and Immigration is indeed spending a lot of money to create jobs in the country. He is also a leadership candidate. I do not suggest that he should stop trying to create jobs for Canadians simply because he is also running for the leadership of the Party.

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CANADA POST CORPORATION

AUDITOR'S TERMS OF REFERENCE

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, my question is directed to the Minsiter who is responsible for Canada Post. At the present time the principal director of the office of the Auditor General is conducting an audit into Canada Post. However, under his terms of reference he is restricted when examining the horror stories told about Canada Post.

As an example of those horror stories, employees in Toronto report that a $750,000 sorting machine had to be disconnected because it was inefficient and was causing delays. As well, employees report that Canada Post is continually forgetting trailers full of mail in its parking lots, and as many as 54 trailers have been forgotten for up to six weeks. Will the Minister take the necessary steps to see that the Auditor General can begin investigating these horror stories, and others, which are being told about Canada Post?

[*Translation*]

Hon. André Ouellet (Minister of Labour): Mr. Speaker, I first want to congratulate the Hon. Member on his appointment as official Opposition critic for matters relating to the Canada Post Corporation. Within the Official Opposition Leader's team being against bilingualism seems to be a good thing to get promotions. As for the question asked by the Hon. Member, I shall refer it to the President of the Canada Post Corporation.

[*English*]

Mr. McKenzie: Mr. Speaker, as usual, the Minister does not know what he is talking about.

WEEKEND OVERTIME

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, on May 1 the *Times Colonist* of Victoria reported that since March 18 management in the Victoria office has been paying employees extra money for working weekends in order to prepare mail for non-existent Air Canada flights. Will the Minister also see that Mr. Warren, or the Auditor General, will investigate this horror story?

[*Translation*]

Hon. André Ouellet (Minister of Labour): Mr. Speaker, I am under the impression that the horror stories referred to by the Hon. Member are more akin to figments of his imagination than to anything factual.

* * *

[*English*]

NATIVE PEOPLES

FUNDING FOR ORGANIZATIONS

Mr. Cyril Keeper (Winnipeg-St. James): Mr. Speaker, my question would be directed to the Secretary of State if I could have his attention. The core funding for native organizations is long overdue. It has been delayed by a full month now.

• (1450)

Native leaders are starting to come to the conclusion that these funds are caught in the tangled web of the Liberal leadership race. The Minister supports John Turner, while the Dakota Ojibway tribal council gave a donation to the Minister of Indian Affairs and Northern Development. Is there a legitimate reason which the Minister can give this House of why the funding for native organizations has been delayed a full month?

[*Translation*]

Hon. Serge Joyal (Secretary of State): Mr. Speaker, the Hon. Member's phrasing is a little subjective. The main reason for the delay is, basically, the fact that over the past year, many provincial and national associations have had to cope with various changes including a large number of new associations. With a view to establishing objective criteria that, in the fact of such problems, would be used in acknowledging these

associations, we have tried to reach a consensus and an agreement with representatives of the major associations.

Next week I shall be meeting with representatives of the Métis, in an attempt to seek a solution to this problem. As soon as we have reached a consensus, payments will be made in the manner agreed upon with the organizations.

[*English*]

GOVERNMENT POLICY

Mr. Cyril Keeper (Winnipeg-St. James): Mr. Speaker, the Government changed the funding policy for native organizations. When it does that, it has to accept the responsibility to see that that policy works. That funding is still a month overdue. When is the Government going to sit down with native leaders in order to make that policy work, or does the Liberal Party only care about native people when it is thinking about votes?

[*Translation*]

Hon. Serge Joyal (Secretary of State): Mr. Speaker, the Hon. Member is upset but I feel he does not know the facts. If he had spoken to representatives of the main associations concerned, he would have realized that six months ago I started informing each association that we were going to revise program criteria to allow for the new situation that was created last year when a number of national associations were split and when many associations were set up provincially. It was to cope with this new situation that we initiated negotiations and exchanges, and as I said in my previous answer, we are discussing criteria for acknowledging these new situations while maintaining the program's objectives, which are to give the representing associations the financial base they require to carry out their responsibilities. That has nothing to do with the inferences being made by the Hon. Member, which, I feel, are only aimed at poisoning relations in a situation that is very difficult, although in the past, we have always received the co-operation of native representatives.

* * *

[*English*]

NORTHERN AFFAIRS

LOBBY AGAINST FUR TRAPPING INDUSTRY

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. It is a very easy question, designed to enhance his leadership ambitions so long as he gives the right answer. What action are the Minister and his Department taking to counter the high priced, high powered propaganda put forward by the anti-trapping lobby which is a danger to the Canadian fur industry and to the livelihood and way of life of thousands of Canadian trappers?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): I wish, Mr. Speaker, through you, to say that I totally agree with the conclusions reached in the preamble to the Hon. Member's question. I believe it is a dire and unjustifiable threat to the livelihood of many of our northerners. I can only say that I am, combined with many of my colleagues in Government, putting together a governmental policy necessary to mount an educational advertising campaign designed to impact upon the mentality of many of the foreign countries which are contemplating taking prejudicial action against the product of our trappers.

* * *

RAILWAYS

GRAIN FREIGHT RATES—INTERIM ADJUSTMENT COSTS

Mr. Charles Mayer (Portage-Marquette): Mr. Speaker, my question is directed to the Minister of Transport. The Minister will know that the new freight rates for western grain are announced. The average rate is $7.70 per tonne. That is an increase of a full 33 per cent over the current year. These rates which have been announced are for the next crop year. The main reason for the increase is the interim adjustment, and the reason for that is that the producers are being asked to pick up the full shortfall in the estimates. Would the Minister tell the House why the Government is not picking up its share of the adjustment fund?

The Bill did not come into effect until January 1, yet the interim adjustment is going to be totally picked up by the producer at a time when the producers are experiencing considerable financial difficulty and the railways are experiencing pretty good financial health. The differnce is something like $20 million to $25 million. Would the Minister look into this situation and do what he can to ensure that the railways, or the Government, pay their share of that extra charge, instead of asking the producers to pick up the full $20 million to $25 million extra in cost?

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, I met yesterday with the Senior Grain Transportation Committee at its monthly meeting. We discussed the new rate which was set as of August 1 by the Transport Commission. I believe it is fair to say, Mr. Speaker, that the primary reason for the increase in the rate is due to the additional volume of grain which is being moved. The cap which was set under the formula was at 31.3 million tonnes. The fact of the matter is that there will be an additional three million tonnes moved this year. The farmers will, of course, receive a substantial income from those quite substantial additional sales above what was expected.

The important consideration which should be looked at is that there was virtually no increase in the costs which would affect railway rates. In fact the cost of the railways was about parallel to what it was last year. Therefore, there was virtually no inflationary increase in railway costs. Any increase in the rate was really due to that substantial increase in the sales, and in volume of grain which is being exported through our transportation system.

REQUEST THAT MINISTER REVIEW FIGURES

Mr. Charles Mayer (Portage-Marquette): Mr. Speaker, either the Minister does not understand my question or does not understand the formula by which rates were set. Very simply, the Government picked up the first five-twelfths of the increase in the present crop year. The producers picked up the next seven-twelfths. What has happened is that the volume estimate was low, and the Government is now going along with the formula which suggested that the producers pick up the full interim adjustment. Instead of the Government paying its share of the first five months, it is asking the producers to pick up the full year's share. Very simply, that is going to cost the producers $20 million to $25 million.

The Minister cannot have it both ways. The volume estimate for next year is only 31.8 million tonnes, as I understand it. That is down substantially from this year. Therefore, the total reason, almost exclusively, for the increase in the rates next year is due to the interim adjustment this year, of which the Government is refusing to pay its share.

Let me ask the Minister again to go back and check the figures and see what he can do about ensuring that the producers do not have to shoulder that extra $20 million to $25 million.

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, the Hon. Member is suggesting that his interpretation is the one which has to be accepted by this House. I would suggest to him that he in fact look at the statement which was issued by the Canadian Transport Commission, which states it is the additional cost related to the volume which raises shippers' charges in the 1984-1985 crop year, because these additional costs have to be factored into the new rates scale.

The fact of the matter is that the CTC itself, which has studied these factors, is indicating that the increase in rates is due to the additional volume of grain—

Mr. Mayer: But you are asking the producers to pick up the full shot.

Mr. Axworthy: —which is being moved, which, in fact, substantially increases the income coming into the farmers' hands because of the additional sales. I would simply suggest that the Hon. Member read what the CTC has to say.

* * *

INCOME TAX

EXTENSION OF FILING DATE FOR RESIDENTS OF BELL ISLAND, NFLD.

Hon. James A. McGrath (St. John's East): Mr. Speaker, my question is directed to the Minister of National Revenue. Last week the Minister extended the time limit for the filing of income tax returns for communities in Saskatchewan and Manitoba which were hit by a snow storm. There are many communities in eastern and northeastern Newfoundland which have been denied regular mail service because of unusual ice conditions. One of these communities is Bell Island in my own constituency. Will the Minister extend the time limit for communities such as Bell Island which have been denied regular mail service because of unusual ice conditions?

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, the St. John's taxation centre has set up a mechanism to identify the returns of the taxpayers who were affected by the pack ice in the area, and to allow them a filing extension on a case by case basis. I want to assure the Hon. Member that in these cases there will be no late filing penalties applied.

* * *

CANADIAN PACIFIC RAILWAY

GRAIN TRANSPORTATION EARNINGS

Mr. David Kilgour (Edmonton-Strathcona): Mr. Speaker, my question is directed to the Minister of Transport and is supplementary to the subject raised previously. My understanding is that the Minister's scheme to impoverish the farmers in western Canada and to enrich the railways has resulted in a per share earning for the CPR of about $3.50. Will the Minister tell us what his estimate of this plan is in terms of enriching CPR shareholders?

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, that really is a kind of nonsensical question. The Hon. Member has been in this House long enough to know—

Mr. Speaker: Order. It is very difficult to expect a Minister to be able to answer that kind of a question without notice. I suggest it should be on the Order Paper.

* * *

PETITION

MR. McKINNON—PENALTIES FOR DRUNK DRIVING

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Victoria (Mr. McKinnon) on Wednesday, May 2, 1984, meets the requirements of the Standing Orders as to form.

* * *

● (1500)

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Hnatyshyn: Mr. Speaker, I wonder if I can ask the Government House Leader his intentions with respect to the business of the House for tomorrow and possibly into next week, if he is in a position to let us have that information.

[*Translation*]

Mr. Pinard: Yes, Mr. Speaker. I am pleased to confirm the business of the House for the next few days, in the following order: Tomorrow, Monday and Tuesday we will consider Bills C-24, C-10 and C-25; Bill C-32 on Wednesday; and I wish to designate next Thursday as an Opposition day. As my colleague knows, of course, all those plans may change but, as I usually do, I will give the Official Opposition advance notice of any change.

[*English*]

Mr. Deans: Mr. Speaker, did the Government House Leader mention what was going to happen concerning progress on the farm stabilization legislation? I did not catch it if he did.

[*Translation*]

Mr. Pinard: No, I did not mention that, Mr. Speaker.

[*English*]

Mr. Deans: Mr. Speaker, can the Government House Leader tell the House when, if at all, the Government is going to proceed with that legislation?

[*Translation*]

Mr. Pinard: We usually proceed with Bills on the Order Paper and, as my colleague knows, that Bill still does not appear on the Order Paper.

[*English*]

Mr. Hnatyshyn: Mr. Speaker, I do not want to belabour that point, but the Government House Leader will know that this matter is very much of interest to members of the Opposition. The Minister will know that this morning his colleague, the Minister of Agriculture, gave his iron-clad guarantee that the western grain stabilization legislation would be introduced for quick consideration at the earliest possible date. Has there been consultation with the Minister of Agriculture and will the Bill be brought in, for example, during the course of the next week? That is one possibility.

Mr. Pinard: Mr. Speaker, we would plan to introduce that Bill next week. I would like to remind my hon. friend that according to Standing Order 22(2), and I quote:

> Government Orders shall be called and considered in such sequence as the Government determines.

We will assume our responsibilities in due time.

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

MR. TOUSIGNANT—POSTAL SERVICE FOR NORANDA

Mr. Henri Tousignant (Témiscamingue): Mr. Speaker, I have the honour to present to the House a petition signed by 2,200 of the 10,000 residents of the City of Noranda in my riding. Those people are complaining because Canada Post has closed their post office and they have to go to Rouyn for service, a location whose access is difficult and, I would even say, dangerous for the elderly.

Those people therefore humbly ask this House that the service to which they are entitled, be restored and, needless to say, they have my full support.

[*English*]

MR. EPP—CALL FOR WITHDRAWAL OF BILL C-10

Hon. Jake Epp (Provencher): Mr. Speaker, I have a petition signed by some 1,200 persons from my constituency and others. It is a follow up to an earlier petition of 6,000 names in which the petitioners request the Government to withdraw Bill C-10, the provisions of which are totally unacceptable to them.

* * *

CONSUMER PRODUCT WARRANTIES ACT

MEASURE TO ESTABLISH

Mr. Dan McKenzie (Winnipeg-Assiniboine) moved for leave to introduce Bill C-235, an Act to amend the Combines Investigation Act and to provide for standardization of warranties and to define the minimum provisions thereof.

Mr. Speaker: Is it the pleasure of the House that the Hon. Member shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. McKenzie: Mr. Speaker, this Act would clarify the rights and obligations of consumers as they exist regarding warranties, and would provide for a single, uniform regulation of warranties.

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

Mr. Speaker: When shall the Bill be read a second time? At the next sitting of the House?

Some Hon. Members: Agreed.

Introduction of Bills

BROADCASTING ACT

AMENDMENT RESPECTING TAPING BY SCHOOL BOARDS

Mr. Dan McKenzie (Winnipeg-Assiniboine) moved for leave to introduce Bill C-236, an Act to amend the Broadcasting Act (educational use of programs).

Mr. Speaker: Is it the pleasure of the House that the Hon. Member should have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. McKenzie: Mr. Speaker, this Bill would enable school boards to tape radio and television broadcasts for use in schools at a cost which is not prohibitive, without incurring liability for copyright infringement.

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

Mr. Speaker: When shall the Bill be read a second time? At the next sitting of the House?

Some Hon. Members: Agreed.

* * *

OFFICIAL LANGUAGES ACT

MEASURE TO AMEND

Mr. Dan McKenzie (Winnipeg-Assiniboine) moved for leave to introduce Bill C-237, an Act to amend the Official Languages Act.

Mr. Speaker: Is it the pleasure of the House that the Hon. Member shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. McKenzie: Mr. Speaker, this Bill would ensure that a public servant or employee of a Crown corporation hired prior to the day of the coming into force of the Official Languages Act and still employed without being rehired since that day is able to continue to occupy his position or compete for any other position without his ability to perform in his second official language being taken into consideration. In essence, this Bill will restore the merit system to the RCMP, the Armed Forces and the federal civil service.

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

Mr. Speaker: When shall the Bill be read a second time? At the next sitting of the House?

Some Hon. Members: Agreed.

CANADA LABOUR CODE

AMENDMENT RESPECTING ADMINISTRATION OF COLLECTIVE AGREEMENTS

Mr. Dan McKenzie (Winnipeg-Assiniboine) moved for leave to introduce Bill C-238, an Act to amend the Canada Labour Code (collective agreements).

Mr. Speaker: Is it the pleasure of the House that the Hon. Member shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. McKenzie: Mr. Speaker, this Bill would ensure that the administration of a collective agreement would not have a discriminatory or detrimental effect on the employees covered by the agreement in comparison to other employees not covered by the agreement.

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

Mr. Speaker: When shall the Bill be read a second time? At the next sitting of the House?

Some Hon. Members: Agreed.

* * *

● (1510)

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 260, 728 (revised) and 747.

[*Text*]

NORTHERN TRANSPORTATION COMPANY LIMITED

Question No. 260—**Mr. Schellenberger:**

1. In the 1982 annual report for the Northern Transportation Company Limited (NTCL) under Section 7, Property and Equipment, with regard to buildings, other structures and site development, was there an increase in expenditure from $19,665,000 in 1981 to $28,701,000 in 1982 and, if so, for what reason was this increase necessary?

2. What equipment was purchased and, in each case, what was the purchase price?

3. What buildings were bought and/or sold and (a) where are they located (b) what were their individual costs (c) what are their appraised values (d) what were the total site development costs and, in each case, where are the development sites located (e) how much was spent on the sites?

Hon. Lloyd Axworthy (Minister of Transport): The Northern Transportation Company Limited advises as follows:

1. During consolidation, certain assets of a subsidiary company, totalling $4.1 million, were inadvertently classified under "Buildings, Other Structures and Site Development" whereas these assets should have been included under "Other Equipment". This error was detected very shortly after receipt of our 1982 annual report from the printer but because the

total value of property and equipment was correctly reported, it was decided not to recall the 1982 annual report.

For 1982, Note 7, Property and Equipment, should have read as follows:

	1982 ($000's)
Land	$ 2,049
Vessels	68,001
Buildings, Other Structures and Site Development	24,632
Other Equipment	20,846
	115,528
Accumulated Depreciation	67,468
	48,060

2. Total purchases of property and equipment for 1982 amounted to $8,260,000 and are correctly reported on page 12 of the 1982 annual report.

3. Included in total purchases of property and equipment for 1982 was the construction of a new camp facility in Tuktoyaktuk, Northwest Territories, at a cost of $4,448,000 which included site improvements and development in connection with this camp. In addition, another $500,000 was spent on site development, purchase of mobile homes and miscellaneous upgrading of existing structures at other locations.

No other buildings or structures were bought, sold or constructed.

SUPPLY REVOLVING FUND

Question No. 728 (Revised)—**Mr. Blenkarn:**

With respect to the Supply Revolving Fund, in the fiscal year (a) 1982-83 (b) 1983-84 (c) 1984-85, what was the forecast or actual total expenditures and revenues for the Advertising Management Service and was this ever shown as a separate item in the Main Estimates and, if so, is it so indicated now and, if not, for what reason?

Hon. Charles Lapointe (Minister of Supply and Services): In 1982-83, the actual total expenditures and revenues for Advertising Management Services were $49.664 million and $48.557 million respectively. In 1983-84, the forecast total expenditures and revenues are $51.310 million and $52.0 million respectively. In 1984-85, the forecast total expenditures and revenues are $54.914 million and $55.0 million respectively.

Advertising Management Services was shown as a separate item in the Main Estimates in 1982-83 and 1983-84. The Advertising Management Services is not shown as a separate activity in 1984-85 because it is a sub-activity of the Printing and Communications activity. In 1983, the Treasury Board approved the Operational Plan Framework for Supply Administration which effectively reduced the number of activities from thirteen to seven. All departments and agencies are required to submit Operational Plan Frameworks in accordance with the requirements of the Policy Expenditure Management System. This framework including a program activity structure must be approved by Treasury Board. The relationship between the old activity structure and the new is depicted on page 3.55 Supply and Services, Canada, 1984-85, Part III of the Main Estimates Expenditure Plan.

AERONAUTICS ADVISORY BOARD

Question No. 747—**Mr. Mazankowski:**

1. Is there a Aeronautics Advisory Board and, if so, what (a) are its terms of reference (b) is the (i) name (ii) background or expertise (iii) term of appointment of each member (c) remuneration, such as salary or travel expenses (i) do the members receive (ii) did the members receive to date (d) other funding, if any, is provided by the Government?

2. During the fiscal year 1982-83, did the Board meet and, if so (a) how often (b) how often is it required to meet (c) what matters did it consider (d) what reports and/or recommendations were published?

Hon. Lloyd Axworthy (Minister of Transport): 1. The Aeronautics Advisory Board has lapsed. It had advised on research and development projects between March, 1979 and January, 1983. Members were drawn from different parts of the Canadian aviation community. The chairman received a per diem, and travel expenses were reimbursed for members who were retired or came from a university.

2. During fiscal year 1982/83 the Board met four times at its own discretion and considered the Canadian Air Transportation Administration (CATA) Research and Development program and other federally supported development programs in aeronautics. The Board produced an assessment of Research and Development activities in CATA.

[*English*]

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

Mr. Clark (Yellowhead): Mr. Speaker, I have raised before with the Parliamentary Secretary the subject of the response to question No. 679 which has been on the Order Paper since mid-February. It was on the Order Paper in the previous sitting. Can he tell me, first, when that question will be answered? Second, can he give me a guarantee that that question, which has to do with the appointment by the present Prime Minister of Ministers to Cabinet, will be answered before the Prime Minister leaves his responsibilities as Prime Minister?

Mr. Evans: Mr. Speaker, the Hon. Member knows I will do everything in my power to see that the question is answered. He also knows that I have absolutely no power to make that guarantee.

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

Some Hon. Members: Agreed.

Supply

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—FINANCIAL ASSISTANCE FOR FARMERS

The House resumed consideration of the motion of Mr. Hovdebo:

That this House recognizes the tremendous financial difficulty that farmers have been placed under and therefore recommends that the government immediately consider injection of much needed cash into farming through:

(1) the immediate payout of a substantial initial payment from the Western Grain Stabilization Fund in order to assist with seeding costs;

(2) the repeal of all sales taxes, well-head taxes and other taxes being charged to fuels used for farming and fishing; and

(3) an immediate interest rate reduction on Farm Credit Corporation loans so that viable refinancing of farms can take place.

Mr. Laverne Lewycky (Dauphin-Swan River): Mr. Speaker, it gives me great pleasure to speak on this particular Opposition motion put forward by my colleague, the Hon. Member for Prince Albert (Mr. Hovdebo), that this House recognizes the tremendous financial difficulty that farmers have been placed under and therefore recommends that the Government immediately consider injection of much needed cash into farming through the three points mentioned here: the immediate pay-out of a substantial initial payment from the Western Grain Stabilization Fund in order to assist with seeding costs; the repeal of all sales taxes, well-head taxes and other taxes being charged to fuels used for farming and fishing; and an immediate interest rate reduction on Farm Credit Corporation loans so that viable refinancing of farms can take place.

This particular motion is threefold and focuses on things that have been emphasized in the House over the last little while. It focuses on the Western Grain Stabilization Fund, the question of sales and well-head taxes charged for fuels, and the question of Farm Credit Corporation loans in order that farmers who are refinancing their loans at this time would be able to refinance at a reasonable rate.

I have received letters on all of these issues from farmers in my constituency, Mr. Speaker. All of them have been requesting action on each of the points mentioned above. Regarding the Western Grain Stabilization Plan, a farmer from Sifton in my riding writes:

I feel that the formula should be re-written to tie in the cost of production along with returns for production, i.e. net returns as opposed to gross returns.

Grain has not changed drastically, however, cost of production has skyrocketted, thereby placing extreme burdens on farmers.

The letter from this farmer in Sifton continues:

Perhaps Eugene Whelan would be willing to re-examine the present formula in view of the fact that he is considering running as leader of the federal Liberals and he needs western support.

This need for an immediate pay-out is something which all of us in the New Democratic Party have been raising. I was glancing at the statement I made on March 5 in the House which pointed out the fact that the projected net farm income in Manitoba for 1984 is lower than the actual net income in 1973. Before the Easter break we offered the Minister all the co-operation of the New Democratic Party to have these amendments to the Western Grain Stabilization Act passed but nothing happened. We had the announcement during the Easter break and still nothing happened. On April 30 we were here, Mr. Speaker, and nothing happened. May 1 came around and nothing happened. May 2 came around and nothing happened. Today is May 3 and the Minister appears to have been talking through his invisible hat. It is rather like the clouds that bring no rain.

You may have heard it said, Mr. Speaker, that farmers and others are sometimes caught between a rock and a hard place. I would submit that at the present time the farmers are not merely caught between a rock and a hard place, but are caught between an anvil and a hammer. The situation which many of them are facing is very drastic. Within the northwest region of Manitoba there are some 5,000 farmers. Many of them have been surveyed and at the present time 65 are in such desperate straits that they can get neither a bank nor a trade loan. In other words, there is no bank willing to give them credit in order for them to buy the seed they need to go on to the land. There are no companies prepared to give them the necessary loans to get into the seeding operation. These are the types of concerns I would like to underline as I speak on this motion put forward by my colleague.

It is often said that a picture speaks louder than words. I would like to share the type of representations I have been receiving on these matters that the farmers are facing. I have a letter dated April 19, 1984. This is another illustration of a farmer caught between the anvil and the hammer. This is a farmer who is being beleaguered by Revenue Canada. I would like to show you the repercussions that this type of thing has. This farmer writes:

I am a farmer and a school bus driver. As bus driver wages I earn about $6,000 which is certainly not enough for a family of five to live on. My gross farm income the last years has averaged about $20,000 with a net of about $4,000. I spend much more time working on the farm than the bus job. Besides, my wife and our older daughter do much farm work. Now I am being taxed on my farm home as though I am not a farmer. I am being penalized because I am not earning more on the farm than off the farm. How unjust can our tax system become. My family is working hard to make ends meet. Now, if I could net more income on the farm, I would have more money, but I wouldn't be taxed on my farm home. Gross injustice. What are you doing about this?

This is an illustration of the anvil and the hammer that the farmers are being caught between at the present time. I am receiving these letters on a daily basis. I have one dated April 24 which says:

I'd like to express my appreciation for what you are doing for us here in northern Manitoba. Also I'd like to express my concerns about the plight of many farmers in our L.G.D. of Mountain.

That stands for the local government district, Mr. Speaker. This is an area of municipal jurisdiction which does not have all the status of a municipality. The letter continues:

I thought it might be of interest to you to see how much land is up for tax sale in the L.G.D. It seems to me Mr. Whelan should be able to see that all is not well with the farm if every year there is a considerable increase in land going up for tax sale.

I counted the number of properties listed for sale for arrears of taxes in one small L.G.D. There are 34 municipalities in our constituency. I counted 56 pieces of propety in a small local government district which are up for tax sale.

As was mentioned earlier in the House today, there are many farmers who are concerned about increased freight rates. The worst fears of the farmers are being realized. According to a report in the *Manitoba Co-operator*:

Government officials said the 10 per cent safety net on the export basket price of grain won't be triggered by the projected increase.

A Government official said the process simply means farmers have more money in their pockets this year, but will have to pay it back in freight rates next crop year.

Some of these fears are plaguing many of the farmers because they cannot afford this. This is particularly true in constituencies such as mine where the average income of people is around two-thirds of the national average. This can represent a substantial loss to the farmers.

Perhaps you have been wondering whether I have been referring to people who are constantly writing to MPs. I just want to give you an illustration that there are many people who because of the drastic situation on farms are writing to me for the very first time in their lives. As a matter of fact, some of these people who are writing and phoning me as their Member of Parliament are contacting a Member of Parliament for the very first time. Another letter I have received reads:

● (1520)

I have never written to you before—

He goes on to say:

I do not like what is happening in Ottawa lately concerning the Western farmer—

He goes on to explain the expenses on the farm and the difficulty farmers are facing in these tough times. He continues:

Perhaps you have heard all about this before, but I think we should have all or some of the federal or provincial taxes of gas, diesel, etc., removed. FCC should have more money given to them at lower interest rates—

He also comments on the Western Grain Stabilization Program and the necessity of amending this Bill so there would be a pay-out. Just to give you an indication, Mr. Speaker, of the type of alienation farmers are facing in western Canada, this individual goes on to state:

The Liberal Government does not care or knows nothing about what the West wants . . . the Liberals have been in power for about 13 or 14 years and promised a lot of things for the west and we have seen very little done, mostly for Ontario and Quebec.

The lack of recognition for the needs of western farmers is something that I do not think has sunk sufficiently into the minds of Cabinet members.

I want to give you another illustration, Mr. Speaker, of the type of representation we receive. I am doing this basically to try to convince the Government of the types of problems the farmers have. I am going to read a resolution that was passed at a pot luck supper meeting held in Swan River. I pulled this particular illustration from my riding because the Hon. Minister for Agriculture (Mr. Whelan) has been to Swan River. In fact, this is where he got his green hat. I thought the Minister might be interested in knowing what the farmers who gave him the green hat have to say about his lack of involvement in dealing with agricultural problems. This is why I have chosen this illustration from Swan River from among the other representations I have received.

This particular resolution was passed on April 26. It was passed at a pot luck supper to which I was invited. It was an excellent meeting. Just for your edification, Mr. Speaker, I will indicate the way some of these rural people operate. Farmers and others brought food for the supper. As part of their own fund raising, they also collected a minimal sum at the door regardless of whether they brought food or not. It is almost a tradition. They invited me to speak. Once you speak you are subjected to questions and answers. These questions and answers go on for one or two hours. I think the Minister of Agriculture would be delighted to face some of these meetings. He would be able to understand some of the feelings and learn about the personal experiences of the farmers. These are not just statistics, they are personal experiences. This group made up of well over 100 people unanimously passed the resolution I will now share with you:

Whereas the Government of Canada has announced a payment of $300,000,-000.00 from the Grain Stabilization Fund and

Whereas this payment represents only the money farmers have contributed to the plan, and

Whereas this payment is intended to be made in October, and

Whereas many farmers are in desperate need of financing for current expenses of planting a new crop, and

Whereas farmers were promised from the outset of the plan that the Government would contribute $2.00 for every $1.00 farmers contributed,

Therefore be it resolved that the payout be increased to include an equal amount of Government money and be it further resolved that this payout be made immediately so as to assist farmers with their spring seeding expenses.

During the course of his speech the Minister of Agriculture, in response to some illustrations and examples which my colleagues from Saskatchewan gave, asked: what the provinces are doing. He seemed to indicate that the federal Government is doing everything for the farmers while the provinces are doing nothing. I want to correct that for the record. I want to give a couple of illustrations of what has been happening in Manitoba.

The New Democratic Government headed by Howard Pawley has been working diligently on the whole agricultural question. For example, the government has established a beef stabilization program. When this was introduced it was poohpoohed. People said he would get no participation, that "Maybe you will get 7 per cent of producers participating", he said. But what has happened? Seventy to 75 per cent of the producers representing 70 per cent to 75 per cent of the province's livestock are in this beef stabilization program. Some $25 million has been given to this program.

Also a hog stabilization program at the provincial level has been introduced. Some $7 million has been expended on the program. The Manitoba Agricultural Credit Corporation has also been working very aggressively. It has been providing

loans to beginning farmers at reduced interest rates. We find in the interest relief reduction program that some 1,300 people have participated. Some $6.7 million has been expended at the provincial level. In addition, some farmers have been able to buy down their interest rates. This has helped farmers who have had ready cash and were caught in a high interest rate situation. They have been able to buy down the high interest rate. Some 600 people have benefited from that program.

If you were to take into account the amount of money which the provincial government has given by way of program or subsidy to the farmers in the two years the New Democratic Party Government has been in office, some 30,000 farmers have profited. The impact per average family farm has been $6,400. I would challenge the federal Government to match that type of assistance to farmers.

I see my time is coming to an end, Mr. Speaker, but I want to mention a few other points concerning the farm fuels sales tax and the well-head tax on farm fuel. At the same meeting in Swan River on April 26, another resolution was passed. Let me read it for the record:

> Whereas some of the corporate fuel companies have reduced the cost of farm fuels by 4.5 cents a litre or 20 cents a gallon if paid for within 30 days,
> And whereas federal tax on farm fuels is high,
> Therefore be it resolved that the federal government match the corporate oil companies by eliminating the federal fuel tax.

Some companies have been taking this kind of action. The particular group assembled there have given this challenge to the Minister to respond in a favourable way. As I talk to many of the farmers in my riding, they tell me that their farm fuel bill has doubled in the last couple of years. There has been a tremendous increase in expense in farm fuels. For most farmers right now it is their number one cost. Many farmers had been involved earlier in loans and refinancing. For them, their number one cost is still interest rates. I want to emphasize the importance of this. As was mentioned earlier, we are always getting conflicting statistics from the Government as to what the exact amount is of the farm fuels sales tax. This is something which should be investigated and acted upon.

• (1530)

In conclusion, I should like to refer to a letter that I received from a farmer in the Swan River area. I use this as an illustration simply for the benefit of the Minister of Agriculture (Mr. Whelan). He wrote:

> We are always told that our products have to compete on the world marketplace. But Sir, how can we compete when our own Government in its bid for taxes and power puts us farmers at a disadvantage? Just look at the price of fuel in the U.S.A . . . Hope you don't think I'm a born complainer but unless the Government in Ottawa does some serious thinking about their policy, we will all go down like the Roman Empire.

Mr. Deputy Speaker: Questions or comments? The Hon. Member for Prince Albert (Mr. Hovdebo).

Mr. Hovdebo: Mr. Speaker, I rise to make a comment rather than to put a question to the Hon. Member for Dauphin-Swan River (Mr. Lewycky), and he may want to add to it. I followed his remarks during the course of his speech and each time he referred to an increase in costs, I made note of it. This is what I wrote down: a 15 per cent increase in Farm Credit Corporation interest rates. I do not know what has happened to the six and five as far as that corporation is concerned. Also he referred to a 30 per cent increase in grain freight rates. Again I do not know what happened to the six and five. Then he referred to a 35 per cent increase in fuel costs in the last few years; no six and five there either. I do not have the figure for fertilizer, but I understand that it has increased as well. There has been a continual increase in input costs. What effect is that having on farmers in the Dauphin-Swan River area?

Mr. Lewycky: Mr. Speaker, there is no doubt that it is having a disastrous effect upon farmers in Dauphin-Swan River. As I indicated, based upon a survey conducted in my region, 65 farm families are in such dire straits that they cannot obtain money from any bank or trade company to put seed into the ground this spring.

Of course, farmers are very enterprising. I know members of their families will help them and chip in, but I am afraid that there will be an increased number of foreclosures and bankruptcies in my area. Our farms are not particularly large. They are not the size of those south of the Trans-Canada Highway. Farmers there are experiencing a very difficult situation. Unless there is some immediate pay-out from the Western Grain Stabilization Fund or some other action, I really fear for the farmers in my area. Once we take farmers off the land, city boys or girls will not farm land in rural areas. Any impressionistic or other observations I have made indicate that if we are to have a vibrant agricultural economy in our area, our farming sector, our vital food sector, will have to receive some kind of support. Farmers cannot really cope with these types of increases in our area.

Mr. Foster: Mr. Speaker, I would like to ask the Hon. Member for Dauphin-Swan River (Mr. Lewycky) a question. A recent press announcement indicated that the Farm Credit Corporation was making available some $825 million this year in long-term loans and so on. If the Hon. Member were really doing his job by getting out and encouraging farmers in his area to take advantage of this long-term credit, he would know that this is the difficulty. At least in my area that has always been the problem. Of course, interest rates are a concern as well, but it is really important for farmers to obtain long-term credit. The FCC has that $825 million. I think it is a couple of hundred million more than it was a few years ago. I wonder whether the Hon. Member is really doing his job of ensuring that his constituency receives its share of long-term Farm Credit Corporation loans.

Mr. Lewycky: My response to the Hon. Parliamentary Secretary is, yes, I have been doing my homework. I have talked with farmers about the Farm Credit Corporation. I have asked them to see the FCC people. They have told me that they are unable to obtain these loans and that they are far in excess of what they are able to pay by way of interest rates. They have told me that when the interest rate is compounded, they end up paying more than the 15 per cent.

Perhaps it is the Parliamentary Secretary who ought to be doing his own homework. He would see then that some action has been taken in this regard. Perhaps he should do that rather than shoot off his mouth glibly without having conducted any investigation on this issue. It is a major problem. We would not be receiving that kind of representation from people when we are talking to them in the coffee shops or wherever if it were not important. We have been talking to farmers in our area about that. Obviously he has not been doing his homework, if that is the kind of feedback he thinks he is getting.

Mr. Deputy Speaker: Are there further questions or comments? For debate, the Hon. Member for Welland.

Mr. Gilbert Parent (Welland): Mr. Speaker, one might ask why a Member of Parliament from southern Ontario who has largely a blue collar constituency would enter into this debate. I have farmers in my area, in the Niagara Peninsula, and as Hon. Members know, farmers are among the most productive sector throughout Canada.

The Hon. Member for Dauphin-Swan River (Mr. Lewycky) quite realistically put forward some of the problems in his area. I sympathize with the plight of some farmers in that area of Manitoba. There should be no doubt in the minds of anyone here that many farmers are under tremendous financial pressure. The extent of their difficulties varies depending on the individual, the size and type of the farming operation, the commodities produced and so forth.

Spring is traditionally a time for hope and new starts in the agricultural sector. Judging from the planting intentions of prairie farmers—and this is what the Hon. Member was talking about—there is hope for a good crop year. Recent surveys indicate that prairie crop producers expect to increase seeded acreage by 2.7 per cent over 1983 plantings. In March, a survey by Statistics Canada also indicated that Canadian farmers expect to increase fertilizer used this year by 4 per cent over 1983. Surely these are reasons for hope.

Mr. Hovdebo: And the price has increased by 5 per cent.

Mr. Parent: Surely the Hon. Member for Prince Albert (Mr. Hovdebo) will have his turn in a few moments. If he will let me share some of my information with him, perhaps he will be able to question me on it at the end of my remarks. I would be happy to answer his questions.

Hope alone will not help farmers to put in the new crop or keep them going until their livestock is ready for market. As we approach planting season, there is heightened concern about such mundane matters as cash flow and credit and, ultimately, who will make it through the season and who will not. We are dealing with a highly industrialized sector of the economy. I am talking about the farming industry, because many of the implements used by farmers are state of the art. Whereas it used to take thousands of men and women to man our farms, only between 4 per cent and 5 per cent of our entire population is involved in that industry at the present time.

The federal Government is aware of and extremely concerned about the financial pressures and important decisions facing farmers at this time of the year. This is why we have taken a number of major initiatives over the past few months to help strengthen and support the financial position of Canadian farmers.

• (1540)

I would like to discuss some of these initiatives and explain some of the positive effects they have had and will have on Canada's agricultural economy, starting with some of the concrete financial assistance programs that have actually put cash in farmers' hands in recent months. One of the oldest and most reliable is the Agricultural Stabilization Program. Under the Agricultural Stabilization Act, we have been spending an average of about $350 million a year on stabilization payments for named and designated commodities.

Early in the winter, the $66.8 million stabilization program for eight designated commodities was announced. These commodities included 1982-83 crops of winter wheat, apples—I see the Hon. Member for Okanagan-Similkameen (Mr. King) is here; he would have an interest in that and can corroborate what I am saying—greenhouse cucumbers, onions, carrots, cabbages, rutabagas and white beans.

As of a week ago, the federal Government had processed claims and issued cheques to nearly 17,100 producers of those commodities. The accusations of the Hon. Member for Dauphin-Swan River are not totally accurate when he says we are not doing anything to help the farmers. I would also point out that all farmers do not live in the west. As I will point out in my speech, many farmers in Ontario, Quebec and, yes, even the Maritimes, are going to be affected by the acts and actions of this Government.

In February, a support payment of $4.48 per tonne for the 1982-83 grain corn crop under the same Act was announced. Claims from some 1,200 corn producers have been processed to date. In total, the federal Government expects to pay out $14.8 million to corn producers this spring. About 80 per cent of that will go to Ontario farmers. We have a broader spectrum here than just the farmers of the west. Our farmers are situated in every province of this country.

Other federal programs have put money into the pockets of the fruit growers this winter. This is where I become involved. In our area, the Niagara Peninsula, where we grow such fruits as apples, pears, peaches and, of course, grapes—we produce 80 per cent of the grapes of Canada and 80 per cent of the wine in Canada—we are affected by what happens to the fruit growers.

In late December, cheques were delivered to all apple producers eligible under the Eastern Canada Apple Industry Compensation and Re-establishment Plan. Under this program growers whose orchards suffered frost damage could receive $40 per standard tree affected. This money will help them to re-establish their orchards this year. Meanwhile, British Columbia fruit growers received cash assistance under two other federal programs. One of these was a $4.84 million

purchase and resale program to help the East Chilliwack Agricultural Co-operative process its 1983 raspberry crop. Under the other, the Agricultural Products Board agreed to buy up to $3.2 million worth of B.C. peaches and pears to help fruit growers in that province market their 1983 crop.

These are positive things that the Government has been doing. We should be telling Canadian farmers and the public at large about these. All of those programs have helped to improve the cash flow situation of the participating farmers, providing them with funds with which to pay their bills and purchase inputs for the 1984 planting season. I hope we will hear more about this as the debate continues in the House today.

On April 1 the federal Government increased the target returns level for industrial milk and cream production by 1.5 per cent, from $43.18 per hectolitre to $43.83 per hectolitre. This increase will help dairy farmers cover higher production costs. Changes to yet another program will help Newfoundland livestock feeders. I am referring to the increase in feed freight assistance rates to all destinations in Newfoundland. This was announced a mere two weeks ago.

Agriculture Canada spends over $1.2 billion annually to assist the nation's agri-food industry. Many of the programs funded by the Department are aimed directly at farmers. Among these is the federal-provincial crop insurance program. The federal Government contributes around $150 million a year to this important and successful program.

Under the Farm Improvement Loans Act, we make it possible for farmers to borrow more than $200 million a year, with the interest rates being at a lower rate than would otherwise be possible because the federal Government guarantees these loans. The federal Government also helps farmers' cash flow situation through to advance payments programs. In total, about $500 million a year is advanced to farmers, with the Government paying the interest charges. This allows them to pay their bills and market their products in an orderly manner.

A couple of months ago the Government introduced Bill C-23 to amend the Prairie Grain Advance Payments Act. The Hon. Member for Dauphin-Swan River alluded to that in his remarks. Under the proposed amendments, the maximum advance for individuals will double from $15,000 to $30,000. Emergency advances will also increase. Both Opposition Parties have expressed support for this Bill. I am hopeful that it can be passed in the very near future.

While we are talking about programs in support of prairie crop producers, I want to mention initial grain payments. The initial payments for spring wheat, Durum and designated barley will decrease this year, that is true. However, initial payments for feed oats, feed barley and designated oats will increase from 1983 levels. These levels are, of course, based on world grain markets. However, you can be sure that it was the Government's intention in setting these prices to help farmers as much as possible to maintain cash flow.

This discussion of initial grain prices brings us to another important program for the prairie grain producer. I mention this because some Members on this side have been paired with western ridings so that they can have direct input to our caucus. I am paired with the riding of Wetaskiwin. The Hon. Member for Wetaskiwin (Mr. Schellenberger) stepped out of the Chamber for a minute. I am sure he will be back. This discussion of initial grain prices brings up the matter of the other important program for prairie grain producers. One program that has been debated this afternoon is the Western Grain Stabilization Act. In the Speech from the Throne in December, it was announced that the Government would be looking at ways to make the Western Grain Stabilization Act more responsive to the needs of producers. In January, we lowered the level of producer contributions to the program from 2 per cent to 1.5 per cent of eligible receipts. Just eight days ago the Minister of Agriculture (Mr. Whelan) and the Minister of State responsible for the Canadian Wheat Board announced proposed amendments that would make the program more flexible and more responsive to the needs of the grain producers. At that time they also outlined the key changes Parliament will be asked to approve. This is a lot of quick action on a major program in a very short time, yet we hear calls for a large initial payment from the program immediately. It takes time. It has to filter through the system. I am sure we would all like to see a pay-out from the fund as soon as possible to help farmers with their seeding cost. However, the formula will not trigger a payment until the laws governing the programs are changed. That is what we hope to do in this Parliament as soon as we can.

Mr. Mayer: When?

• (1550)

Mr. Parent: The Hon. Member from the opposite side has asked when, and I say to him that as soon as we can get the co-operation of all sides of the House, I am sure that this Bill will go through right away.

Mr. Mayer: You have it right now.

Mr. Parent: According to preliminary calculations, each eligible producer could receive about $2,500 or slightly more this fall if the program is changed as proposed. Very shortly, the Government will be introducing the legislation to change the Western Grain Stabilization Act. Meanwhile, I would simply point out that administrative costs of issuing an interim payment and a final payment only a couple of months apart would hardly be warranted.

I hope that when the legislation does come before the House—and it will be here before too long—the Opposition will see that it receives speedy passage for the sake of the western grain farmers. I am sure that it is obvious from all of the activities to which I have referred that the Government has been working hard to help Canadian farmers cope with the financial pressures of producing food today. We have not ignored the plight of the farmers in the west or those in the east. I hope we can count on the support of every Member of

the House to continue to improve the lot of the great Canadian food producer.

I would be willing to answer any questions that Hon. Members may have with regard to the remarks I have made.

Mr. Neil: Mr. Speaker, I listened with considerable interest to the comments made by the Hon. Member for Welland (Mr. Parent), particularly when he set out all of the various programs of the Government under which payments have been made over the past year. He spoke about payments to corn and grain producers in eastern Canada, he spoke about payments to fruit growers and apple producers, and he spoke about changes in feed freight assistance. I would point out to him that all of these programs are government funded programs and non-contributory programs. There is never any problem when making payments to producers under these programs.

The Western Grain Stabilization Program is a contributory program. The farmers of western Canada contribute to that program yet are not able to benefit from it. They have not benefited from that program since 1979, and yet the farmers in western Canada are in serious trouble. They need those payments and they need them right now.

The Hon. Member spoke about the co-operation of Members on this side of the House. The amendments to the western grain stabilization Bill have not seen the light of day in this House. When they do see the light of day, we will be told by the Minister of Agriculture (Mr. Whelan) and the Senator in the other place that the payment will not be made until the fall. That will not help the farmers of western Canada.

The amendments to the Prairie Grain Advance Payments Act will be of some assistance, but that Bill has been sitting on the Order Paper of the House since last March. There has been no attempt on the part of the Government to bring that Bill forward despite the fact that members of both Opposition Parties have indicated to the Government time and time again that they would pass that Bill and give it three readings in one day. Does the Hon. Member for Welland feel that it is fair to the farmers of western Canada that we have no western grain stabilization Bill and that the advance payment Bill is sitting on the Order Paper?

Mr. Parent: Mr. Speaker, in response to the Hon. Member, I would say that his points are well taken and I agree with him when he says that this legislation should be brought before the House just as soon as possible. Hon. Members may ask why we have not done so yet. I do not have the specific answer to that question except to say that the legislation with which we have been dealing has been important for all of Canada as well and I for one, along with the Hon. Member and all of my other colleagues, would surely urge that this particular legislation be brought forward at least before the end of this session and, if possible, even before the end of this month.

Mr. Neil: Mr. Speaker, I would like to ask the Hon. Member for Welland if he and other members of his caucus have raised this issue in caucus meetings and if they have pressured the Minister of Agriculture and the Senator from the other place to bring this legislation forward. If they have not done so, I would ask the Hon. Member why they have not done so.

Mr. Parent: Mr. Speaker, as the Hon. Member well knows, and as must be the tradition in his caucus as well, I would first point out that what is discussed in caucus stays there. However, I can assure the Hon. Member that the Minister of Agriculture and the Minister in the other place have been approached by members of this caucus, and I am sure that those Ministers are very much aware of the feelings of the members of this caucus.

Mr. Mayer: Mr. Speaker, I would like to ask the Hon. Member two short questions. First, did I understand the Hon. Member correctly when I heard him say that he was not in favour of an interim payment because of the costs involved in mailing both an interim payment and a final payment? Is that what the Hon. Member said?

Mr. Parent: No, Mr. Speaker, I did not say that.

Mr. Hovdebo: Mr. Speaker, I have a couple of comments to make and a question to ask. Perhaps it is clarification that I require. I was in the lobby at that particular moment, but I understood the Hon. Member to say that the initial prices of barley had increased. I wonder if the Hon. Member is not forgetting that, between the time of the last change in price and this one, there was an interim increase thus making the present initial price of barley lower than it was a month or two ago.

Second, if the maximum payment to farmers will be $2,500, and if the person who receives that $2,500 is likely to have paid $1,200 into the fund this year, because I believe that is the maximum amount that may be paid in, that means that the farmer will receive only an additional $1,200. That is not as large an amount of money as the Hon. Member for Welland has indicated. Those are the comments I wished to make.

Third, I wish to ask the Hon. Member a question. The Hon. Member suggested that the prairie farmer would not do too badly this year because of the increase in the amount of grain that will be seeded and because of the possibilities of a better crop. Of course, that is a pretty dangerous statement to make because right now a good part of the west is pretty dry. As well, there will be an increase in fertilizer costs, an increase in fuel costs and an increase in transportation costs. Possibly we will grow a little more grain. Could the Hon. Member tell me how much the initial price that is being paid for grain will be decreased and how relative that is to the increased amount of grain that will be grown?

Mr. Parent: Mr. Speaker, there are three questions involved here and I would like to answer the last one first. No, I cannot give the Hon. Member a specific answer to that question because I do not have those figures in front of me. However, I will try to answer the other two questions.

When speaking about the programs in support of the prairie crop producers, I said specifically that the initial payments for

spring wheat, Durum and designated barley will decrease this year. I also said that initial payments for feed oats, feed barley and designated oats will increase from 1983 levels. I believe that that answers the specific question asked by the Hon. Member.

Regarding the $2,500 that will be received, I have no quarrel with what the Hon. Member has said. He said that the farmer will have paid into the fund up to $1,250. I suppose my question to him is simply this: when someone pays in $1,250 and gets out $2,500, most businessmen in Canada would consider that a pretty good investment. When the Hon. Member said that that is not a lot of money, that statement is an expression of his judgement. Surely help like this is better than no help at all. When someone puts 50 per cent into any kind of investment and gets out 100 per cent, I think that that is an improvement.

Mr. Neil: Mr. Speaker, I would like to make a comment to clarify the situation. There has been no pay-out under the Western Grain Stabilization Plan since 1979. If a farmer contributed the maximum to the plan, as most farmers did, that farmer would have contributed $1,200 a year for four years, making a total of $4,800. If interest rates paid by the banks were added to that contribution, the farmer would have to his credit over $7,000. We only suggested that an initial payment of $2,500 be made, about one-third of the amount the farmer has already paid in. That is his own money and that is all he is asking for.

• (1600)

Mr. Parent: Mr. Speaker, the comment is duly noted and I am sure the Minister as well as I myself will take notice of it.

Mr. Deputy Speaker: For one brief comment or question, the Hon. Member for Bow River (Mr. Taylor).

Mr. Taylor: Mr. Speaker, just to indicate how the farmers feel about this, I attended a meeting in the town of Strathmore, to which farmers drove several miles, to discuss the Western Grain Stabilization Act. Of that group of farmers, there was not one who did not want to opt out. They felt that they would do better to keep the money themselves and place it in a bank to make interest. This is not a stabilization program. The Government should start realizing that. It is not being fair to the farmers who are contributing. The Minister makes a lot of the fact that some farmers do not contribute. Well, quite simply, they did not join the plan. Those who did join the plan cannot get out. If these farmers were given the option, there would not be anyone left in the plan, because they are so dissatisfied with it. I think the Government should realize this.

Mr. Parent: Mr. Speaker, with regard to that specific comment, I take it the Hon. Member at this point is in favour of all farmers opting out of any of the stabilization programs that we have. I put that in the form of a comment or question, Mr. Speaker—I do not know if I can ask questions of him. It would seem to me that he is taking a position now. If I understand him correctly, that is what he is saying.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order. It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Vancouver-Kingsway (Mr. Waddell)—Labour Conditions—Allocation of food provided by Vancouver food bank. (b) Benefits of economic recovery. (c) Productivity increase—Effect on employment; the Hon. Member for Portage-Marquette (Mr. Mayer)—Western Grain Stabilization Act—Request for early introduction of amending legislation; the Hon. Member for Hillsborough (Mr. McMillan)—The Administration—Liberal Party leadership campaign—Role of contract employee. (b) Ministerial staff guidelines.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—FINANCIAL ASSISTANCE FOR FARMERS

The House resumed consideration of the motion of Mr. Hovdebo:

That his House recognizes the tremendous financial difficulty that farmers have been placed under and therefore recommends that the government immediately consider injection of much needed cash into farming through:

(1) the immediate payout of a substantial initial payment from the Western Grain Stabilization Fund in order to assist with seeding costs;

(2) the repeal of all sales taxes, well-head taxes and other taxes being charged to fuels used for farming and fishing; and

(3) an immediate interest rate reduction on Farm Credit Corporation loans so that viable refinancing of farms can take place.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, the subject we are debating today is certainly not new. The subject, in perspective, is simple, namely, interest rates. In listening to the discussions in this House today, my mind went back to the introduction of the Western Grain Stabilization Act some seven years ago. I remember at the time trying to understand the formula. I expressed my concerns at that time in the House to the Minister responsible for the Wheat Board. I said, "There is no one who can understand the formula. It will not work". He said, "I understand it and it will work". Seven years later, we are back to reality.

As one of my colleagues said a moment ago, the happiest guys in western Canada are the ones who stayed out of the plan. It is essentially a lottery.

What the Government has done in this academic-type of formula is to average out a farm area which extends a thousand miles east and west. There are whole sections in that farm area which have had two, three, four or five bad years in the last seven years, yet the farmers there are not allowed to collect. The plan is based on an average over the whole area—the largest, homogeneous agricultural area in the world.

That was the fault of the Prairie Farm Assistance Act of 1938. That Act was scrapped in 1957 and replaced with a crop insurance program. Any pretence in the House that legislation, which was brought forward to cope with the difficulties under the Western Grain Stabilization Act, will be resolved in the next two or three weeks and presented to the House is nothing but sheer, unadulterated fraud and scam. It would take the best brains in the world to improve this Act to make it work. That is why my colleague was quite wise when he said a moment ago that the luckiest guys are the ones who did not join the plan. They can take the amount of their contributions, put them out at bank interest, and have three times as much coming as the Government is attempting to provide under these amendments. It is the farmers' money. They do not even use government money.

In my area, we passed a resolution on this nine months ago. We knew the Government's plan would not work. We decided to pass out all of the money, have the interest come back, and we would do our own stabilization. We decided to let the nitwits in Ottawa spend the next 100 years trying to figure out a new formula that would work. It would take them that long when dealing with such a vast agricultural area where the weather cannot be controlled by public servants or by Ministers.

The motion by the NDP is very timely and supports what has been going on on this side of the House for four years. I went back and looked at a motion brought to the House three years ago by the Conservative Opposition, dated June 1, 1981. It read:

—extending the Small Business Development Bond to unincorporated farmers,

That was part of the Budget of the Hon. Member for St. John's West (Mr. Crosbie), under the administration of the Right Hon. Member for Yellowhead (Mr. Clark), which set up the small business development bond concept. The motion was rushed through and became law before the Government was defeated. It applied that principle to individuals as well as incorporated individuals and incorporated companies. It was a motion put forward on June 1, 1981, by the Official Opposition in answer to the Prime Minister's (Mr. Trudeau) request of the Opposition that it put forward ideas which would be helpful and constructive, ideas which the Government could act on. That was the first proposal.

The second proposal was to amend the Farm Credit Corporation Act, the Agricultural Stabilization Act and the capital gains tax to ensure that Canadian farmers had access to necessary and sufficient funding. Those were the general resolutions put forward in a motion by the Opposition on an Opposition Day three years ago less one month. The next year, the Government brought forward amendments to these pieces of legislation. That was on March 30, 1982—two years plus a couple of months ago.

The Government brought in legislation. One piece dealt with the Farm Credit Corporation to get away from the high interest rates that the Treasury of Canada was charging the Farm Credit Corporation. The Bill recommended that the Farm Credit Corporation be allowed to borrow money by any means. I stood in the House and congratulated the Minister of Agriculture (Mr. Whelan) that he should be so lucky as to have an amendment before him that allowed him to do anything he wanted in order to get interest rates down. He accepted that praise. He went on television and made a statement that he would be doing that immediately. That was in 1982. It was two years and two months ago that all this happened. The Minister stood in this House today and said that even if the Bill did come before the House and the amendments were passed, the Government would still be unable to make a payment until the fall, and then only a small fraction of it because the Government cannot bend the formula too much.

Seven years ago, when this Bill originally came out, I wrote to my constituents and recommended that they stay out of the plan. I told them that it was like a lottery and that the only people who should participate are young farmers, farmers so young that they might live until they are old enough to have a chance in a million of getting something out of it. I suggested that they should start farming at 15 and plan to die at 75. It is a matter of luck. They are gambling on the weather as well as everything else which affects the growing of crops.

I do not want to push the point too far, but this was lousy legislation from the very beginning, supported by academic minds going back to Cornell University 60 years ago. My God, the Minister had to stand and take the rim-rocking he took today. He spread through this Chamber vapours of fertilizer that covered the whole area for an hour, but it still is fertilizer.

● (1610)

It is true, Mr. Speaker, that the farmer is meeting a cash flow situation, and not just in the west where the western grain stabilization is in effect, but all across the country. His gross income is steady, but the cost inputs have risen so dramatically during the last seven or eight years that even the most efficient farmer in the world cannot accomplish a net gain because there is a cost in there which grew over which he had no control. It was foisted on him by a government which pushed the banks into a deliberate policy of high interest rates thought up by the morons in the Bank of Canada and the Department of Finance who believe you can stop inflation by raising interest rates. Exactly the opposite is the truth, Mr. Speaker. I have said in this House over and over again that interest rates are the main cost. Interest rates are the inflation.

If one looks at the figures for 1982, one sees that every large corporation in Canada averaged out all its costs. If you isolate the main cost, you find that 62 per cent of all the costs of every major corporation in Canada in the year 1982 was in interest. If that does not get through the fog, the brick wall which surrounds the minds of these mandarins who follow a theory which was proven wrong 30 years ago, then this country is doomed, as is the United States and all of Europe as we follow willy-nilly this nonsense that the civil servants of all our countries can plan so much better than the individual. That is the issue here. I would say that this motion, put into this perspective, serves once again, Mr. Speaker, to remind the people who are listening, reading, watching and worrying, that there is still hope.

This Parliament has amended the Farm Credit Corporation Act which enables that corporation to borrow money at half the interest rates and lend it out at half the interest rates, not costing the federal Treasury a nickel but ensuring that there is fair value for the money. In the original Farm Credit Corporation Act we charged the farmers by statute a maximum of 5 per cent. This Government, which has been in office for the last 20 years, ignored that statute, ignored that pledge of honour to the farmers in all parts of Canada. Now there is a long-term interest rate of 15 per cent, Mr. Speaker.

We must honour this Minister, who is not an evil man. He would do the right thing if he only knew what it was. He was all for the Farm Credit Corporation Act three years ago when he introduced it. All Parties supported him in 1982 when it was suggested that it be amended. He said he was going to do it. Why has he not? Because there is another clause in that legislation which says, "With the approval of the Department of Finance". You can understand now, Mr. Speaker, the candidate for the Leader of the Liberal Party when he says, "When I become Prime Minister I want to be able to fire Ministers of Finance which ignore Parliament". Well, he can start right now. There are three of them all along the line, such as, for example, the Hon. Mr. Turner, the Hon. Jean Chrétien, and I am naming them just to make it clear. They are now candidates. Four successive Ministers of Finance have bent their knees to the dictates of a few in the Department of Finance who say that they and God walk alone with the truth.

It is not a new phenomenon. It happens all over the world. When Ministers, and ex-Ministers particularly, get down to talk to their counterparts from all the countries of the world, whether it be Russia, China, the United States, Great Britain, France or Italy, it does not make any difference to the civil servants which Party is in power. They call the tune. That is the real issue we are facing across Canada and in many other nations. When are we going to tackle this mythology that only the elite can rule, the self-styled elite? They actually believe religiously that once you graduate from a well-known university, climb up the ladder with your nose in the right attitude and arrive at the right place, you alone speak with God.

On this particular motion, I know where the hearts of every Member of Parliament are. We are all together on this issue, whether we are Liberal, NDP or Conservative, but the time has to come sooner or later when Cabinet Ministers are willing to resign their positions if Parliament's wishes are being changed. Until a Cabinet Minister is willing to resign on principle and say why, there will be no change.

That is the question which should be asked of these candidates who are running for the leadership of the Liberal Party today. Are they going to volunteer to resign if they become leader and find themselves overruled by their own employees? That is the tragedy of what we are witnessing today. This is not a matter just for farmers. It is a matter for small-businessmen, young people trying to buy a home, older people as well as people trying to go into the export business with the great risk and uncertainty that goes with it. Even the great and the mighty are on their knees: Massey-Ferguson, International Harvester, General Motors, Ford. You never saw such great enterprises coming to Government so fast to get help. The fact is that we are not fighting a mist, we are fighting a belief, a single belief which is quantitatively wrong. Therefore, let us, as Members of Parliament, once again reassert the dominance which the people have given us by electing us and say that we are willing to vote against our own Party, that we are willing to resign from positions of power, if Parliament's wishes are broken. But Ministers just seem to accept this situation. The Minister of National Health and Welfare (Miss Bégin) has apologized to this House. Parliament has said that all children, orphans or not, have equal right to family allowances. Yet regulations put through by Order in Council, which the Ministers do not know anything about, said that neither orphans nor pregnant teenage girls can get family allowance. Who else in Parliament has stood up with me and kept pounding at that issue? There are no votes among the orphans who are under 18. And here is a similar case where the will of Parliament, supported by all Parties of this House in 1982, on the question of interest rates, on these four subjects, is being flouted and ignored, and the Minister does not even know it.

There was an advertisement which appeared three weeks ago in all the rural papers of Saskatchewan with the picture of the Minister of Agriculture. He is preaching the views of the experts in his own Department. I do not know whether or not he read it. He is talking to the people of Saskatchewan, and this is what he said:

> World demand for grains and oilseeds is expected to increase by up to 50 per cent in the next 10 years.
>
> There are also new markets appearing for our meat products in many Pacific countries too.

It is exactly the opposite, Mr. Speaker, of what his colleague in the other place is telling the farmers and what the Minister said today. There is a great future for agriculture in every country of the world! The Minister knows it. We all know it. There is a great future for our forest and fibre industries, as well as our fish industry. Everyone knows it. The World Food Council has been warning the world, asking us to rally our strength and produce all we can. There will be money made by all countries out of this. Yet we cannot change the law. My God, all you need do is to bring in an item in the Estimates,

get it through and you will correct it when you get around to changing the law. They do it all the time.

• (1620)

To sit here as a representative of a rural area and have to listen to that claptrap, Mr. Speaker, comes real hard. I have looked into the faces of these farmers who have fought so hard to get up and going these last 30 years. They have seen all they fought for put in danger today because the Government would not follow the laws of this Parliament which allows them to cut interest rates in half and no one loses any money.

I speak with some feeling, Mr. Speaker, because I have dealt with this subject for many decades. But I say to this House once again that there is no place for any one of us to hide on this issue.

Mr. Deputy Speaker: Are there questions or comments? For debate, the Parliamentary Secretary to the Minister of Agriculture.

[*Translation*]

Mr. André Bachand (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I wish to take this opportunity to inform the House about what the Government has done for farmers over the past years through the Farm Credit Corporation. I realize there are still some serious problems in the agricultural industry, but the situation is not as gloomy as some people would have us think. The federal Government is providing substantial assistance to Canadian farmers who are suffering the effects of the present economic situation. The Government's intervention is not a temporary affair but goes back to 1929, when the Canadian Farm Loan Board was created to help farmers who were unable to obtain all the long term farm credit they needed. The Board and its successor, the Farm Credit Corporation, have been meeting farmers' needs for 55 years now.

To give Hon. Members an idea of the funds invested by the Corporation in farming, the Corporation now has about 79,300 active loans, representing a total investment of $4.7 billion at this time. This clearly represents a substantial contribution to the financial well-being of Canadian farmers. During the financial year ending on March 31, 1984, the Corporation approved some 5,736 loans under its regular credit program and the special Farm Financial Assistance Program, totalling $758 million, which represents an increase of $141 million over the previous year. Not long ago, the Government approved a budget for approximately $825 million, the funding that will be available to the Farm Credit Corporation for loans to Canadian farmers in 1984-85.

The mission of the Farm Credit Corporation is to help young farmers and farmers who are just starting, in other words, farmers whose assets are not sufficient to serve as collateral for loans from commercial lenders. The Farm Credit Corporation plays a vital role. Young farmers and owners of small, developing farms are far more vulnerable than established operations. They have fewer assets but need considerable capital to establish and maintain a viable operation. Furthermore, they must be able to borrow capital on favourable terms, something the commercial sector is unable to provide. In fact, the floating interest rates or rates adjustable at frequent intervals that are offered by the commercial sector do not take into consideration the particular constraints of the agricultural sector.

Throughout the Canadian labour force, the only people who are really suited to primary farm production and who are anxious to work in this area are the sons and daughters of farmers. They are, in fact, the only people with a knowledge and practical experience of farming.

We must therefore facilitate the transfer of farm operations to the younger generation, so as to keep this human resource in the farming sector, and maintain and increase productivity in the agricultural industry.

This will happen only if we offer interest rates at reasonable levels as well as favourable credit terms, something commercial financial institutions normally do not do.

In addition, family farms are transferred gradually. In general, the son or daughter will purchase the farm bit by bit while acquiring the assets and experience needed. Eventually, they take over the whole operation. As the land itself is the basic requirement for most farm producers, beginners generally need credit to purchase land. On the average, farm real estate represents close to 80 per cent of total investment needs in agriculture. Credit requirements for land purchases are therefore very high. While parents generally want to help their son or daughter get established on the farm, they must recover the assets accumulated in their farm to be able to retire, or to distribute their property equitably amongst the family members. Even young people who are getting started with the assistance of their family will therefore need credit on terms not generally offered by the business sector. This is where the Farm Credit Corporation comes in. At the present time, the FCC offers the farm community loans of up to $350,000 or $600,000, depending on whether the operation involves one or more eligible applicants.

The Farm Credit Corporation loan limits were increased twice during the last three years to meet the needs of farmers more adequately. In view of the special financing requirements of farm operations, the Government has offered them, by way of the Farm Credit Corporation, long term farm credit programs on terms not generally available either to them or to other small businesses, to promote farm production. These terms include mortgages at interest rates frozen for five, ten or thirty years, repayment periods of up to thirty years, flexible repayment schedules, a recovery policy which takes into account temporary financial problems and the cyclical nature of farm income, loans of up to 100 per cent of the assets stated as equity as well as a financial advice and consultation service for farmers.

The Farm Credit Corporation puts a lot of energy into its consultation services program because the farmer needs a sound understanding of financial management in order to succeed. The FCC offers advisory services at the preliminary stage, when the loan is approved and at various subsequent stages. While financial advice is available to all farmers, the FCC concentrates on its new borrowers or on other borrowers in need and those who request assistance.

The purpose of the advisory services offered by the FCC is to help farmers manage the financing of their operations in such a way as to eventually reach their personal and economic goals.

The FCC borrowers who need advice are generally those with limited assets and a high level of indebtedness, with an expanding operation but little experience, with a high-risk operation or financial difficulties. The credit advisors of the FCC provide borrowers with the assistance they need to start a bookkeeping system, and to interpret and analyze financial data so that they can identify and solve problems as soon as these crop up. Borrowers normally follow the program for two or three years. This is long enough for them to learn to manage their financial affairs efficiently. As of March 31, 1984, 4,800 borrowers were registered in the consultation services program, which accounts for 30 per cent of all FCC borrowers.

In addition to managing these credit programs, the FCC co-operates with other federal agencies and departments, provincial governments and private credit institutions to meet the special needs of the agricultural industry. For several years now, it has been co-operating with the Provinces of Quebec, New Brunswick, Nova Scotia and Alberta and has been involved in their interest subsidization programs. The FCC has intensified its efforts in this field in 1982 and 1983 by being involved in the Saskatchewan farm purchasing program as a lending institution.

Last year, the FCC signed an agreement with the Province of Ontario to act as a lending institution under the assistance program for new farmers.

The FCC lends to farmers who represent high risks for the private sector. A survey carried out by the corporation has shown that the average Canadian farm had net assets of 85 per cent. On the other hand, those farmers who obtained a regular loan from the FCC had net assets of nearly 50 per cent in the last five years. The average net assets of farmers who obtained a loan under the special Farm Financial Assistance Program were even lower, namely 35 per cent in the 1983-84 fiscal year and 40 per cent in the previous year.

● (1630)

The loan-to-equity ratio is also indicative of the risks involved. As the FCC was authorized in 1975-76 to lend up to 100 per cent of the value of the property offered as equity, the loan-to-equity ratio is increasing. The FCC has granted a greater percentage of its loans to farmers who offer less equity than in the past. This tendency to lend to farmers with lower net assets and a higher loan-to-equity ratio results from the fact that the corporation is lending to younger farmers with limited resources, and also from the difficult economic situation.

The special Farm Financial Assistance Program was reintroduced in the June 1982 budget. Loans to farmers under 35 continue to account for the larger part of the funds loaned by the FCC, making up 62 per cent of the total. Most of these farmers own little land and have few personal assets. Whether they want to get into farming or to extend their operation, these young farmers must borrow larger amounts for longer periods. Many of them, especially those who must consolidate their debts, cannot offer additional equity, which means an even higher loan-to-equity ratio.

As Hon. Members are aware, the FCC has administered the special Farm Financial Assistance Program since its implementation in November 1981.

Under this program, farmers facing financial disaster were offered for a two-year period an interest rebate on their loans from the FCC. Parliament allocated funds to the FCC to cover the rebate guaranteed on these special loans.

When the program was launched in November 1981, the Government had set aside an overall budget of $50 million, including $5 million for interest rebates of 5 per cent, the key element. The funds earmarked for the program were soon exhausted and it ended on March 31, 1982.

This time the interest rebate has been set at 4 per cent and the $200 million allocated to the program have made it possible to pay out $16 million in interest rebates. The program was renewed in the April 1983 Budget with an additional $100 million Government commitment.

Between November 1981 and March 31, 1984, the Farm Credit Corporation spent in excess of $341 million under this program and more than 2,200 Canadian farmers had received or are still receiving assistance thanks to the program.

When the program was set up, the Government was expecting the economy to pick up steam during the two-year rebate program. We all know that the recovery was sluggish in the agricultural sector, and the Government is now considering the possibility of extending the rebate period or other mechanisms to help farmers who are still strapped for cash. As the Minister pointed out, a decision will be made soon.

Mr. Speaker, I should emphasize that the role of the Farm Credit Corporation is to make mortgage loans available only to those farmers who are now considered as high risk ventures. The Farm Credit Corporation was not established to assume the responsibilities of the banks or extend credit to commercial agricultural operations. In the late seventies, when the agricultural economy was booming, commercial lenders asked for a larger slice of that market. Despite a decline in agricultural

activities, I expect that they will continue to make farm loans. The Government is keeping a close watch on long-term agricultural loan market trends and is considering various alternatives to provide funding for the Farm Credit Corporation. For its part, the FCC is now seeking ways to reduce rates on those high interest loans. The Government is firmly committed to support the agricultural community and we are trying to find the best means to shore up that industry just as it is getting out of the doldrums.

I should like to remind Hon. Members that the Farm Credit Corporation is one of the very few lending institutions whose loan recovery policy is geared to the cyclical nature of farm income. As long as an agricultural operator stands a reasonable chance of pulling himself out of a precarious financial situation, the FCC will give him free rein.

The federal Government helps Canada's agricultural community through credit programs on which farmers can rely to make their operations more profitable. It is through the Farm Credit Corporation long-term mortgage loan programs and the medium-term loan program under the Farm Improvement Loans Act that the federal Government makes sure that Canadian agriculture remains one of the most efficient and most productive sectors of our economy.

Mr. Deputy Speaker: Questions or comments? Debate. The Hon. Member for Okanagan-Similkameen (Mr. King).

[*English*]

Mr. Deputy Speaker: Questions or comments? For debate, the Hon. Member for Okanagan-Similkameen.

Mr. Fred King (Okanagan-Similkameen): Mr. Speaker, I am delighted to be able to participate in this debate inasmuch as it affects the area which I represent, namely, that of Okanagan-Similkameen. I congratulate you on your correct pronunciation, Mr. Speaker. Some others have failed in that regard.

The farmers in Okanagan-Similkameen, and in British Columbia as a whole, face, I believe, the most desperate circumstances of any farmers in all of Canada. Therefore, it is appropriate that we speak to this resolution today.

I have in my possession a letter which I recently received from the Minister of Agriculture (Mr. Whelan), which begins with this statement:

> It was with some dismay that I read a report in the *British Columbia Grower's News*, entitled "M.P. Raps Government"... the report cites statements by you criticizing the scarcity of funds available through the FCC and the outrageously high rate of interest for what loans the corporation does make.

The letter goes on to say:

> I would like to take this opportunity to inform you of some of the things Agriculture Canada and the Canadian Government have done, and are doing, for the fruit farmers of British Columbia.

I believe he must have circulated his three-page letter to everyone in his caucus because there has been a repeated recitation of the points made in the Minister's letter to myself. The Minister is certainly justified in explaining to me, to the House, to Canadians, and to the world-wide constituency, of which he is so pleased to speak and which he claims to represent at every opportunity, the contributions of the federal Government to Canadian agriculture. No one disputes that. Likewise the farmers of Canada, and of British Columbia in particular, are justified in telling the Minister of the areas in which he is failing them. They are significant to their difficulties.

● (1640)

In the statement recently circulated by the Canadian Federation of Agriculture, which deals largely with farm credit, a number of resolutions and points are made to which the Minister, I think, should pay attention because they would assist the farm community. The Federation of Agriculture had a resolution about the elimination of the 9 per cent federal sales tax on farm fuels. We agree with that. It speaks of Section 31—restricted farm losses and the application of that section. We agree with that. It speaks of amendments to the capital gains tax law. It speaks of duties and sales taxes on imported agriculture products. It speaks of tariff protection. It speaks of stabilization payments. Most specifically, it focuses on the Farm Credit Corporation, its policy and the ability of the FCC to address the concerns of the Canadian farmer.

Yesterday, Mr. Jack Wessell, General Manager of the British Columbia Federation of Agriculture, together with Mr. Harold Allison who comes from my riding, a rancher of note, Vice-president of the B.C. Federation of Agriculture and Chairman of the B.C. Cattlemen's Committee, were in Ottawa bringing a message of special concern from B.C. farmers of the very special and damaging circumstance with which B.C. farmers must contend, circumstance which this Government and this Minister seem inclined to ignore and gloss over in their statements and policies. These deal with the high cost of labour, land, equipment and supplies, which are the highest costs in Canada. In many cases they are the highest costs in the world.

I would like to point out to the House and to the Minister, because I know he will read my speech with rapt attention, the labour situation that exists in British Columbia. This is an area with a highly organized labour force. Farmers in British Columbia must compete with other areas of employment. Just last week we met with a group of mining executives from British Columbia who pointed out to us that the costs of mining in British Columbia are the highest in the world. The labour costs in British Columbia mining are the highest in the world. In the forest industry in British Columbia the situation is the same. The labour costs are the highest in the world. In transportation as well the labour costs are the highest in Canada and perhaps in the world. And then we have food merchandising. Let me read from the March 1984 issue of *Country Life*, which is British Columbia's agricultural newspaper. The article reads:

> According to a recent article in the Vancouver *Sun*, these food workers are now approaching the second year of a two-year agreement which saw wages rise 85 cents an hour last year, and will see wages again rise 76 cents to 83 cents this April.
>
> These raises will bring the hourly wages of a part-time clerk stocking shelves in the store to $16.78 an hour, while full-time clerks in the same category will earn $618 for a 40 hour week: a total of $32,136 a year.

It goes on to explain that on top of that there is an additional about 40 per cent in benefits. The article continues:

To add insult to injury, a comparison of the wages of the retail employees to similar employees in other parts of North America is in order.

It goes on to compare the $16 an hour in B.C. for food handlers to the $12 in Ontario. It is much less in Manitoba and much, much less in the State of Washington, U.S.A. The writer of this article states:

I don't think it is hard to understand why local fruit growers only receive less than five cents a pound for apples, while consumers pay more than 50 cents a pound.

That is the cry of agriculture in general. Why can we not get more of the money which the consumer pays? The Minister knows that these circumstances exist and that they plague B.C. agriculture. He has been there. He has met with farmers in British Columbia.

A few weeks ago I participated in a meeting in Kelowna at which the Minister met representatives of the B.C. fruit tree industry. This meeting was a direct result of representations which I made to the Minister following a very dramatic Labour Day rally in Penticton at which nearly 1,000 farmers, many with tractors and trucks which tied up highway traffic, took their protest to the public.

During the meeting with the Minister, one intelligent, industrious, keen orchardist—and I see the Minister coming into the House and he will remember that man—explained the situation of high costs. I think it was Rob Dawson who indicated to the Minister the high level of wages which must be paid to Okanagan farm labour, high in comparison with other areas of Canada and in comparison with other competing areas in the world. He posed a question to the Minister: How do we survive in this circumstance? I remember well the Minister's response. He said, "I hope you are not suggesting that you should pay lower wages". I am sure the Minister remembers that. Of course, that is not the position which the farmers of B.C. take. We know that farm workers are not overpaid for what they do. We know that we must maintain wage scales competitive with other segments of the B.C. economy if we are to have labour on farms.

I recite this episode because it demonstrates an absolute contradiction in the position which the Minister is taking with respect to the B.C. farm community. On the one hand he says, as he did to Rob Dawson in Kelowna, "I hope you are not suggesting that you should pay lower wages", in other words go on paying the highest farm wages in the world. Go on paying for all the social benefits which are demanded as part of your employment payments. Go on paying the highest cost for agricultural land in Canada. Go on paying the highest costs for water, power, services, farm equipment and supplies. In telling the farmer to keep on paying these highest costs, the Minister contradicts his position as indicated in his statement on stabilization. Now he changes his tune and says that he recognizes no differences in input costs and that stabilization is at the same level from coast to coast. Not only did he state that, but he indicated that if a provincial Government recognizes that these cost differences exist and does something to assist farmers to cope with higher costs, the federal Government will penalize them. In other words, he is saying that if the Province of British Columbia helps farmers to stay in business, to keep from going bankrupt, to pay their bills and labour costs, the federal Government will penalize them by refusing them stabilization. Mr. Wessel and Mr. Allison came to Ottawa to plead with the Government on behalf of B.C. farmers. They wanted the Government to recognize the circumstances because if it did not B.C. farmers could not exist. I suppose we could say, so much for co-operative federalism, so much for the philosophy or the attitude of the man who has hopes to lead the Liberal Party!

• (1650)

Only a few days ago we heard an Hon. Member on the government side talking in the House about getting payments out when they should get out. We should get them out to the people when they need them. At that time I rose to speak about the Minister's kind letter to me in which he mentioned stabilization payments being made on behalf of apple growers for the 1982 crop. It was marvellous, but the problem was that the payment came in 1984. We must remember that farmers started having input costs to produce their 1982 crop in November, 1981. Many farmers have told me, the Minister and anyone who would listen, that by the time the payment arrived they had used up most of its benefit in bank interest. They should get the payment out when it is helpful. I am sure the Minister appreciates that. Farmers appreciate it when it comes in the form of a cheque with a date that means something to them.

The Minister is aware of some of the irritants affecting farmers. We should not be nit-picking over detail when they are in trouble. I am thinking of the protest in the Okanagan which was brought to the attention of the Minister at a meeting in Kelowna. I know it is a tough, controversial issue. It concerns retroactive changes to the crop insurance program which prejudice the interests of orchardists who signed up in good faith and discovered later that the program had changed. I believe it was pointed out to the Minister that some $1 million was involved or had been reduced from payments made to farmers who were already in deep trouble. Many of them will probably be unable to survive.

I had occasion to meet with guests today from the Okanagan who told me that three or four orchards in south Okanagan have gone into receivership or bankruptcy. They told me about their peach operations, how advance payments were made and then at the end of the season they had to repay money to the packing house which advanced payments, through the federal Government program I admit. The payment from the market to peach growers in the Okanagan was $58.84 per tonne. This is what the selling agency was able to send to packing house organizations for distribution to growers. However, it cost about $400 per tonne to produce the crop. Certainly their costs are higher than in other areas of Canada, but these are the facts.

How can the Minister justify saying to farmers faced with deficits that he knows it costs $400 per tonne to produce peaches, that the market returns $58.84 per tonne, but if the provincial Government gives them any assistance, they will be penalized in the national interest? That does not make sense. No farmer in British Columbia will accept that philosophy, nor should they be asked to accept it.

Farmers know what appeared in the headlines of the Osoyoos *Times* over a dramatic picture of a dump truck dumping tonnes and tonnes of packed peaches last year because there was no market for them. Why was there no market? It was because the federal Government allowed imported peaches into the country as fresh fruit and in canned or processed condition. There were no hindrances. The anger of the farmers was demonstrated in the Labour Day rally. They asked for some protection to be provided, not against reasonably-priced products but against products that were dumped from other producing countries, notably Australia. The Minister knows the effect of Australian packed fruit, processed and canned fruit, in the Okanagan. It has resulted in the closing down of every cannery in the Okanagan Valley but one, and it is now in the process of being sold.

The Acting Speaker (Mr. Guilbault): Order, please. The Chair regrets interrupting the Hon. Member, but his speaking time has come to an end.

Mr. King: I am sorry too.

The Acting Speaker (Mr. Guilbault): The Hon. Member will be able to answer questions in the 10-minute period provided for questions or comments.

Mr. Whelan: Mr. Speaker, I am glad that I left Cabinet committee to come down here to hear the Hon. Member. I hope I heard all his comments, but quite a bit of what I heard was a little inaccurate, I might say.

He talked about imports. He knows what representatives of his own province said when there was a discussion about controlling imports. They said that they could not do that because they exported lumber. He knows very well that they export apples to some 30 or perhaps 40 countries and have done so for years. When we talk about imports and exports, it is a two-way street. If we are to be rough on some imports, we can be sure that someone will be rough on our exports.

Also he talked about the crop insurance changes. He knows full well that the province initiated the changes in crop insurance. It was not the federal Government. We practically okayed what they wanted. The members of the advisory committee on crop insurance were asked what they thought about it, according to the records that I have, and they did not see much wrong with it, until they discovered that the new plan in some instances was not as good as the old one, and they wanted to change it back. When talking about controlling imports, I remember a provincial Minister in British Columbia saying that British Columbia was one of the biggest exporters of lumber and of other horticultural crops to other parts of the world.

• (1700)

I am sure the Hon. Member knows quite a bit about crop insurance. He was an agent for that federally-funded program. Imagine, that terrible federal Government! He was actually an agent selling that insurance where the federal Government funds 50 per cent of the premium, the producer pays the other 50 per cent, and the province administers the program. As an agent, he was paid for doing that.

The Hon. Member knows that stabilization is not the same from coast to coast, unless it is a nationally-marketed commodity. There are eastern and western regions for stabilization. The Hon. Member could have read the whole letter and stated how many millions of dollars I was able to send to the two different groups. I am going by memory, but I believe it was a total of $8 million to buy surplus products in their warehouses so there would not be distressed selling. That money was provided interest-free. When you add all that we spend in British Columbia, you find that we care as much about agriculture in that province as does the provincial Government. and maybe a little bit more.

The Hon. Member talked about using income from the provincial plan. Does he not consider income from a government the same as income from a factory? He talked about treating people with equity. You have to take into consideration all of these programs. We offered 100 per cent income insurance under the stabilization program. That plan, which we offered federally, was superior to everything that British Columbia had, except the cow-calf program. They refused to join. They agreed that it was better for the other crops in British Columbia.

I repeat what I said earlier. We offered the plan, and not one province came forward and said it wanted the plan, that it would work out some kind of agreement. They did not accept it in 1977, but now they are asking for it. That is about all I want to say. I did not hear the rest of the Hon. Member's comments. You will notice that most of my comments were corrections to what he said.

Mr. King: Mr. Speaker, I wish the Minister had been here from the beginning because I did mention his letter. I said he was certainly justified in explaining to everyone the federal Government's contribution to Canadian agriculture, and nobody disputes that. I also said that farmers have an equal right and justification to tell the Minister the areas in which he is failing.

With respect to tariffs, let me read what the British Columbia Minister of Agriculture said. I quote the following from the Penticton *Herald* of September 9:

> Agriculture Minister Harvey Schroder said Wednesday he is seeking imposition of temporary tariffs on imported fruits and vegetables when they are surplus in British Columbia. The request was made on an informal base to Federal Minister Eugene Whelan.

It is true that crop insurance changes did originate with the provincial Government. The provincial Government asked the Minister and the federal Government not to impose those changes for one year. The provincial Government, which ini-

tiated the changes after seeing the implications, asked that they be withheld for one year.

I do not remember the point that was made regarding stabilization. I do remember the Minister saying that everything the federal Government was offering was superior to anything available in British Columbia. In that circumstance, why then are the British Columbia Federation of Agriculture and the B.C. Cattlemen's Association here and why has the BCFGA made representations? Why are they making these representations if what the Minister is offering is superior? Obviously it is not superior. It is obvious that the provincial program of assistance recognizes that regional input costs are grossly higher than those which the federal Government notes on a national basis.

Obviously the provincial Government's program is much more attractive. It is the only reason why farmers in B.C., the Okanagan Valley in particular, are in existence today. It is because of the assistance provided by the provincial program. The Minister can laugh, but if he imposed his will, farmers in British Columbia would be put out of business.

Mr. Whelan: Mr. Speaker, the Hon. Member must be aware of the recent B.C. budget which cut the Agriculture Minister's budget by several million dollars. The controlled atmosphere temperatures for storage for the fruit industry would not be there if it were not for the federal Government. They used half the federal budget in British Columbia. I congratulate them for that. The producers were quick to recognize the legislation and to take advantage of it. They did that to their advantage.

They did have a couple of bad years. The Hon. Member also knows they had ten good years previously when they were able to use the storage for their apples. The Hon. Member talked about stabilization for 1984. He knows that the final sales are not made for nearly a year. With the controlled atmospheric temperatures, you can keep apples that long. They are in excellent condition when they are taken out of storage and put on the market. The market can be supplied for 12 months of the year. The Hon. Member is intimating the 1982 crop was all sold in 1982 but the payments were not made until 1984. He knows the year-end is not until the new 1983 crop is about ready to be harvested in September.

Mr. Mayer: It should have been paid sooner.

Mr. Whelan: Why don't you just shut up for a minute? The Hon. Member makes noise, but that is about all he does. He has opposition in his own riding. When I was in Winnipeg the other day, I was told the Hon. Member has opposition in his riding because he is not right-wing enough. You asked me to say that, Charlie, and I did.

Mr. Mayer: You said you would come out and campaign for me. That would bring me back to the left.

The Acting Speaker (Mr. Guilbault): Order. We will resume debate at this time.

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I am delighted to take part in this debate because of the importance of the agriculture sector and the resource sector. The summary of the challenges and choices which came from the royal commission headed by the Hon. Donald Macdonald was made available a week ago. It states that one of the challenges is the resources and the environment.

One challenge is to manage Canada's resources for maximum benefit over time and to ensure a pattern of development in harmony with enhanced environmental quality to continue the emphasis on the primary sector engine of economic growth. It stresses "to continue the emphasis". Under our very capable Minister of Agriculture (Mr. Whelan), this industry has gone forward. Unlike other sectors, we are subject to world economic conditions.

• (1710)

In his book entitled *The Third Wave*, Alvin Toffler points out that we can no longer isolate ourselves from the impact of conditions or policies that are put in place by other countries in the world. I look at this statement in the context of the huge surpluses and subsidies that are paid out in the European Common Market. I look at it in the context of the dropping commodity prices in the Canadian market. This is where we must look for assistance for Canadian farmers.

We have one of the highest standards of living of any country in the world. Consequently, we have set the precedent of a domestic price and an export price for some products that have been grown in Canada over the years. I believe that assistance to the farmers must come through the marketplace itself in co-ordination with the various policies that are brought forward by the Government and the Minister of Agriculture in particular.

I should point out that the sales tax which has been discussed here today is not a new tax that was brought in under the National Energy Program. That tax has existed for many years. In fact, the November, 1978 Budget reduced that tax from 12 per cent to the current 9 per cent.

To put this in perspective, I would like to place on the record some estimates of savings to farmers. After depreciation, fuel costs amount to a small percentage of a farmer's total costs. As a percentage of total costs after depreciation, fuel costs amount to approximately 8 per cent. Therefore, we are talking about a saving of a per cent of the cost of farm fuels, which account for 8 per cent of farm costs. In fact, we are talking about 9 per cent of 8 per cent. The excise tax on fuels is 1.5 cents per litre and is refundable upon application. This tax is not a net expense to the producer.

Another point I wish to make abundantly clear is that it is not only the federal Government that applies taxes to oil and gas producers. For example, in Saskatchewan, provincial royalties can be as high as 30 per cent although some wells and developments may enjoy three-year to five-year royalty holidays. Under the Oil and Gas Conservation Act in Alberta, a levy is imposed on the operators of oil and gas wells and oil

sands projects. This levy is basically a provincial Crown royalty on crude oil and gas, varying with production, based on a two-tier formula. This levy could amount to as much as 36 per cent, but at the present time is only 20 per cent.

On February 1, the Government of Canada reduced to zero the tax on natural gas and gas liquids. Was this saving passed on to the consumer? We must remember that farmers are consumers of natural gas as well. As most of us realize, natural gas is an ingredient of ammonia-based fertilizers. On checking the price of fertilizer, I have not found that it has decreased. In fact, the cost of natural gas to the consumer increased at the same time as this tax was removed.

At this point, Mr. Speaker, my question to the Opposition is, if this tax to which we are referring is reduced, will that benefit be passed on to the farmers? Can members of the Opposition give me the assurance that this will happen, or will the prices simply increase to make up the difference between what it is now and what it will be if the tax is removed? I know that they cannot assure me that this benefit will be passed on, yet they are basing their argument on the assumption that the price to the farmers will be reduced automatically if the tax is removed. It did not happen with natural gas and I would certainly want some assurance that it would happen in this case.

Opposition Members have not suggested that there should be a reduction in royalties and taxes at the provincial level as well. However, members of the Opposition did not mention what happened in Ontario when dye was introduced into farm fuel. The Ontario Minister of Revenue passed legislation two or three years ago which required that colour be added to the diesel fuel used in farm vehicles and tractors to distinguish between that diesel fuel and the diesel fuel used in highway vehicles. What happened when that was done, Mr. Speaker? A great many of my constituents suffered severe damage to their farm equipment. Not only were the filters on those tractors and combines plugged up, but in some cases the injectors and engines were ruined. The introduction of this dye was legislated a few years ago and that type of dye was only changed last year after tremendous expense to the producers. If that type of dye were to be used in the fuel for highway vehicles, I can imagine what would happen on our highways, especially during rush hour. However, there must be some way of distinguishing between the fuel used for food production purposes and the fuel used for highway vehicles.

One point that neither of the Opposition Parties mentioned is that as a result of the Government's pricing agreement on energy, there has already been a huge saving to the Government. This saving has affected not only Canadian farmers but all consumers, and it came about because of the blended energy price formula which was brought in under the National Energy Program. Opposition proposals would have created a higher price which, from what we understand, would have been effective until 1984. It is now the year 1984 and the Government's blended price is in place. That saving is accruing not only to the farming and producing sector but to our entire economy.

I believe that Canadian farmers should realize that there are other areas of savings that have been passed along to them. I would like to go one step further and point out to Canadian farmers that under the National Energy Program, we achieved self-sufficiency as of last November. Over 4,000 oil wells were drilled and completed in Canada in 1983. I am speaking now of oil wells and not of gas wells. Previously, the best year for the drilling and completion of oil wells was 1980, before the National Energy Program came into effect, at which time approximately 2,600 oil wells were drilled and completed.

I could go one step further and compare those figures with United States figures. The ratio is approximately the same. Approximately 10 times the number of wells were drilled in the United States during those same years as in Canada. The National Energy Program has been a success and has increased the level of Canadian ownership from approximately 28 per cent to 38 per cent.

The Government has moved in these areas to make sure that one of our strategic resources has been Canadianized. We have also made sure that we have become self-sufficient. Although we do not have a long-term security of supply in the oil sector yet, judging by the number of oil wells drilled and completed in Canada this year, we are well on our way toward achieving that security of supply.

We do admit that there has been a decrease in the number of gas wells drilled. In the Province of Alberta alone, there are something like 11,000 gas wells which are capped because the market for natural gas is not sufficient. Consequently, operators haved eased off on the drilling of gas wells. However, this has been a success, and I would like to indicate that there has been tremendous progress made since the federal Government introduced the National Energy Program.

• (1720)

I would like to reflect back just for a moment. I see here the Hon. Member for Regina West (Mr. Benjamin). I know he would like to speak and I intend to give him ample time.

A little over two weeks ago I spoke in the House about the rural economy and the pressures that farmers are facing. I am well aware of the hardships, particularly those faced by farmers who do not have a large amount of equity in their operations—young people who are trying to get established. They are confronted with higher input costs on the one hand and lower receipts for the products they sell on the other. They are caught in a very difficult position. The Farm Credit Corporation, as was pointed out earlier today, has increased the amount of funding available to them. That is not the only answer. We must have in Canada a countervailing force in the marketplace to counteract the buying power of the very large retail chains which have formed buying groups to put pressure on the marketplace. In many cases it is fair to assume that producers' prices are set at the retail level and reflected downward—everyone else having a share of the profit if there is one. We have to re-examine the whole pricing sector in Canada if we are to achieve the maximum potential of our resource sector.

I said at that time that farmers should study the legislation available to them, both at the provincial and at the federal level to enable them to establish a price at the farmgate that would reflect their costs of production, plus a reasonable return on investment and labour.

I do not think there have been any suggestions presented here today or two weeks ago when there were two Opposition Days in the same week. I do not think any of the proposed actions, individually, will put the farm sector back on its feet. It has to be a co-ordinated effort involving programs put forward by the Minister of Agriculture. The House must consider some new programs, which I will speak about at another time. I have been in consultation with the Minister of Agriculture regarding some new proposals.

The Acting Speaker (Mr. Guilbault): Are there any questions? Are we resuming debate? Resuming debate, the Hon. Member for Prince George-Peace River.

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I would like to make a few comments this afternoon on the motion, but I want to be fair to my hon. friend from the NDP who wishes to say a few words. I will attempt to split with him the time that is remaining. I know that the Minister, who is here, would like to hear both of us.

There is no end to the problems in the agricultural industry despite the fact that the Minister, in his condescending way, and the Member who has just finished speaking tell farmers how well off they are, how good they have it and how benevolent a government they have looking after their needs. This Government is managing the crisis in agriculture. It has and it will. There are no programs. There are no schemes. There is no light at the end of the tunnel. They are managing the crisis. And yet the farm economy in our country is measured by the bankruptcies that are experienced every year. It is measured by increases or decreases in the farm economy every year. The Minister and the $800 a day royal commissioner will tell us that we have to look at the history. At the turn of the century 49 per cent of the working population of this country was involved in some agricultural-related activity. today it is less than—what is it, Mr. Minister, 3 per cent?

Mr. Whelan: It is 4.4 per cent.

Mr. Oberle: It is 4.4 per cent. Well, it is less than 3 per cent in the United States. So I assume that the Government plans to reduce that percentage and reduce family farms—this rural, unsophisticated, smelly kind of business—to get on with concentrating and integrating farm operations. It will get into it in a big way because this Government obviously thinks that big is always better. The Government thinks that the family farm is really a way of life that belongs in the past. I say that it is not a way of life that belongs in the past, although I agree that it has become a very expensive way of life.

Farmers pay very dearly to live on the farm. They contribute much of their energy and resources to keep the family farm alive, despite the Government. Farmers throughout the country agree that it is high time and a matter of urgent priority for Canadians to bring about a change in government. We need a government that is committed to a different set of priorities in terms of the industrial and economic structure of our country—priorities which put emphasis on the prime resource sectors of our economy; agriculture being the main pillar, along with mining, fishing and forestry. We must concentrate on our natural strengths once again and rebuild our economy that way. Only then can we pursue the high-tech, value added schemes for secondary manufacturing industries.

I would like someone to tell me, particularly the Minister of Agriculture who travels around the world, how are we to live with the high-tech revolution, our secondary manufacturing schemes, particularly in the aeronautics field? How are we to replace between $30 billion and $35 billion of foreign exchange earnings that are generated by agriculture, forestry and mining? It is a dream that is far in the future. We have to rebuild our prime resource sectors.

What are the problems in agriculture? It does not matter where you touch it, it is like an elephant. There is a problem everywhere you touch it. The key problems are laid out in this motion, the immediate pay-out of some of the Western Grain Stabilization Fund, which incidentally belongs to the farmers. There is no intention of paying out any of the Government's money, as I understand it, from this fund. All that is being paid out is the farmers' money.

When we are told there is a fund, I do not believe there is a fund. Certainly, there is a bookkeeping entry, but the money is in the Consolidated Revenue Fund of the Government. Of course, there is an accrual of interest, but there is not a fund. The Government has not paid into a fund. It is a bookkeeping entry. If the Government had paid into a fund it would have had to go elsewhere to borrow money to sustain its operations. Let us not be fooled about that. The Government has not been too generous. It does not pay anything toward this fund.

Why are we asking for an immediate pay-out of some of the Western Grain Stabilization Fund? The reason is that the average farmer in Canada does not have enough money to put in his crops. This, as it happens, is the season of the year when farmers put in their crops. I am sure that the Minister of Agriculture understands that. It is in the spring when crops are planted. Whether it is tomatoes or wheat, whatever is put in, it is usually put in at that time of year—

Mr. Benjamin: He is putting in a crop of a different kind.

Mr. Oberle: That is right. He is trying to seed a crop of a different kind. His harvest is on June 16. Indeed, it will be one of the earliest crops. It will be a hail-out.

• (1730)

We do not want to be unkind to you, Mr. Minister, but it is not funny. The farmers are in this kind of financial situation because of a number of factors. They have all been enumerated here today and will be again in future debates. The input costs have increased out of all proportion, and what is particularly serious about the input costs is that they are uncontrollable. I suppose that if you cannot afford a new combine, you

can always buy a used machine. There are all kinds of used farm equipment one can pick up at auction sales. In our part of the country, there are all kinds of auction sales and every morning when you turn on the radio you are told about at least five or six of them because farmers just cannot hack it any longer. So you have some control over that. You can delay purchasing a new combine and buy a used one. But there are certain costs, so-called input costs, over which you have no control, such as fuel tax, and related to that is the cost of fertilizer. For the Minister's edification, when you plant a crop you always put on fertilizer right after, so that is a cost which accrues to the farmer at this particular time, not in October when the Minister is planning to make a stabilization pay-out. They are faced with these costs right now.

I will tell the Minister something else. The suppliers who supply the fertilizer and the fuel, the bulk plant agent in the farm community, do not have the flexibility either to carry the farmer for these five or six months. There is no flexibility left in the small and medium-business sector. It needs its money now.

The former speaker said that farmers should not be so ungrateful but should look at what we have done. We have secured ourselves of enough energy for the future and, not only that, we have Canadianized the industry. We now own the industry. Well, a big help that has been to the farmers! We now own PetroCan. We have paid out $6 billion to own a part or a greater share of the Canadian energy sector. That $6 billion has had to come from somewhere, and the farmers are paying a big share of that $6 billion. Has it created a new barrel of oil? Has it created any jobs? Of course not. We have our priorities all wrong. We should have established some priorities to save the family farm. We should have taken $2 billion of that $6 billion to help the farm economy. Incidentally, Mr. Speaker, the farmers have never asked to get anything for nothing.

We here in the capital decided that it is much better for us to have a so-called cheap food policy, that it is much better to make sure of our standard of living, and it is quite true, we do enjoy a very high standard of living in this country. However, I will tell you, Mr. Speaker, it is not owing to this Government. It is not owing to most of the other workers in our society. It is to the credit of our farmers who are working for nothing to grow cheap food so we have to spend only 24 per cent or 25 per cent of our disposable income on that commodity. That is not because of good management. That is because we have killed our farm economy and the farmers are working for nothing. They are not receiving any kind of return on their investment. Their investment is high. Land costs are very high. Machinery costs are very high. Yet the farmer still produces cheap food.

The Government says that if we did not have that cheap food policy and if the farmer were to get a return on his investment which is commensurate or equal to the return on the investment of any other industry, be it lumber or any other industry, food prices in this country would have to treble. That would happen if the farmer were to get a decent return on his investment similar to what is earned in any other industry. Therefore, if the Government permitted that to happen, we would have to find some other way to help people buy food. We would need to have a sort of negative income tax or more welfare. Certainly, old age pensions would have to be doubled. That is the incredible situation which exists, and the Government has no flexibility, so it dumps it on the farmer. What makes it worse is that after having a cheap food policy in this country, we turn around and export that cheap food. We sell wheat and cereal grains below the cost of production everywhere in the world, to Japan, to Russia, and to the European Economic Community. A couple of years ago we sold barley to the European Economic Community. I believe it was at $140 a tonne. The European Economic Community knows that without a decent agricultural policy, if it relied on the rest of the world to provide it with its food, it would be in serious trouble. It is a sophisticated, modern industrial society, but it pays a lot of attention to its farm economy.

I do not know what the prices of barley are today. Perhaps the Hon. Member for Regina West (Mr. Benjamin) could tell us what they are a little later because he was involved with it on a daily basis, but two years ago the European Economic Community resold our barley. It bought it for $140 a tonne and resold it for $230 a tonne. Do you know what it did with the $90 profit? It gave it to its farmers in the form of a subsidy. That makes a lot of sense. We are the only innocent traders in the world. We are the only people, a lower middle power in terms of the industrial scheme in the world, who think that you should give away food. We think we should not enter into supply-management arrangements with foreign countries to protect our own interests. We think we should give everything away and pay what it costs in return for everything we import.

If this Government really wanted to do something, what it ought to do is to get together with the United States, Argentina and Australia which, combined, sell 95 per cent of the wheat and cereal crops, not to form a cartel or anything like that but to determine what the cost is of the production of the wheat which we give away to the rest of the world. Then we should arrive at an agreement, which may have to involve some production management and some schemes which would increase and decrease production. Then we could agree that no one would sell below that break even cost, and that break even cost would of course have to reflect the cost of production, including some return on the investment of the farmer, and the transportation costs.

After debating the Crow rate in the House for a year and a half, after we fought over who should get the subsidy and who should pay it and where it should go, we did not subsidize our farmers. We did not subsidize our railways. I will tell you, Mr. Speaker, whom we are subsidizing. We are subsidizing Russia, Japan and the European Economic Community, because they are the people to whom we are shipping our grain. We are exporting our cheap food after spending a year fighting over who pays and who receives a subsidy. Not once did the Minister mention that we are not really subsidizing any of our own producers or our own railways. The cost of transportation

is a cost of delivery and production of this most vital of our prime commodities, and we are giving it away.

Has the Minister talked to the United States, to Argentina or to Australia to see what they are doing, because they are in the same fix. I have gone to Washington with some of my colleagues and talked to some of our counterparts down there. They are saying, "What a great idea. We must do it. But every time we talk, because we are the leaders in the field, we get it in the neck from Canada because it will underbid us. It does not want to talk to us".

Has the Minister ever given any thought to producing a kind of policy which would give us a reasonable return? Of course, the rest of the world is saying, "What a cruel hoax that would be, to arrive at a supply-management agreement among the food producing countries when the whole world is starving for our food production", and that is quite true. Naturally, we should make a contribution to a world food bank. We should be responsible in terms of the unique position we are in and of our potential and ability to grow food. We should recognize also that there is great need for our production out in the world. Is it really the responsibility of the food producing countries only or should the other industrial countries make a contribution? What would a scheme look like which would involve all industrial countries, including the communist countries? They should make a contribution to a world bank which would be there in times of need so that millions of people would not starve to death from time to time in Africa, Asia and elsewhere. An ambulance driver should not ask whether he is going to get paid when he picks up an accident victim. What a cruel hoax it would be for an ambulance driver to say: Can you pay for the ride? But he has to be paid. He is not going to leave someone lying in the ditch, but eventually he has to be paid.

• (1740)

The same is true for a food-producing country. It cannot be the responsibility of the farmers only in countries like Canada, Australia and the United States to maintain a cheap food policy which permits domestic consumers a very privileged standard of living. It cannot be the responsibility of producing countries only to maintain a cheap food policy to feed the world. No, there has to be a broader responsibility.

What can we do? We can get together with our industrial partners in the world. There is a starving world out there. We have the capacity to produce but we need help to produce cheap food. There is no shortage of demand for our food in the rest of the world, but there is a shortage of demand for food with a price tag attached. We could commit ourselves to producing the necessary infrastructure, storage and handling facilities to get our food to places where it is needed. Then the other industrial countries such as Germany, France, Japan and others would pay into the food bank. They would then ask: What would it cost? Well, it costs us $4.50 or $6.50 to produce a bushel of wheat. That would reflect transportation costs and everything else. That would be the floor price. The other industrial countries would pay into the food bank, we would control and manage it and we would have one crop year of wheat in our storage bins ready to be delivered anywhere in the world. But we cannot do it on our own.

I am asking this Minister, sitting there smiling and grinning in his condescending way, if he has ever thought about anything like that? Has he ever talked to the other industrial countries and asked them whether they accept the responsibility of feeding a hungry world? Or is he going to continue to dump the social responsibility we have to the underprivileged in our country and the rest of the world on to the backs of our farmers? That is his policy now, but it is high time for a change.

Mr. Whelan: I just have a short comment, Mr. Speaker. I just wanted to say that we have discussed this many times with our trading partners. But the United States refuses to become involved in that kind of venture. I think it is most necessary. I have said many times that it is wrong for us to subsidize our producers because they do not have enough of a return to give them a decent living and we are supplying food to other countries at a price below the cost of production. Some of those other countries may not want to produce their own grain so long as we are going to continue that kind of system. The U.S. spent $15 billion or $20 billion this year purposely to interfere in the market system, trying to make the commodities scarce.

Both the Hon. Member and I know that in Canada we have a system which is old, but it guarantees a year's supply of stocks on hand which will supply the market in an orderly fashion. I discussed that with the Minister of Agriculture of France, Michel Rocard, this week. I am really surprised, but happy, to see a Conservative suggesting this kind of a controlled marketing system, bringing order in the marketplace. I am very happy and it has been worthwhile listening to the Hon. Member.

The Acting Speaker (Mr. Guilbault): Are there any questions? Resuming debate the Hon. Member for Regina West.

Mr. Les Benjamin (Regina West): Mr. Speaker, I found it fascinating to listen to this debate today. The first thing I want to say is that it would not have been necessary to move this kind of motion had the Government learned anything from the difficulties experienced in agriculture over the last 15 years. The Minister of Agriculture (Mr. Whelan) was in this House when we dealt with the first grain stabilization Bill in 1970-71. At that time there were some Liberal Members of Parliament from western Canada. I invite the Minister, who sends out more speeches than any other Minister, to get his speech writers to do a little research into the record of debates. I also invite him to talk to his colleague at suppertime instead of doing so while I am speaking.

Mr. Mayer: They do not understand, so they will explain to each other.

Mr. Benjamin: Mr. Speaker, I invite the Minister to talk to the former Member of Parliament for The Battlefords, Cliff

McIsaac, and find out what he had to say about the western grain stabilization Bill in 1970-71, and the second Bill in 1974, 1975 and 1976.

In his press release the Minister said something about basing payments or triggering payments on cash flow. I and other Members of the House, Mr. Speaker, moved amendments on both grain stabilization Bills starting in 1971 to have the payments based on net income, not gross income. Well, he learned that much, but I want to remind him that he had better have two or three other amendments in his Bill, if and when he puts it in front of us, so that payments should be based not only on an overall basis but on a regional basis in the Canadian Wheat Board district. They could also be made out according to an individual crop.

The Bill is designed to protect the grain producers' income according to what the market is doing. Crop insurance will protect them from the weather and this legislation is supposed to protect them from the market. It is a double-barrelled operation. When we suggested that the payments should be made according to individual crops, as and when their prices fluctuate, the Government of the day, the then Minister of Transport, told us that we were getting into crop insurance. I invite the Hon. Minister of Agriculture to stay in the House and to check *Hansard* from 1970 to 1975.

Mr. Whelan: A point of order, Mr. Speaker. I really want to stay and hear the Hon. Member but I have to catch an airplane. He can rest assured I will read *Hansard* and the great contribution I know he is going to make.

Mr. Benjamin: Mr. Speaker, I must include in my comments a mention of the efforts made by many Members of the House to get a grain income stabilization program to protect grain producers from the fluctuations of the world market. To expect producers to bear the burden by themselves in competition with the treasuries of our competitors is totally unfair. The nation as a whole should share those costs.

I listened to a number of candidates for the leadership of the Conservative Party last year, Mr. Speaker. I am now suffering through listening to seven Liberal candidates for the leadership of their Party this year.

Mr. Ferguson: You will not be disappointed this time.

Mr. Benjamin: I hear them saying they are going to come up with new ideas. Well, what is wrong with the old ones since they have never been implemented? Old ideas such as, to quote Mr. Diefenbaker, parity, not charity. Old ones from the 1940s, 1950s and 1960s: price related to the cost of production plus a decent living. What is wrong with those old ideas? They have never been implemented. Let us blow the dust off them and do it. The legislation, if and when we get it, must include additional amendments to those the Minister has proposed in his press release, which none of them want to announce in Parliament. They want to do it somewhere out in the hills.

• (1750)

I heard the Hon. Member for Prince George-Peace River (Mr. Oberle) and other Members talk about higher freight rates. That is amusing, ironic and disgusting. This Party brought in legislation to raise the freight rates for farmers and forced it through. The ink was hardly dry on the legislation when a former Minister of Transport, executive vice-president of James Richardson and Sons, went out to Regina a week ago and cried about these poor grain producers having to pay higher freight rates and higher fuel taxes as a result of a Conservative budget in Saskatchewan. Where the heck was he last year? Mr. Lang was one of the leading spokesmen to erect the statutory grain rates and cause farmers to pay higher freight charges. The Tories are the ones who agreed with the Liberals that the Crow rate had to go and freight rates must go up. I agree that they said it should not be done today but, rather two or three years down the road. That is like cutting the dog's tail off one inch at a time instead of all at once. They both supported higher freight rates for grain producers, Mr. Speaker.

Mr. Mayer: So did you.

Mr. Benjamin: I do not know what happened to the old idea of parity, not charity, of prices related to the cost of production plus a decent living. Mr. Speaker, they have had parity all right. Since World War II there has been parity for banks, lenders and large corporations. They get their cost of production and profits. However, if it is a grain producer, a fisherman, a little storekeeper, or a lower middle income homeowner, they must tough it out and tighten their belts. They must show restraint.

Our agricultural producers cannot compete in a world market in terms of exports or imports unless this nation as a whole will commit the finances necessary to make sure they survive. There was a famous episode in the Parliament of the United Kingdom when Mr. Churchill brought in a reduction in the rations on coal and fish. Aneurin Bevan said to the then Prime Minister that England was an island of coal surrounded by a sea of fish and only the organizational genius of the Government could see to it that they have a shortage of both. It has only been due to the organizational genius of successive national governments in this place that we have lost three quarters of a million farmers across Canada since 1950. This wild rush to bigger-is-better and to make sure that banks do all right has resulted in the Farm Credit Corporation being nothing more than a lender of last resort at rates that are as high or higher than banks charge.

The Western Grain Stabilization Act needs to be dealt with quickly, Mr. Speaker. We can assure the Government that it can go through all stages in three days at the most. I am sure the Senate will need only a couple of hours when it comes to doing some work. When it comes to leisure, they can take weeks, but when it comes to doing some work, they will deal with it in a couple of hours. We can have Royal Assent on the evening of the third day. I will be willing to remain here for an extra hour if necessary. However, the amendment had better

include payments being triggered not only on a net income but based on a regional basis and on individual crops.

I hope the one farmer who is left sitting over there will ask the Minister to renew and reopen the ability to opt in and out under the revised grain stabilization Bill. The 25 per cent or more of the grain producers who opted out were smart. They realized that it is going to be four, five, six or more years before there is another pay-out. Most of them are ahead of the game. They would have liked to have come into the plan, but they saw what the plan would involve. It is like some insurance policies. You must be struck by lightning at high noon in front of the city hall on a Tuesday next year in order to collect. That is what was wrong with the grain stabilization Bill. The ability to opt in or out must be revised and updated. The Minister must include those additional amendments in the legislation. He had better table it for first reading and get going on second reading by next Tuesday or Wednesday.

The next item in the motion, Mr. Speaker, deals with the repeal of fuel taxes. As I mentioned earlier, the former Minister of Transport, the guy who helped kill the Crow rate, is crying because of the increased fuel taxes on railroads meaning higher freight rates for farmers. He was right. The headlines of recent weeks say that the new freight rates starting August 1 will be higher than expected. They are going to be higher than expected every year until 1991, Mr. Speaker. I hate people who say, "I told you so", but I did tell you so last year and the year before and the year before that. I hope that people on the Government side will believe me now. Mr. Speaker, those kinds of taxes on primary production are totally out of place, whether on farmers, fishermen or forest products. If we need to raise revenue we should raise it through our general tax system for all citizens based on ability to pay and based on the taxable income they earn, no matter how they earned it.

An immediate interest rate reduction requires that we do some of the things which Mr. St. Laurent did during the Korean War and which Mr. Diefenbaker did in 1959 and 1960. Sometimes they were ridiculed for it. They pegged the dollar and the interest rates and put on foreign exchange controls. They did not worry about what our dollar was worth compared to the American dollar. The issue is what our dollar is worth to us in Canada and what it is doing for us here. I do not know if my colleagues in my own caucus would agree with me, but I personally hope the Canadian dollar goes down some more compared to the American dollar. That is great for our exports.

Mr. Mayer: Exactly.

Mr. Benjamin: But it makes our imports more expensive, so Canadians will buy more goods made in Canada. That is not protectionism. However, it is protecting our own people from what is going on in the rest of the world. I am not suggesting we can insulate ourselves entirely, but those are some of the things we can and should be doing.

I wish my Party had not had to move this motion today, Mr. Speaker. It should not have been necessary. I hope it will persuade the Government to make efforts so that the whole nation will contribute to our tax system to cover costs for our farmers, fishermen and other primary producers whether it be for interest rates, grain prices, or whatever. That is a must. Let us quit worrying so much about the welfare and good order of the Canadian dollar compared to the U.S. dollar, or the welfare and good order of bank profits and bailing out corporations or ensuring corporate profits. None of those corporations pay their fair share of taxes toward the cost of running this nation. Let us get the priorities reversed, as my colleague from Prince George-Peace River said. Let us look after the overwhelming majority of people in this country rather than the few to whom the Government has been consistently pandering for the last 15 years.

• (1800)

The Acting Speaker (Mr. Guilbault): Order, please, it being six o'clock it is my duty, pursuant to Standing Order 62(11), to advise the House that the proceedings on the motion have expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

LABOUR CONDITIONS—ALLOCATION OF FOOD PROVIDED BY VANCOUVER FOOD BANK. (B) BENEFITS OF ECONOMIC RECOVERY. (C) PRODUCTIVITY INCREASE—EFFECT ON EMPLOYMENT

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, there is an economic emergency in my home province of British Columbia. I would like Members of the House of Commons to know about it.

Recently in the House I told the Minister of Finance (Mr. Lalonde) during Question Period that there was a record number of people making use of the Vancouver food bank. Now local newspapers in my riding, such as the South Vancouver *Review*, the *Highland Echo*, and the *East-Ender*, to name three, are reporting that people are being turned away from the food bank. What a terrible situation it is in 1984 to have food banks to feed poor people.

In *The Globe and Mail* for Saturday, April 28, 1984, the headline read "B.C. employment level highest since Depression." It reported that 39.5 per cent, almost 40 per cent, of young people between the ages of 15 and 19 in British Columbia are unemployed and that 25.9 per cent of those between the ages of 20 to 24 are also without jobs. Those figures are surpassed only by Newfoundland parts of New Brunswick and West Virginia, areas which are notoriously depressed areas in North America.

I think that British Columbia must be declared a national emergency area. An emergency federal-provincial meeting must be held. I urge the Minister of Finance to meet personally with Premier Bill Bennett as soon as possible. B.C. has already qualified for the first time in its history for a fiscal stabilization grant. That means British Columbia for the first time is a have-not province.

We need more federal initiatives than this for Western Canada economic development. For example, in forestry we could use emergency funds right now in the short-term for tree planting. That would put some of the young people to work this summer. In the long-term we have to replenish our resource base in British Columbia. Tree planting would help that. In fisheries we need more federal funds for salmonid enhancement to improve our fishstocks. We need more environmentally sensitive economic planning.

We are also hurting in British Columbia because of our provincial government. Many of my constituents are afraid that come the next federal election, we have Brian Mulroney or John Turner as Prime Minister, we will see Premier Bill Bennett's policies on the federal level. There has been much talk of turning B.C. into a high-tech area like Japan. While I am in favour of high-tech, in facing the future we have to be careful. Our real strength is in our resources in Western Canada and in British Columbia. A wise person would say concentrate on your strengths, concentrate on your resources.

We need in the longer term a regional plan for Western Canada to get our economy back on track. Our industries are resource based, they are cyclical; for example, fishing, mining, forestry, agriculture, oil and gas. These resources are being gutted right now by federal and provincial inaction. Our future is being sold and we will be left with nothing. We are losing our forests. We are losing our fish stocks. Our agriculture is being threatened by a provincial government which will not live with the agricultural land freeze. We need a sector by sector approach to deal with Western economic development. That is the real way to develop the West.

We should look at the Pacific Rim for markets. We should have an Asia-Pacific Foundation as soon as possible. We should look to education and training of our young people so that we can develop industries in British Columbia. We should diversify our economy through secondary industries in British Columbia. We have to improve our labour relations as well. I think I know of a way whereby we could do that. We should stress worker ownership which would reduce unemployment and inflation. There would be less capital flight and less alienation among our workers. There would be greater productivity and greater competitiveness. Finally, we should look for regional marketing and ways to get people to reinvest their profits in British Columbia.

• (1805)

There is a national emergency in my province. Surely in 1984 people should not have to go to food banks. We in the NDP have a proud tradition; we are and have been advocates of the ordinary people. Now, more than ever, we are determined that people in British Columbia will obtain jobs and not have to go to food banks to get their daily necessities.

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the Hon. Member for Vancouver-Kingsway (Mr. Waddell) questioned where the economic recovery in Canada was going and asked who was getting the benefits of the recovery. He particularly zeroed in on the problems in British Columbia. He mentioned tree planting and unemployment.

I should like to indicate that the federal Government has already taken steps to put the unemployed people of that province back to work. I will just refer to one example, the Environment 2000 program, into which we are putting funding because the province was not doing it. That is not only the case with British Columbia but with other provinces as well. I worked on that particular program because I realized how the forests were being ravaged and that no replacement planning was taking place, not only to provide for future forests but also to maintain the spawning beds of fish in the streams and rivers. I am pleased that the Government of Canada has been able to assist in this sector.

In the budget forecast, real GNE is expected to increase 4.9 per cent in 1984 or roughly about 1 per cent real growth per quarter. This represents a moderating pace of economic growth compared with the very strong real growth obtained in the first four quarters of the recovery. This pattern is typical of economic cycles in Canada.

This economic growth is projected to be accompanied by a stable inflation rate of about 5 per cent in the near-term, followed by further modest reductions over the medium-term. The rebound in productivity growth which was first witnessed in 1983 after nearly a decade of lacklustre activity performance in Canada is expected to continue in 1984 and beyond. This sharp movement in productivity growth, combined with a consolidation of Canada's hard-won gains on the inflation and cost fronts, will serve to improve Canada's competitive position internationally and lay the framework for sustained, non-inflationary real income growth in Canada over the medium-term.

Some further economic data have become available since the Budget. While month to month movements in economic indicators are always very volatile, the information to date indicates that the economic recovery in Canada is continuing. This view is shared by Canadian forecasters. The most recent survey of real growth prospects by the Conference Board indicated that Canadian private sector forecasters are looking for an average 4.4 per cent real growth throughout 1984.

Here are the facts. Compared with the levels of a year ago, average real Gross Domestic Product for January and February was up 6.1 per cent. Over this period industrial production has risen 12.8 per cent and retail sales are up 5.6 per cent in real terms.

Since the final quarter of 1983, employment increased 0.2 per cent in the first quarter of this year. The unemployment rate for March, 1984 is 1.1 per cent below the rate of one year earlier. Housing starts remain rather low, averaging 145,000

units over the first quarter. A record trade balance of $25.2 billion was recorded in January, although the figure fell to $13.7 billion in February. On average, over recent months the trade picture has been very strong. There has been a sharp deceleration in inflation. The year over year increase in March, 1984 was down to 4.7 per cent.

The Hon. Member asked who was benefiting from this recovery. Clearly all Canadians benefit from an economy that is growing and creating jobs, that is registering large increases in productivity and that is becoming more competitive. The financial health of the corporate sector is rapidly being repaired and in foreign markets Canadian companies are increasingly competitive. These trends are reinforced by the favourable improvements in productivity and production costs in Canada. These developments will continue to generate more jobs for Canadians and encourage new investment in business plant and equipment.

WESTERN GRAIN STABILIZATION ACT—REQUEST FOR EARLY INTRODUCTION OF AMENDING LEGISLATION.

Mr. Charles Mayer (Portage-Marquette): Mr. Speaker, I have a concern which I want to raise with the Parliamentary Secretary this evening. It goes back to a question on April 18, the last question in the House before we went home for the Easter break. I asked the question of the Minister of Transport (Mr. Axworthy) who at that time answered in the House in areas connected with the Western Grain Stabilization Act. Those areas have been well talked about. They were talked about today in the Opposition debate on agriculture.

• (1810)

We have a simple straightforward legislative measure designed to stabilize income from grain in the Wheat Board area, the three Prairie Provinces plus the Peace River country. It is designed on the basis of a dollar contribution from the producers to be matched by $2 from the Government. The formula in place is supposed to make payouts when income on the Prairies from the sale of grain falls below certain averages.

Anybody with vision, able to hear and think, has to know that that formula is not working the way it was intended. We are not being critical of the Government because when the Bill was brought forward in 1976 or 1977 it did not have the correct formula. We understand that it was not necessarily right at the time. In hindsight, things could have been done differently. We are talking about today. The Bill was passed by this House. It did not fall from Heaven like a tablet of stone, in which case it would be tough to argue and amend. It was made in this place and is capable of being changed or amended in this place.

The NDP and the Official Opposition both agreed to co-operate with the Government and pass amendments that would provide much needed cash to western producers as quickly as possible. We agreed to that. We on this side have indicated our concern for well over a year, back to February or March, 1983. We are asking that the Government come to its senses and begin to spread around some of the money available through this fund.

A question I had on the Order Paper which was answered on January 27 of this year simply asked the amount of money in the fund at the end of December, 1983. I will place that figure on the record. It is $864,091,918.74; $864 million. The fund had built up to such a level it was considered enough of a nestegg to protect the solvency of the fund against any possible or future drawdowns. The fund was at such a level that it triggered an automatic reduction in the amount of premium the producer was paying. The producer's levy went from 2 per cent of his gross sales to 1.5 per cent. That is a clear indication that there was a lot of money in the fund.

Everybody knows that there are financial problems on the Prairies, of many kinds and in record numbers. I do not want to be dramatic and talk about this being similar to the thirties, but there are as many financial problems on the Prairies as at any time since the 1930s. On the one hand we have a measure that creates a fund which grows to such an extent that the contribution to increase that fund is decreased by a triggering mechanism. On the other hand, we have producers in financial trouble. There does not seem to be any interim mechanism so that we can get that money to producers and spread it around.

We on this side have offered to co-operate with the Government. In February, the Hon. Member for Moose Jaw (Mr. Neil) moved a motion in the Committee on Agriculture encouraging the the Government to do something. We showed support there. When the Minister responsible in the other place appeared before the committee on February 13 he said the problem was mentioned in the December, 1983 Throne Speech and it was his hope they would be presenting amendments during the session which would improve the responsiveness of the program and increase its acceptability to producers. That was in February. It is a simple measure, there is co-operation from the Opposition, producers have financial problems, money is available at least to address some of the problems of producers, and yet nothing happens. What do we get? We received a fancy press kit which was issued in Winnipeg a week ago yesterday. It does nothing. It is really only an essay indicating what the Government intends to do.

• (1815)

The Hon. Member for Regina West (Mr. Benjamin) who just spoke said the Government does not want to do anything in the House. This is a clear example of that. We have been encouraging the Government to do things in the House and what do we get? We get a press release that was made outside the House telling people what the Government intends to do. What we need is action. The press release did not do anything. We have not seen any legislation. Even if we go along with the Government's intentions, nothing will happen until the fall. There is absolutely no reason why we could not make an interim payment, and there is absolutely no reason why we could not make that payment within two weeks. We could do that if the will to do so existed.

There are all kinds of electronic systems in place for mailing and for putting money into circulation. I believe there are several millions of cheques that go in the mail each month to various recipients across the country. This payment would involve something like over 100,000 cheques. That would be no problem at all as far as our capacity to put things in the mail is concerned.

What I do not understand is why the Government is in fact delaying this. The latest thing I have heard is that the Government intends to introduce a Bill in the Senate. If that in fact is the case, it is another indication that the Government has no intention of addressing this matter on an urgent basis. If it wants to get a Bill through quickly, it should bring it into the House where we will deal with it very quickly, and then it will go to the Senate. If it goes to the Senate, the Bill must first go through the Senate committee system. As a rule, we in the House do not pre-study Bills. If the Bill goes to Senate, it will further delay its implementation at a very, very critical time. I hope the Parliamentary Secretary will stand and announce when the Bill will be presented so that we in the House may in fact do something to support farmers at an extremely critical time of the year.

[*Translation*]

Mr. André Bachand (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, in reply to the Hon. Member for Portage-Marquette (Mr. Mayer), I am happy to announce that legislation to amend the Western Grain Stabilization Act will be introduced in Parliament in the very near future. In fact, the text of this legislation is now ready, and, to my knowledge, it now is or will be the subject of discussions between the House Leaders this week.

We want to thank the Members of the Official Opposition for supporting quick passage of the amendments which will be submitted for parliamentary approval. It is good to know that the Official Opposition agrees with us on the need to amend this Act as soon as possible to make it more flexible and better suited to the needs of western farmers. The Western Grain Stabilization Act is the main federal program aimed at protecting the income of Prairie grain growers.

However, this program must be amended, especially to provide better protection to producers against sudden fluctuations in prices and costs during the periods when increased volumes are being marketed. We therefore propose to add a unitary readjustment payment for making cash available to ensure that the program will be better suited to the financial situation of participating grain growers during the periods when production and the volume marketed are increasing.

For instance, under the present stabilization payment formula, no payment would be made for the calendar year ending December 31, 1983. However, if the recommended amendments are approved, a substantial payment of over $3 million could be made for the crop year ending July 31, 1984. Other amendments are also being considered following the recommendations of the Producers' Advisory Committee of the Western Grain Growers' Income Stabilization Administration and other organizations of the farming and grain-growing industries.

Among the amendments suggested, there is a recommendation that the program application period coincide with the crop year so that a closer relationship may be established between the income from a given crop and the production costs incurred for this same crop.

Two other measures providing for the participation of eligible spouses and the possibility for participants to withdraw from the program every ten years will eliminate some of the discriminatory provisions of the existing legislation.

It is obvious therefore that the rationale behind the program is not being questioned. The sole purpose of the proposed amendments is to make the system more flexible, to the benefit of Prairie wheat growers.

With the support of the Opposition, the new program will soon become a reality.

The Acting Speaker (Mr. Guilbault): The motion to adjourn the House is now deemed to have been adopted. This House therefore stands adjourned until tomorrow morning at eleven o'clock, pursuant to Standing Order 2(1).

At 6.20 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, May 4, 1984

The House met at 11 a.m.

• (1105)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

FINANCE

LIBERAL LEADERSHIP CANDIDATE'S STATEMENT ON REDUCING DEFICIT

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, two position-three position John Turner, who is running for the leadership of the Grits, has stated that he is going to reduce the deficit by $15 billion, but he is having difficulty explaining how he plans to do this.

As a suggestion, if Mr. Turner could provide us with the formula he used when he was Finance Minister to create a deficit of $5 billion from a surplus of $700 million in a matter of three years, as well as how he managed to increase spending by 99.8 per cent and raise the cost of living 38.5 per cent, we could perhaps be on to the formula needed to reverse Grit uncontrolled spending.

Obviously the present Minister of Finance (Mr. Lalonde) has been unable to curtail this uncontrolled spending trend as government spending on a public accounts basis has increased a whopping 668 per cent. If Mr. Turner would only be so kind as to provide us with the formula, following the next election the Progressive Conservative Government could use the formula in reverse to end the sinking of this country into further debt.

* * *

LABOUR CONDITIONS

PLIGHT OF UNEMPLOYED WORKERS OVER 50 YEARS OF AGE

Mr. Gordon Taylor (Bow River): Mr. Speaker, it is frustrating to be over 50 years of age for both men and women, when they are looking for work. They work the best years of their lives in an industry. As soon as things get tough and the demand for the product slackens, the first to be laid off are those over 50. To make matters worse, no other firm, or the federal Government, is interested in hiring women or men over 50.

The Government and some businesses say: "You cannot work long enough to build up a pension", or: "Sorry, we don't have any openings", and then confide that they want younger people. As a result of bankruptcies of businesses and firms closing their doors, they are made to feel unwanted.

"I have worked like a horse all my life", a man 56 years of age said to me, "and now I am treated like a dog." He is becoming bitter, and I do not blame him. He and thousands like him are not responsible for the recession. They hear the Minister of Finance (Mr. Lalonde) and the Minister of Employment and Immigration (Mr. Roberts) tell the House, day after day, about the millions of dollars that they are providing for the unemployed, and when they go to the employment offices, or to government offices, they are brushed off and told: "The course is full; come back in three months", or: "You are too old to learn a new trade; go on welfare."

I ask this Government when some of these millions it talks about are going to eke their way down to the level of the unemployed. When? I wish the Government would realize what these people who have worked all their lives are now going through. Reduced federal taxes and the elimination of red tape would be of some help. Then Canadians would invest their money and provide work in Canada instead of exporting our money and jobs.

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

* * *

[*Translation*]

FISHERIES

ATTITUDE OF QUEBEC GOVERNMENT—REQUEST THAT FEDERAL GOVERNMENT TAKE ACTION

Mr. André Maltais (Manicouagan): Mr. Speaker, early this week I was on the lower North Shore where I met with fishermen from Blanc-Sablon and Kégaska, to find a way to settle the dispute between Mr. Garon and the fishermen about the installation of certain facilities on the middle and lower North Shore.

Mr. Speaker, considering the fact that Quebec is scarcely prepared to move on this issue, I would ask the Minister of Fisheries and Oceans (Mr. De Bané) to see to it that salting sheds and ice machines are installed on federal property, and to spend the $10 million where we can spend it at this time, in order to help these fishermen, who could be operational very soon.

Where the Province refuses to co-operate in various fishing villages, it will have only itself to blame for the consequences. At the present time, Mr. Garon is acting against the interests of fishermen on the middle and lower North Shore, and I feel, Mr. Speaker, that we must speak out against this behaviour.

The people, including the fishermen, are now being held hostage by the Province of Quebec.

The federal Government is still prepared to maintain the funding of $10 million for the middle and lower North Shore, but if we do not succeed in reaching an agreement with the Province of Quebec we will only be able to install the facilities in question where the federal Government owns the land.

Mr. Speaker, my point is that the money is still available, but if we cannot help fishermen where the land does not belong to the federal Government, Mr. Garon will have only himself and his government to blame.

* * *

• (1110)

[*English*]

NATIONAL PARKS

RIDING MOUNTAIN NATIONAL PARK—CALL FOR PUBLIC CONSULTATIONS

Mr. Laverne Lewycky (Dauphin-Swan River): Mr. Speaker, I would like to speak under Standing Order 21 regarding Riding Mountain National Park, the only national park in Manitoba. The Minister responsible for national parks is currently conducting a review of the Department's plans, and is upgrading its 1977 master plan into a management plan. The recent departmental newsletter indicated that there will be consultations in Step 2 and Step 5 of the revision process.

We have some real concern about the lack of public consultations in the past. This kind of public review is something which only happens once every five years or so, and we call upon the Minister to provide an opportunity for genuine consultation this time around.

My own office has a list of some 20 items of concern. For example, Grandview Council met with me again last week and made representations about having the Grandview-Rossburn Road opened up through the park. Church group licences within the park expire in 1985. It is important that these groups that work well with young people be included in the new management plan. The Dauphin Town Council has expressed real concern about the stability of the town's water supply. I could go on.

It is important that the Minister personally hear the concerns of the municipalities, of the residents of the area, and of concerned organizations. I have approached the Minister about coming to meet with the area municipalities and I am pleased that he has given agreement in principle to that proposal. I now urge him to come quickly to some decision on the date when he will be available.

HOUSING

MORTGAGE INTEREST RATES

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, the incompetence of the Government manifests itself no more profoundly than in the area of housing. The Government has failed to meet even the most reasonable expectations of Canadians in terms of government programs designed to provide affordable shelter.

The Government has failed completely to develop a social housing program. In fact it has become increasingly difficult, if not impossible, for even the average Canadian with a steady income to find shelter. The high cost of money, fluctuating interest rates, and the current increases in interest rates create new fears and anxieties for Canadians who are worrying about what to do when their mortgages come due.

What are the options, Sir? In 1979 we provided the option of mortgage deductibility programs. It is always interesting to hear members of the NDP berating the Government for failing to respond to a crisis in our country since they supported the Government and made sure that such an innovative program, which would have saved thousands of people from losing their homes, was not implemented.

There are other programs which are available. The Governments of other countries do much better. They look at housing as a social right and, in so doing, make sure that the subsidies or innovative programs that they implement are not designed to help the banks or mortgage companies but are designed to help average home owners.

* * *

POOLS

EFFECT OF ORDER IN COUNCIL

Hon. Steven E. Paproski (Edmonton North): Mr. Speaker, I rise under Standing Order 21 because of the Government's misrepresentation of its intention last June 29 when it passed Bill C-95, an Act to provide for government-operated pool systems on combinations of athletic contests and events, and to amend the Criminal Code and the Income Tax Act.

In statements and replies in the House and in committee, the Government took pains to ensure that the legislation would not enable the Government to engage in a lottery. On that basis, and because of the clearly indicated importance of this legislation for the funding of the 1988 Olympic Games in Calgary, the House passed that legislation. What has been created on the basis of that legislation is not what was understood as having been within the powers of that legislation.

On December 7, 1982, before the Standing Committee on Communications and Culture, the then responsible Minister said in reference to the 1979 agreement with the provinces:

> We have chosen to respect that, and if we establish this sports pool we will continue to respect the agreement we have with the provinces and we will expect them to continue to do so also... because the agreement we have with the

provinces deals with the lottery field. Our legal opinion is that a sports pool is something very different.

The fact that the Government has chosen to change, by Order in Council, and in the dead of night, the sports pool legislation passed after lengthy debate in the House, underlines the urgent need for a full and public airing of this matter.

* * *

● (1115)

FISHERIES

CALL FOR REVITALIZATION OF WEST COAST INDUSTRY

Mr. Jim Fulton (Skeena): Mr. Speaker, when the Cassiar Packing Company went into receivership last summer, hundreds of shoreworkers, fishermen, and small businesses had their livelihood severely disrupted, if not completely eliminated. The banks, the few remaining conglomerates, and the Department of Fisheries have squeezed this industry dry and it is now time to turn the tide and bring vitality and employment back to the West Coast fishing industry.

The Minister of Fisheries has stated to me that his Department, in conjunction with the Department of Indian Affairs and the Department of Regional Industrial Expansion, is presently working on a proposal. It is a proposal to get the Cassiar fishing fleet back onto the grounds, to renew the gainful employment Cassiar shoreworkers once experienced, and to rejuvenate the financial future of the small businesses and the community services which depend on Cassiar producing at full steam.

I believe it is incumbent upon the Minister to reveal publicly his Government's intention to see the Cassiar operation in Prince Rupert and the Skeena slough open for the summer season. Too little has been done to date. For this operation to start up, details must be finalized and made public by the end of this month. My constituents want jobs, not welfare. The Government should not forget that over $600 million has gone to restructure the Quebec and East Coast fishing industries. How about a sense of fairness?

ORAL QUESTION PERIOD

[*English*]

THE ADMINISTRATION

LIBERAL LEADERSHIP CAMPAIGN—STATEMENT ON BANK OF CANADA GOVERNOR ATTRIBUTED TO MINISTER OF JUSTICE

Miss Pat Carney (Vancouver Centre): Mr. Speaker, my question is addressed to the Minister of Finance. His cabinet colleague, the Minister of Justice, is quoted as saying today that the first act he would take as Prime Minister would be to fire the Governor of the Bank of Canada. The Prime Minister has been very tolerant of the criticism of the proposals of his Government by the Liberal leadership candidates, but surely this is going too far. I must ask the Minister of Finance is this an example of cabinet solidarity? Is he prepared to stand there and have his whole monetary policy shredded by his cabinet colleagues? Or is he going to seek the resignation of the Minister of Justice at this time?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I have not heard the alleged statement by the Minister of Justice, but—

Mr. Hnatyshyn: If you do, what will you say?

Mr. Lalonde: —I would like to repeat what I have said in the House, and outside the House, that the Government has full confidence in the Governor of the Bank of Canada.

Mr. Nielsen: Not all the Government.

Mr. Lalonde: We have given him full support. I have had requests from the opposition benches to take steps *vis-à-vis* the Governor, which I have always refused. The Governor and I work very closely together. I am happy to say that, indeed, we share the same views on the economic situation and the steps which are required to ensure that the economy is going to grow. Not only has the Governor my full confidence, he has the full confidence of the Government.

Miss Carney: Well, Mr. Speaker, the Minister of Finance may have full confidence in the Governor of the Bank of Canada, but clearly his own cabinet colleagues do not have confidence in the Minister of Finance and his monetary policy.

* * *

FINANCE

MORTGAGE PROTECTION LEGISLATION—REQUEST FOR INTRODUCTION

Miss Pat Carney (Vancouver Centre): The Minister of Finance is telling Canadians not to panic in view of the increases in interest rates which he himself admits are expected to follow the increase in the bank rate yesterday to an 18-month high. The Minister must know that, since he brought in his Budget, five-year mortgage rates are up 1.25 per cent and one-year mortgage rates are up 1.5 per cent. Since Canadians are still shell shocked, some of them lost their homes in the last cycle of rising interest rates, why does the Minister not introduce his mortgage protection Bill which he keeps promising? Why does he not bring it in at the earliest possible opportunity, so that Canadians can sleep nights without fear of losing their homes?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I would like to say two things with regard to the important point raised by the Hon. Member. First, I believe we have a duty as parliamentarians to avoid creating unnecessary fears amongst Canadians concerning the evolution of interest rates. I believe it is very irresponsible for parliamentarians to spread fear to

the effect that interest rates might know the same kind of increases which happened in 1981 and 1982. There is no reason to believe this, and there are no serious analysts, either in the United States or in Canada, who share that particular view. Therefore, I believe we should, as parliamentarians, reassure Canadians that they have no reason to fear that we will know the kind of increases which we have known in 1981 and 1982.

Second, I am indeed very eager to introduce the Bill to which the Hon. Member has referred. I have asked the Department of Justice and the draftsmen to proceed with that Bill with the greatest possible speed. Now that we have concluded our consultations with the industry, I expect the Bill to be introduced by the end of May, and I am happy to hear that the Conservative Party is going to co-operate to make sure that this Bill is passed very fast so that Canadians can have the benefit of the protection ensured by the Bill.

Mr. Hnatyshyn: We are always co-operative.

• (1120)

Miss Carney: Mr. Speaker, I suggest it is the height of hypocrisy for the Minister to suggest that parliamentarians should be reassuring Canadians about monetary policy when his own Cabinet colleagues are calling for the resignation of the Governor of the Bank of Canada.

* * *

CANADA MORTGAGE AND HOUSING CORPORATION

STUDY OF SHELTER PAYMENTS FOR LOW INCOME GROUPS

Miss Pat Carney (Vancouver Centre): Mr. Speaker, my question is addressed to the Minister of Public Works who is responsible for Canada Mortgage and Housing Corporation. He is aware that fear of interest rate increases keep many tenants awake nights since they know that higher financing costs will be reflected in their rents. We are aware that CMHC has studied—

Mr. Speaker: The Chair has a concern about a second supplementary raising another subject with another Minister. If the Hon. Member is right on with her first subject—

Mr. McGrath: She sure is. It was mentioned in the first question.

Mr. Speaker: Will the Hon. Member for St. John's East please be quiet for the moment? I am cautioning the Hon. Member for Vancouver Centre.

Miss Carney: Mr. Speaker, interest rates apply to tenants as well as to mortgage holders. I am addressing my question to the Minister responsible for Canada Mortgage and Housing Corporation.

My question is: since we are aware that CMHC has studied proposals for shelter payments for low income groups, in view of the rise in interest rates, will the Minister commit to some form of protection for low income tenants—

Mr. Speaker: The Hon. Member is raising another subject with another Minister. The Hon. Member for Calgary West.

* * *

PUBLIC SERVICE

INCREASE IN NUMBER OF TOP SALARY EARNERS

Mr. Jim Hawkes (Calgary West): Mr. Speaker, my question is directed to the Minister responsible for the Public Service Commission. We know from that Commission's annual report that there was an increase of 967 civil servants earning $60,000 a year or more. That represents a 73.4 per cent increase. In a time of restraint, of six and five, and the laying off of civil servants, can the Minister tell us why he thinks it was a good idea for the Government to increase that category by 73.4 per cent?

An Hon. Member: No one is answering.

Mr. Speaker: Obviously the Minister concerned failed to hear. Would the Hon. Member repeat his question?

Mr. Hawkes: Mr. Speaker, the benches are a little thin over there, and now they are a little thick at the same time. To the Minister responsible for the Public Service Commission. He will know that civil servants earning $60,000 a year or more are in the top paid category. Last year 967 more people were moved into that salary bracket, an increase of 73.4 per cent, an enormous increase. Can the Minister tell Members of this House and the Canadian people why, when restraint is indicated, when we have six and five, and we have lay-offs, the Government felt it necessary to increase that category of upper income fat cats by 73.4 per cent?

Hon. Herb Gray (President of the Treasury Board): Mr. Speaker, I think it is clear why I did not respond immediately to my hon. friend's question. He was directing the question to the Minister responsible for the Public Service Commission. That is the President of the Privy Council, not the President of the Treasury Board. When it comes to being thick, I think my hon. friend is about as broad as anyone on the other side of the House, and they are a pretty thick bunch over there.

To try to deal with my hon. friend's question, as far as I am aware, the requirements of the Public Service Compensation Restraint Act have been strictly followed and applied by the Government. My hon. friend has asked quite a detailed question. I will get him a detailed answer and get back to him as soon as possible.

PARTICIPATION OF WOMEN IN UPPER INCOME GROUPS

Mr. Jim Hawkes (Calgary West): Mr. Speaker, it is interesting to find out that the President of the Privy Council is

responsible for the Public Service Commission. He is also the House Leader, and the thickness gets a little more binding.

• (1125)

Perhaps the President of the Privy Council would like to answer this question, if he is responsible for that Commission. In that report we also discovered that over 40 per cent of public service employees are female. We also found out that in 1983, 3.7 per cent of civil servants earning $60,000 or more a year were female. There was a drop from 1982 to 1983 in the number of upper paid civil servants who are female.

Can the Minister explain to the satisfaction of the House why the proportion of women earning these upper salaries is declining, when the Government claims its employment strategy for equal opportunity is working? Why is the percentage of females in the upper brackets declining?

Hon. Herb Gray (President of the Treasury Board): Mr. Speaker, in an effort to be helpful to my hon. friend, I will try to give him at least a preliminary answer. I would first like to point out a contradiction. In his first question he complained about an increase in the number of employees who are getting the higher salaries. In this question he is complaining because not enough people are getting the higher salaries.

With respect to the role of women in the upper categories, we want to expand opportunities for them and that is why, as part of the affirmative action program, last fall we announced a target to double the number of women in the senior executive category over the next several years. This is a matter which we want to improve. We are working to do that by way of a definite numerical objective which we have set out. My hon. friend has raised a concern which we share. We are working to deal with it.

Mr. Hawkes: A supplementary, Mr. Speaker.

Mr. Speaker: The Hon. Member has had a supplementary. The Hon. Member for Skeena.

PROPORTION OF WOMEN LAID OFF

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is for the President of the Privy Council. It is with regard to the release of the Public Service Commission annual report. I am sure the President of the Privy Council is aware that women form only 40.6 per cent of the Public Service. As my friend pointed out, less than 4 per cent of those earning more than $60,000 are women, while 65.6 per cent of those earning $20,000 or less are women. In the past year 63.3 per cent of those laid off due to privatization and re-organization have been women. This is a 50 per cent increase in lay-offs of women since 1982. Would the Minister comment on that, in light of his Government's response many times in the House about wanting to pursue affirmative action for women? Does the fact that two-thirds of the lay-offs in the Public Service are of women constitute affirmative action?

Hon. Herb Gray (President of the Treasury Board): Mr. Speaker, I can assure my hon. friend that, with regard to the lay-off situation, there is no deliberate effort to have it impact more severely on women than on men. If, due to operational requirements, certain workers are not required and that group is made up of more women than men, there will be the result my hon. friend mentions. However, I can assure my hon. friend that there is no intention to have our lay-off provisions more severely to women than to men.

NUMBER OF WOMEN EMPLOYED

Mr. Jim Fulton (Skeena): Mr. Speaker, my supplementary question is for the Minister responsible for the Status of Women. She commented earlier this week with regard to the closure of the Office of Equal Opportunity for Women. It seems that the only person on the government benches who opposed that is the President of the Treasury Board, who answered my last question.

Does the Minister responsible for the Status of Women feel that the over-all increase by two-tenths of 1 per cent of women in the Public Service across Canada is good? This resulted in a change from 40.4 per cent in 1982 to 40.6 per cent last year. Does the Minister believe that demonstrates affirmative action, keeping in mind that that rate of increase means that women will be fairly represented in the Public Service, at least statistically, by the year 2004?

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): No, Mr. Speaker, of course I am not satisfied. However, I am satisfied that a change is taking place and that there are some shining lights in the report. I would point out to the Hon. Member that in the CAP program, which is the Career Assignment Program, for the first time women accounted for the majority of new participants in the two management courses. I think that is an indication of where we are going.

Mr. Fulton: Mr. Speaker, the Minister missed my first question which demonstrated that in almost every category women are on their way down. They are being laid off faster, and tending to conglomerate in the lower wage categories faster. Every possible negative statistical evaluation related to women is clearly demonstrated in this report.

• (1130)

APPLICATION OF COMPENSATION RESTRAINT PROGRAM

Mr. Jim Fulton (Skeena): Mr. Speaker, my final supplementary question relates to six and five. As the Minister knows, 96 per cent of the jobs at over $60,000 are held by men, and the increase under six and five this year means that they will get a $3,000 increase, whereas for the 65.60 per cent of women in the Public Service earning less than 20,000 it will mean a maximum of only $1,000. This means that the Minister must agree that six and five discriminates against women in the Public Service, that two-thirds of the lay-offs last year affected women in the Public Service, and that the closure of

the Office of Equal Opportunity discriminates against women as well, even though it was only able to increase the participation of women by two-tenths of one per cent. Perhaps the Minister could comment on six and five and how she feels about that kind of blatant discrimination against women in the Public Service.

Mr. Speaker: The Hon. Member gives a very lengthy second supplementary which is hardly in the form of a question. However, if the Hon. Minister wishes to comment.

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Mr. Speaker, let me begin by saying that the Hon. Member has taken what he wants out of the report, highlighted the negative aspects, and has chosen to ignore the more positive aspects of the report, albeit they are slim. But there are some positive aspects in it.

With respect to six and five and discrimination, there is no doubt that more women are affected than men. However, as to deliberate discrimination, I would deny that. There were men who were affected as well as women.

* * *

PROVINCIAL AFFAIRS

CHURCHILL FALLS POWER CONTRACT—GOVERNMENT POSITION

Hon. James A. McGrath (St. John's East): Mr. Speaker, in the absence of the Prime Minister my question is directed to the Acting Prime Minister. My question exemplifies the sense of frustration and injustice felt in Newfoundland today over the decision of the Supreme Court of Canada to declare the Churchill Falls Water Rights Reversion Act to be *ultra vires*. Since the Churchill Falls power contract represents probably the greatest grievance in this country today and is a festering sore in Confederation, what steps does the Government of Canada intend to take to correct this great injustice to the people of Newfoundland?

Hon. Jean-Luc Pepin (Minister for External Relations): Mr. Speaker, the Premier of Newfoundland plays a very hard game. Sometimes he goes the political road, and at other times the legal road, and most of the time both roads. When he loses, he blames the federal Government.

Be that as it may, the decision of the court was on constitutional grounds. My hon. friend knows that this is a provincial matter. His colleague from St. John's West was suggesting a mediation role by the Prime Minister. That is about all that can be done by the federal Government, unless the federal Government wants to be chastised by the Supreme Court for acting in an area which is not of its jurisdiction.

Mediation is not a bad idea, and I understand that in the past, Ministers of Energy, Mines and Resources have made suggestions that there could be a mediation, a conciliation, or even an arbitration for that matter. However, that necessitates the consent of the two parties.

For the time being I think we should let some days pass. I observed that the Premier and the Minister of Energy of Quebec immediately offered resumption of previous negotiations which apparently had made some progress. I read in the paper this morning that the Premier of Newfoundland was still hoping that there could be a negotiated solution to this matter.

Mr. McGrath: I would say to the Minister that the Government of Canada clearly has a responsibility here, given the fact that there is a separatist Government in Quebec and that it buys the power from Newfoundland for less than three mills and sells it to the Americans for 28 mills. That is $800 million for Quebec and $8 million for Newfoundland.

NATIONAL ENERGY BOARD ACT

Hon. James A. McGrath (St. John's East): Mr. Speaker, while the National Energy Board has the authority to regulate the construction of new interprovincial power lines, it does not have the authority to regulate interprovincial electricity exchanges. Has the Government considered an amendment to the National Energy Board Act which would essentially extend the common carrier principle to electrical power lines? That is an area where the federal Government can act.

Hon. Jean-Luc Pepin (Minister for External Relations): Mr. Speaker, I really do not know the technical answer to that, if such an amendment were considered. Nevertheless, the gist of what I said still stands, namely that this is provincial jurisdiction. It is a dispute between two provincial Governments.

The Supreme Court decision made the implication that it was on constitutional grounds, not on social or economic grounds. I think many people will agree that there is an element of imbalance in the original contract, and I would think that the provincial Government of Quebec does agree to that, to a certain extent. That is my reading of the press on that subject.

Negotiations took place before. I read in the press that there was agreement that they were progressing. It seems to me that the provincial Government of Quebec is not obstinate on the subject. I think it is willing to compromise and willing to discuss the matter. It seems to me that, now that there is a certainty on the legal side, the provincial Governments of Newfoundland and Quebec should get together to negotiate a fair settlement.

Mr. Speaker: A short supplementary to the Hon. Member for York North, due to the importance of the subject.

FEDERAL JURISDICTION OVER PIPELINES

Mr. John Gamble (York North): Mr. Speaker, the question that surely must occur to a number of people is why the federal Government is prepared to use its federal power to lay a pipeline that crosses from west to east under its jurisdiction and not at the same time permit the laying of electric lines

that would transmit power from Labrador, Newfoundland, into the United States through Quebec?

Hon. Jean-Luc Pepin (Minister for External Relations): Mr. Speaker, my friend seems to forget what the nature of the problem was. The nature of the problem was a contract that was signed in 1968, if my memory serves me well—

Miss MacDonald: 1969.

Mr. Pepin: In 1969. Thank you for the correction from the University of Kingston. The agreement was signed, and apparently no provision was made for escalation, which is somebody's fault. This is the basis on which discussion has taken place.

The Supreme Court seemed to be stating the old adage, "A contract is a contract is a contract", *pacta sunt servanda,* and they have applied that principle. Now the two parties can negotiate in the full knowledge of what the legality is of the matter.

FUTURE POWER LINE INQUIRY

Mr. John Gamble (York North): Mr. Speaker, that may well apply to the past, but what I am asking the Acting Prime Minister with respect to the future is simply if it is not possible that the federal Government, using its federal power for a federal works, would permit the laying of a line now from a new source of power in Labrador for the benefit of Newfoundland, transporting that power across Quebec to the United States or elsewhere?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, as Acting Minister of Energy I would like to remind the Hon. Member that Parliament enacted a piece of legislation authorizing organizations in one province—hydro in one province—to apply to the National Energy Board to build lines across other provinces to transmit electricity to third parties. That piece of legislation was passed in Parliament a couple of years ago. I invite my friend to go back to the statutes and read them.

* * *

INDIAN AFFAIRS

WEST REGION TRIBAL COUNCIL

Mr. Laverne Lewycky (Dauphin-Swan River): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development, but in his absence I will direct it to the Parliamentary Secretary or the Minister who is taking questions. The West Region Tribal Council met with the Minister of Indian Affairs and Northern Development in Ottawa on March 29. They followed up their meeting with a letter on April 17. The Council was promised a reply within 15 days, in other words by April 13. I am wondering if the reason why a reply has not been forthcoming is that the Minister is spending all of his time in the Liberal leadership race? Will the Minister be following up on the Council's request, which is very serious because they represent so many Indian reserves?

Hon. Chas. L. Caccia (Minister of the Environment): Mr. Speaker, the answer is yes, the Minister is extremely keen on resolving this matter, as he indicated in the House yesterday. I am informed that a Treasury Board submission is being prepared, asking for funds in order to remedy the situation and, furthermore, that the Minister will be meeting with the band again on the eighteenth.

VALLEY RIVER INDIAN BAND—PROPOSAL TO PURCHASE BALLAST PIT

Mr. Laverne Lewycky (Dauphin-Swan River): Mr. Speaker, my supplementary question is directed to the same Minister who is answering for the Minister of Indian Affairs and Northern Development. Repeatedly in the House, and elsewhere, we have been raising the problem of purchasing a ballast pit for the Valley River Indian Band under the Native Land Claims Program. We have not received any kind of response to date. Would the Minister comment on whether this is forthcoming and whether this particular land claim will be satisfied so that this gravel pit, that is at the centre of an Indian reserve, will be given to the Valley River Indian Band?

• (1140)

Hon. Chas. L. Caccia (Minister of the Environment): Mr. Speaker, I will convey the representations of the Hon. Member to the Minister for his consideration.

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CANADA MORTGAGE AND HOUSING CORPORATION

RURAL AND NATIVE HOUSING IN BRITISH COLUMBIA

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is directed to the Minister responsible for CMHC and housing. As he knows, the federal Government relies entirely on the provinces to deliver its social housing program. In the Province of British Columbia that delivery system has broken down. There is no delivery of the social housing program, particularly in the mid-central and northern areas of the province. What discussions are under way with the Province of British Columbia, and perhaps with other provinces as well, with a view to regenerating new interest in the program and to improving it?

Hon. Roméo LeBlanc (Minister of Public Works): Mr. Speaker, I thank the Hon. Member for his interest; however, I might correct his statement slightly. It is not social housing which has run into difficulty. It is rural and native housing which, of course, is part of the general social housing program. Certain provinces, including the Hon. Member's own province, have opted out of this program which by law requires 25 per cent participation of provincial Governments.

My hope is that we will be able to include a very minor amendment when we bring in the mortgage protection plan and, with the support of Hon. Members on both sides of the House, I think we should be able to solve the problem. I recognize that until and unless there is a minor change in the Housing Act, my hands are tied, and I regret that very much.

PROVINCIAL PARTICIPATION

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my supplementary question is directed to the same Minister. I appreciate his concern, but it is quite obvious that the provinces are so strapped, mainly because of the burdens which have been imposed upon them by some other programs of the federal Government, that they simply cannot come up with the necessary funds to meet their part of the program.

Has it occurred to the Minister that perhaps we should return to what we did in earlier stages, namely, to deliver these programs directly without the participation of the provinces in this critical area of native and rural housing? With the increases in interest rates such as we are experiencing again, there is fear, anxiety, and despair in many areas of Canada which the Minister should at least attempt to correct.

Hon. Roméo LeBlanc (Minister of Public Works): Mr. Speaker, I do not accept completely the premise of the Hon. Member's question. I do not accept that it is only the economic situation which has forced some provinces, one of which is among the most prosperous provinces in the country, to opt out of this program, to give notice that they did not want to continue participating at 25 per cent. Frankly, I am surprised that the Hon. Member's representations are not made also to his provincial capital.

Mr. Oberle: They are.

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[*Translation*]

PUBLIC SERVICE

FORTHCOMING PAPAL VISIT—EFFECT ON WORKING ARRANGEMENTS

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, this morning my question is directed to the President of the Treasury Board and is supplementary to a question I put to the Minister on Wednesday, May 2, which appears in *Hansard* on page 3327. It concerns the Pope's forthcoming visit to the National Capital and more particularly, the Mass that will be celebrated at the Equestrian Park in Nepean on September 20 at two o'clock in the afternoon.

Could the Minister inform the House, in connection with certain arrangements for federal public servants, and I am thinking more specifically of their hours of work on September 20, whether he now, as he promised last Wednesday, has further information on arrangements for the day of the Pope's visit?

[*English*]

Hon. Herb Gray (President of the Treasury Board): Mr. Speaker, there have been consultations among the Treasury Board Secretariat, public service unions, and the organizers of the papal visit. As a result, I am pleased to inform the House that the Treasury Board has approved arrangements under which employees, who will be absent from work as a result of circumstances arising from the papal visit, will be granted earned leave or time off, to be made up at a later date.

Specifically, the Treasury Board has approved this policy under which deputy heads are encouraged to approve the use of earned vacation, compensatory leave or lieu day credits, leave without pay, or time off with pay to be made up at a later date, when employees so request, provided appropriate arrangements are made to ensure that essential services are maintained.

I might add that detailed arrangements will be worked out within Departments in consultation with public service unions as local plans are made and their impact on local transit and transportation routes can be determined.

[*Translation*]

Mr. Speaker, I wish to thank the Hon. Member for Ottawa-Vanier for his special interest in this subject which is an important one for the entire city of Ottawa and for all federal employees.

* * *

[*English*]

PARLIAMENT HILL

PUBLIC WORKS—AUTHORIZATION FOR LAWN ALTERATIONS

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question is directed to the Minister of Public Works. Would he indicate who authorized the unpardonable depredations of the approaches to the Parliament Buildings, particularly the border of the parliamentary lawn which has been completely devastated, its trees and flowers uprooted, and its wall is now being demolished, at some cost, I might add, not only to the public purse but to traffic patterns on the Hill, as well as to the general aesthetics?

Hon. Roméo LeBlanc (Minister of Public Works): Mr. Speaker, I will take the responsibility for it.

Some Hon. Members: Shame.

Mr. LeBlanc: I am afraid I cannot join with the Hon. Member in some of his more flowery rhetoric. Anyone recognizes that if improvements are to be made, if a wall in dangerous condition is to be repaired, there should be an attempt to perform two or three other jobs in a co-ordinated manner at the time the lawn is being excavated in the area of

the wall, so that portions of the operation do not have to be repeated.

I, too, regret the inconvenience, although we have tried to keep it to an absolute minimum. I reassure Hon. Members that the Hill will be restored—and an historian is working on this very subject—to its proper appearance, in fact going back to the 1920s. Shrubs will be replaced. Some of the tress that were removed were diseased, so we decided that if we were to excavate the lawn we should try to do the complete job. Also I should inform Hon. Members that the work will be terminated rather quickly. I am sure that will go some way toward reassuring them.

COST OF SUMMER PROGRAM

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, there have been rumours that there is an upcoming special program and that this is in anticipation of it. If that is the case, would the Minister tell the House and the people of Canada the cost which is likely to be encountered, not only for the depredations which have already occurred but for any special programs of a public nature which may be organized to take place on the lawn later this summer?

Hon. Roméo LeBlanc (Minister of Public Works): Mr. Speaker, I do not have the exact arithmetic in my head. I think the total cost of the program is in the area of $2 million. I might say to those Canadians who visit Parliament Hill that we will be presenting *Son et Lumière,* a very well known technique of historical re-creation. This appears to be a rather wise investment of public funds.

Mr. Munro (Esquimalt-Saanich): At this time?

Mr. LeBlanc: I might say also that there are those of us who think that the history of Canada is slightly wider than the one spectacle allowed on the parliamentary lawn, that is, the Changing of the Guard.

* * *

TRADE

EXPORTATION OF LOGS FROM BRITISH COLUMBIA

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, my question is for the Minister for External Relations. Pacific Forest Products, a subsidiary of CP Enterprises, has closed its Victoria plywoods mill and laid off 130 workers. At the same time it is exporting an increasing number of logs. Even the Liberal Government should be able to understand that when Pacific Forest Products exports these logs, it is really exporting the jobs of these laid-off workers. Will the Government act in the interests of Canadian people and Canadian workers and refuse further permits for the export of raw logs? Will it undertake an aggressive sales campaign to open new markets for Canadian lumber in such places as North Africa, the Middle East, and China?

• (1150)

Hon. Jean-Luc Pepin (Minister for External Relations): Mr. Speaker, on the opening of new markets, I stand in good stead, having just returned from Algeria and Tunisia where there is a growing market for lumber. On the export of logs, I will have to refresh my memory. When I was Minister of Industry, Trade and Commerce there were regulations and limitations on the export of logs. I would suggest that these measures still exist. I will find out exactly what is the state in the instance to which the Hon. Member referred.

EXPORT PERMIT CONDITIONS

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, if the Minister looks into it, he will find that the present provincial regulations are nothing more than a farce. I hope the Government looks at it and, if not the Government, at least some of the Liberal leadership candidates.

Mr. Speaker: Will the Hon. Member ask his supplementary?

Mr. Manly: My supplementary relates to the export permits. The Department has refused to give information about the details of these permits, saying it would undermine the competitive edge, and that these details are confidential. Considering the importance of forest manufacturing to the Canadian economy and the fact that these resources should give a competitive edge to Canadian workers, will he at least release the details of these log export permits so that the Canadian people will know the extent to which their jobs are being sold off by Pacific Forest and other forest companies?

Hon. Jean-Luc Pepin (Minister for External Relations): Mr. Speaker, my first answer obviously inferred that I was in agreement with the Hon. Member on the non-desirability of the export of raw products. Having said that, and having recalled that there was such legislation, my hon. friend will understand that I now have to look at the circumstances. I would like to look at the position of the provincial Government. It may well be that the provincial Government or some companies have asked for an exception in this matter. I will look into the details and answer as rapidly as I can.

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EXTERNAL AFFAIRS

ORGANIZATION OF AMERICAN STATES—GOVERNMENT POSITION ON CANADIAN PARTICIPATION

Mr. David Kilgour (Edmonton-Strathcona): Mr. Speaker, my question is directed to the Minister for External Relations and Acting Prime Minister. Will he tell the House whether his Government intends to join the Organization of American States?

Hon. Jean-Luc Pepin (Minister for External Relations): Mr. Speaker, I understand that the question is prompted by a

statement made a few days ago by the President of Mexico when he suggested that Canada should join. He will be in Canada in a few days and will have ample opportunity to make his case to the Prime Minister and the Secretary of State for External Affairs. There has been a long debate on the subject. I remember when travelling in South America back in 1969 that the leaders of those countries were divided on the position Canada should take in respect to joining the Organization of American States. We had a thorough review of that debate recently. Cabinet has not yet made the final decision.

TIMING OF DECISION

Mr. David Kilgour (Edmonton-Strathcona): Mr. Speaker, the Minister will know that the matter has been before Cabinet for three, four, or five months. How long will it have to stay there before the Government makes a decision one way or the other?

Hon. Jean-Luc Pepin (Minister for External Relations): Mr. Speaker, I am surprised by the modesty of my hon. friend. Three or four months is a very short period. I thought he was going to say three or four years. In fact I would have increased that. It has been debated in Canada for many years. Canadians are very much divided on the subject. I suggest that even South Americans are divided on the subject. Therefore it is not surprising that the Government should have debated it for another three months.

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TRADE

FREE TRADING ZONES—STUDY INQUIRY

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, my question is for the Minister responsible for industry, trade and commerce. Have any studies been initiated to determine whether free trading zones would be an advantage to this country? If such a study has been instigated, or is currently under way, will he identify the areas being considered for the establishment of a free trade zone?

Mr. Speaker: Order. I suggest that such a question should be placed on the Order Paper. Where a Member seeks a level of detail, the Order Paper is proper for it. However, the Hon. Member may put a supplementary if he wants.

Mr. Corbett: All I asked is if there has been a study initiated to determine whether a free trade zone would be an advantage to this country and, if so, where. I will go further. Is the Minister prepared to identify some funding to be made available for such a study to be implemented, to consider the feasibility of the Port of Saint John being established as a free trade zone?

Mr. Rod Blaker (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, there is no difficulty in answering the Hon. Member. The matter of export free-trade zones was brought into the last Throne Speech. Investigation and research have been done by the Department. There are at least two places in Canada which have made specific requests to be considered for the purpose of these export zones. There are two theories, what might be called and is referred to departmentally as the low road and the high road, the latter being the type you see in Miami in the United States. These are very extensive free-trade zones. The question also included whether they might be of interest to Canada. In that regard I will answer personally, not on behalf of the Government, that I think so.

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PUBLIC SERVICE

PAPAL VISIT—TIME OFF FOR EMPLOYEES

Mr. Douglas Roche (Edmonton South): Mr. Speaker, my question is for the President of the Treasury Board. It is supplementary to the question of the Hon. Member for Ottawa-Vanier concerning time off for federal Government employees in Ottawa for the Pope's mass. Can the Minister state that the policy that he elaborated with respect to Ottawa can be applied to federal government employees in Edmonton on Monday, September 17, when the Pope's mass will occur at Namao, requiring considerable travelling time? Second, have any consultations been held with provincial Governments to ensure that provincial government employees can also receive time off to attend the Pope's mass in their area?

Hon. Herb Gray (President of the Treasury Board): Mr. Speaker, the policy I announced is designed to apply to federal public servants in all locations which His Holiness the Pope will visit. The policy is not limited to the National Capital region. With respect to provincial government employees, that is a matter for the provincial Governments to determine. I am sure that the special task force working on the papal visit will be or has already been in contact with provincial Governments on this matter.

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THE ADMINISTRATION

LIBERAL LEADERSHIP CAMPAIGN—STATEMENT ON BANK OF CANADA GOVERNOR ATTRIBUTED TO MINISTER OF JUSTICE

Right Hon. Joe Clark (Yellowhead): Mr. Speaker, will the Acting Prime Minister tell us whether the Minister of Justice was speaking for the Government when he proposed to fire the Governor of the Bank of Canada?

Hon. Jean-Luc Pepin (Minister for External Relations): Mr. Speaker, that question has already been answered by the Minister of Finance.

Some Hon. Members: Oh, oh!

Mr. Speaker: The question was asked earlier in the proceedings.

Some Hon. Members: No.

Mr. Speaker: With all due respect, the question was asked. There is no obligation on the part of the Government to answer. The question was asked. If the Right Hon. Member has another question other than that one—

Mr. Hnatyshyn: You are not allowed to tell us what to ask.

Mr. Speaker: Order. The question was asked previously today. It has certainly been asked now by the Right Hon. Member. The Right Hon. Member for Yellowhead, if it is another question.

Mr. Clark (Yellowhead): Mr. Speaker, we will check the record.

MINISTER'S AUTHORITY

Right Hon. Joe Clark (Yellowhead): Will the Acting Prime Minister tell us for whom the Minister of Justice, a senior Minister in this Government, was speaking when he proposed to fire the Governor of the Bank of Canada?

Hon. Jean-Luc Pepin (Minister for External Relations): Mr. Speaker, I thought I had answered the question, inferring that what the Minister of Finance said was good enough. The Minister of Finance said he did not know all the details of this announcement. My understanding is that it was uttered during a commercial, which obviously does not count.

Some Hon. Members: Oh, oh!

Mr. Pepin: The Minister of Finance answered the question quite clearly by stating that the Government had full faith in the Governor of the Bank of Canada, that he personally had the best of relations and the best of understanding with the said gentleman.

Mr. Speaker: The Right Hon. Member for Yellowhead, and the question certainly has been asked.

REQUEST THAT MINISTER BE REQUIRED TO RESIGN

Right Hon. Joe Clark (Yellowhead): Mr. Speaker, on this question which goes to the fundamental nature of parliamentary democracy in this country, may I ask the Acting Prime Minister if it is the intention of the Prime Minister, for whom he is speaking today, to seek the resignation of the Minister of Justice for stating a disagreement with the Government of Canada on a matter of profound public policy dealing with the status of the Governor of the Bank of Canada? Do these Ministers operate with absolute impunity when they disagree with the policy of the Government of which they are members, or are they subject to any discipline at all? Are there any standards at all which they must meet? Will the Minister of Justice be required to resign?

• (1200)

Hon. Jean-Luc Pepin (Minister for External Relations): Mr. Speaker, obviously the Prime Minister would want to look at the transcript of the statement to which my hon. friend has referred. My hon. friend, who tried so hard to bring some discipline to the Conservative Party, should be the first to understand the situation. A leadership campaign is going on.

Mr. Clark (Yellowhead): They are Cabinet Ministers.

Mr. Pepin: Candidates must travel a very narrow road. I am expressing my own view when I say that, to my knowledge, the Prime Minister has been rather understanding of the situation. Again, the Prime Minister will be present on Monday and if the former Prime Minister would like to raise the question again, I am sure he will have the time to do so.

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PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Thursday, May 3, 1984, meet the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

STATUS OF WOMEN

TABLING OF TWO PUBLICATIONS OF ADVISORY COUNCIL

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Mr. Speaker, as the Minister responsible for the Status of Women, I am pleased to be able to present in the House today in both official languages two publications from the Canadian Advisory Council on the Status of Women; namely, a document entitled *Juggling a Family and Responsibilities* and a document entitled *Love, Marriage and Money.*

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OFFICIAL LANGUAGES POLICY AND PROGRAMS

MOTION APPOINTING MEMBERS TO STANDING JOINT COMMITTEE

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I rise on motions. I think if you ask for consent, Mr. Speaker, you will find that there have been discussions and that there is consent to the following motion:

That the Members to serve on the part of this House on the Standing Joint Committee on Official Languages Policy and Programs be Mr. Berger, Mr.

Bockstael, Mr. Bosley, Mr. Clarke (Vancouver Quadra), Mrs. Côté, Mr. Gauthier, Mr. Gimaïel, Mr. Gourd, Mr. Hawkes, Mr. Kilgour, Mr. Marceau, Ms. McDonald (Broadview-Greenwood), Mr. Nystrom, Mr. Reid (Kenora-Rainy River) and Mr. St. Germain;

That all reports of the Commissioner of Official Languages and the evidence adduced by the Special Joint Committee on Official Languages in the present Parliament be deemed to have been referred to the said committee; and

That a message be sent to the Senate to acquaint Their Honours thereof.

Mr. Speaker: Is there unanimous consent for the Hon. Parliamentary Secretary to introduce the motion?

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion agreed to.

MOTION TO ADJOURN UNDER S.O. 30

[*English*]

POOLS

GOVERNMENT-OPERATED POOL—ALLEGED ILLEGALITY

Hon. Steven E. Paproski (Edmonton North): Mr. Speaker, I believe this is the time for me to ask leave to move the adjournment of the House under Standing Order 30 for the purpose of discussing a specific and important matter requiring consideration.

Mr. Speaker: It is.

Mr. Paproski: Thank you, Mr. Speaker. I ask leave to move this adjournment under Standing Order 30 for the sole reason that the necessity for this course of action arises from the clear evidence that a fraud has been perpetrated on the House through the misrepresentation of the Government last June 25 when it passed Bill C-95, an Act to provide for government-operated pool systems on combinations of athletic contests and events and to amend the Criminal Code and the Income Tax Act. The fact that the Government has chosen to change, by Order in Council and in the dead of night, the sports pool legislation passed after lengthy debate in the House underlines the urgent need for a full and public airing of this important matter.

If you would allow me, Sir, I would prove that the Government started with the premise that the 1979 agreement to relinquish lotteries to the provinces should be reversed and that the federal Government should get back into the lottery business. The Prime Minister (Mr. Trudeau) and the subsequent Ministers of State for Fitness and Amateur Sport spoke before the committee. I do not know whether or not they intentionally lied but people in Edmonton would say that there has been a misrepresentation. People in Calgary are saying that the Bill was not used for the purpose of the Calgary Olympics but was used for the purpose of breaking a 1979 agreement so that the Government may get into the lottery business again rather than conducting a sports pool.

I would like to mention as well a misrepresentation regarding advertising. If I can prove chronologically that this advertisement indicated that the introduction of sports—

Mr. Speaker: I call to the attention of the Hon. Member that at this stage he is seeking leave to introduce a motion on a priority basis and his argument should be restricted to the procedural point.

Mr. Paproski: Mr. Speaker, I am saying that the urgency of this motion is that if we are to be governed by Order in Council, what would happen if a security Bill was passed in the House and then suddenly Mr. Finn and the Hon. Solicitor General (Mr. Kaplan) changed it? What would happen if, after agreement to a particular Bill by the House of Commons, the Solicitor General felt there is not enough contained in that Bill so he would want to get Gordon Osbaldeston out of bed at two o'clock in the morning? What would happen if he would feel that because something within the Bill violates the Criminal Code, he would want to call Gordon Osbaldeston to put something extra in the Bill and govern by Order in Council?

The urgency of the matter is that if this can be done with this Bill, what about other Bills? I am not against the Olympics. If the Government says it wants to run a lottery, it should say so in the House. It should not—

Mr. Evans: Order.

Mr. Paproski: —I am not going to say lie.

Mr. Speaker: At this point the Chair is concerned about what is debate. The Hon. Member has, under the provisions of Standing Order 30, requested permission to put a motion to adjourn the House. The argument is a procedural one at this point.

Mr. Paproski: Mr. Speaker, I feel that the Order in Council is in conflict with the legislation. I do not think I must elaborate any further than that. I believe there has been an injustice done in the House because of what the Minister and the subsequent Ministers of State for Fitness and Amateur Sport have perpetrated on the House of Commons and the Members when they surreptitiously went ahead and changed the entire legislation by Order in Council. Sir, I would like to leave the matter with you as first Commoner to decide what should happen.

Mr. Lambert: Mr. Speaker, may I address the question of urgency of debate?

Mr. Speaker: It is only the Hon. Member who is requesting permission at this point. Debate has not yet been conceded.

Mr. Lambert: Urgency is the matter I wish to address.

Mr. Speaker: According to the provisions, one Member can apply to the Chair and request permission and the Hon. Member for Edmonton North (Mr. Paproski) is the only Member I propose to recognize at this stage. If the motion is granted, then it becomes a totally different matter.

Mr. Paproski: Mr. Speaker, I would like to say one more thing.

Mr. Speaker: All right, I will hear final argument from the Hon. Member for Edmonton North.

Mr. Paproski: Mr. Speaker, let me say that the urgency of this request stems from the fact that tickets are being offered for public sale in games of chance, the terms of which are subsequently and illegally different from the terms in the legislation passed by the House of Commons on June 29, 1983.

Mr. Speaker: The Hon. Member for Edmonton North has given the Chair the usual notice of his intention to move the adjournment of the House pursuant to Standing Order 30. The issues related to the Act to provide for government operated pool systems on combinations of athletic contests and events have quite obviously been a continuing concern for many Members of the House, but the Chair has reservations as to the urgency for debate and as to whether it is a proper subject to be debated under Standing Order 30.

● (1210)

The principle involved in this case is that a review of an existing law can only, under the rarest of circumstances, be regarded as an emergency provision under Standing Order 30.

On April 30, 1975 Speaker Jerome defined this principle when he said:

—that the emergency provisions pursuant to Standing Order 26 ought to be distinguished, or their use ought to be distinguished from those items which, in a regular legislative program of the House of Commons and regular legislative consideration, can come before the House by way of amendments to existing statutes, or in any case will come before it in other ways.

My predecessor, Madam Sauvé, also ruled in the same way on similar applications on July 9, 1980 and on July 15, 1980.

It is clear to the Chair, therefore, that this subject does not meet the strict emergency provision of the Standing Order. Furthermore, the Hon. Member has other avenues for debate open to him. Next Thursday has been designated as an allotted day and the estimates for the current fiscal year are presently before the committees of the House.

For these reasons, I must decline the Hon. Member's request.

Mr. Paproski: Mr. Speaker, I rise on a point of order. What recourse do we have—

Mr. Speaker: The Standing Order does not provide for recourse to the decision of the Speaker under the circumstances.

Order Paper Questions

POINT OF ORDER

MR. CLARK (YELLOWHEAD)—NOTICE OF POSSIBLE POINT TO BE RAISED

Right Hon. Joe Clark (Yellowhead): Mr. Speaker, I simply rise to reserve my right to review the *Hansard* record of Question Period today and to perhaps have a point raised next week with regard to the rights of Members of the House in putting questions.

Mr. Speaker: The Right Hon. Member of course has always that right, and it will be scrupulously observed. If he wishes to raise it by way of a note to the Chair, the Right Hon. Member can be assured that every courtesy will be extended in the circumstances.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 551 to 556 inclusive, and No. 685.

[*Text*]

AIR CANADA—COMMISSION PAID TO CENTRAL TRAVEL SERVICE

Question No. 551—**Mr. Nowlan:**

1. Does Air Canada or any other airline pay any commission to Central Travel Service and/or to the Department of Supply and Services and, if so (a) what amount (b) is it less than the amount customarily paid to private travel agencies for like services and, if so, does the airline provide the Government with (i) a reduction in air fare equivalent to that commission customarily paid to private travel agents (ii) compensation in the form of tickets or reduced ticket prices for government employees or employees of the Central Travel Service which would be equivalent to commission and, if not, for what reason?

2. Do employees of the Central Travel Service or of the Department of Supply and Services receive special privileges from the airlines and, if so, what are they and what is their monetary value?

Hon. Charles Lapointe (Minister of Supply and Services): 1. The airlines do not pay a commission to Central Travel Service. Air Canada and CPAir are charged a percentage of the net sales value for billing services. Such charges for the F/Y 1982-83 were $837,000. See reply to question No. 555 answered this day.

2. No.

PRIVATIZATION OF GOVERNMENT TRAVEL SERVICES

Question No. 552—**Mr. Nowlan:**

1. Did either the Central Travel Service or the Department of Supply and Services examine the reasons for privatization of employee travel by the Government of the United States and by some provinces?

2. Does the Government discount the possibility of the privatization of its travel services and, if so, for what reason?

Hon. Charles Lapointe (Minister of Supply and Services): 1. Yes. 2. No.

APPROVAL OF AIR FARES

Question No. 553—**Mr. Nowlan:**

1. What are the names and titles of employees of the Central Travel Service and of the Department of Supply and Services who establish and/or approve air fares and what are their qualifications for these positions?

2. What criteria are used in the selection of employee air travel options with respect to fares and what agency provides the data from which the selection is made?

Hon. Charles Lapointe (Minister of Supply and Services): 1. Air fares are established and/or approved by the Canadian Transport Commission.

2. The onus is on individual departments to seek and consult with the CTS agents to obtain the best air fares to meet travellers' operational requirements.

CREDIT FOR OVERPAYMENT OF AIRLINE TICKETS

Question No. 554—**Mr. Nowlan:**

After tariff verification by an airline and when an overcharge is proven, is a credit paid by the airline to either the Central Travel Service or the Department of Supply and Services?

Hon. Charles Lapointe (Minister of Supply and Services): Credits for any overcharge are paid by the airlines to DSS who in turn credits the Department that originated the travel.

COST OF ADMINISTERING GOVERNMENT EMPLOYEE TRAVEL

Question No. 555—**Mr. Nowlan:**

In 1983, what was the total (a) cost to each of the Department of Supply and Services and the Central Travel Service of operating and administering government employee travel (b) revenue received from airlines by the Department of Supply and Services?

Hon. Charles Lapointe (Minister of Supply and Services): (a) DSS/CTS costs are inclusive to department level. For FY 82-83 these were $929,000.

(b) The revenue received by DSS from the airlines for operating a central billing system for airline travel for FY 82-83 was $837,000.

INDEPENDENT AUDIT OF AIRLINE TICKETS PURCHASED

Question No. 556—**Mr. Nowlan:**

In the past two years, was there an independent audit of the airline tickets purchased by the Central Travel Service and the Department of Supply and Services and, if so, by whom and what were its findings and, if not, for what reason?

Hon. Charles Lapointe (Minister of Supply and Services): The Auditor General's representative is presently conducting an independent, in-depth audit on travel in both the Central Travel Service/Department of Supply and Services and individual selected departments. There has been no other audit of the Central Travel Service by the Auditor General or by any other audit organization external to the department during the past two years.

All airline tickets issued through the Central Travel Service system for government travel are audited daily by the Department of Supply and Services for accuracy of rates. In addition to this audit, there is an obligation upon the departments to verify all travel claims including the correctness of fares for the trips taken and any discrepancies are reported to DSS for recovery action.

Over the past two years up to January 1984, $207,175 has been recovered and credited to the individual departments that originated the travel.

POLAR CONTINENTAL SHELF PROGRAM

Question No. 685—**Mr. Clark (Yellowhead):**

1. During the spring of 1983, did the Polar Continental Shelf Program of the Department of Energy, Mines and Resources operate a camp called the CESAR Camp in the Arctic and, if so, on what dates?

2. Was the camp abandoned and, if so (a) for what reason (b) on what dates?

3. Did the Department of the Environment request a clean-up of the camp after it was abandoned?

4. Did the Department of Energy, Mines and Resources conduct a search for the camp after it was abandoned and, if so, was it successful?

5. Were empty fuel barrels left on the ice after the camp was abandoned and, if so (a) how many (b) by whom (c) for what reason?

6. Were full fuel barrels left on the ice after the camp was abandoned and, if so (a) how many (b) what was their value (c) by whom (d) for what reason?

7. What was the disposition of the buildings and other materials at the camp?

8. In the opinion of the Government, do fuel tanks and other debris abandoned in the Arctic constitute a continuing source of environmental damage?

9. Does the Government prosecute or penalize private companies which leave fuel tanks, fuel, buildings or debris on the site of an abandoned camp in the North and, if so, is any prosecution or penalty being (a) contemplated (b) pursued in relation to the CESAR Camp?

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of Energy, Mines and Resources and the Department of the Environment as follows:

1. Yes. March 13 to May 23, 1983.

2. Yes. (a) The ice floe upon which the camp was located was breaking up rapidly. All personnel were safely evacuated. (b) May 23, 1983.

3. No.

4. Yes. No trace of the camp was found.

5. Yes. (a) 605. (b) Camp management. (c) The ice floe upon which the camp was located was breaking up and aircraft operations to remove fuel barrels could not be completed.

6. Yes. (a) 265—mostly aircraft fuel. (b) $84,325. (c) Camp management. (d) The ice floe upon which the camp was located was breaking up and aircraft operations to remove fuel barrels could not be completed.

7. Four wooden frame buildings were left standing. Seven steel bed frames and six oil stoves were left on the ice due to lack of space on evacuating aircraft. All combustible materials were burned.

8. Abandoned oil drums, fuel tanks, vehicles and other debris are a blight on the landscape in many populated and unpopulated areas of the Arctic, but, so long as they do not discharge or emit deleterious or toxic substances, they do not constitute a continuing source of environmental damage.

9. Yes, where an offence has been committed. No prosecution or penalty is being (a) contemplated; (b) pursued in relation to the Camp CESAR.

[*English*]

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

Mr. McKenzie: Mr. Speaker, I rise on a point of order. On a number of occasions I have asked the Parliamentary Secretary to inquire why there is such a time delay in answering question No. 2, which has been on the Order Paper since October, 1983. The question is:

1. Does the Minister of Transport have a private parking stall at the Winnipeg—

Mr. Speaker: With all due respect to the Hon. Member, he has called attention to the number of the question. It is clearly identified. He does not have to repeat the question.

Mr. McKenzie: Mr. Speaker, I was only reading the introductory question. We are interested in the cost and whether there is such a private parking stall. It is not a difficult question. I would appreciate it if the Parliamentary Secretary could make enquiries as to why there is a delay.

Also, Mr. Speaker, I placed a question on the Order Paper in November, 1981 in regard to Liberal Cabinet Ministers flying in Liberal workers to work in the last provincial election in Manitoba. There is no reason that I can think of why it would take three or four years to answer the question. I would appreciate it if the Parliamentary Secretary could make some inquiries.

I also placed starred questions on the Order Paper on April 10, Nos. 791 and 792, in regards to the advertising management group. There have been reports that the head of the advertising group is being paid $2,000 a day. I think I am entitled to know, as well as the Canadian public, whether that is correct and if, in fact, Mr. Zarry is receiving $2,000 a day.

As far as I know, Order Paper Questions are supposed to be answered within a period of something like two weeks, and it has been almost a month since those questions were placed on the Order Paper.

Mr. Evans: Mr. Speaker, there is no time limit for answering questions, as the Hon. Member should rightly know from reading Beauchesne's or the Standing Orders. I have requested information from the Department with regard to the questions which he has referred to me in the past, and I will do so again.

Mr. McKenzie: Mr. Speaker, on a further point of order, the Parliamentary Secretary indicated that there was no time period for answering questions. Could he explain to me what is the purpose of placing starred questions on the Order Paper if the Government does not have to answer them?

Mr. Evans: They are answered verbally in the House.

Mr. Speaker: This is an old matter which has been raised many times. I think it is clear that there is no automatic period of time required for the answering of questions.

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

Mr. Taylor: Mr. Speaker, I rise on a point of order. I would like to ask the Parliamentary Secretary a question that I asked approximately two weeks ago. He has indicated that he would look into it. I am referring to question No. 759. I would like the answer, as it pertains to conjugal units at Canadian penitentiaries. I would like to raise the matter in the adjournment debate, but I require the information so that I can be sure that everything I intend to say is accurate.

Mr. Evans: Mr. Speaker, I will do my very best to get the answer to the Hon. Member as quickly as possible.

Mrs. Cossitt: Mr. Speaker, I would like to ask the Parliamentary Secretary about Question No. 234 which is approaching its eight-year anniversary on the Order Paper. It was first placed on the Order Paper by my predecessor, the late Hon. Member for Leeds-Grenville, on June 11, 1976. The question asks who have Air Canada passes. As a matter of fact, I raised this matter during Question Period last June, and I was assured then that the question would be answered soon. Would the Parliamentary Secretary give me an indication of when the question will be answered, or does the Government really have something to hide?

Mr. Evans: Mr. Speaker, the Government has nothing to hide. The answer to that question will be forthcoming soon.

Mr. Speaker: Shall the remaining questions be allowed to stand?

Mr. Hnatyshyn: Mr. Speaker, I am inspired by the interest shown on this side of the House in getting some facts out of the Government. I would like to point out to the Parliamentary Secretary that I have had on the Order Paper for a considerable period of time a series of questions with respect to each of the departments of government, asking each Minister the names and positions of their exempt staff and whether or not any of the exempt staff are receiving emoluments from an agency of the Crown or from a Crown corporation, aside from the amount specified for payment of exempt staff salaries. In some instances I have had some very quick and complete answers, but other departments seem to be either unwilling or unable to give me this very simple, straightforward information, which I am sure would involve about two minutes of their time. I would ask the Parliamentary Secretary if he would simply make another inquiry with respect to this matter so that we can be satisfied that there is no impropriety with respect to the payment of Ministers' exempt staff.

Mr. Evans: Certainly, Mr. Speaker.

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

FINANCIAL ADMINISTRATION ACT

MEASURE TO AMEND

The House resumed from Tuesday, May 1, consideration of the motion of Mr. Ouellet (for Mr. Gray) that Bill C-24, an Act to amend the Financial Administration Act in relation to Crown corporations and to amend other Acts in consequence thereof, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

Mr. David Kilgour (Edmonton-Strathcona): Mr. Speaker, I rise to speak on Bill C-24. It is called an Act to amend the Financial Administration Act, but the burden of my argument will be that it should be more accurately called a Bill to erode further Parliament's existing very modest control over 183 federal Crown corporations and subsidiaries.

Why do I say that? First, I point out that the Bill has 134 pages. I put it to you, Sir, that if the Customs Act, which we were discussing a few days ago, was difficult for anyone to read, including lawyers, this one is even more so.

• (1220)

The Bill, as drafted, is basically enabling legislation. It gives wide regulation-making powers rather than specifying clearly and in detail how the mechanism of control, direction and accountability are going to work. Without seeing those regulations—I point out that the Government has provided no regulations to date nor given any indication it is prepared to do so—it is impossible to know precisely what the Government intends with this Bill. For example, C-I and C-II corporations are required to submit corporate plans, but the form and content of those plans is left to regulations and not specified. Operating in capital budgets are required from C-I and C-II corporations, but the Bill authorizes the Treasury Board, by regulation, to exempt any corporation or group of corporations from the requirement. In the Government's quest for flexibility, and due to the haste with which the Bill was prepared, the legislation represents a regime of excessive administrative discretion.

Second, on the vital question of ministerial responsibility, I cannot in passing help but note that earlier, Sir, the Minister of Justice (Mr. MacGuigan) made the comment about firing the Governor of the Bank of Canada and the Acting Prime Minister (Mr. Pepin) told us, in effect, that that was not a question of ministerial responsibility, that it was done during a commercial break. So I ask what concept of ministerial responsibility do Hon. Members opposite accept? Bill C-24 leaves the Minister as the *de jure* shareholder, but requires Cabinet to approve most major initiatives such as the appointment of directors, auditors, chairman and chief executive officers and the approval of operating and capital budgets, corporate plans and by-laws. In short, Bill C-24 continues the current situation where the Minister is nominally responsible but Cabinet exercises the burden of the shareholders' powers. In being accountable to many, Crown corporations will, in my view, continue to be responsible to no one.

Third, again on the important question of boards of directors, the Bill, as you will know, Mr. Speaker, proposes that the duties and responsibilities of directors under the Canada Business Corporations Act apply *mutatis mutandis*—if I may be forgiven a bit of Latin—to directors of Crown corporations. Bill C-24 goes into no detail on how the duties or responsibilities would apply in specific instances. And is that not the important matter in terms of practical experience?

More importantly, Bill C-24 seriously erodes the practical powers and prerogatives of directors and undermines the attempt to upgrade their duties and responsibilities. In the private sector, the essential prerogative of a board is to monitor the chief executive officer's stewardship of the corporation, to hire or fire him and set his or her remuneration. Under Bill C-24 all these functions are exercised by Cabinet. Cabinet appoints the chairman and chief executive officer and sets their remuneration, appoints the auditor, approves, varies or rescinds by-laws, and may direct a board to approve a by-law. In addition, the chief executive officer, who is generally not the chairman of the board, is required to advise the Government of any significant variations in actual performance from approved corporate plans, budgets and the like, giving the reasons.

Fourth, again on the important question of the proliferation of new Crown corporations, on the surface Bill C-24 takes some positive steps to avert the unnecessary proliferation of Crown corporations. It appears that in future the creation of a Crown corporation will require parliamentary approval via a special Act. There are major loopholes, however, and I will list four of them. First, the parliamentary approval process applies only to parent corporations, not to subsidiaries. It has been through subsidiaries, you will know, Mr. Speaker, that the greatest proliferation has occurred.

Second, the juxtaposition of Section 100 with Section 155 appears to turn the prohibition on its head by allowing parent corporations to be set up under the CBCA with only Cabinet approval and a motion in Parliament.

Third, the Government will still be able to incorporate parent Crown corporations where an existing Act of Parliament allows it to do so. As you will know, Mr. Speaker, there are a sufficient number of such Acts now in existence to satisfy most of the need for new Crown corporations.

Fourth, Bill C-24 could be interpreted, I put it to you, Mr. Speaker, to suggest that Ministers, as representatives of the

Crown, many not be bound by Bill C-24's prohibition on the creation of parent corporations.

More generally with respect to the question of proliferation, the restrictions placed on debate of any special Act, which, as you know, Mr. Speaker, is 30 days in committee and seven hours of continuous debate in the House, are too severe, in my opinion. Placing any such restrictions is, in any event, contrary to a fundamental principle that one Parliament does not bind, by legislation, the internal workings of a future Parliament.

Mr. Munro (Esquimalt-Saanich): Hear, hear!

Mr. Kilgour: The Hon. Member for Esquimalt-Saanich (Mr. Munro) is very perceptive, Mr. Speaker. In this respect, therefore, Bill C-24 represents a significant and dangerous precedent.

Fifth, on the scope of coverage of Bill C-24, it simply does not cover many of the major structural problems relating to Crown corporations. Bill C-24 is silent on matters of internal government organization; silent on the privileges and immunities of Crown corporations, for example, immunity from the Combine Investigation Act; silent on public servants on boards of Crown corporations; silent on the extent of the Government of Canada accounting entity; and silent on the creation of parliamentary oversight committees for Crown corporations. In addition, Bill C-24 covers only wholly-owned corporations. It does not apply to the more than 100 mixed and joint enterprises. In conclusion, Mr. Speaker, I make the point that the Bill is not at all in substance what it purports to be in form.

I have a few other observations to make in the time still available to me, Sir. I would like to pay tribute to the Hon. Member for Calgary South (Mr. Thomson) and the Hon. Member for Capilano (Mr. Huntington) who have done so much work on this important Bill. As my colleague, the Hon. Member for Calgary South, has pointed out—he is the chairman as you perhaps know, Mr. Speaker, of our own party task force on Crown corporations—virtually every section of substance has attached to it a regulation making the power which it purports to define subject to a subsequent regulation. The question put by the Hon. Member for Edmonton North (Mr. Paproski) earlier is just, I suppose, a prime example of what I am talking about.

The example which my colleague, the Hon. Member for Calgary South, used is that Section 100 appears to say that the Minister of Finance (Mr. Lalonde) must approve the terms, conditions and timing of any and all borrowing by a Crown corporation. Then, Mr. Speaker, Subsection 135(4) authorizes the Governor in Council by regulation to "exempt a specified Crown corporation or a Crown corporation of a specified class from the application of the section". In other words, as my colleague has pointed out, the Bill is "a pig in a poke". It looks good to people who do not read it. The title is attractive. Some people have been fooled by it. However, the Bill, as I said at the beginning, really should be entitled "An Act to erode further Parliaments' existing very modest control over 183 federal Crown corporations and subsidiaries".

Mr. Bill Yurko (Edmonton East): Mr. Speaker, may I thank you for recognizing me to speak on Bill C-24. Let me first state that the subject of Crown corporations and their control is not new to me. As a provincial minister for a number of years, I had the opportunity to create some Crown corporations. Perhaps the most noteworthy one was the Alberta Home Mortgage Corporation. I want to say that the administration, regulation and management of Crown corporations is not an easy or simple task. It is an awesome responsibility which is often thrust on ministers of the Crown who are simply not trained or equipped to handle the complexity of policy, direction or formulations within these complex conglomerates. In most cases it is not laws or even regulations which govern these giant public monopolies. It is essentially inertia, established practices, and most of the time a very powerful handful of very skilled top civil servants.

• (1230)

To my knowledge there now exist somewhere around 400 federal Crown corporations. The federal Government now taxes and recycles some 22 per cent of the entire Gross National Product of this nation. Much of this tax take is used up and recycled through public sector Crown corporations. All of these Crown corporations are supposedly responsible to Parliament for their financial administration, as well as their public relations and economic, social and structural accountability. Just how can Parliament, with some 282 Members, possibly keep a watchful eye on these 400 monolithic complexes? Unless some Members of Parliament, or even Senators, are placed in the front lines of policy and administrative decision-making in the Crown corporations, Parliament can only deal superficially with the results of maladministration, debilitative policy, innovation and choking inertia within the upper structural levels of these Crown corporations.

The only solution, Mr. Speaker, is to place elected Members or Senators from Parliament in the board rooms of these Crown corporations, so that they can report on and provide balance to the decision making at the very top. I have done this provincially and I can tell you it works. A new and needed dimension is added to the board room when one or more elected Members are present. Reporting to Parliament or even the Minister becomes instant rather than delayed. That is why I have on the Order Paper a Private Member's Bill to place elected House of Commons Members or Senators on the board of directors of federal Crown corporations. Senators could, and should, be used extensively as watchdogs in this regard. It would give a lot of them something to do. Surely if Senators are permitted to sit on the board of directors of private corporations, they should also have access to seats on the board of directors of federal public corporations.

The Hon. Minister, the President of the Treasury Board (Mr. Gray), in his report *New Legislative Proposals for the Control and Accountability of Crown Corporations,* states that the Government will be responsible for the major strategic decisions of Crown corporations and must therefore be in a position to review their plans and requirements. The Bill would give the Government the authority to require that the neces-

sary information be supplied. Does that means to say that in the past this authority was not there? Such information is always after the fact, voluminous, and often impossible to interpret sensibly by a poor inexperienced, untrained and overworked Minister. This is nonsense, Mr. Speaker. The Crown corporation hierarchy become the dictators of policy, direction and even accountability to the Minister. This poor overworked Minister then comes before a parliamentary committee trying to protect what he does not really comprehend.

Then the report says that responsibility for the appointment of the board of directors of parent Crown corporations will rest exclusively with the Government. It will also appoint the chairmen of boards and the chief executive officers. May I suggest, Mr. Speaker, that Parliament itself should have the responsibility of selecting Members for the boards of directors of a selected number of major Crown corporations. Indeed, I believe that the Senate should have the power, the duty and responsibility to place a limited number of Senators on the board of directors of most of the major Crown corporations. Preferably one Senator from the Government side and one from the official Opposition should sit on the boards of directors of a few of these major Crown corporations. Parliament would be much better informed. But the Government appoints these Members generally to protect its interests and its political backside.

Just what would be wrong with appointing a Government Member and an Opposition Member as watchdogs to some of these boards? So what if there is frequent controversy over regulation and policy decisions because there is two-Party Member or Senator representation on some of these boards? Would this not create greater accountability and somewhat greater caution at the board level of these public Crown corporations? Of course it would. Maybe then the rate of growth of Government could truly be reduced, at least to below the rate of growth of the GNP.

There is basically no more vital matter than limiting growth of the government sector, which in my view will exceed this year 50 per cent of the GNP. To control the growth of Government, Parliamentarians must control the growth of public sector Crown corporations. What does the President of the Treasury Board say in his report on this legislation regarding the role of Parliament? Well, he wants to clarify that role and states:

> Explicit parliamentary approval would be required for the establishment of any new parent Crown corporations, for their mandates, and for subsequent changes to their mandates.

This is great, but subsidiaries could and would be created willy-nilly by Government and Ministers. This hardly represents parliamentary control.

Then he says Parliament would continue to have authority to approve the financing of Crown corporations' activities where appropriations are required. What is meant is that governments would provide the control. Furthermore, capital can be accumulated through means other than annual parliamentary appropriations. Indeed, debt could be accumulated at resounding annual rates without parliamentary approval. Then bail-out by Parliament becomes mandatory. Such is the case regarding Canadair, de Havilland and a few other Crown corporations.

He says parliamentary approval would be required for disposal of the ownership of a parent Crown corporation. Great! However, assets of the corporation can be disposed of in bits and dribbles as desired. What about disposal of subsidiaries? Can these be sold willy-nilly?

Then the Minister says Parliament has the right to expect a systematic flow of timely, pertinent information on the management of Crown corporations. That is wonderful. What alternative could the Minister put before Parliament except that Parliament should have access to information from these Crown corporations?

Yes, Mr. Speaker, I believe there is need—one minute left? I hardly got started, Mr. Speaker.

Mr. Evans: It seems like an hour to us.

Mr. Yurko: Mr. Speaker, the Minister has made a good beginning, but it is hardly a beginning in the area of growth of government and Crown corporations. If the Minister tells us honestly and forthrightly that this is just the beginning in dealing with the control of growth in the management of these Crown corporations, then I would be prepared to support this Bill as an initial first step. However, I want to suggest that far more action is necessary in this area of government accountability to Parliament.

Thank you, Mr. Speaker, for the opportunity to say a few words on this vital and important Bill.

● (1240)

Miss Pat Carney (Vancouver Centre): Mr. Speaker, I would like to spend my allotted time on Bill C-24, an Act to amend the Financial Administration Act dealing with Crown corporations, talking about one very important issue which my colleagues might find a little esoteric and somewhat arcane, but it is fundamental to our view of this legislation. It is important because it demonstrates a huge and gaping flaw in Bill C-24. It is also important because the Government has shown characteristic sloppiness in handling this issue, as the Hon. Member for Calgary South (Mr. Thomson) has repeatedly made clear.

The general issue relates to Clause 100 of Bill C-24, and in particular whether C-24 is binding on the Crown. As you know, Clause 100 restricts the incorporation or acquisition of new parent Crown corporations. If Bill C-24 is not binding on the Crown, as we on this side insist is the case, then Clause 100 leaves the Government with a huge loophole whereby it can continue to acquire or incorporate new Crown corporations with no scrutiny or control by Parliament.

Hon. Members will remember that that was the way the CDIC was acquired in 1982. Since then we have had the incredible problems with Canadair, de Havilland and the other Crown corporations. This is the way that Loto Canada was incorporated in 1975. The only time we hear of Loto Canada is

when it is in dispute with the provinces and the courts. This is the way that VIA Rail was acquired in 1978. Subsequently there have been shut-downs and changes in VIA Rail which drastically hurt western Canadians. There are other examples of this technique. It seems that the only time the Government is willing to go to Parliament on behalf of Crown corporations is for bail-out money, when it wants to write off $1 billion for Canadair or another $.5 billion for de Havilland, or throw away $125 million on Consolidated Computer Inc.

Section 16 of the Interpretation Act says, in effect, that a statute is binding on the Crown only if the statute expressly says it is binding on the Crown. This is very important when we consider the lessons of history. Hon. Members will recall that the Ontario and Supreme Courts recently held that the federal Combines Investigation Act did not bind the Crown in the form of Eldorado Nuclear Limited and Uranium Canada Incorporated in the so-called "Uranium Cartel" case, which is a national scandal. Why is this, Mr. Speaker? It is because the Combines Investigation Act does not say that it is binding on the Crown.

Our concern is that there is no clause in Bill C-24 which says that C-24 is binding on the Crown either. There was such a section, Clause 4, in Bill C-27 which was tabled by the Clark Government in 1979 relating to Crown corporations. There was a distinct move by the Clark administration to declare that these measures would be binding on the Crown.

What are the implications of this omission from this Bill? Simply put, Bill C-24, as now cast, does not remove the prerogative of the Crown to incorporate or acquire new Crown corporations by Order in Council as it has done in the past. Over the past decade this has been a means whereby the Government has intentionally and successfully evaded Parliament in the creation or acquisition of new Crown corporations.

How does this major loophole fit in with the Minister's statement that Bill C-24 would force all new Crown corporations to be created by, or pursuant to, an Act of Parliament? This is the claim which the Minister makes. However, it does not do that, Mr. Speaker. Was this an oversight? Was it a mistake? We think not. We think the "oversight" was intentional. We think the Government wants to keep this loophole. When this "oversight" was called to the attention of the Government, its response was "Oh, no, Bill C-24 is binding on the Crown. That was our intention". If it was the intention, Mr. Speaker, why does Bill C-24 not say so, as the Interpretation Act and the Supreme Court of Canada require?

Members opposite have told us that there are legal opinions that Bill C-24 is binding on the Crown. Where are these legal opinions? We have asked for them but have not seen one yet. Surely if there are legal opinions justifying the Government's actions, it should be prepared to table them. A senior Government official has stated that the head of the Department of Justice was of the view that Bill C-24 was binding on the Crown. Again, Mr. Speaker, we have asked for a copy or some verification of that opinion, but to no avail. Mr. Speaker, we do not believe that such an opinion exists. We do not believe that the Department of Justice feels that Bill C-24 is binding on the Crown. We suspect that the Department of Justice has never held this view and that the Government ignored the advice of the Department of Justice and then had the dishonesty to suggest that the Department of Justice supported the Government's position.

Government Members wonder why Members on this side of the House do not trust the Government's word. We challenge the Minister and the Government right now. If there is a legal opinion from the Department of Justice, or from anywhere else for that matter, that Bill C-24 is binding on the Crown, table that opinion here and now. If the Government wants Bill C-24 to be binding on the Crown, as it says it does, then move an amendment right now to include the necessary clause in Bill C-24. To do otherwise leaves this Bill hopelessly flawed and grossly deficient and leaves the Government and the Minister open to a legitimate charge of callous and gross misrepresentation. To fail to bring in this amendment will allow this huge, gaping loophole to continue and will allow the proliferation of Crown corporations to continue.

Aside from my specific concern, I would like to discuss some of our basic concerns regarding this Bill. As the Member for Edmonton-Strathcona (Mr. Kilgour) has pointed out, it is basically a Bill which provides wide regulation-making powers rather than specifying details on control, direction and accountability. Without details, it is really impossible to know what the Government intends. For instance, some corporations are required to submit corporate plans, but the form and content of the plans are left to the regulations. This, of course, goes to the heart of our Party's position that Crown corporations should be accountable. Where there is a requirement for Crown corporations, and we agree that there is a requirement in some areas, they must be accountable to Parliament, and through Parliament to the public. These abusive powers and the secrecy which surrounds Crown corporations is a matter of direct concern to us.

Some of our specific concerns relate to the Minister's responsibility. This Bill leaves the Minister as *de jure* shareholder, but requires Cabinet to approve major initiatives such as appointments, approval of operating budgets and other details of running the Crown corporation. As my colleague from Capilano (Mr. Huntington) said, in being accountable to many, Crown corporations will continue to be accountable to no one.

Another of our specific concerns deals with directors. No details are provided on how the duties or responsibilities of directors will apply. More importantly, the Bill erodes the powers of a normal board of directors. In the private sector, the board usually monitors the performance of the chief executive officer. It sets the pay and can hire and fire based on performance. Under Bill C-24, this control is exercised by Cabinet. When one reviews the performance of Crown corporations and their boards of directors in the past, it is very clear how open to abuse and political patronage this system is. One need only think of the board of directors of Canadair to understand my point.

Another of our concerns deals with the audit. This Bill gives considerable scope to the Auditor General. It does clarify the relationship between the Auditor General and the private sector auditors of Crown corporations. This has historically been a matter of concern for the Member for Vancouver Quadra (Mr. Clarke), particularly in his role as Chairman of the Public Accounts Committee. However, we do not believe that the way in which this Bill deals with this issue is comprehensive.

I could deal, Mr. Speaker, with our concerns about the proliferation. As I have said, this Bill will continue to allow the Government to create new corporations by Order in Council. I could deal with the scope of the coverage. I could deal with many of our concerns about this Bill. However, you have indicated to me that my time has expired and I thank you.

• (1250)

Mr. Jim Hawkes (Calgary West): Mr. Speaker, today we are debating once again Bill C-24, the Crown corporations Bill. The purpose of a second reading stage debate in our parliamentary lexicon is to determine whether or not the principles embodied in a Bill are worthy of the support of the people who represent the electors in this country in the Parliament of Canada.

Before any parliamentarian should support a piece of legislation, I believe he should have a sense of clarity in his mind as to whether there is a need for a particular piece of legislation. In that respect, I thought it might be instructive to review briefly for the House one particular Crown corporation which is close to the hearts and minds of those of us who live in the City of Calgary, Alberta. Of course, it is a fairly new Crown corporation which came into being mid-way through the 1970s. That Crown corporation is called Petro-Canada. It has had many subsidiaries that have grown like Topsy since it was initially formed.

Has that Crown corporation created a problem? I had never run for public office and was not a member of the Chamber when Petro-Canada was formed. I was merely a member of the community. I am sure Hon. Members will recognize that the oil and gas industry is important to the City of Calgary because it is a major employer and a prime source of economic health to that community. We have also discovered recently that it can be a major source of economic disaster.

Back in the 1970s Petro-Canada was established from funding by the Government of Canada through the Parliament of Canada. The first thing that corporation did was to hire employees from the marketplace. It was willing to pay 30 per cent to 40 per cent more than the marketplace was paying people at that time. This meant that it immediately distorted the marketplace and created, in effect, runaway inflation in salaries. In turn, this affected all of those companies that were previously in existence. The multinational and large corporations were able to compete because of the residual economic power they had, but it created enormous difficulties for small Canadian operators. That was the first effect of this Crown corporation.

Being a Crown corporation, it was subject to the laws of Parliament and the control of Cabinet. It operated in an industry that characteristically was mainly composed of what I would call peculiar people. I suggest that peculiar people are needed to meet the aspirations of such an industry. What we have in terms of the engineers and geologists who guide us in exploration work is a group of people who go to university for many years and obtain many years of experience, are willing to sit in the bush in temperatures of 30 and 40 degrees below zero for many days. They do this to help the country achieve self-sufficiency in oil and gas. I think that is peculiar. But those peculiar people are extremely skilled and very independent. They are special people in this country who are out in the field having to make life and death decisions instantly. They are responsible for millions of dollars of shareholders' money in the drilling of those wells. They have a particular temperament and philosophy and are willing to work 24 hours a day.

All of those are characteristics that do not hold well for employment by the Government in the bureaucracy. Nevertheless, the Liberal Government of the day decided to form that Crown corporation. It is now 1984. What do Calgarians see when they look at the Calgary skyline? They see the tallest building in town which has a red stone exterior. That tallest building is the PetroCan tower. It is a Crown corporation tower.

What does one find when one enters the front doors of that building? One finds that floor after floor of that immense tower are closed. One only sees emptiness because no one is working there.

Mr. Thacker: Where did they get that stone?

Mr. Hawkes: Where did they get that stone, I am asked. It did not come from Canada. It was quarried in Norway, polished in Italy and placed on the exterior of a building in Calgary—primarily an empty building.

If one walks across the street into another building which has existed for some time, one sees that it is entirely empty. This building was leased by Petro-Canada and it is still paying rent for it today. There is no one in the building, yet the taxpayers of this country are paying for it every month, the result of a long-term lease.

Why did the Government of Canada buy service stations? Were those service stations in trouble? Was it a means of creating more employment? I do not think so.

The Government of Canada, through Petro-Canada, constructed a building which is now half empty. Furthermore, those employees who do occupy half of that building were transferred from buildings that are now empty and for which the Government is paying rent. As well, this is occurring in a city in which 25 per cent of the office space is vacant. Therefore one must ask why we have these two tallest buildings owned by the Government of Canada through its Crown corporation. I suggest that when one visits my City of Calgary to see this red building and walks through the front door, one is visually struck by waste.

Another example of waste by this Crown corporation concerns the long-term leases for drilling rigs which it entered into. Petro-Canada turned around and created another subsidiary Crown corporation to take those leases from the parent company since it could not use the rigs and had to pay for them. Petro-Canada now has a subsidiary Crown corporation that loses money while making Petro-Canada's bottom line look a little better.

In the five years that I have been here I have seen budgets introduced in this Chamber every year that have increased the cost for people to heat their homes and drive their cars. A tax has been placed on every gallon of gasoline and home heating oil solely for the purpose of enabling a Crown corporation to buy service stations.

Mr. Kilgour: Which they are now selling.

Mr. Hawkes: It now says that it will sell some of those service stations. At the same time, the Liberal Government during the last two years has voted to cut money that was allocated to senior citizens and money that was allocated for the purpose of education and health. Furthermore, the Government has introduced budgets that were designed to increase the amount of money that it could give to Crown corporations. It has traded pensions for senior citizens for extra cash to enable executives in Petro-Canada to fly first-class and to build half empty buildings.

There is a need for a Crown corporation Bill. It is sad that the Bill currently before this Chamber will do nothing to restore parliamentary accountability and control over those corporations.

[*Translation*]

Mr. Deputy Speaker: Order. It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, after looking at Bill C-24, I think the first two or three clauses alone would provide enough material for a speech of at least twenty minutes.

[*English*]

This Bill is supposed to cure a lot of things. However, what it has done is create greater confusion than hitherto. The first mistake was one of fundamental decision by the Cabinet, confusing the Financial Administration Act with the incorporation or the creation and control of Crown corporations. The two are disparate. The Financial Administration Act has existed since time immemorial. It has to do with certain practices of government. That is not the creation, maintenance and control of Crown corporations. The title is just a dog's breakfast—"An Act to provide for the financial administration of the Government of Canada, the establishment and maintenance of the accounts of Canada and the control of Crown corporations". That is a total dog's breakfast. It is typical of this administration.

What do we do from here on in? Under Clause 3 we proceed to move by Order in Council. Orders in Council transferring the categories are tabled. They may be referred to a House committee for discussion and examination, and that is the end of it.

• (1410)

Would you believe, Mr. Speaker, that after going to the trouble of referring an Order in Council made under Clause 3 of the Bill, under Subclause 2.2, an additional section thrown in there, the report which the committee may make cannot be debated. It states that within 15 days the Order in Council has to be tabled. Then it is referred to a committee. It states, and I quote:

(2) An order laid before a House of Parliament pursuant to subsection (1) stands referred, for a period of thirty sitting days commencing on the day on which the order is laid, to such committee of that House as may be designated or established by that House for the purpose.

If the Order in Council is referred to the committee and it produces a report on the Order, under Subclause (3) "no motion for concurrence in the report may be made in that House". What a gesture of fultility! The Order can be as false and full of trickery as that referred to by my colleague from Edmonton North (Mr. Paproski), SOR/84-350 dated May 1, 1984 dealing with lotteries and pools. That Order was made at eleven o'clock at night after getting the appropriate officials out and a quorum of three Ministers. That was to get away from the strictures of the Criminal Code. A fast shuffle of name was made. That should not be allowed.

We do refer Orders in Council to a joint committee of the House but that committee is very limited in its examination of such Orders in Council. It only examines whether there is power under the legislation to make an Order in Council, whether the Governor in Council subcommittee was properly constituted and that there is no retroactivity beyond that allowed in the legislation. That is all. Nothing can be said as to the content of the Order in Council, whether it is morally right, legally right or wrong.

• (1420)

The procedure that Australians follow is not open for us to follow. If we are speaking about Senate reform and the Senate serving a very useful purpose, we should speak about the Australian Senate. Orders in Council passed by the Government of Australia are submitted to the Senate for complete examination to determine whether those Orders in Council are within the power of the Government. Those things are done here in Canada. Further, however, the Australian Senate determines whether or not Orders in Council are right and whether or not they do an injustice to anyone. Frankly, if the

Australian Senate does not like an Order in Council, it stands revoked. That is as it should be.

I would say that within one year, Mr. Speaker, almost 50 per cent of government enactments could be passed by Order in Council. I came across an Order in Council the other day which was passed in 1981. This Order in Council affected the Immigration Appeal Board dealings with convention refugees. That Order in Council denied to Members of Parliament any access to written judgments unless the individual concerned or counsel for that individual had requested beforehand a written judgment with reasons. That is bureaucratic arrogance simply because Members of Parliament who inquire on behalf of constituents in immigration matters are acting as agents on behalf of those constituents just as much as any counsel acts as agent.

Bureaucrats who cannot stand outside examination of their actions deny Members of Parliament access to information by Orders in Council under some supposed right of privacy invented by the bureaucrats, interpreted by the bureaucrats and employed by the bureaucrats. The net result is that the ring of secrecy grows tighter all the time. Do not think, Mr. Speaker, that Members of Parliament can get that kind of information through the access to information legislation that has been passed. The people concerned only need say that, in their judgment, it would not be in the public interest to release the information that is sought. That is all there is to it.

I would like to say right at the outset that the Bill is deficient, although many Members have shown it to be otherwise. For instance, certain schedules exist whereby Crown corporations may be moved from one column of a schedule to another column by Order in Council. There is no responsibility to Parliament. The Minister is the one to whom a Crown corporation shall be responsible.

In closing, Mr. Speaker, I would say that we should look at the proposal put forward by the Hon. Member for Edmonton East (Mr. Yurko). He proposes that our Government should emulate the governments of many European countries and of some provinces in Canada and place Members of the House or of the Senate on the boards of Crown corporations so that they can act as watchdogs as well as have access to specialized information regarding the operation of those Crown corporations. That would be a far superior addition to this Bill and would establish some form of control over these Crown corporations without having the President of the Treasury Board (Mr. Gray) and others be absolutely flummoxed by misleading reports from some Crown corporations which carry on business in some of Canada's major industries.

On that score, this is a bad Bill. This Bill should only serve as a white paper for reference to a committee so that that committee may see what can best be done with Crown corporations as we know them in Canada.

Mr. Laverne Lewycky (Dauphin-Swan River): Mr. Speaker, this afternoon I would like to make some comments with regard to Bill C-24 which deals with the financial administration of Crown corporations. First I would like to talk about some general aspects of Crown corporations *per se* and then I would like to look at some of the functions of Crown corporations. Third, I would like to underline some of the general failures of Crown corporations as we see them to be right now; and finally, I would like to offer some illustrations of some of the concerns expressed in my own riding regarding the operation of Crown corporations as they exist in Dauphin-Swan River.

First I want to say that Crown corporations in and of themselves need not be failures. Perhaps the Government has given Crown corporations a bad name because of its poor monitoring of Crown corporations. There has been a lack of accountability for Crown corporations at the creation stages, the developmental stages and any review stages further along the line. As has been outlined by a number of people today, what Crown corporations really need is a greater accountability to Parliament and a greater accountability to the public in general.

I do not think that anyone would quarrel with the fact that Crown corporations are a part of our national scene and, as the Hon. Member for Prince Albert (Mr. Hovdebo) has stated, are a part of our entire economy. Crown corporations are viewed as being a part of our nation as a whole. I suppose it might be useful to contrast this situation with the one found in the United States simply to point out the uniqueness of Crown corporations in our national scene. Of the 100 largest corporations in Canada, ten are Crown corporations. Of the top 250 corporations in the United States, not one is a Crown corporation. Some of Canada's largest airlines, railways, radio and television networks and even one of the major oil companies are publicly owned, and of course, these companies have many subsidiaries as well.

Crown corporations cover a wide range of territory. In the area of transportation, there are Crown corporations such as the CNR, a company to which I will refer later in my comments. In the area of communications, there are Crown corporations such as the CBC and Canada Post. Later I wish to make some observations about the malfunctioning of Canada Post. In the area of energy there is Petro-Canada, and in the area of finance there is the Bank of Canada. Many people sometimes fail to realize that the Bank of Canada is in the same kettle of fish as the other Crown corporations because it has been perceived as an arm of government. Other Crown corporations in the financial area are the Federal Business Development Bank, the Farm Credit Corporation and Canada Mortgage and Housing. Of course, reference has already been made to Crown corporations in the industrial areas, such as Canadair and de Havilland. We find that Crown corporations exist in all areas of Canadian society.

It is important for us to recognize and underline the fact that it is not only the federal Government that is involved in Crown corporations but all governments, including provincial governments, regardless of political stripe, are involved. For instance, the Conservative Government of Ontario founded Ontario Hydro and the Saskatchewan Government is involved in the potash industry. As well, the Alberta Government has

shares in Pacific Western Airlines. All governments are involved in Crown corporations and they all face the same problem of accountability to which I referred at the outset of my speech.

It is not that governments do not know how to make Crown corporations more accountable but it is rather a problem of political will. Governments have not been willing to act in this area. However, as was mentioned by a previous speaker, there are some illustrations of the monitoring of Crown corporations at the provincial level. Whether we look at the British Columbia example or at the Saskatchewan example since 1946, we see that members of the Legislative Assemblies of those provinces have been involved in one way or another in monitoring or reviewing the work of Crown corporations. Some work has been done in that area.

• (1430)

I would like to underline at the outset that Crown corporations are a part of the national scene. Just because they have been given a bad name does not mean that they cannot be improved upon, but we would like to see a greater degree of accountability. I would like to suggest with regard to Crown corporations that even if we were to look at two functions which Crown corporations could serve, we would see that there is a place, if it is properly accountable, for Crown corporations to function in Canada, be it at the federal or provincial level. Of course, we do not usually refer to those agencies that are under the control of municipal governments as Crown corporations, but that is another area at which we could look.

Crown corporations could be vehicles of public policy. In other words, they could serve Canadians and fill the gaps within the system that a private enterprise may not meet. This has been recognized by some individuals. I would like to quote some remarks which were made by Pierre Franche, the President and Chief Executive Officer of VIA Rail. He said:

> I believe Crown corporations often have a role to play where private enterprise does not want to play the role and the national interest demands it be played on private enterprise terms.

I have had conversations with the President, who was previously involved with the National Harbours Board, in trying to upgrade Churchill. Before he stepped into VIA Rail, I was pleased that he had a vision for VIA Rail. Unfortunately, at least in my riding, there has not been any kind of concrete evidence that his vision for areas that were served by VIA Rail is actually being realized. That is one of the functions which Crown corporations could serve.

The second type of function I would like to underline is the idea of providing some sort of economic direction, showing responsibility and generating some kind of economic climate wherein Crown corporations are working. There are different aspects which could be useful objectives for Crown corporations but, unfortunately, there has been a drastic failure in achieving the objectives generally, wherever we look. Public dissatisfaction with Crown corporations illustrates this on a national basis where the objectives or the functions are not being met. Enough has been said about Canadair and de Havilland that I do not have to emphasize this point.

Previous speakers have underlined some of the thorny problems which illustrate why the objectives have not been met on a national basis. A lot of this has occurred as a result of the lack of monitoring Crown corporations. The Government has allowed Crown corporations to stay away from many of their original functions. They have become autonomous entities unto themselves—going their own way, independent in their own actions without accountability in any way, shape or form. It seems that a lot of board members and directors have lost their sense of accountability.

In conclusion, I would like to illustrate how Crown corporations have failed in specific areas, such as in my riding of Dauphin-Swan River. I could talk about the failure of the FCC, I could talk about the failure of the Federal Business Development Bank and others, but I would like to underline two failures in particular.

I would like to underline the failures of Canada Post and the failures of the Canadian National Railways. Canada Post, of course, has been one of the primary concerns for constituents in my area. I have received many many telephone calls, letters and petitions and I have had many conversations with regard to Canada Post's failure to provide service to the public, with regards to the withdrawal of service, and the negative impact that Canada Post has had on the local economy.

I see I am receiving a signal to conclude, Mr. Speaker. I would like to mention that the same thing has been true of the CNR. It has been making applications for the abandonment of rail lines, such as the one to Amaranth. In all of these, the Crown corporation has not acted in an accountable fashion. If there was more accountability, we might be able to make Crown corporations work in such a way that they would be of benefit to the people they are supposed to serve.

I appreciate the opportunity that I have had to share the concerns that we have in the riding of Dauphin-Swan River with regard to how Crown corporations are operating.

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I too would like to make a few comments on Bill C-24 this afternoon. I would like to continue along the line on which my hon. friend from Dauphin-Swan River (Mr. Lewycky) was speaking. He attempted to examine the function in our system of Crown corporations. He may have some doubt as to the function of Crown corporations and the system, although he should not have following his socialist philosophy, but there is no doubt that under the present circumstances the function of Crown corporations is to be the instrument of public policy. Whenever the Government wants to escape its responsibility and its accountability to the House of Commons and to the people it represents, it incorporates a Crown corporation and hides it away some place. So I have no problem understanding the function of Crown corporations. The problem is with the way that the system has grown like a cancer; it is totally out of control. The Government does not even know how many Crown corporations there are. The Canadian people do not

know how many Crown corporations there are. They grow, are very dynamic and grow like a cancer.

I asked the Chairman of Petro-Canada in committee recently how many subsidiaries Petro-Canada had. He rattled off a few, but he was not sure as to the totality of the corporations in which it is involved, either wholly-owned or subsidiaries where it is a partner in joint ventures and so on. It is becoming a very dangerous situation. There is no way to make comparisons with any country in the western world in terms of their approach to this kind of exercise of government responsibility. There is no government responsibility, either in this Bill or in the existing structure. It is government irresponsibility.

My hon. friend from Dauphin says that the Government has given Crown corporations a bad name and that they do not have to be failures. I disagree with that statement. Crown corporations will always be failures because governments inherently—because it is the nature of the beast—cannot operate anything effectively and efficiently. It is against human nature to send bureaucrats and elected people out to run businesses. They are not good at it.

I would like to tell the House what Adam Smith said about corporate power. As we know, there are large corporations and so-called private corporations in Canada today that might as well be Crown corporations because they are so large, so cumbersome and so totally out of control that they not only influence public policy but dictate public policy. When they get into difficulty, of course, the first thing that they do is go to the bank and when the bank will not help them any more they come to the government and say "Bail us out". This happens all the time. There is no longer any accountability among big corporations.

Adam Smith told us 200 years ago, in speaking about corporate and public managers, that being the manager of other people's money rather than their own, it cannot be well respected that they should watch over it with the same anxious vigilance with which their partners in a private corporation watch over their own money. He said that negligence and profusion, therefore, must prevail more or less in the management of the affairs of a public company. That is what Adam Smith said 200 years ago and his words are just as relevant and true today. There is no way that an Ed Clark looking after a barrelful of money that does not have a bottom in it would be as vigilant and careful as someone else would be who was dealing with their own money. These corporate managers have their own language. It is an old subculture. It is the parallel structure of these people opposite who are completely out of control. They have their own language. Let me just quote—

• (1440)

Mr. Evans: Adam Smith's comments apply to both private and public sector managers.

Mr. Oberle: Would you just be quiet for a moment, please. You can talk later. You have not heard yourself think yet.

Mr. Deputy Speaker: Order, please.

Mr. Oberle: Let me give a quotation from the annual report of one of these Crown corporations:

> Your management directs a closely articulated international reinforcing inherently dynamic enterprise that responds well to the capabilities that are fundamental to the modern managerial methodology and systems.

Did you write it all down, Sir? Let me just tell you what it means, perhaps, in connection with PetroCan, to be "closely articulated, internationally reinforcing, inherently dynamic". Well, it is "inherently dynamic" because when we incorporated PetroCan, as you know, Sir, there were to be 180 or so employees in that particular company. It was to be a window on the world. It was to make deals with foreign lands—

Mr. Blais: "Into the industry".

Mr. Oberle: All right, into the industry. It was to keep the industry honest.

Mr. Evans: Don't confuse him with the facts.

Mr. Oberle: Then a year later, two years later, the bureaucracy grows and grows and grows.

Mr. Blais: So did the assets.

Mr. Oberle: How much were the dividends to the shareholders? How much in dividends did you get last year from PetroCan? Can you tell me that? How much additional equity did you buy in Petro-Canada? Do you know that? Here is a Minister of the Crown. I challenge him to tell me how much the dividends were from PetroCan to the Canadian shareholders, the voters, the electorate.

Mr. Pepin: We reinvested it.

Mr. Oberle: The other Minister says it was reinvested. All right. How much of the dividends was reinvested and how much additional equity did you buy with my money? It is "inherently dynamic". It is out of control. You have no control over that place. Tell me how many subsidiaries PetroCan has, Mr. Deputy Prime Minister?

Mr. Pepin: "Acting Prime Minister".

Mr. Deputy Speaker: Order, please. I know the Hon. Member is an experienced parliamentarian, and I am sure he knows that his remarks should be addressed to the Chair.

Mr. Blais: You did not like it. You wanted to sell the thing. You are biased.

Mr. Oberle: I apologize to you, Mr. Speaker, but through you, perhaps I could ask the Acting Prime Minister who sits here in the House, together with one other Minister, to tell me how many subsidiaries Petro-Canada has.

Mr. Fulton: 200.

Mr. Oberle: My socialist friend says 200. Through you, Mr. Speaker, I ask how many would the Acting Prime Minister say?

Mr. Pepin: As many as it needs.

Mr. Oberle: As many as it needs to exercise the Government's purpose, and the Government's purpose is to keep Canadians in the dark, to keep Parliament in the dark. Do not tell them anything. What about the executive officers of PetroCan, or any other Crown corporation? Are they elected by the directors? Oh, no, these are people appointed by these people opposite.

Mr. Pepin: It was the same way when you were in power.

Mr. Oberle: They make decisions over which Parliament and the Canadian public have absolutely no control. Let me ask the Acting Prime Minister another question. How many new jobs did PetroCan create last year? How many new barrels of oil has PetroCan found?

Mr. Evans: Order.

Mr. Oberle: And show me in the PetroCan Bill where we gave it the authority to build service stations and get into the neighbourhood service station business. There is a legitimate role for government in the marketplace.

Mr. Pepin: That is debatable.

Mr. Oberle: Just because the CNR, our great transportation system and our communication networks, have to become instruments of public policies because of the sheer geography and nature of our country, that does not mean we should get into the food chain business, that we should get into fertilizer, that we should get into selling gasoline in competition with private entrepreneurs.

Mr. Benjamin: Why not?

Mr. Oberle: That is not being an instrument of public policy.

Mr. Benjamin: See if they can cut the mustard.

Mr. Oberle: That is being greedy, centralist, socialist—

Mr. Benjamin: Hear, hear!

Mr. Oberle: Well, you would like that, of course. These fellows over here are the socialists and, of course, they would like that; but they have nothing on these guys across the way.

Mr. Pepin: That is a debatable subject.

Mr. Oberle: They are so far ahead of you in their central planning, in their total integration and in their total concentration of all that has to do with the economy. You are babes in the woods. That is why you will be wiped out in the next election, because these people over there will be telling Canadians so many lies about the virtue of being in business and buying and controlling everything from Ottawa. They will be telling Canadians about all these virtues and, as the saying goes, some people can be fooled all of the time and some will be fooled once again.

Mr. Benjamin: They do not know how to run a Crown corporation. We know how.

Mr. Oberle: But I will tell you, Mr. Speaker, that you cannot fool all the people all the time and, therefore, there will be a change in government and we will have to rethink when that change comes how we want to build and rebuild our economic and corporate structure in this country.

Mr. Blais: Yea, Bennett!

Mr. Oberle: Socialism, Sir, has been attempted for the last 15 years across the way. It has been attempted all over the world. These fellows are saying it does not necessarily have to fail, and it does not always necessarily have to fail; but it always does because socialism does not work except in heaven where you do not need it and in hell where you already have it.

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I am delighted to be recognized for debate on Bill C-24. I thought you were going to recognize the Hon. Member for Ottawa Centre (Mr. Evans). I would be glad to defer to him. He seemed to want to get into the debate earlier.

Mr. Evans: I have.

Mr. Clarke: The Hon. Member indicates he has already spoken on the Bill, but I see he still has things to say. Perhaps he will get another opportunity.

There are many interesting features about this Bill and I want to go over a few of them in the few minutes which are available to me today. The first interesting feature is that the Opposition has been calling for some kind of reform in Crown corporation accountability for years, probably decades. So has the Public Accounts Committee. As the Speaker well knows, that is a relatively non-partisan but certainly all-Party Committee, and in many reports, which I will be referring to later, it has been calling for reform of Crown corporations. The Auditor General as well—and I will have more to say about him later—has been making a plea to the Government to improve the accountability of Crown corporations and others. The Government, for its part, has said that it also wants better accountability from Crown corporations and improved parliamentary control. Sadly, however, the result of its desire and deliberations is the Bill which we have before us today.

Second, Mr. Speaker, the Government, with all the power which is available to a majority Party running the Government, has produced a much watered down Bill—such a watered down Bill, in fact, that we in the Opposition who have been calling for reform have been forced to take a position opposed to a Bill which we had been calling for for all that length of time. That is also a very interesting feature of this Bill.

Third, the Government under the guise of consultation has politicized the office of the Auditor General by a ruse, I would say by a "rabbit out of the hat trick", if you like, and I refer to the well publicized letter of the Auditor General to the Prime Minister (Mr. Trudeau). He also wrote one to the President of

the Treasury Board (Mr. Gray), who I see in the House today. In that letter to the Prime Minister, the Auditor General included this sentence—he was referring of course, to this Bill:

I am entirely supportive of this version of the proposed legislation.

I do not suggest that my friend—and I count him as a friend—Mr. Dye, the Auditor General, has sold his soul to the devil, but I do believe that the devil has taken advantage of him; and I refer, of course, to the "devil" across the aisle here. The publication of a personal letter from the Auditor General to the Prime Minister was never the intent of the Auditor General. He has stated that and I believe that to be the case. The Auditor General is an honourable man and when he sees someone making an effort to go in the same direction as himself, he likes to congratulate them; but he certainly did not expect that to become a public document.

Mr. Evans: Congratulations, but do not tell anyone.

Mr. Clarke: The other "cat in the hat trick", which the Hon. Member for Ottawa Centre (Mr. Evans) might want to talk about when he gets an opportunity again, is the showing to the Auditor General of several different versions of Bill C-24. Most of them are totally unsatisfactory, and he told the Government people that was the case. So that when they finally pulled out this version, it did not look too bad to the Auditor General and he was moved to write that letter. I repeat the sentence of the Auditor General's letter:

● (1450)

I am entirely supportive of this version of the proposed legislation.

That sentence caused me a lot of trouble. I had an opportunity to ask the Auditor General in the Standing Committee on Miscellaneous Estimates about that letter and what he really meant. Reading from the minutes of the Committee, I said this:

—how were you able to form that strong an opinion so quickly? Did you have input into the drafting of it? Were there other versions that you saw, and this version was better?

Three questions in one, Mr. Speaker. The Auditor General responded:

There were a number of versions, quite considerably different versions, particularly in the audit area.

He goes on:

In fact, the bottom line of our views was that the audit provisions ought to be scrapped as they were written. The government continued on its course with a set of provisions that I found to be completely inadequate. I advised the Minister responsible of my views that those sections should all be scrapped.

Skipping a sentence:

I could not persuade the drafters of the legislation to use the language that I rather was taken by in the Canagrex Bill, to have the words "comprehensive auditing" in legislation. That advice or preferred position of mine was not accepted.

Then I asked him another question about a suggestion he referred to and he said:

Should you ask me to appear before you in committee, if this Bill goes to committee, I have a number of preferred options. But taken as a whole, I think this is a considerable improvement over where we are today.

That is why I say they tricked the Auditor General by showing him all these totally unsatisfactory versions and then springing this version here on him. Speaking of the version, he says later on:

The final version that became Bill C-24 does have a number of changes. Taken as a whole, they are not significant, although I am concerned about the definition of a Crown corporation. That changed. At the moment I believe the Bill says—there is no reference to accountability to Parliament. If you look at Clause 95.(1), that has changed, somehow. We were not consulted after about February 28 or so.

A little further on I asked him about the—

Mr. Deputy Speaker: Order. I regret to interrupt the Hon. Member but the Chair has some misgivings about the Hon. Member using quotations on a matter presently before a committee, I understand. Could the Hon. Member enlighten the Chair about the particular quotations he is using and whether they pertain to a matter now before committee? The general principle would apply that a matter before committee is rightfully before that committee and should not be debated simultaneously in the House. I would like the Hon. Member to instruct me in that regard.

Mr. Clarke: Mr. Speaker, the quotations are contained in the minutes of the Standing Committee on Miscellaneous Estimates. They were elicited during the examination of the Auditor General's estimates. Therefore, I do not think there is any conflict. The estimates have been dealt with by that Committee and we are now debating the Bill, which is not before the Committee.

Mr. Deputy Speaker: I thank the Hon. Member for the explanation. Nevertheless, unless the Committee has reported on its findings the matter cannot be before the House. It cannot be in the Committee and the House at the same time. I suppose the Hon. Member could refer indirectly to that matter, but as far as the Chair is concerned, the matter he is referring to is before the Committee and therefore I ask him to come back to the general principles of the Bill and avoid details which are best dealt with at committee stage.

Mr. Clarke: Mr. Speaker, let me just say that in conversation with the Auditor General, he assured me that he wished he had not said "entirely supportive". He wished that he had used the word "generally", and in fact he thought he had scribbled out the word "entirely" before handing the letter over for typing.

The Canadian Institute of Chartered Accountants, a prestigious group of which I am a member and a Fellow, felt that this was such an important piece of legislation that it formed a Crown corporation study group consisting of about 12 prominent chartered accountants from across the country and their staff. There are three all-day meetings proposed for this group. I was pleased to be invited to join this study group, not as a politician but as a chartered accountant and past Chairman of the Standing Committee on Public Accounts. It was agreed that the group's hearings would be off the record and that documents provided to its members be considered privileged. For these reasons, and because the second meeting of the

group will be held next week, I cannot comment further on the work of that group. It appears that the undue haste of the Government to push this Bill through will prevent the deliberations of the CICA from being of any use whatever.

I have other comments that I wanted to make, but because of some procedural difficulties I see we are running close to the end of my time. I would just mention one final interesting feature of this Bill, and that is the undue haste of the Government in wanting to have this Bill passed. In my mind the introduction of this Bill would have been adequate to give the Government the impetus it wants to be able to demonstrate to the public that it cares about Crown corporation accountability. I now find the Government is determined to get this Bill through. One can only conclude the Government has some other motives in mind, probably that it is running into difficulty with Bill C-25, the CDIC Bill. We will see about that when the time comes.

Mr. Douglas Roche (Edmonton South): Mr. Speaker, it is a very exciting experience to speak in the House of Commons on a roaring Friday afternoon. It fills one with trepidation! I see my friend, the Minister of National Defence (Mr. Blais), is present in the House this afternoon. I asked him to pay close attention to the speech I made earlier this week, which he did and for which I thank him.

Today I would recommend he pay attention to the business before him since I do not have much hope that the speech I am making will have any profound effect on changing the will of this Government, which seems hell bent on having this Bill proceed. The Government is forcing the Opposition to maintain its responsibility in opposing this Bill because we have to decide whether or not the principles of this Bill are worthy enough of support to allow it to go before committee. As so many of my colleagues have eloquently demonstrated, the principles of this Bill are not only insufficient but also defective. I compliment the Hon. Member for Vancouver Quadra (Mr. Clarke) for drawing our attention to the style, shall we say, exercised by the Government in eliciting the support of the Auditor General for this Bill. If that is an indication of support at a highly competent level, then this Bill is in pretty deep trouble.

I think it has been drawn to your attention, Mr. Speaker, that an analysis of Bill C-24 shows that there are several substantive reasons why we feel it should not proceed. The reasons we find it offensive are centered on the manner in which the Government will be permitted to make regulations concerning Crown corporations, the manner of their operations, the appointment of their boards and, particularly, the bypassing of the boards for the appointment of their chief executive officers. We feel that every section of substance in this Bill has attached to it a regulation-making power by the Governor in Council which is unspecified at the moment. Moreover, there is every reason to expect that the Government will change those regulations, having made them, without accountability to Parliament or without parliamentary input in those decisions. We feel, moreover, that there are no criteria established, especially for the manner in which corporations would be moved from schedule to schedule. That is the beginning of our analysis which has led us to oppose this Bill.

● (1500)

There is also, Mr. Speaker, the question of the rights of Parliament with respect to Crown corporations and the accountability functions of Members of Parliament. Apparently we have to make the point repeatedly that Parliament has no control over the creation of Crown corporations or of subsidiaries of Crown corporations. It is with regard to subsidiaries that the greatest proliferation is taking place. We have heard comments earlier today, as well as on other occasions, about the inability to count the total number of subsidiaries. I doubt whether we even have an accurate count of Crown corporations as such. The information on the number of subsidiaries of Petro-Canada, for instance, is simply not available. While Petro-Canada itself performs certain functions that are of benefit to the Canadian people, it is rather difficult to understand how it is of benefit to the Canadian economy for Petro-Canada to get into the service station business. Moreover, we think that there is insufficient accountability to the Government and Parliament about the way in which the subsidiaries of Crown corporations are run. As a result, the cost of the manner of operation is defective in that the controls are not strong enough.

Bill C-24 says that a Minister need not get parliamentary approval if there is in existence an Act giving the Minister power over a Department. We think the rights of Parliament are again bypassed in that way. When such matters are finally allowed to come before Parliament, the Bill stipulates that Members be confined to 30 days of debate in a committee and seven hours of debate in the House. This is entirely insufficient, particularly in the cases of major corporations which need reviews from time to time. I have already mentioned Petro-Canada. Air Canada is another corporation which surely needs close scrutiny by Members trying to exercise their responsibility to ensure that the best transportation system for Canadians is available at a time of great changes in deregulations in the industry generally.

I would like to discuss the matter of the composition of boards. The way in which this Bill would set up the membership of boards of directors would, in effect, turn them into advisory boards rather than actual boards taking the responsibility of decision-making. The Cabinet would appoint chief executive officers without any consultation with the board of directors of the Crown corporation concerned. If one considers the examples of Canadair and de Havilland, one must shudder at the prospect of the Government extending widely the principle of appointing senior management to Crown corporations without any reference at all to the boards of directors. I must ask what boards of directors are for.

Earlier today, the Hon. Member for Edmonton East (Mr. Yurko) suggested that the boards of directors be strengthened by the inclusion on them of Members of Parliament and Senators. In other words, some Members would be selected out of the House and the other place to serve on boards of

directors of Crown corporations. The argument to support that is that the MPs and Senators would perform a sort of watchdog role. In respect of that particular point, Mr. Speaker, I would argue that I do not think that is a good proposal. I believe that Members of Parliament and Senators should not be appointed to the directorship of Crown corporations, but rather that directors should be chosen from members of the public who have demonstrated competence—

The Acting Speaker (Mr. Guilbault): Order please. The Chair regrets having to interrupt the hon. gentleman, but his speaking time has come to an end.

Mr. Jim Fulton (Skeena): Mr. Speaker, I am pleased to have the opportunity to say a few things about Bill C-24. I am sorry the previous Member did not have more time. I would like to extract a few points from the May 15 news release of the President of the Treasury Board (Mr. Gray). There are a few interesting things in here that the Member for Prince George-Peace River (Mr. Oberle) and some other Tories seem to have overlooked.

The first thing is that the first Crown corporations in Canada were created in 1841. The first Canadian corporation in the form of a public enterprise was a Board of Work in the United Provinces of Canada created to construct a canal system in Canada. By the turn of the century, the Conservatives in this part of the country had taken on the development and management of Crown corporations on a large scale. Today, with eight Conservative provincial Governments, the Party Quebecois in Quebec, which is basically a Conservative Government, and the NDP Government of Manitoba, we find that the corporate holdings of the provincial Governments exceed those of the federal Government in terms of total assets represented. About 75 per cent of the provincial Crown corporations have been created since 1960.

We have an interesting situation here, Mr. Speaker. We hear Tory after Tory getting up and berating Crown corporations. They are not berating the theme of this legislation, the stated function of which is to bring more accountability for Crown corporations to Parliament and to Canada, which is a laudable intention. However, the Tories have not been pursuing that theme. They have been going after Crown corporations but have not bothered to point out the fact that their own Party at the provincial level is the greatest creator and developer of Crown corporations in Canada. They do not want to talk about Peter Lougheed's airline, PWA in Alberta or all the Crown corporations of Bill Davis, Grant Devine and so on. The litany of Crown corporations under Tory administrations goes on and on.

● (1510)

In almost every case, as the Deputy Prime Minister pointed out, there is far less accountability than is proposed in this legislation. However, the very nature of the Tory Party makes them play games in which they tell the electorate that they are opposed to Crown corporations and this kind of accountability for a variety of reasons, but they never bother to tell the truth about Crown corporations and why they are created, which I believe is the responsible thing to do.

They have not pointed out why, as my colleague for Dauphin-Swan River (Mr. Lewycky) pointed out, ten of the largest corporations in Canada are Crown corporations while none of the 250 largest corporations in the United States are Crown corporations. We should reflect on that fact because of the nature of Canada and of our history with respect to the United States in particular which has tried to form a branch plant economy in Canada and has only allowed certain kinds of commodities to be created here while preventing us from using its technology and industrial resource base to expand into world markets. The United States has always held back and has returned the profits from Canadian labour, resources and capital back to the United States.

Crown corporations have been developed by socialist governments in Canada, Liberal governments and Tory governments. I should point out that this has been done to the greatest extent by Tory administrations. This is something that the Tories do not want to discuss because their corporate boardroom friends do not like it.

Let me address a number of shortcomings in this legislation which should be remedied. They are important questions to which a number of Members have spoken. There are various Crown corporations listed in the schedules of this legislation. For instance, there are 14 Crown corporations listed under Schedule B, such as the Atomic Energy Control Board, the Canada Employment and Immigration Commission, national museums and so on. Schedule B at present includes 15 in the list, such as the Medical Research Council and the National Research Council of Canada. There are 29 listed under Schedule C, such as the Canada Ports Corporation, Loto Canada, The Royal Canadian Mint and so on. There are 26 listed under Schedule D, including Air Canada, Eldorado Nuclear, Petro-Canada, VIA Rail and so on. The list goes on.

Since I came here five years ago I have always been concerned about the fact that there is no one in Ottawa who can accurately say how many Crown corporations and subsidiaries exist. While the President of the Treasury Board has introduced a good measure, it should really alert Canadians to how insufficient accountability has been to this point. This has also been pointed out by Mr. Dye, the Auditor General. That provision appears at page 54 of the Bill at Clause 16. It states:

> Each parent Crown corporation shall, within thirty days after the coming into force of this Act, send a copy of every by-law of the corporation in effect on the coming into force of this Act to the appropriate Minister and the President of the Treasury Board.

I submit that that is an open admission by the Government that it does not know what the bylaws are or what the Crown corporations are. This is a method of smoking them out.

The Government takes one further step with Clause 17, which states:

> Notwithstanding section 100 of the said Act—

Which is the strongest clause of the Act.

—where a parent Crown corporation is in existence on the coming into force of this Act and is not named in Schedule C to the said Act six months after the coming into force of this Act, the directors and shareholders of the corporation shall forthwith after the expiry of that period take all steps necessary to dissolve the corporation.

For the first time since Confederation, a piece of legislation has been introduced that will smoke out all of the subsidiary and parent Crown corporations so that they will come under one compilation, Schedule C, of this Bill C-24.

The simple admission by the Government that it is unaware of the bylaws of many of these Crown corporations and subsidiaries is alarming. However, it is beneficial to know that six months after the passage of this Bill all of those Crown corporations which have not filed with the Minister responsible as is required will cease to exist.

There are also some peculiarities written into this legislation which make it quite slippery, as is often the case with that side of the House. This Party has no representation in the Senate and does not intend to have any, particularly while that is a place where the democratic process does not occur.

Mr. Hnatyshyn: The last guy who said that was Hazen Argue.

Mr. Fulton: He is not in the NDP. My friend from Saskatchewan is trying to tell me that Senator Hazen Argue is in the NDP.

Mr. Hnatyshyn: He made the same speech when he was in the NDP.

Mr. Fulton: Members will be interested to note the following on page 52 under Clause 155(3):

A motion moved in a House of Parliament pursuant to subsection (1) stands referred, for a period of 30 sitting days—

It goes on to state that the references can be made to a committee in either House. Once again we are faced with a piece of legislation that has been designed so that the House of Commons will be avoided by design. All of the sensitive Crown corporation information will never come here. The only thing that will happen is that information will be tabled in the House 15 days after something has occurred. In some cases it will be tabled on the thirty-first sitting day after a session begins. In some cases, such as in this session, it may be years before we actually find out what has gone on on the government side in terms of the tabling or action in the committees of the other House. I do not consider that to be a particularly helpful clause.

Let me discuss two other points that are related to Parliament. The Public Accounts Committee as well as other committees of the House have made recommendations that either committees of the House of Parliament itself should be involved in decisions that affect not only hundreds of millions of dollars, as we know now, but billions of dollars of public moneys. On page 10 of the Bill we find that the Government goes around Parliament once again. It does this not only to permit sensitive issues to go to the Senate and its committees where they will never see the light of day, in this case it says, in Clause 91(1):

The Governor in Council may, on the recommendation of the appropriate Minister, give a directive to any parent Crown corporation, if the Governor in Council is of the opinion that it is in the public interest to do so.

Once again it is simply done either by Cabinet decree or by making use of the Senate.

I have one final point to make with regard to the Bill.

The Acting Speaker (Mr. Guilbault): Order, please. The time allotted to the Hon. Member has expired.

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, it is my pleasure today to be able to rise to discuss the Crown corporations Bill, Bill C-24. The mere necessity even to introduce the Bill to the House is an obvious admission on the part of the Government that the Government has totally lost control of Crown corporations. After listening to the previous speaker, and considering the support his Party has shown for the Government in the past few years, it is difficult to understand whether indeed they are for or against Crown corporations.

It is my intention this afternoon to demonstrate to the House the extent to which the control of Crown corporations has escaped the authority and influence of Parliament, which is where the control and influence over Crown corporations and their direction should be placed. In doing that, I will be dealing with the Canada Ports Corporation, which has particular significance in the areas of the Atlantic region and in the western region. I hope to be able to demonstrate through the use of the example of this corporation how out of control this whole matter of Crown corporations has become.

• (1520)

The Port of Saint John is one of the seven national ports of the country. It comes under the jurisdiction of the Canada Ports Corporation. The direction of the Canada Ports Corporation and of its predecessor over the last number of months has not been in the best interests of the port City of Saint John, nor of the people who live there. I would like to demonstrate why that is the case.

It will become obvious from the statistics and from the information which I am about to provide that the policies of the Canada Ports Corporation over the past number of years have had a detrimental effect upon the economic well-being of the Port of Saint John and upon the economic situation in that area. Because of the insensitivity of the Government, unfortunately the port has seen a steady decline in revenues, a steady decline in the amount of business channelled through it, and port activity has suffered considerably.

The first statistic with which I would like to deal concerns the commodity of flour. In 1980, 132,000 metric tons of flour was put through the Port of Saint John, whereas in 1983 it had declined to an amount of 63,000 mts. It is not that we have not addressed ourselves to this issue or that the House is unaware of the situation with reference to the shipment of flour and grain through the port. As a matter of fact, in June 1982, I brought to the attention of the Minister responsible for the

Canadian Wheat Board the declining situation with reference to shipments of wheat. His response basically was that we should be satisfied with what we had been receiving and that the Government could probably justify itself by not even putting that number of shipments through the Port of Saint John. In terms of wood pulp in 1980, there were 5,506,000 mts put through that port, whereas in 1983 it declined to 368,000 mts. Lumber declined from 164,000 mts in the same year to 77,000 mts in 1983. On and on the story goes.

I understand that the recession has contributed substantially to the fact that revenues from port activities are down. However, 20 some years ago the Port of Saint John was a booming facility. It was one of the gateways of trade into Canada. Indeed, it was the bright spot for the future of that area. At that time, for reasons better known to the Government, it decided to open up the St. Lawrence River and sent up ice-breakers. That was the start of the process of decline in that region. There has been no greater threat to the economy of Saint John since that time. There have been several serious blows coupled with that situation since that time. For example, two major labour-intensive lines were lost to Saint John.

We require more positive action and a more positive attitude on the part of the Government. I am concerned because the Bill does not address itself to the situation. I am glad to see the former Minister of Transport sitting here this afternoon. I hope he will take to heart some of the very serious matters which I am bringing to his attention and will pass on the information to his colleagues. Perhaps we will see some positive results.

If we are to keep pace with the competition, if we are to deal with dwindling cargoes and things of that nature, there must be a positive attitude on the part of the Government. That has not developed over the past, despite the fact that this port is one of the most efficient in Canada. Its labour productivity is second to none. If the figures on the tonnage handled per man-hour are examined, it becomes obvious that the Port of Saint John is the most productive in the country, including those of Montreal, Quebec and other regions. It is incumbent upon the Government to recognize the efficiency and the difficulties which that port is presently experiencing. It employs 6 per cent of the labour force in that part of the country, yet the Government continues to ignore that fact or that it utilizes 5.8 per cent of disposable income in that area. It is the economic heart of Saint John. The port is an extremely valuable facility. Business and labour have indicated their willingness to co-operate with the port. In fact, the port has demonstrated its goodwill in its labour contracts and in its ability to get along. We now need co-operation and sensitivity from a government which has been unwilling to demonstrate this in the past.

Some Hon. Members: Hear, hear!

Mr. Bruce Halliday (Oxford): Mr. Speaker, I am pleased to participate this afternoon in this extended debate on Bill C-24, an Act to amend the Financial Administration Act in relation to Crown corporations and to amend other Acts in consequence thereof.

It is interesting to note that while it has taken the Government over four years to come to grips with the issue of Crown corporations, even in its inefficient and inadequate manner, the previous Government, under the leadership of the Right Hon. Member for Yellowhead (Mr. Clark), managed to come to grips with the entire issue in a matter of about six months. In its short term of office, it was able to present a Bill which would have dealt with the entire problem of Crown corporations.

I am not inclined to argue with my colleague who preceded me, but he suggested that Crown corporations were out of hand. I think I know what he meant; in a sense he was right. However, Crown corporations as far as the Government is concerned are very well in hand. They are just exactly the way the Government wants them so that it can carry out, through the mechanism of Crown corporations, the kinds of activities it wants to do in secret. The Government wants to keep these activities secret from the House of Commons and from the people of Canada. We can find example after example of exorbitant amounts of money being spent by the Government to bail out Crown corporations such as Canadair.

There is no doubt in my mind that the Government has been deliberately slow in bringing in any reforms in the whole arena of Crown corporations. It knows perfectly well that the needed reforms will not be the ones which will suit it in terms of allowing the Government to exercise the devious sort of control it would like to have over a large sector of the Canadian economy.

The Hon. Member for Calgary South (Mr. Thomson) and the Hon. Member for Capilano (Mr. Huntington) have spent a lot of time studying this Bill. They have spent much more time than many of us have and certainly have identified many of its weaknesses. In fact, when one first looks at the Bill, one would be inclined to think that it was attempting to address some of the real problems existing in Crown corporations.

• (1530)

In listening for a short time this afternoon and this morning to my colleagues, the Hon. Member for Vancouver Centre (Miss Carney) and Calgary West (Mr. Hawkes), we are convinced that there is a superficiality to this Bill. It does seem to address the issues of Crown corporations which have been of concern to Members of Parliament. However, when you read the Bill carefully, you find it has not achieved that. The one problem with Crown corporations, the failure to be accountable to Members of Parliament in particular, is not dealt with in this Bill.

I want to deal with the problems and issues raised by this Bill which have not been addressed adequately. As I mentioned, accountability is the predominant problem. The concept of Crown corporations is not new. The Hon. Member for Skeena (Mr. Fulton) gave the Conservative Party credit for a lot of the past history of Crown corporations. He is quite right that we have been involved and supportive over the years.

Contrary to what he says, we are not critical of Crown corporations *per se*. We feel there is a real need for Crown corporations.

Mr. Blais: Get your act together.

Mr. Halliday: Our act is together. We all agree there is a need for Crown corporations in certain circumstances. The difference is that we want Crown corporations to be accountable to this House of Commons and the people of Canada, not accountable to the Cabinet, which has been the experience with this Government. That is why it does not want to see any major changes. It knows that a worthwhile change would take away the privilege of the Government to make changes by Order in Council when making appointments and paying debts of Crown corporations in difficulty without any recourse or consultation with Parliament.

One of the most interesting writings on Crown corporations was contained in a presentation given at a conference on Crown corporations in Toronto last fall. The presentation was made by Professor Robert Prichard, a visiting professor of law from Harvard Law School. The presentation was entitled *Reforming Crown corporations*. He looked at the whole subject in a very thorough manner and tried to make a diagnosis of the problems. He boiled that down to seven major problems and concluded the presentation by what he called "the treatment".

Let me dwell on his seven-point diagnosis. First, the problem is aggravated and compounded by the fact that Crown corporations have proliferated at a rapid pace over the last number of years. As my colleague said, if you ask an official of the Government or a member of the Cabinet how many Crown corporations we have, it is almost impossible to say on any given day how many there are in existence. This proliferation compounds the problem of trying to cope with them.

Second, it is evident that there has not been established an adequate legal and jurisdictional regime to deal with the accountability problem of Crown corporations. This is something we in the Official Opposition would like to see. This is one of the main problems with Crown corporations.

The third item identified in the diagnosis is what he termed the bureaucratization of the accountability process. Bill C-24 just aggravates that situation. We find in this Bill that Crown corporations may be responsible to Cabinet and have certain responsibility to individuals, but there is no consistency in dealing with the problem of where the accountability lies with Crown corporations. There is a mishmash of responsibility, which leads to a definite undermining of the whole process of accountability.

The fourth item has to do with the resistance among bureaucrats to changes in the accountability process. That naturally does not fit in with the concept of the bureaucrats to increase their power and dominion. They object to anything in a Bill such as Bill C-24 that would lessen their opportunity to exert influence at this level.

The fifth item is something we cannot get away from, that is, the politicization of appointments to boards. I have had a little experience in getting to know individuals who are on boards. During the last year it has been my pleasure to know three people who were appointed to a recently-created Crown corporation. One is a chief executive officer. These people perform impeccably well in the private sector. I do not look upon them as being strongly politicized individuals. They may have some leanings, I do not know, but they were successful in their individual enterprises. I hope they will not be disappointed when they take on their role on the board of directors. They may find that the role they played in the private sector is not open to them in the same manner.

I find that there is not enough time left for me to discuss the treatment. I appreciate the opportunity of presenting the problem that exists with Crown corporations.

Mr. Robert C. Coates (Cumberland-Colchester): Mr. Speaker, it is time that we had an opportunity to examine, even in a superficial way, the proliferation of Crown corporations in this country and the aberration caused in the business community with regard to Canada's economic demise as a competent nation. It evolves around all that we are looking at today with regard to the chaos which has resulted for many businessmen and individuals. There is a horrendous list of bankruptcies. This has produced an almost static figure of 1.5 million unemployed. This has been the case for month after month and there is little possibility that these people will soon get back into the work force.

An examination should be made of the proliferation of these Crown corporations. If you go back to 1962, you will find that a totally new socialistic approach developed with regard to the role of the private sector as compared to the public or government sector.

We have gone from something like 28 Crown corporations to Lord knows how many. You can start around 300 and work up to 600 and find some justification for saying that they have the mark of a Crown corporation. Today there are almost as many individuals working for Crown corporations as there are working in the Public Service of Canada. I believe there are over a quarter million people employed in the various Crown corporations. Another type of partial employment is available through the directorships of these Crown corporations. While there may be examples of very worth-while people who are making a contribution in one way or another to these Crown corporations, boards of directors of Crown corporations have become the Liberal Party's greatest porkbarrel in the history of the nation.

• (1540)

During this debate, many of my colleagues have asked what is the role of a director of a Crown corporation. Becoming a director of a given company in the private sector is dependent upon a personal track record of achievement in whatever sector of the economy one has developed an expertise. Everyone who is appointed as a director of a significant private-sector company in the country has a proven success record.

However, for directors of Crown corporations, that proven success record is based absolutely upon one's leanings toward the Liberal Party. It is based upon how much money one has given or has raised for the Liberal Party and how much work one has done for the Liberal Party. It is based upon the fact that one is a defeated candidate or a defeated Cabinet Minister.

Some of the real horror stories that we have heard and for which we have had to pay the bills relate directly to people who have been found to be incompetent as Members of Parliament by the Canadian people. One such person I might mention who has gone from one beautiful green pasture to the next is Barney Danson. He was rejected by his constituency and ended up with de Havilland. I believe he is in Boston now. He goes from one sweet job to the next, leaving a trail of horror behind him. de Havilland was already in some difficulty, but it was nothing like the difficulty it found itself in after Mr. Danson became president. Who ends up paying those bills, Mr. Speaker? We do.

I happened to take a look at the April 30, 1984, issue of *Fortune* magazine. A statement on politics and policy in that magazine contains a discussion of the Mitterrand Government in France and its socialistic tendencies which have got France and the French people into difficulty. When looking at some of the comparisons used in that article regarding the difficulties of given nations with their external debts—I see that as an example—Canada's external debt exceeds those of Mexico and Brazil, two countries which we call almost bankrupt. Canada's debt exceeds Argentina's debt as well. As a matter of fact, according to these figures, Canada's external debt is $99.5 billion or 34 per cent of the gross domestic product, whereas Argentina's external debt is $36.5 billion and represents 30 per cent of its gross domestic product. It is not very pleasant to pick up an article like this and see what our financial rating is in comparison with that of other countries in the world, especially when those other countries are in real economic difficulty.

The Government of Canada tries to make us believe that everything is great and wonderful. It tries to make us believe that tomorrow will be a wonderful day, except for the fact that no one seems to have any respect for our dollar. Our dollar is costing the taxpayers of the country high interest rates, a lack of jobs and a lack of housing starts. Who is going to start to build a house now while watching us go down the road again to the high interest situation that destroyed many Canadian families not more than a year and a half ago? Yet billions of dollars are now being spent in an attempt to prop up a dollar that was a disgrace to start with and is worth 77 cents U.S.

Therefore, I would say that we do not need a Bill that is as anaemic as is this Bill. It is anaemic in comparison with our hopes for ever having control over the proliferation of Crown corporations, the incompetence of Crown corporations or the destructiveness to the private sector of Crown corporations. What we in Canada need is the elimination of incompetence and the elimination of many of the Crown corporations that go along with it. We certainly need some form of protection to eliminate the porkbarreling that goes on with the appointments of Grits only to the directorships of these boards. These Grits receive free plane tickets and free directors' fees for doing next to nothing. They end up finding out that for all of their incompetence, they are paid huge bonuses. That is the situation with de Havilland and that is the mess in which we find ourselves. The only way we are going to get out of that mess is by getting rid of these people and putting in power some people who will put some sense into the economy of the country.

Mr. Dan Heap (Spadina): Mr. Speaker, perhaps this Bill was introduced at this time in an attempt to appease the public and the parliamentary outcry over scandals like Canadair. If that is so, it is quite clear that its purpose was not to place Crown corporations under effective public control but to appear to place Crown corporations under effective public control. There is an old saying that British justice must not only be done but must be seen to be done. It appears that this Government does not believe that justice needs to be done but that only the facade need be created.

Previous speakers have pointed out many of the flaws in the Bill. There is no control over subsidiaries. The parent company may escape all of its real obligations by simply emptying itself into those subsidiaries that have already been pioneered. There is no control of the regulations. There is no assurance that elected representatives will be able to receive all the relevant facts, and there is no opportunity for elected representatives to debate certain reports and reject them if they find them to be faulty. This is not too surprising because, contrary to the statement of the badly informed Hon. Member for Prince George—Peace River (Mr. Oberle), Crown corporations are not a socialist invention. If, as he said, they only work in hell, it is because they were invented by capitalist governments.

At times, the CCF and NDP have used something like a Crown corporation as a model, because it was the only thing available under the current federal structure and laws of the country. However, for a century and more back, Crown corporations typically have been created to meet the needs of the most pressing and aggressive business people in the private business world. Until the late 1930s, that was generally done under the leadership of federal Tory Governments, and since then it has been done under the leadership of federal Liberal Governments.

The Tories, of course, feel that they have been shut out from what they call the porkbarrel and they want in again. In the meantime, as was pointed out by the Hon. Member for Skeena (Mr. Fulton), they are doing quite well with their provincial porkbarrels. Crown corporations were not created to serve the common people. They were created to serve the needs of big business. One need only look at Ontario Hydro to see a clear example of that at the provincial level.

I would first like to mention some examples of that which I have just indicated. Canadian Pacific created the means for investors to open up the West, to get at the minerals and other raw materials of the country, and to make a bundle by shipping farmers to the West.

The Acting Speaker (Mr. Guilbault): Order, please. The Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie) has passed twice between the Hon. Member who is speaking and the Chair in the last two or three minutes. I would suggest that the Hon. Member watch out for this.

• (1550)

Mr. Heap: Of course, Canadian Pacific is the most famous example of a corporation cheating taxpayers by taking subsidies given by taxpayers, and then reneging on commitments to provide transportation either for passengers or for freight. Its successor, VIA Rail, which was really created as a smokescreen for the CP, or the CP-CN, has established an amazing record of being totally free from the control of Parliament. During 1981 and 1982, Opposition Parties tried in every way to get some control over VIA Rail's cutback of 20 per cent of its service. The Government simply laughed at us and protected VIA Rail.

Canada Post has become a Crown corporation. Its prime function now is not to serve the individual person who writes letters, but to serve commercial corporations. It is cutting back on the service to individual letter writers and letter receivers.

There is also the Canada Mortgage and Housing Corporation, which for four decades has been following the purpose of funding private investors who are rent-gougers in the real estate industry. There is a small veneer of non-profit subsidy, but most of the subsidy goes to unlimited rental units and rent-gougers. They are now getting into the business of rent supplements, whereby the public purse will simply be used as a way of funnelling money to an unlimited degree to the private profit corporations which are monopolizing the apartment industry in the major cities of Canada.

In reference to housing, there is an example, not of a Crown corporation but of a public corporation that I think ought to be given more consideration in addressing this Bill on the question of the control of Crown corporations. The City of Toronto created a non-profit housing corporation. It did that for the same reason as that for which Crown corporations have been created, it being mainly that a certain major public need was not being met by private industry. The City of Toronto Non-Profit Housing Corporation has many problems. It started out with a great lack of experience and had to learn through a good many of its mistakes. One of its major problems was the Central Mortgage and Housing Corporation—the delays, misleading statements, reneging on promises, changing of rules in midstream and then the use of changed rules in order to milk not only non-profit corporations but co-ops by changing the basic rent rules after the general program had started. Nevertheless, the City of Toronto Non-Profit Housing Corporation has created low to moderately-priced housing for thousands of people in the City of Toronto who otherwise would not have been able to get it. These people would have had extreme difficulties in finding decent housing. What the City of Toronto Non-Profit Housing Corporation has that does not characterize the Crown corporations that the Government proposes to set up is, first of all, that city council has access to all the facts. It has a mixed board, made up of members of council and other citizens. We can argue about the proportions, but the fact is that council members have direct access to all the facts. The board is annually appointed, which means that the whole council can carry out an annual review. As well, the tenants have a right to appear before the board of directors to state their case. The tenants and the public can obtain information so that at the next general election of the members of the council they can, if they wish, elect councillors who will renovate, improve or correct the Toronto Non-Profit Housing Corporation.

That sort of strength, health and accountability is in no way provided by this Bill. What is really needed federally is legislation which would do the equivalent of what has been done municipally in Toronto and in other places. For one thing, we must remove the immunity of the Crown from ordinary scrutiny and litigation. Consider the scandal of a Crown corporation such as Eldorado being used to protect a whole group of private entrepreneurs who had engaged in a cartel by claiming that because of its being a Crown corporation the matter could not be brought before the courts. That protection must be removed from any Crown corporation legislation.

There must be provision for representation by workers at all levels in the industry. There must also be provision for representation by the users, because it is they who are the watch-dogs, not Parliament. Parliament can be useful in a limited way, but without the people who have the direct experience as workers and as users of the activity of the Crown corporation, Parliament can never be well enough informed to do its job. Above all, there must be guaranteed public access to all the facts, not only by some limited Senate committee or some limited parliamentary committee. There is no good reason why the basic facts of past operations of a publicly-owned corporation need be kept secret. There could be the usual discretionary secrecy when engaging in real estate buying or personnel decisions, which are taken by the City of Toronto Non-Profit Housing Corporation, but the books of the past are open and should be so.

I think the Government should junk this Bill, and bring in a Bill that really meets the need of the public, the need for public corporations that could be controlled through public representatives.

Mr. Benjamin: Mr. Speaker, I rise on a point of order. In the two or three minutes remaining, and so that another Member does not get his ten-minute speech broken up into three and seven-minute parts, I wonder if we could get unanimous agreement that the Hon. Member for Spadina (Mr. Heap) complete his remarks for the remaining two or three minutes until four o'clock.

The Acting Speaker (Mr. Guilbault): Is there consent?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Guilbault): Agreed and so ordered. The Hon. Member for Spadina.

Mr. Heap: Thank you, Mr. Speaker. I mentioned that the City of Toronto Non-Profit Housing Corporation is not the only one of its kind. Ottawa has one, and many other municipalities have carried out the same experiment. I think it would be useful, when this Bill goes to committee, to invite comments from both CMHC and from some of the non-profit housing corporations in order to gain from the experience which they have had. The committee could then make substantial and informed recommendations as to the possible amendments to the Bill or the possible reworking of the whole Bill, if the Government could be persuaded to withdraw it and bring it back in a more appropriate form.

I believe there is a great need to have full public examination of this Bill in committee. I hope the Government will not rush it. I understand the problem which the Government has in trying to guess when it will call the next general election. Nevertheless, I believe it would be very foolish to proceed on a matter of such great importance without hearing from those across Canada who have experience in organizations such as public non-profit corporations which are not Crown corporations. They would be able to provide a great deal of necessary guidance.

I see, Mr. Speaker, that it is almost four o'clock. If it is acceptable to you, I would be willing to have the House proceed to the next order of business.

The Acting Speaker (Mr. Guilbault): It being four o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

• (1600)

PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*English*]

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I rise on a point of order. There have been discussions among the Parties and I think if you sought unanimous consent to proceed directly to immediate consideration of all three stages of Bill C-205, standing in the name of the Hon. Member for Hull (Mr. Isabelle), you would find such consent. The House could then proceed with that Bill very quickly without any speakers since it is simply a Bill to change the name of the Hon. Member's constituency. I believe he will find there is agreement to move right away through all three readings of that Bill.

The Acting Speaker (Mr. Guilbault): Is there unanimous consent for the proposal just enunciated by the Hon. Parliamentary Secretary?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Guilbault): Agreed and so ordered.

[*Translation*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

MEASURE TO CHANGE NAME OF CONSTITUENCY FROM HULL TO HULL-AYLMER

Mr. Gaston Isabelle (Hull) moved that Bill C-205, an Act to change the name of the electoral district of Hull, be now read the second time and, with unanimous consent of the House, be referred to a committee of the whole.

Motion agreed to, Bill read the second time, considered in committee of the whole, reported, read the third time and passed.

MOTIONS

[*English*]

The Acting Speaker (Mr. Guilbault): Shall all orders and items preceding No. 98 stand by unanimous consent?

Some Hon. Members: Agreed.

* * *

ENERGY

PROPOSED EXTENSION OF DAYLIGHT SAVING TIME

Mr. Dan McKenzie (Winnipeg-Assiniboine) moved:

That, in the opinion of this House, the Government should, at the next Federal-Provincial Conference, consider the question of extending daylight savings time an additional two months.

He said: Mr. Speaker, this motion reads that, in the opinion of this House, the Government should at the next federal-provincial conference consider the question of extending daylight savings time an additional two months. It should be noted that although local time falls under provincial or municipal jurisdiction, official time is the responsibility of the federal Government.

The National Research Council presented a publication in 1983 recommending that daylight savings time be introduced on March 1, two months earlier than at present. The report states that recent interest in energy conservation has led to detailed studies of the possible advantages of longer periods of daylight savings time. It appears that significant savings in energy would result if daylight savings time were to start nearer the beginning of March and end about a week later in early November. The main energy saving is attributable to reduced consumption of electricity for evening residential lighting.

Year round daylight saving was first used in some countries during the Second World War. It was used in both Quebec and Ontario from September 1940 to September 1945, and throughout Canada from February 1942 until the latter date,

by federal Orders in Council passed under the War Measures Act.

In summary, it can be stated that while the use of daylight savings time is of questionable value in rural areas, in the westernmost portions of certain time zones and in the most northerly areas, it is well accepted by most people in Canada and the United States. It is probably only a matter of time before a move to an extended period is made in both these countries.

The National Research Council has been on record as supporting the extension of daylight savings time since 1974 when the United States experimented with daylight time the year round. Mr. C. C. Costain, head of the Council's electrical and time standards section, has stated that much better than year round daylight savings time would be a symmetrical system with about four months of daylight time after July 1 as is the case currently, and four months instead of two months before July 1. During March and April there would be enough light for schoolbound children in the morning and an extra hour for everyone in the afternoon. The Council would also like to see a one-week extension of daylight time in the fall so as to ensure plenty of light in the early evening on Hallowe'en, October 31.

The National Research Council stated that $23.8 million a year could be saved in the reduced use of electricity, the number of traffic accidents would decrease, the crime rate would drop, the economy would be sparked by increasing retail store business and school children would return home in daylight. The Province of Saskatchewan is on extended daylight savings. There would also be psychological benefits during winter blahs.

Currently before the United States Senate, a Bill is being debated which would advance daylight savings time by two months. A decision is to be reached later this year and should the Bill pass, it is expected that Canada will follow by adopting the same plan.

In the summer of 1983 I questioned my constituents of Winnipeg-Assiniboine regarding their feelings on the issue of extending daylight savings. Some 83 per cent favoured an extension, while some wished to have daylight savings time year round, similar to Saskatchewan. Only 12 per cent were against it and 5 per cent were undecided. As there was such an overwhelming majority of constituents who supported this proposal, I contacted the Hon. James Lee, Premier of Prince Edward Island, who is to be the next chairman of the annual premiers conference, and asked that he place the subject of extending daylight savings time on the agenda of the conference. In response to my letter, Premier Lee stated:

> My colleagues and I in the Council of Maritime Premiers support the extension of daylight savings time and indicated this in a press release in September, 1982.
>
> The next annual Premiers' conference may be an appropriate forum in which to raise this subject for discussion by the ten Premiers.

The press release which Premier Lee refers to in his letter read as follows:

Daylight Savings Time

> The Council of Maritime Premiers said that if the United States Senate approved a bill now before it to begin daylight savings time on the first Monday of March each year, about eight weeks earlier than is now the case, the three Maritime Provinces would urge similar action be taken in Canada.
>
> The U.S. proposal, which has already received approval from the House of Representatives would result in energy savings. Should this become a possibility, it must be implemented in as many areas of North America as possible because of the integrated transportation and communication systems on this continent.

I also received a letter of support from Premier William Davis of Ontario who stated that:

> Ontario would be more than willing to consider supporting the extension of daylight savings time if it is also supported and adopted by the other Provinces and by the United States.

As well, there are many other advantages to extended daylight savings time. For example, it has been noted that golfers could leave work at five o'clock and still get 18 holes in before the sun goes down. There are also many housewives who like to golf in the evening as well, so they would be able to go along with their husbands. Of course, this would be more of a benefit to golfers in the United States because our Canadian climate effectively limits our golf season.

• (1610)

If, as in Saskatchewan, it was determined that Canada should be on daylight savings time year round, Air Canada would not have to spend so much money and time on updating flight schedules. The United States is intent on adding a bit of sunlight to the afternoon. As a matter of fact, if legislation does not get the sunlight, technology will. Two NASA scientists postulate that 16 collapsible mirrors could be placed in low earth orbit and then propelled into an orbit 22,500 miles above the continental U.S. At that height the mirrors could track the earth's rotation and, directed by computers, could slowly direct a beam of sunlight from city to city, adding a few hours to the length of each day. It is estimated that this would save the equivalent of $285 million in energy every year and pay for itself within five years. I believe, however, that extending daylight savings time through legislation would be much easier.

I am suggesting that the subject of extending daylight savings time be discussed at the next federal-provincial conference. The ten Premiers could then consider the pros and cons of implementing this proposal in their respective provinces. There has been no response or comment from the west in this regard, and the western Premiers could request that their citizens let their feelings be known on the extension of daylight savings time.

[*Translation*]

Mr. David Berger (Laurier): Mr. Speaker, I do not often agree with the views of the Member for Winnipeg-Assiniboine (Mr. McKenzie), and today is one of those rare occasions that I do.

The suggestion to change daylight saving time or, rather, to extend daylight saving time over eight months of the year, has received the support of the National Research Council, as the Hon. Member pointed out. In fact, the U.S. Senate is current-

ly considering legislation, as the Hon. Member mentioned as well.

We must not forget, however, that changes of this kind will meet with a number of objections in some of our provinces. However, it seems that the arguments in favour, namely, energy conservation, which may mean a few dollars saved per household, and increased public security, should be powerful enough to overcome these objections.

Therefore, I would rather not prolong the debate on this question but simply say that we agree to put this subject on the agenda of the next federal-provincial conference, which would then be able to examine the feasibility of extending daylight saving time an additional two months, in other words, four months before the first of July and four months after.

[*English*]

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Guilbault): The question is as follows: Mr. Dan McKenzie moves that, in the opinion of this House, the government should, at the next Federal-Provincial Conference, consider the question of extending daylight savings time an additional two months.

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

Some Hon. Members: Agreed.

Motion agreed to.

Mr. Evans: Mr. Speaker, I think you will find that there is unanimous agreement that we call it five o'clock.

The Acting Speaker (Mr. Guilbault): Is there agreement to call it five o'clock?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Guilbault): It being five o'clock, this House stands adjourned until Monday at 11 a.m., pursuant to Standing Order 2(1).

At 4.15 p.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, May 7, 1984

The House met a 11 a.m.

• (1110)

GOVERNMENT ORDERS

[*English*]

FINANCIAL ADMINISTRATION ACT

MEASURE TO AMEND

The House resumed from Friday, May 4, consideration of the motion of Mr. Ouellet (for Mr. Gray) that Bill C-24, an Act to amend the Financial Administration Act in relation to Crown corporations and to amend other Acts in consequence thereof, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

Mr. Bill Domm (Peterborough): Mr. Speaker, I rise to speak on Bill C-24, which is an Act to amend the Financial Administration Act in relation to Crown corporations and to amend other Acts in consequence thereof. For my part I would like to discuss the legislation within the broader framework of government intervention. Rather than restricting this, the Bill gives the Government increased regulatory power and is therefore typical of the excessive desire on the part of the Government to control, to keep secret and to insulate, from both parliamentary scrutiny and public scrutiny, Acts of Parliament.

My strongest belief, as a former businessman and now as an elected representative, is that if private enterprise can do the job as well or better than government, then the state should not interfere. Where government intervention is necessary, it must be conducted in a spirit of co-operation and accommodation, not in competition with the private sector. I am sure the Minister of State for Economic and Regional Development (Mr. Johnston) would share this opinion if given the opportunity to express himself freely and free of Cabinet.

If in fact private enterprise is to be successful, the Government must immediately stop creating impediments to growth and allow the small-businessman the chance to expand and stimulate employment opportunities within his sector. Economic recovery is dependent upon developing the creative capacity of the private sector. Yet the Government continues to interfere in the economy, either directly or indirectly, through mechanisms such as Crown corporations. This constant interference in the marketplace has stifled private initiative and has suppressed investment capital which is so badly needed for job creation. If we are truly interested in creating jobs we need working capital. We have to encourage investment in the private sector, not discourage it. Confirmation of this is provided by the alarming trend developing which is effectively reversing the role of government accountability.

Today the attitude which is prevalent at many levels of the federal bureaucracy is that somehow the taxpayer is accountable to government, not the government accountable to the taxpayer. This is not at all surprising, considering the overwhelming growth of government which has taken place over the past 15 years.

The enormous size of government all but eliminates personal accountability for the economical, efficient and effective management of public funds. During the years of bureaucratic expansion, it appears that the public purse was deemed to be bottomless. All of this uncontrolled growth is designed for the purpose of allowing government increasingly to interfere in the process of free enterprise.

These concerns were expressed very clearly and were shared by the former U.S. Treasury Secretary, William Simon. He said:

> People must be taught to start calling for a rollback of the bureaucracy, where nothing will be lost but strangling regulation and where gains will always take the form of liberty, productivity and jobs.

In Canada today we are witnessing the growth of a disease of government which, if it is allowed to proceed unchecked, will reap untold destruction. Yet Government Members express shock when we criticize a Bill which, far from improving the situation, will only make matters worse by extending the discretionary powers of government and Crown corporations. There is, unfortunately, no shortage of evidence to support the claim that is being made on behalf of the Opposition. To quote page 13 of the Auditor General's report, he noted:

> It may be helpful in visualizing the scale of the problem to think of the whole group as an enormous iceberg floating lazily in the foggy Atlantic; silent, majestic, awesome. The public tends to see only the upper portions, . . . the giants like CNR, Petro-Can, CBC, . . . The great bulk of the iceberg below the surface is less spectacular, less likely to attract public interest, less likely to receive the attention of Parliament, yet costly to the taxpayers.

• (1115)

A list of "wild risks" and "unknown losers" include "the boat that wouldn't float". Between January, 1973 and June, 1979, the Government spent $1.4 million on a fisheries training vessel which was supposed to cost only $308,000 to purchase and refit. The Government of Columbia refused to accept the vessel due to its instability and unsuitability, according to the Auditor General's report of 1979.

Let us take a look at Consolidated Computer Inc. It was a government experiment to take an equity position in this

computer company, which it was subsidizing, and it ultimately cost the Canadian taxpayer $124 million. The company was finally dumped. That is proof evident of the inability of the Government to compete with the private sector. Let us look at Maislin Transport Ltd. In spite of being told not to by officials in the Department of Industry, Trade and Commerce, the federal Government guaranteed a $33.4 million loan to Maislin in July of 1982. A year later the company declared bankruptcy.

In February, 1981 the federal Government purchased Petrofina for approximately $1.46 billion, or $120 per share. At the time of the purchase the shares were trading for $90 and were estimated by various brokerage houses to have a true value of about $80. In other words, the federal Government paid between $365 million and $486 million more than was necessary in order to acquire a chain of gasoline stations in eastern Canada.

The carrying costs of the money invested by the Government to date in Petro-Canada totals over $700 million. It is important to remember that Petro-Canada was originally intended to give Canada a window on the oil industry. For the amount of taxpayers' dollars spent to date, I certainly hope we have a good view. However, I am not so sure the Minister of State for Economic and Regional Development would agree. For instance, on April 8, 1984, he had this to say about the "people's" company:

> I don't see any need for Petro-Canada in the service station business. I don't see that the Government needs to retail gas any more than it needs to retail chocolates—
>
> If someone came with a good offer for the Petro-Canada service stations, I would be the first to recommend that they be sold provided we are satisfied that the same service is going to be given to the public.

It is strange yet somewhat refreshing to observe a Liberal Cabinet Minister voice his concerns for free enterprise. I wonder where his recently established sense of conviction was when his accomplices and their bureaucratic experts fashioned the National Energy Program.

Government has to start slowing down on its involvement in the private sector. It is most important that when we look at Crown corporations, we assess them from the standpoint of their necessity, not from the standpoint of the necessity of government to get involved in the marketplace. I would hope that where the private sector is serving the Canadian people well, the Government would stay out of the marketplace and leave it up to that sector. That is the sector which can best manage our economy.

The Acting Speaker (Mr. Herbert): Before recognizing the next speaker, I would just like to caution Hon. Members if they are reading extracts that they read a little slower. It is extremely difficult for the simultaneous interpretation staff when a person is reading very fast.

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, I assure you that I will speak sufficiently slowly that even those people who do not understand Ukrainian will understand what I am saying.

I appreciate the opportunity to participate in this debate today and to deal with this legislative initiative which has been taken by the Government with respect to Crown corporations in our country. People who are following the debate will understand that there has been of recent months and years a very substantial concern expressed by many Canadians about the whole question of accountability of Crown corporations. I know that people in my own constituency have asked me how it can be that corporations such as Canadair and de Havilland, by way of example—

Mr. Fulton: PWA.

Mr. Hnatyshyn: PWA is a money maker. The Hon. Member for Skeena (Mr. Fulton) will know that when the Conservatives get their hands on these things, proper management and accountability prevails. However, I will save that for another debate, Mr. Speaker. I simply wanted to deal at this point in time with the whole question of accountability in terms of the intentions of the Government in this Bill.

• (1120)

Then, to deal with something which has not yet really been covered in this debate, there is the problem, as I see it, of two sets of standards; one for Crown corporations and one for the average Canadian. I refer to the principle of Crown immunity. That simply means that whenever an agency or an official of an agency of government is involved in activities ostensibly dealing with the performance of the duties of government, they are protected from prosecution, criminal or otherwise. For example, if I were to try and set up a cartel, within Canada or internationally, I could expect to be prosecuted to the fullest extent of the law by officials of the Crown. By the same token, if I were involved in misleading or false advertising, the people of Canada would say that it is against the law and that person or company should be prosecuted.

As you know, Mr. Speaker, Canadian Crown corporations occupy a privileged place with respect to the laws of this land. Crown corporations, agencies and Cabinet Ministers involved in direct competition with the private sector do not have to obey the law. They have the defence of Crown immunity. I think most Canadians would ask how this can possibly be. They think we live in a country with a government under the rule of law, which means not only the governed have to obey the law but governments also have to obey the law. I am sure the people do not realize that if government agencies and Crown corporations involved in commercial activities mislead the public by false advertising or involve themselves in cartels, they cannot be prosecuted. But the law says that is the case. Section 16 of the Interpretation Act deals with Her Majesty as follows:

> No enactment is binding on Her Majesty or affects Her Majesty or Her Majesty's rights or prerogatives in any manner, except only as therein mentioned or referred to.

That means that the agents of Her Majesty, the Government of Canada, are not affected by the criminal law in this country unless there is a specific inclusion in the legislation to make them liable. Crown corporations continue to enjoy spe-

cial status and they carry on business in the public domain, but they are not subject to the laws of the land. Since Crown corporations have immunity, they can break the law with impunity. There is no way to achieve redress through the courts of our land. We have one law for the Government, and another for you and me, Mr. Speaker, the governed of this country.

We all know the sordid history of the uranium cartel which took place under this Government. Involved were the present Minister of State for Social Development, Senator Austin in the other place, the Deputy Minister of Energy, Mines and Resources in charge of Uranium Canada and Eldorado Nuclear Limited, and others. These people and the Cabinet Ministers involved actually travelled around the world to set up a cartel with respect to the world price of uranium. This cartel was established. As a result, literally hundreds of thousands of Canadians paid unreasonable and unrealistic prices for uranium for the generation of power. The people in the Province of Ontario paid very large amounts due to this illegal activity. The Government of Canada initiated this activity and was the main force involved in the formation of the cartel.

• (1125)

Mr. Orlikow: Did the Ontario Government know about it?

Mr. Hnatyshyn: The Government of Ontario was completely oblivious, Mr. Speaker, to this whole situation. I always have to inform Members of the NDP about the facts of life. During my political life I have been trying to be helpful to that Party. They do not take my advice and look where they are in the polls. It is just awful. I do not know what I can do to salvage this Party, but I am working as hard as I can in the best interests of the people of Canada and the NDP to make sure that justice prevails.

In December of 1983 the Supreme Court of Canada handed down a decision which, in effect, said that Eldorado Nuclear and Uranium Canada could not be charged for their part in this cartel. They have been exempted. However, all the private concerns which were forced, by virtue of government directives, either to participate in this activity or be out of the picture as far as uranium sales are concerned find their positions in jeopardy. These private companies are taking the full brunt of the prosecution.

The Government is relying on this defence to protect itself and its political friends. Even under the freedom of information legislation the Government will not release documents pertaining to the formation of this cartel. That indicates the power the Government has. In our country we pride ourselves on the principle that the Government operates under the rules of law. That is why it is absolutely essential that we study this legislation to ensure that those who are involved in government are not exempted by their own legislation from any accountability to the courts or the Parliament of this land.

I could give you other examples with respect to the Department of Energy, Mines and Resources, Mr. Speaker. A matter was raised with respect to what many people in Canada considered to be misleading advertising. I see I have only a couple of minutes remaining, but I have a letter dated September 10, 1980 from Consumer and Corporate Affairs to Murray Coolican of the Canadian Arctic Resources Committee in Ottawa. In this letter K. G. Decker, Director of the Marketing Practices Branch, said:

> In addition, there have been some cases in law which appear to have established that agents of the Crown, which would include most government departments, cannot be prosecuted.

I raised in the House of Commons the matter of the Royal Canadian Mint, another Crown corporation, advertising silver dollars which in fact were 50 per cent alloy and 50 per cent silver. There was nothing in the advertising which told the Canadian consumer that. Simpsons Limited was prosecuted for advertising jewellery which was not all it was cracked up to be. They were fined $1 million. Of course, there has been no prosecution of the Royal Canadian Mint for misleading advertising.

I have really only started, Mr. Speaker, but I will conclude this part of my remarks on this issue. I know there has been some discussion about changing the competition laws of the country. In this legislation we need a provision to ensure that Crown corporations operate under the same rules as every other company or citizen of the country.

• (1130)

Mr. G. M. Gurbin (Bruce-Grey): Mr. Speaker, it is with great respect that I enter this debate to follow those Hon. Members in our caucus who have had many years of parliamentary experience and give a background of Crown corporations in order to let Canadians fully understand the difficulties of Crown corporation operations.

There is a story which I believe helps to explain the problems caused by Crown corporations in Canada and other countries assuming an increasing role in the economic and regulatory activities of a country. It is a story by Barbara Tuchman entitled "The March of Folly". The story is about King Philip of Spain who reigned during the seventeenth century. It is said that he died of a fever which was contracted by sitting too long beside a stove. The problem was that he was unable to find the public servant to turn down the temperature of the stove. This story reflects the difficulty that takes place when people who are not fully accountable or sensitive to what should happen carry out an operation for which the Government is responsible.

While King Philip met his end in an extraordinary way, I do not know whether it will be so obvious when we are consumed by the inability to gain control of the activities being undertaken on our behalf by public servants and others in Crown corporations. However, it is a clear demonstration of the dangers and difficulties that exist in Crown corporations. When one considers the ever-increasing involvement of government in the lives of Canadians, the point raised in this story about accountability and communication becomes more important.

The level of government activity in our daily lives has reached a tremendous proportion, up to 47 per cent of our Gross National Product. This demonstrates the need for more effective management and ability to control and direct this level of activity on our own behalf.

I would also question why we are dealing with a Bill such as Bill C-24 at this time. What is so important about its need today as compared to the last 15 years during which time these difficulties with Crown corporations have been identified by past Auditor Generals and numerous politicians from both sides of the House? These difficulties have been pointed out most recently by one of the Liberal leadership candidates who indicated with respect to Petro-Canada that he would like to make changes and sell some of the gas stations.

While these difficulties have been outlined for some time now, we are suddenly faced with Bill C-24. I guess something is better than nothing and that this Bill has some relevance in that at least some action is finally being taken to come to grips with this problem. However, some of the most important authorities throughout the country have not had an adequate opportunity to study this Bill in detail, to consider its consequences or suggest amendments to address these problems which we have known about for some time.

The Hon. Member who spoke before me indicated several specific examples of the problems which could develop. Due to his full knowledge and understanding of particular areas, such as the uranium cartel and so on, I think he is adequately qualified to point out how this Bill should be modified so that it does not end up as legislation that will not achieve the goals which we set out.

Of course, one of the main goals is to achieve accountability and ensure that Crown corporations have an obligation to serve the public interest while at the same time Ministers and the Government accept the responsibility for their direction. I believe the present legislation will continue to allow Crown corporations to take the responsibility which should be that of the Government in terms of management, personnel and other factors. While political initiative may be behind the action of the corporation, this Bill does not provide for the political responsibility of that action. There could be cases where capable, competent public servants, who may be able to produce a satisfactory result if left to their own resources, may have been interfered with by the political process which in turn has not been accountable for those activities.

In the few minutes remaining, let me proceed to the question of immunity from prosecution according to other Acts. If Crown corporations are to be any value, they will have to be subject to the same laws of the land as other Crown corporations within our economic environment. An excellent example of this was Eldorado Nuclear. In that instance the Combines Investigation Act should have applied. If this Bill is passed in its present form, I suggest that the Cabinet will be the real winner. It will not be Canadians who deserve to have sufficient accountability and the political responsibility which they can judge at the time of a general election. However, this legislation provides the Cabinet with many opportunities to avoid some of the responsibilities and escape some of the controlled mechanisms that should be consistently applied across the board, as was the intent of this very legislation.

In closing, let me comment on this massive government within government, as it has been described by one Auditor General, which exceeds even the current personnel of the Public Service. I think Canadians must come to grips with what is not necessarily a problem of government or Crown corporations but an effect of human nature. I believe it is human nature for all of us to try to achieve as much as possible with as little effort as possible, whether it is in a public activity, political or private enterprise. Therefore, unless there is accountability and an entire range of requirements for responsibility to carry out particular objectives, we will all lose a very great deal.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, after listening to the Hon. Member for Peterborough (Mr. Domm) who spoke earlier, I had the impression that he and perhaps some of his colleagues were so wedded to the free enterprise system that they are opposed to any and all Crown corporations. I want to remind him that Crown corporations are as Canadian as apple pie. Crown corporations have been created by federal and provincial governments that were Liberal, Conservative, NDP and even Social Credit. They were created by these governments when they came to the conclusion that the free enterprise system was not ready to take the risk. It could not see its way to making a profit in a field which was socially or economically necessary.

● (1140)

And so you have the Ontario Hydro which was created many years ago by a Conservative Government. You have the Manitoba, Saskatchewan and Alberta telephone systems. These are all Crown corporations. Manitoba's Crown corporation was created by a Conservative Government way back in 1907 led by Sir R. P. Roblin. You have the B.C. Hydro created as a public utility by a Social Credit Government. We ought to keep in mind that Crown corporations have been established because they were needed. That does not mean Crown corporations, like privately-owned corporations, need not be monitored, examined and watched to see they do the things which they were created to do. But to operate them as efficiently and as economically as possible, Mr. Speaker, the public needs as much information as possible. A government which creates Crown corporations, be it a federal or provincial government, needs the authority to see that its Crown corporations do the jobs they are supposed to.

There has been a lot of evidence of this, Mr. Speaker. I have given you de Havilland, Canadair and Atomic Energy of Canada, all of which got into trouble. Not only did they get into trouble but it was obvious they were not reporting to government as they should concerning their troubles and what could and should have been done about them. To the extent that this Bill improves the situation by giving government and, therefore, Parliament the authority and power to correct situations which are improper, we will support the Bill.

I want to spend a few minutes now discussing the problems of one Crown corporation which we believe should not be included under the terms of this Bill. I am speaking of the Canada Council. We think the inclusion of the Canada Council under the provisions of Bill C-24 is wrong. We feel the Government has made a serious error in this regard. We believe it is totally inappropriate for the Government to put an agency such as the Canada Council under the provisions of Bill C-24. We believe that the Canada Council Act as it now stands does everything which Bill C-24 would do, but it enables the Canada Council to maintain its independent position free from the influence of politically motivated decisions.

Over the past 25 years the Canada Council has established a reputation for quality of work, delivery of service, and support to the Canadian cultural community. This reputation was built on the principle that government in Canada should support the flourishing of culture and art in our country. But an independent body controlled by *bona fide* representatives of the arts and cultural community should make the difficult judgments about which artists and cultural endeavours should be funded by government.

Let me point out that the Canada Council was established in 1957 as a result of the recommendations of the Massey-Levesque Royal Commission on the Arts, Letters and Social Sciences in Canada. At that time the Commission stated in its report:

> We should . . . consider it a misfortune if this Canada Council became in any sense a department of government, but we realize that since this body will be spending public money it must be in an effective manner responsible to the Government and hence to parliament.

With the Canada Council we are not dealing with a massive corporation such as some I have mentioned, like de Havilland, Canadair or Atomic Energy of Canada. They are Crown corporations which spend hundreds of millions of dollars. We are dealing with a rather small and specialized organization which has always been clearly recognized as a promoter of culture, apart and independent from direct political influence. If Bill C-24 is passed into law without change and the Canada Council is included in the new Bill, it will therefore fall under the provisions of the Financial Administration Act.

It was a Liberal Prime Minister, Mr. St. Laurent, when introducing the Canada Council Act to Parliament, who stated that the Council should be independent because governments should, and I quote:

> —support the cultural development of the nation but not control it.

Bill C-24 directly contradicts the opinion of the arts community and overturns the principle of an arm's length relationship established by the Massey Commission and the Liberal Government of the day. We ask ourselves why. We think it is for bureaucratic consistency, to satisfy those minds concerned with building better paper empires, more fundamentally perhaps to give senior departmental officials control of cultural development and to politicize the process of the distribution of cultural funds even more. We have seen that kind of politicization in almost every aspect of this Government's operations. We think that has been bad. We think to begin to apply that to the Canada Council and to the arts and cultural community would be a major mistake.

As it operates now, the Canada Council is fully audited by the Auditor General every year, unlike the Crown corporation giants which are more correctly the prime targets of this Bill, and so they should be, Mr. Speaker. The Canada Council fully discloses the names of the organizations and individuals that receive its grants as well as the names of its members and its jurors. These are published in the annual report. Along with this, representatives of the Canada Council appear before Commons committees and other official bodies. They make reports and are subject to questioning on a regular basis.

The requirements of the Financial Administration Act will impose greater administrative costs upon the Canada Council and effectively reduce the already limited funding that the Council must allocate to the arts and cultural community. Under the provisions of Bill C-24, the 21-member board of the Canada Council will have reduced powers and be more subject to the imperatives of departmental officials with the almost certain result that the actions and decisions of the Council will suffer. Specifically the quality of judgment and the decisions made in allocating funds for cultural and artistic endeavours will deteriorate. The needs and priorities of the arts will fall victim to the closer relationship the Council will be bound to have with the Department of Communications.

We believe the Canada Council has over the 27 years of its existence shown itself to be an innovative and active organization using a relatively effective peer judgment system to allocate scarce funding to the Canadian artistic and intellectual community. In doing so it has nurtured research and creation in the fields of social sciences, arts, drama and music and it has produced valuable cultural achievements.

The implications of Bill C-24 are, in the case of the Canada Council, completely inappropriate. This Bill will contribute nothing to making the Council more effective in accomplishing its objectives. The Bill must be amended in order that the Canada Council is excluded from its provisions, just as other specialized agencies of the Government have been excluded.

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, the opportunity to speak on a Bill like this does not come too often. I am very pleased this Bill has now come to this Parliament, as it has to several other Parliaments through which we have sat. Bill C-24 deals with the organization and operation of Crown corporations to a great degree.

At first glance it would appear that this Bill will give the Government even more power. The Bill does not in any way clarify or specify how the Government intends to use this control of the various Crown corporations for the good of the general public, the taxpayer, or indeed of the corporations.

This Government has, of course, a long record of its treatment of Crown corporations, almost uniformly bad. I can easily agree with the Hon. Member for Winnipeg North (Mr. Orlikow). He pointed out that Crown corporations are supposed to be created to serve the good of the public, when there is a need for a public service that may be lost if the Crown

does not come to the rescue. That does not mean that the present Government understands its role in Crown corporations. One suspects that the real reason for many of the Crown corporations the Government has adopted lately is that it wishes the Crown to own as much as it can of the industry in this country. Among the reasons it places very high on the scale is the location of the Crown corporation, which Members of Parliament will be affected and what kind of berth it might provide for some of its former Members or some who will be leaving in the near future.

● (1150)

I would like to deal with the problem of the aircraft industry in Canada in particular. This brings us to Canadair and de Havilland. I and many of my colleagues sat in this Parliament in 1974 when this subject was a matter of active discussion. It is like a page from ten years ago to see the Hon. John Turner discussing what he would do. He was the leader in the movement for the Government to go to Crown corporations.

Despite his record of doubling the deficit, he now holds himself up as the champion of halving the deficit. The question of whether he is able to divide as easily as he was able to multiply is something the voters will have to answer, and maybe even John Turner.

When we debated this some ten years ago, the Government was clearly warned what kind of mess it was getting into if it got into the aircraft industry. My friend from York-Peel (Mr. Stevens) spoke on April 2, 1974. He pointed out that the Government and the NDP were of one mind, that they were lusting for power. At page 1095 of *Hansard,* the Hon. Member for York-Peel said:

> I think the Minister of Finance (Mr. Turner) in particular should note that these Members will buy anything sight unseen. When we attempted to have the estimate with respect to de Havilland reduced in committee, Government Members, joined by their allies in the NDP, said, "We don't care what the statement of de Havilland looks like. We don't care whether or not it is earning money. We want that estimate to go through".

The Hon. Member for York-Peel had come across information showing that while the Government was attempting to buy this corporation, it had sales valued at $35 million and was marginally profitable. At the same time the subsidiary of Hawker-Siddeley, England, Hawker-Siddeley of Canada, had sales of $200 million and profitability after taxation of $3 million. We bought the one with the smallest possible profitability and the lower sales. The Government was not interested in buying the one that was a going concern. That was typical of the attitude of the then Minister of Finance. He was totally supported by his chief rival at the meeting in Halifax yesterday. The then Minister of Industry, Trade and Commerce, now Minister of Energy, Mines and Resources (Mr. Chrétien), said some things which make for comic relief, knowing what we know now about his pet project, Canadair.

This hearkens back to the politics concerned. This company was located in the constituency of Dollard, the preserve of the then Minister of Supply and Services, the Hon. J. P. Goyer. He turned out to be an executive of Canadair when it became fully nationalized and needed some inexpert directors in which this Government's Crown corporations seem to abound. The Minister of Energy, Mines and Resources (Mr. Chrétien) was extolling this jump into the future that he had brought about. On March 8, 1977 he said in the House of Commons:

> I might talk for a few seconds, with your permission, about the famous LearStar jet project. I was asked questions in the House this afternoon on that matter. This is becoming one of the greatest success stories in the history of industrial development in Canada. Within three months, we have already sold 71 aircraft at a cost of some $5 million each. The prototype is not even completed but a combination of factors, the fact that it is a long-range plane with a range of over 5,000 miles and a fuel consumption of approximately two thirds that of competitive aircraft, the fact that the demand is greater for that type of plane since many air services have been discontinued throughout the world and executives feel the need to buy planes for their business trips, and also that we now have the expertise in Canada to build that plane, for all these reasons it is a very exciting program.

We could do with a little less excitement and a little more business sense. He is the second choice for the leadership of the Party across the way.

One yearns for one of the few moments of truth that one has heard from Government Ministers in this regard. When the Hon. Jack Horner was Minister of Industry, Trade and Commerce, I asked whether it was still the policy of the Government to sell to private industry the combined air industry which the Government claimed was the reason for nationalizing both of these companies. To his credit, Mr. Horner said that they had run into a problem: when they were losing money, nobody wanted to buy the company, and when they were making money, they did not want to sell. That was possibly the last totally honest answer we have had on this subject in this Parliament.

If one looks at Schedule C-II showing which corporations are being put in this Bill, you find that the Canada Development Investment Corporation in 1982 had a deficit of $1.7 billion. This was largely brought about by Canadair having a deficit of $1.4 billion. Several times the Prime Minister (Mr. Trudeau) and Cabinet Ministers have been questioned about this. Their answer is: "Do you want to lose the expertise? Do you want to lose the jobs?" It is a sad tale if a company is not able to produce a viable product. However, there must be a limit as to how much you are willing to spend for jobs. Since Canadair has approximately 1,400 employees, it is very easy to figure out what the jobs cost when you have a deficit in one year of $1.4 billion: it comes to $1 million per job. That is a little more than any economy can bear, to be losing $1 million per job created.

The Acting Speaker (Mr. Herbert): I regret to interrupt the Hon. Member but his time has expired.

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, we are debating Bill C-24, the Financial Administration Act, a Bill with a magnitude we cannot predict in terms of its effect on the economic health of our country. It is discouraging to be able to speak for only ten minutes on a Bill that has such great implications for the future of our country, for the health of our economy, for our unemployed and all the other aspects. In the ten minutes allotted to me I will confine my remarks to two very important principles that we have to

look at in this Bill. The first is the matter of accountability; the second is the matter of fairness within the marketplace.

The Government wants to have us believe that Crown corporations will always be accountable, that they are accountable to Parliament, that their annual reports will be tabled in the House and therefore the committees of the House are free to examine those reports. That, in the definition of the Government, is accountability.

● (1200)

However, there are reasons why Crown corporations are increasingly unaccoutable to Parliament. The first reason for this is the massive proliferation of Crown corporations. Frankly, we are losing track of how many Crown corporations there are, where they are, what they are doing and even whether they still deserve to exist. The population explosion of Crown corporations is such that we really cannot keep track of which Crown corporations exist in the marketplace.

I listened with care to the remarks of my hon. friend from Rosedale who spoke last week. He was quoting the Auditor General's report and pointed out that the Auditor General has been concerned about the fact that in the past 22 years the number of Crown corporations has been increased by something like 300. In 1962, 22 years ago, about 28 Crown corporations were in existence; there are now over 300 Crown corporations in existence. Back in 1962, the existing Crown corporations had known assets of about $8.4 billion. Today, those assets are now in the neighbourhood of $74 billion with an additional $63 billion of liabilities. We must ask ourselves how we got from the situation which existed in 1962 when there were 28 Crown corporations to the situation which exists in 1984 when there are over 300 Crown corporations.

If Government Members would like to say that these Crown corporations are accountable to Parliament, all we need do is ask ourselves whether those of us who have been here for half of those 22 years have seen legislation enacting each one of those over 300 Crown corporations. The answer is a very simple no. Some parent Crown corporations have within their enabling legislation the right to spawn further Crown corporations. Therefore, it is almost impossible for us to keep track of which Crown corporations exist in the marketplace. There are very different pieces of legislation which enable the Crown corporations to do that.

Today we are debating the Financial Administration Act dealing with Crown corporations. The title of the legislation would lead the general public to believe that because we are dealing with a Bill with a title which includes Crown corporations, it is legislation which affects all Crown corporations. Nothing could be further from the truth, Mr. Speaker. I have received correspondence from a company called Canertech regarding a company in British Columbia which was formed under the Canada Business Corporations Act. I will refer to that company a little later on in my remarks. As well, companies have been spawned by the petroleum legislation which has been passed by the House. On and on it goes and we have simply lost track of them all.

The second reason that there is no longer any real accountability and why there will be a diminishing level of accountability under this legislation is the shift of responsibility within Cabinet. In the parliamentary system of our country, Crown corporations have historically been accountable to the Minister to whom those Crown corporations report. That is eminently logical and I think the Canadian people generally believe that if a Crown corporation falls under the energy program, then the Minister of Energy, Mines and Resources (Mr. Chrétien) will be accountable for that corporation because it will report to that particular Minister. However, under the new legislation we are debating now, that will no longer necessarily be the case.

Accountability is now being shifted from the Minister to the Cabinet. It is being shifted from a specific responsibility to a general responsibility. How can accountability ever be demanded from a general body? I suppose the only way we could do so is to ask that general body to resign. I see that the Government is so interested in this legislation that the number of Members representing the Government who are present in the House has now been reduced to one. That tells us something about their level of interest. Responsibility is being shifted from the specific Minister to the entire Cabinet. No one will accept personal blame for the failure of any Crown corporation.

Another reason for the lack of accountability of Crown corporations is that Crown corporations enjoy a special and privileged position within the country under the terms assigned to them by the Government. My friend, the Hon. Member for Saskatoon West (Mr. Hnatyshyn), in his brilliant remarks regarding the aspect of the responsibility and accountability of Crown corporations, pointed out that the uranium cartel was exempt from any kind of punishment. He pointed out that it was immune from prosecution. Any company in the marketplace must accept responsibility for its decisions. As pointed out by the Hon. Member for Saskatoon West, when Sears erred in its advertising, it had to pay $1 million. When the uranium cartel, under the protection of the Government, erred, it did not have to pay anything. It was exempt.

The second principle I would like to raise regarding the matter we are debating today is the principle of fairness in the marketplace. It seems to me that Crown corporations play a kind of schizophrenic role in the marketplace. As my colleague from Winnipeg North (Mr. Orlikow) pointed out earlier, the general argument for establishing Crown corporations is that the marketplace is not meeting certain needs and therefore the Government must establish Crown corporations to meet those specific needs. Within the Canadian experience, none of us will argue that particular point of view. However, when a Crown corporation is purportedly founded to meet a need in the marketplace that is not otherwise being met, it at the same time wishes to argue that it is competing fairly and openly in the marketplace.

Nothing evidences that more clearly than the Federal Business Development Bank. It wants to say on the one hand that it is a bank of last resort meeting the needs of small businesses

in a way commercial banks do not, and on the other hand it wants to say that it is competing. It cannot have it both ways, Sir. Inevitably there is a conflict in goals. However, because of this privilege, Crown corporations enjoy a special relationship.

In the minute or two I have left, I would like to discuss the company to which I referred earlier, Canertech Inc. of Canada. That company sent out a news release some time ago announcing that Wood Gundy is conducting a survey of all energy companies in Canada and wants those companies to provide information to Canertech so that Canertech can help EMR provide an information base. To whom will that information base be provided? Will it be provided to companies like Pacific Enercon which exist to provide competition to private enterprise companies? The Government, by way of a Wood Gundy report, is seeking information from private companies in order to help government companies compete with private companies. That, Sir, creates unfairness in the marketplace.

The Acting Speaker (Mr. Herbert): Order. Order, please. I hate to interrupt the Hon. Member but unfortunately his time has expired.

Mr. Joe Reid (St. Catharines): Mr. Speaker, I wish I were able to conclude the comments of my hon. colleague. I too am pleased to rise to participate in the debate of this important Bill and this important subject and to face the problem of saying all I want to say about Crown corporations within a ten-minute time limit.

Bill C-24, known as the Crown corporations Bill, has been a long time in its making. The making of this Bill depicts the Government for what it is. It is flawed, ineffective and inoperative. Many here will recall that in 1979 the Progressive Conservative Government, in less than six months, introduced a Crown corporations Bill which followed very closely upon the very critical Lambert Commission report. We introduced that legislation so that it could be studied, improved and acted upon. But the Liberal-NDP coalition destroyed that opportunity. Almost five years later, the Government comes forward with this version of a Crown corporations Bill.

• (1210)

Quite frankly, Bill C-24 has virtually no chance of passing and receiving Crown approval, Royal Assent, during the present session. It has been introduced to deflect criticism of the fact that the Government has done nothing to rein in Crown corporations over the past five years. The last thing the Government wants is for the truth to come out about Canadair, de Havilland, Air Canada, the post office and a great number of other corporations already mentioned by my colleagues in their comments.

One way to keep the true story hidden is to introduce legislation at the last minute and then blame the Opposition for not passing it. We have a piece of legislation which promises much and delivers little. The issue is and clearly has been for several years that of accountability—accountability in, of and for Crown corporations.

Lawyers will always caution a client to read the fine print before a document or contract is signed. No lawyer would ever condone or recommend the signing of a contract before they saw or read the fine print. The kind of fine print we are talking about here is, of course, regulations. This Bill, with respect to almost every section of substance, allows the details to be written in later through regulations. Those regulations are subject to change at the whim of the responsible Minister.

Canadians may as well ask what the point of the legislation is if Crown corporations are going to be exempted from its provisions by regulation. It is worth noting as well that some 100 Crown corporations already in existence will not even be touched by this legislation. Their exemptions came early indeed. Neither does this Bill give Parliament any control over the creation of subsidiaries of Crown corporations, or the creation of a new or other subsidiary corporation where they are permitted in existing legislation. We will have proliferation in the growth of those corporations providing a safe sanctuary for retired or defeated Liberals in the years to come.

We on this side of the House have become increasingly annoyed by the growth of patronage appointments. Ability, competence and merit do not seem to matter any more. If there are not enough jobs to go around, the Government simply expands the creation of a good number of other sinecures.

This legislation would assist by redefining the board of directors of Crown corporations so that those boards would have a real and responsible purpose. In the private sector, the board of directors has a responsible chore; they have responsibility to the shareholders and to their directors. But here Cabinet would appoint the chief executive officer, set his tenure, fix his remuneration, and so it goes with the chairman of the board. The Cabinet would dictate dividend policy and, indeed, literally make all corporate decisions without the necessity of consulting with the board of directors affixed to that particular Crown corporation. What a farce! It is a long way around to provide a convenient resting place for government appointees.

It is interesting to note as well that Bill C-25, establishing the Canada Development Investment Corporation, allows the board of directors to appoint the chairman and the chief executive officer. Bill C-24 gives that responsibility to Cabinet. I am glad to see that there are now about five Government Members present. Confusion reigns on that side, as is so clearly evident among the present crop of leadership candidates.

Canadians are well familiar with the sinkhole some Crown corporations have become, filled in with taxpayers' money. The post office goes on losing hundreds of millions of dollars a year. VIA Rail is accomplishing the same feat. Canadair and de Havilland have shocked the nation through their losses. The Canadian taxpayer is left to wonder what really is going on in this Government. Someone has to be accountable for the excesses that have taken place. Accountability should be the cornerstone of any legislation dealing with Crown corporations. Government Members say "Trust us". The Government

record speaks for itself—Loto Canada, Petrofina and the election promise of "Elect us and the price of gasoline will go down". Bill C-24 is simply an open invitation to continue this Liberal tradition.

My constituents are well and truly fed up with newspaper headlines screaming about multimillion dollar losses by Crown corporations. Controls and accountability are a must. The Government has been promising action since 1977. If Bill C-24 is the best that the Government can do after seven years, then move over and let us take its place.

Mr. Lorne Greenaway (Cariboo-Chilcotin): Mr. Speaker, like most Canadians I do not know a lot about Crown corporations, but I have a number of impressions in my mind and I have tried to rank them in what I consider some sort of order.

The first thing that comes to mind is that it appears there is a large number of Crown corporations which keep proliferating one after the other in leaps and bounds. In 1968 there were 38 Crown corporations; in 1980 there were 130, but there were 213 subsidiaries and 126 associate corporations. An example of how these corporations grew so fast is the Canada Lands Corporation which was formed in 1982. Since that time it has spawned five subsidiaries. It reminds me of asexual reproduction, where bacteria split in half and then those two halves split again and then split again. Before we know it, we have hundreds and hundreds of these corporations. The impression I get is that we do not know how many Crown corporations we have. We keep hearing that we have at least 400. I do not know if that is right or wrong, but I have never heard anyone stand up and tell us exactly how many Crown corporations there are in Canada.

Another impression I have is that Crown corporations continue to lose vast amounts of money. I am sure some of them probably make money, but we do not hear much about the ones that make money. We continue to hear about the huge sums of money that are poured into Crown corporations using taxpayers' dollars.

A third impression I have is that there is a vast build-up of debt charged to Crown corporations. Again, I have never seen a total or a figure. I have seen some figures, but I do not know how accurate they are. However, I do get the impression that there are billions and billions of dollars in debt piling up in Crown corporations.

The fourth impression I have is that there are a great man's people employed by Crown corporations. I believe I read one time that there were more people employed by Crown corporations than by the Public Service of the federal Government. That might not be accurate but it is the impression I have.

• (1220)

The fifth impression I have is that there is a problem with the auditing of Crown corporations as well as accountability and responsibility. When something goes wrong no one seems to be in charge. Everyone runs for cover. We do not know on whose desk the buck will finally wind up.

The sixth impression I have is that many of the objectives of Crown corporations could be better served by the private sector.

Those are some of the impressions I have of Crown corporations and I dare say they are representative of what many Canadians think of Crown corporations. I apologize to Hon. Members for not having made an in-depth study of this subject and for not having more accurate knowledge. In any event, I felt when this Bill came forth that any thinking government would want to correct all of these impressions. Surely it would be an excellent plank on which to win an election.

Looking at Bill C-24, it appears that it is not what we had hoped it would be. There are many things which are left undone. For example, let me quote from the report of the Auditor General for 1982 with respect to accountability:

> A major theme of my 1982 Annual Report was the accountability of Crown-owned corporations. With the exception of my predecessor's warnings about the state of government financial management in the mid-1970s, no issue involving my Office has captured more public attention than that of the accountability of these Crown-owned corporations. The reason is obvious. A lot of public money is at stake. The accountability framework for what I have referred to as this "sub-government" is inadequate.

On February 28 the Auditor General wrote to the Prime Minister (Mr. Trudeau). He was laudatory of the actions of the Prime Minister and the President of the Treasury Board (Mr. Gray) for bringing forward this Bill. He said, and I quote:

> I recollect that last June I wrote you, expressing my concerns about the need for a more effective accountability framework for Crown-owned corporations. I think it therefore only appropriate that I write again now when there is such tangible evidence of action that will help to alleviate my concerns.
>
> May I be permitted to express my sincere thanks for the personal initiatives that you and members of your Cabinet have taken in this endeavour. I wish you and Mr. Gray smooth sailing in the House.

I do not think what the Auditor General really wanted is in this Bill. It seems as if there is much left to interpretation, and I do not believe it is very clear cut as to what the Auditor General's role is going to be as far as Crown corporations are concerned. I feel the Auditor General has settled for half a loaf and I wonder whether after hearing these debates over the past days, the Auditor General is still as satisfied with this legislation as he appeared to be in February.

As far as responsibility is concerned, Mr. Speaker, there is still no one responsible when it comes to this Bill. The Minister is certainly not responsible. It appears that the Cabinet is still taking the major role of responsibility and there are 30-odd Cabinet Ministers. Of course, as soon as they get into trouble, they are going to run for cover. I believe we are going to be in exactly the same position as we are at the moment. This Bill simply does not designate who is responsible when we get into a problem. Over and over in this Bill, Mr. Speaker, one sees that items are left to regulations and to discretion. That is simply not good enough when we are dealing with billions and billions of dollars and such a vast number of corporations. These things should be spelled out very definitely.

As far as the matter of proliferation is concerned, it seems as if an "end run" has been made around Parliament. Crown

corporations are still going to be able to spin off subsidiaries and that is where the real growth is going to occur. On top of that, Mr. Speaker, there are a number of other items which this Bill does not address, for instance, the privileges and immunities of Crown corporations. The matter of their immunity from the Combines Investigation Act has not been addressed in this Bill. The question of whether or not public servants should be allowed to sit on the boards of Crown corporations has not been addressed in this Bill, as well as the creation of any kind of parliamentary oversight committee, a watchdog type of thing for Crown corporations.

I believe, Mr. Speaker, the Bill is filled with half measures. It does not go as far as it should. It needs to be amended in many areas. As I said, I certainly do not profess to be any kind of an expert on Crown corporations, but I am unhappy with the Bill and I feel most thinking people in Canada would be as well. It is not a good enough Bill to correct the problems which Crown corporations have caused our country.

Mr. Gerry St. Germain (Mission-Port Moody): Mr. Speaker, I rise today in opposition to Bill C-24, an Act to amend the Financial Administration Act in relation to Crown corporations. I do not intend to go into this Bill clause by clause mainly because of lack of time. However, I will cover what I consider to be the most contentious parts of this particular Bill. I would first like to point out that the Bill is certainly not what the Government opposite purports it to be. Second, it is a travesty of errors and omission. It does nothing to change the present situation or the status quo regarding Crown corporations.

As a small-businessman, Mr. Speaker, I can tell you that the very survival of the day-to-day operations of my business relies mainly on accountability. That accountability, Mr. Speaker, I do not see in relationship to Crown corporations and this is what I feel Bill C-24 should provide. It should provide legislation which would demand this accountability, which would point out this accountability and enforce it.

Let me cover a few points related to this accountability factor. The Auditor General on numerous occasions has pointed out to the Government opposite the lack of accountability, but the Government opposite merely ignores it. I know the Auditor General can defend himself and does, but it should be pointed out that Bill C-24 just further neutralizes his position and Parliament's position.

I would like to dwell now on some of the more direct issues and why we in the Opposition oppose Bill C-24 in its present state. I take the example of Crown corporations such as de Havilland and Canadair. Most Canadians who look at these corporations see the financial disaster of the century. Canadian tax dollars have been, and continue to be, sunk into these sinking ships. Government approaches these corporations on a hit and miss basis, Mr. Speaker. The dollars which these corporations have swallowed up would have saved most of the small businesses which went bankrupt in 1982.

We are given the story that we are maintaining our technology by these investments. There is no one in this House, Mr. Speaker, who wishes to preserve technology more than we do. But at what cost? Not at the cost of national bankruptcy, Mr. Speaker. We as a Party and myself as an individual have spoken many times in this House on unemployment. I realize the importance of the jobs in these two Crown corporations, and I will do what I can to protect those jobs, as will other Hon. Members of my Party. However, we are jeopardizing these jobs, instead of protecting them, through a lack of accountability.

• (1230)

I would now like to look at Cabinet's role regarding Bill C-24. How does Cabinet deal with the disastrous performance of these Crown corporations? Do they bring in meaningful reform? Absolutely not, Mr. Speaker. Instead, this Bill gives more control to Cabinet. Cabinet is supposed to be running this country and every economic indicator shows it is having a great deal of difficulty. Its members should spend their time running the country instead of trying to run these Crown corporations. Just as a personal observation, as a small-businessman I would not hire one of the members of the present Government to run or oversee any of my businesses, not even a peanut stand. Therefore, why should we give them this ultimate power under Bill C-24?

Under this Bill, Mr. Speaker, the Cabinet would acquire much greater authority to overrule a board of directors. It could appoint a board and then overrule them before they start. It can deny information to Parliament without explanation. In this its members are consistent, Mr. Speaker: they operate as a democratic dictatorship; they exempt certain Crown corporations from general provisions of the Bill. If Cabinet wants to have a sideline, start a little gimmick, the provisions are there. It can fine-tune the application of the Bill by making regulations that need not be disclosed to Parliament. That is what the Cabinet is responsible for, Mr. Speaker, not disclosing to Parliament what it should. These are clear impediments to accountability and I fear the result will be the inefficient running of Crown corporations.

The Cabinet adopted auditing methods such that Liberal-appointed patronage auditors will audit the performance of Liberal-appointed executives of these corporations, supervised by a Liberal Cabinet. This is like taking all the foxes and putting them in with the chickens. It is bad enough that Canadian taxpayers have to subsidize the fees and salaries of these patronage appointees, but must they pay the bill for their mismanagement?

What is Bill C-24 really? I suggest it is ominous, creeping socialism. The Liberal appointees go to the boards, collect their honorariums and do what the Government tells them to do. Cabinet appoints the vice-presidents of some Crown corporations such as Canada Post and CMHC, and then appoints the auditors. It makes and approves the by-laws and sets the dividend policy. If the vice-president, the auditor and the board of directors are all appointed by Cabinet, there is a conflict of interest. But they would not understand conflict of interest because that is the way they operate. No one in Crown

corporations will speak out for fear of losing their jobs, so the losses continue to grow. Even if they do speak out, the Government says nothing. The Cabinet makes the final decision.

There must be individual ministerial responsibility, Mr. Speaker, but this Bill places responsibility with groups of Ministers. That is one reason these Crown corporations have staggering losses which continue to grow. I cannot repeat often enough that accountability is the problem, not reorganization through CDIC and super-Crown corporations which will only result in greater mismanagement and greater dollar losses.

Yesterday I listened to the Minister of State for Economic Development (Mr. Johnston). The questions he raises concerning the money lost in Crown corporations are serious. The losses are horrendous. When we see the tragedy and despair of youth unemployment, the opportunity cost of that money is unforgivable; this from a senior Minister in the Government. Mr. Speaker, nothing this Government does can be viewed in isolation. Money lost by Crown corporations means less money for medicare, education and reforestation, to name just a few. This Bill does not address the problems facing this country. We will continue to slide backwards economically if we do not change this Bill.

Hon. Allan Lawrence (Durham-Northumberland): Mr. Speaker, unlike most of my colleagues I do not intend to deal with what Bill C-24 does, even though what it does is inadequate or wrong. Instead, I would like to focus on some of the many important issues with which, to my mind, Bill C-24 should deal but does not.

Contrary to what we have heard from the Government, this Bill is not an ambitious piece of legislation in any way, shape or form. It really does not cover anything new. Many of these issues have already received a great deal of public notice. For example, they have been covered in a series of reports from the Auditor General dating back to 1976. Some of these issues were canvassed in the blue book published by the Privy Council Office in 1977. Some were reviewed in the Estey Commission of Inquiry into Air Canada. They have been covered in the Standing Committee on Public Accounts, particularly the Crown corporations report of 1978. They were studied extensively by the Lambert Commission in its 1979 report. Some of these issues were the subject of Bill C-27, the omnibus Crown corporations Bill formulated and tabled by the short-lived Progressive Conservative Clark Government in 1979.

I am disappointed in this Bill before us today because I do not think it really breaks any new ground at all. It is simply a haphazard amalgamation of selected recommendations, observations and reforms from a host of previous studies, reports and Bills. I suppose one reason Bill C-24 lacked any apparent over-all consistency is that the Government has chosen a set of supposed solutions without any attempt at overall rationality. I do not think the Government can make up its mind on what it really wants to do with Crown corporations. For example, why is this Bill in conflict or inconsistent in so many respects with the specific Crown corporation Bill, Bill C-25, dealing with the CDIC?

I have indicated that I want to talk about what Bill C-24 does not even purport to do, Mr. Speaker. First, a Bill such as this, which is long overdue, provides a wonderful opportunity for the Government to wind up several Crown corporations which are inactive, some of which have been inactive for some time. I have in mind companies such as Canadian National (West Indies) Steamships Ltd., Loto Canada Incorporated, Uranium Canada Limited and others. It would have been good management, something which is apparently foreign to the Government, to wind up these corporations.

● (1240)

In addition, such a move would have prohibited the Government from reactivating these corporations at a future date as the public Works Land Company was in 1978, after a long period of inactivity, to administer the lands peripheral to Mirabel Airport. The reason such an old and dead Crown corporation was reactivated was to enable the Government to avoid any scrutiny or control by Parliament. Instead, the Government has added many of these inactive corporations to the schedules of Bill C-24. I hope you will forgive me Mr. Speaker, for suspecting that this is intentional and that the motivations are anything but honourable.

Second, Mr. Speaker, Crown corporations enjoy a long list of privileges and immunities by virtue of their ownership by the Crown. These are privileges and immunities not enjoyed by their private sector competitors. Bill C-24 says nothing about those privileges and immunities. For instance, when borrowing on the capital markets, many Crown corporations enjoy "sovereign status" and their rating and cost of money or, in other words, their interest, is roughly equal to that of the Government of Canada.

Most Crown corporations are immune to a wide range of federal and provincial statutes. As we saw in the uranium cartel case, for example, Eldorado Nuclear in my own constituency and Uranium Canada were held to be immune from the federal Government's Combines Investigation Act. That is certainly an inequitable position which should be dealt with in a comprehensive Bill such as this. Under the current Patent Act, most Crown corporations have full and unrestricted access to Canadian patents without the payment of royalties or fees.

I will not go on, Mr. Speaker. Time does not permit me to list the full range of privileges and immunities enjoyed by Crown corporations. The private sector has asked the Government again and again to remove at least some of these privileges and immunities from those Crown corporations which compete with private sector enterprises. Bill C-24 says nothing about that.

Third, Mr. Speaker, Section 45 of the Financial Administration Act provides that the borrowings of agent Crown corporations are to be recorded as direct liabilities against the federal Government's Consolidated Revenue Fund. Instead, the Government has engaged in an accounting sleight of hand by

recording such borrowings as contingent liabilities, thereby understating the Government's gross direct financial exposure. The accounting community, the Auditor General and the financial markets of Canada have repeatedly asked the Government to straighten out this situation by either having the accounting practices reflect the law or the law reflect the accounting practice. If the Government had the courage of its convictions, it would have set the record straight one way or the other. Instead, Bill C-24 says absolutely nothing about this.

Fourth, Crown corporations are usually heavily debt financed. This practice too allows the Government to engage in some accounting manoeuvrability. As the Public Accounts Committee noted, the debt financing of the Canadair Challenger and the de Havilland Dash programs not only represented poor business judgment, but was also responsible in part for those companies' current chaotic financial situation. Debt financing makes it more difficult to compare the performance of Crown corporations with that of private sector competitors. Debt financing helps to keep Crown corporations tied to the public trough. Debt financing makes Crown corporations more susceptible to interest rate fluctuations and economic downturns. Again, Bill C-24 does absolutely nothing about this.

In many other ways which I have not had time to discuss, Sir, Bill C-24 should be drastically amended before it goes through the House.

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, I am pleased to participate in the discussion on Bill C-24 in relation to Crown corporations. I would like to begin by saying that two separate and extremely critical issues have become the trademark of the Trudeau times. I am speaking primarily for all of western Canada. First, there is the ever-increasing budget deficit. Second, there is the irresponsible management and lack of accountability of Crown corporations. Bill C-24 concerns the Financial Administration Act in relation to Crown corporations.

In my own constituency I have found that Crown corporations are always the subject of critical comment. Perhaps this is due to a number of reasons. People are always poorly informed about Crown corporations. They never seem to be able to learn details such as why they exist in the first place and how long they might be expected to operate. Crown corporations are difficult for any politician to explain because in many cases they seem to serve such a nebulous purpose. They are also difficult to explain because there are so many Crown corporations in existence and they are so variable in their operations.

A few examples come to my mind from personal experience in my constituency. The one which is by far the easiest to recall is Petro-Canada. Petro-Canada operates a number of producing gas wells and pipelines on my cattle ranch in southeastern Alberta and has for a number of years. Petro-Canada did not explore and discover this gas field; it was purchased with taxpayers' money. That makes a tremendous difference in the feeling towards Petro-Canada in the western part of Canada, especially in the gas-producing area of the southern Prairies. In the case at hand Petro-Canada purchased its assets from Atlantic Richfield Canada Limited. The first visible result of this takeover was a marked increase in the number of employees and the number of trucks used to tear around the country in. At the same time there was a marked decrease in gas well drilling activities. Petro-Canada is the most visible evidence and reminder of the National Energy Program. This Program is still considered to be a total disaster in western Canada, especially in the last three years.

Further evidence of this disaster has been the collapse of the oil and gas well servicing industry centered around Brooks and Medicine Hat in southern Alberta. Brooks was a thriving small town. It has tripled its population in a very short period of time, due mainly to the interest in gas well servicing. Brooks had attained a population of about 9,000. Now it is a veritable ghost town. This is because of the harsh reaction of the National Energy Program and its backlash on the oil and gas wells, especially the gas well servicing industry.

• (1250)

There is now no evidence of a recovery in the natural gas industry in western Canada and there will be none until the export of natural gas from the southern Prairies to the United States picks up significantly. The only hope for better days in our natural gas industry in Alberta is increased gas export to the United States.

The most knowledgeable people in this field now indicate that that pick-up cannot be expected for two or three years. The only way there will be an increase in activity in our natural gas industry is by significant gas export increases to the United States.

There is another, totally different type of Crown corporation about which I want to comment. That is Canagrex. It is still a bitter memory for many of us. Presumably the Canagrex operation is now in place but there is no report of any real activities in finding any new markets for our agricultural products. Rather, just the opposite is taking place right now, especially in my own industry, the beef cattle industry. Other countries are now finding new markets here in Canada. Just last week, during the NDP opposition day when they were debating agriculture, the Hon. Minister of Agriculture (Mr. Whelan) was the second speaker. He drew attention to the two-way trade between some European Economic Community countries and Canada. Without going into detail, he gave me an opportunity to remind the Minister about excessive beef imports now coming in from such countries as the Republic of Ireland, Denmark and Holland. In the case of the Republic of Ireland, its beef is being imported into Canada presently with an import subsidy by Ireland of 50 cents a pound in Canadian currency. The same situation is occurring with canned pork from Denmark.

Our Canadian cattle producers, specifically the Canadian Cattlemen's Association, reminded both the Minister of Agriculture and the Minister for International Trade (Mr. Regan) of this situation three months ago. At that time the cattle producers asked for countervailing duties to be imposed

at the same amount of money that the import subsidies from the countries in Europe amounted to. Yet nothing has been done about this by either Minister to date. They have suggested that perhaps the whole situation should be investigated even further.

Very briefly, I want to comment on the post office in my own community. Our first-class mail takes much too long to be delivered. I speak with personal knowledge and I am referring only to western Canada. The post office facilities in Medicine Hat, especially for customer parking, are terrible. If we as Members of Parliament in the west had to depend totally on our post office for our constituency communication, our whole system would have collapsed long ago. The saving feature for all of us, of course, is the excellent telephone service that we are provided with and allowed to use extensively.

I want to conclude by referring to the excellent speech that opened this whole debate. It was made by our spokesman, the Hon. Member for Calgary South (Mr. Thomson). He said as reported at page 2385 of *Hansard:*

—we will never solve the problems of Crown corporations until they come under an effective regime of individual ministerial accountability—

Bill C-24 goes in the opposite direction. The individual Minister is nothing but a post box—

The real authority is, of course, exercised by Cabinet or Treasury Board; groups of Ministers rather than individuals. In being accountable to so many Ministers, corporations will continue to be accountable to no one.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, the question of Crown corporations has been before the Canadian people for approximately 70 years. We are still faced with the same problem, which is that of accountability.

This Bill involves a simple vote to send this new effort on the part of the Government to a committee. I am saying in all seriousness that it is the most useless action that anyone could think of. The committee will discuss this issue at length and arrive at no decision.

Let me give the House some simple advice. If this House wishes to serve the country, let us abandon this Bill. We know that there is a dying government which has no intention of returning this Bill to the House in this session. Let this legislation disappear so that we can have a chance to spend two or three years to get at the basic problem.

My own positive contribution to the debate would be to suggest that one provision in particular should be included in any Bill dealing with the accountability of Crown corporations if it is to succeed. My advice simply is that if accountability is turned over to the Cabinet, as this Bill does, the same mistakes will be made as have been made during the last 70 years.

This subject was discussed in great detail during the period 1964 to 1967. At that time we were debating one of the biggest Crown corporations in Canada, Canadian National Railways, within the debate of the whole national transportation Bill. Members of the House discussed this at great length and I believe close to 70 amendments came from the floor of the House of Commons. All but two of those amendments were accepted by the Government.

It is interesting to note what those two exceptions were. One amendment concerned the question of accountability. I will not go through the whole debate at that time because it is not necessary. The Official Opposition made that recommendation about accountability but it was turned down by the Government and the NDP. The Leader of the New Democratic Party at that time, Mr. Lewis, held honestly to the view that once this immense power and wealth was turned over to a Crown corporation or any government agency, it should be entrusted to do the right thing since it would have no motivation except to help the country.

However, the grim experience in all countries that have had these types of organizations, including the U.S.S.R. and China, has led us all to agree, both in the socialist nations and so-called non-socialist nations, that there must be a better way than this to deal with the question of accountability in any form of government.

May I call it one o'clock, Mr. Speaker? I want to deal with this proposal later.

[*Translation*]

The Acting Speaker (Mr. Herbert): Order! It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

PENITENTIARIES

CONDEMNATION OF DAY PASS FOR SEX MURDERER

Mr. Geoff Scott (Hamilton-Wentworth): Mr. Speaker, I rise to express my disbelief and outrage at the day parole privileges given to a four-time convicted sex slayer.

For a number of hours during the weekend while William Boden, known as "Strangler Bill", was still at large, the community of Dundas, which I represent, was terrified that what police described as "an extremely dangerous psychopathic killer" was making his way back to southern Ontario to visit relatives. Given his violent criminal background, there were fears that he would take the life of another Dundas girl in the same horrible way he strangled and multilated school teacher Elizabeth Ann Porteous.

I want immediate answers from the Solicitor General (Mr. Kaplan) and the National Parole Board on how it was that "Strangler Bill", whose trademark was to leave teethmarks on

S.O. 21

women's breasts after he raped and mutilated them, should be allowed a lovely lunch in a fashionable downtown Montreal restaurant. I demand to know how he got his own personal American Express card, and who gave him $300 in cash. I want to know how we are expected to believe the guard who fell for the oldest excuse in the world, right out of a Grade B movie, that the killer had to find the men's room.

I found it absolutely incredible that he was out of jail at all. I demand to know where, in the name of Heaven, is there any justice for society in allowing day passes for convicted killers serving four consecutive life sentences? It is an unbelievable subversion of the law.

Some Hon. Members: Hear, hear!

* * *

UNEMPLOYMENT INSURANCE

EXTENSION OF BENEFITS URGED FOR ATLANTIC FISHERMEN

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I want to bring to the attention of the House the disastrous situation on the northeast coast of Newfoundland and in many areas of Atlantic Canada because of the incredible amount of ice located along the coastline of most of our Atlantic provinces. As well, this week fishermen in Atlantic Canada, some 15,000 in Newfoundland alone, will receive their last unemployment insurance cheques. Surely the Government of Canada, specifically the Minister of Employment and Immigration (Mr. Roberts), can go to Cabinet and see if he can get the unemployment insurance benefits extended for these fishermen who will be without any income next week.

I want to point out the attitude of provincial Departments of Social Services which are claiming that these fishermen do not qualify for welfare because they are self-employed. Really the buck stops with the Minister of Employment and Immigration. I am asking him now, on behalf of the 15,000 fishermen on the northeast coast of Newfoundland, to extend the unemployment insurance benefits until the ice moves off.

* * *

INCOME TAX ACT

AMENDMENT SOUGHT OF SECTION AFFECTING FARMERS

Mr. Lorne Greenaway (Cariboo-Chilcotin): Mr. Speaker, Section 31 of the Income Tax Act has been plaguing farmers for over 20 years. Finally, in a token reaction to public pressure, the Minister of Finance (Mr. Lalonde) announced on February 15 that he was going to set up a consultative group to look into the matter. Well, Mr. Speaker, it is two and one-half months later and the Minister has not yet even named the members of this group.

In that two and one-half month interval, Revenue Canada could conceivably reassess a farmer, turn down his notice of objection, and garnishee his bank account. In other words, in that period of time Revenue Canada could bankrupt a farmer. Recently, in a ten-week period, the Progressive Conservative Party announced its Revenue Canada task force, conducted public hearings in 23 Canadian centres, and drafted and submitted an 80-page report, in both official languages, covering all areas of the Department's operations.

It appears as if the Section 31 problem has been put on the Liberal back burner. Who knows how much more time will be spent studying the issue and providing recommendations to say nothing of the interval the Government will take to act upon those suggestions? At the speed the Liberal Government is going, it will be another 20 years before this stupid and destructive Section of the Income Tax Act is amended.

Fortunately, it is more likely that the consultative group will be reporting to a Conservative Government, and farmers can rest assured that immediate action will be taken.

* * *

[*Translation*]

SHIPBUILDING

REQUEST THAT GOVERNMENT RECONSIDER AID PROGRAM

Mr. Gaston Gourde (Parliamentary Secretary to Solicitor General of Canada): Mr. Speaker, the last report of the Canadian Shipbuilding and Ship Repairing Association showed that the total value of shipyard production dropped 38 per cent in 1983, compared with 1982. It seems that the industry is suffering as a result of imports of ships into Canada.

Recent measures announced by the federal Government are aimed at helping the industry. First of all, federal orders have been a godsend, because they represent 80 per cent of new orders received this year. Second, there is Bill C-16, that extends the customs zone to the edge of the continental shelf. However, I feel that this is not enough. I do not think the reasons for exempting fishing boats of between 30 and 50 metres from the provisions of Bill C-16 are very convincing. Furthermore, the Petroleum Incentives Program makes it possible to pay 80 per cent of oil exploration costs to Canadian drilling companies. I have nothing against this measure, except that it should apply only to what is produced in Canada.

I therefore urge the Minister of Energy, Mines and Resources to reconsider this part of the Energy Program and I also hope that the Shipbuilding Industry Assistance Program will be extended until June 30, 1987, because I feel it is hardly appropriate to terminate this program at a time when Canadian shipyards are in great difficulty.

[*English*]

FORESTRY

"THE SAGA OF SAHARA SAM"—NEED FOR GOOD MANAGEMENT

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, about a hundred years ago a scrawny little fellow named Sam showed up in an Ottawa Valley lumber camp. He asked for a job as a faller.

The boss reluctantly hired him, but was completely flabbergasted at the end of the day when he saw how many trees Sam had fallen. "Where did you learn to fall trees?" he asked. "In the Sahara", said Sam. "Go on, there aren't any trees in the Sahara," said the boss. "There aren't now," said Sam.

Sahara Sam finished his work in the Ottawa Valley and moved on to British Columbia, where he has been busy ever since.

This is National Forestry Week and it would be a good time for the federal Government to start taking seriously our forests and our forest industry, before our forests become desert.

Across Canada we harvest more than 800,000 hectares of forest each year, but 25 per cent to 50 per cent of that land is never regenerated, or it grows up in non-commercial species.

The Canadian Forest Service estimates that decent forest management would create 100,000 new jobs, increase product sales by $22 billion, increase exports by $12 billion, and generate an additional $3 billion in tax revenues.

If the Government gave proper attention to the needs of the Canadian people and to the needs of our economy—

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

* * *

SOCIAL AFFAIRS

EFFECT OF DIVORCES ON CHILDREN

Mr. Stanley Hudecki (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, I have been impressed by the efforts of an organization in my riding called AEDA, the acronym for "Against Easy Divorce Association". Their concern is the deleterious effect that so-called "no-fault" divorce can have on the children of couples whose marriage ends in divorce.

This group points out that 40 per cent of all Canadian children of divorced couples live in single parent homes. The lifestyle of the children of divorced parents changes rapidly. The children are placed under social assistance rather than cared for by non-custodial parents or, if the custodial parent, usually the mother, works, the children for the most part are left without necessary parental supervision during their developing years.

● (1410)

Added to these indignities, children from easy or no-fault divorces are generally confused as to the reasons why their

parents have split up, and children have not understood, even years later, why their parents' marriage ended. Indeed, there may be a link between the rising suicide rate, particularly among young people, and their growing suspicion and distrust of the actions of their parents. As far as children are concerned, their parents remain married forever. AEDA is correct. Too easy divorce can have serious consequences for children as well as for others indirectly involved.

* * *

PROVINCIAL AFFAIRS

CHURCHILL FALLS POWER CONTRACT

Hon. James A. McGrath (St. John's East): Mr. Speaker, last Thursday the Supreme Court of Canada, in a unanimous decision, ruled that Newfoundland's Upper Churchill Water Rights Reversion Act was *ultra vires*. This legislation was passed in 1980 in an attempt to redress one of the most serious grievances in this country today, that is, the Churchill Falls power contract. The contract entered into in 1969 by Churchill Falls Power Corporation and Hydro Quebec locks Newfoundland into a situation whereby Churchill Falls power is sold to Quebec for less than three mills. That power is resold to the Americans, and indeed to other Canadian provinces, for up to 28 mills. In dollars, according to the Economic Council of Canada, this means $8 million a year for Newfoundland, and $800 million a year for Quebec.

This country cannot survive on a strict interpretation of the letter of the law. There has to be a spirit of the law. It is in that spirit that I call upon the Prime Minister (Mr. Trudeau), on behalf of the people of Newfoundland, to take whatever steps are available to him under the National Energy Program, or through amendments to the National Energy Program, to correct this most grave injustice. Failure to do so could have most dire consequences.

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VISIBLE MINORITIES

REDRESS SUGGESTED FOR JAPANESE CANADIANS INTERNED DURING WORLD WAR II

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, during the course of their history most countries make mistakes which subsequent leaders are required to acknowledge and rectify. Such is the case today with respect to the treatment of our fellow Canadians of Japanese descent during World War II. The people who were unilaterally uprooted and forcibly relocated, and whose boats, farms, and possessions were expropriated, with very little and often no compensation, were full Canadian citizens. They were Canadians in all respects, and deserved all the protection that citizenship implies.

They were hard-working, lawful, and paid taxes like all other Canadians. Not one Canadian of Japanese descent was

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ever convicted of an act of disloyalty toward this country. The Government reacted to unsubstantiated fears and hatred. I call upon the Prime Minister (Mr. Trudeau) to reconsider the position of his Government and to set in motion immediately the proper process to address and deal with this serious issue.

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DANGEROUS PRODUCTS

INCLUSION OF DIOXIN IN HERBICIDES

Mr. Jim Fulton (Skeena): Mr. Speaker, one of the most deadly toxics known to man is 2, 3, 7, 8, -dioxin, dangerous traces of which found their way into 2, 4, 5, -T and the Agent Orange mixture that has been used as a herbicide in Canada. The severe damage caused by the compound 2, 3, 7, 8, -dioxoin came to light during the Vietnam War, and now further revelations have come out in the multi-billion dollar lawsuit taken against chemical manufacturers by thousands of former army servicemen. We also knew that Dow Chemical knew as early as 1965 that this deadly dioxin was finding its way into herbicide products in Canada, but to protect its lucrative sales in our country this evidence was kept quiet for five years.

The Government has done nothing to date to protect our citizens from the harmful effects of dioxins like 2, 3, 7, 8. The Government takes the position that all chemicals are safe unless proven otherwise. As the IBT scandal revealed, the Government relies on the bogus reports of the chemical manufacturers to trumpet safety claims to the Canadian people. We still continue the use of 2, 4, 5, -T which the United States banned in 1969. We know that deadly dioxins are seeping into Canada from old American waste dumps, but still the Government does nothing.

In conclusion, responsibility for pesticides and herbicides must be removed from Agriculture Canada. A special task force on pesticides and toxic waste must be established to tour the country and bring in a set of hard-hitting regulations for the future, and a serious plan for past errors. Corporate executives must be held legally liable for violations. A beefed up program to research and develop natural alternatives to toxic chemicals must be put into high gear.

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

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EXTERNAL AID

FINANCIAL ASSISTANCE FOR AIRPORT COMPLETION IN GRENADA

Mr. Gerry St. Germain (Mission-Port Moody): Mr. Speaker, a recent newspaper article revealed that the Government has decided to contribute $7 million in Canadian taxpayers' dollars to the interim Government of Grenada to complete the international airport at Point Salines. I do not object to Canada being involved in foreign aid programs, and I do not doubt that Grenada is in need of this assistance. However, it is obvious that the Government has lost sight of its priorities when it comes to making multi-million dollar expenditures for projects of this sort.

Pitt Meadows Airport in my riding requires an extension to its main runway. Many other airports in Canada do, as well. The cost of completing this project is estimated to be just over $1 million. The Minister of Transport (Mr. Axworthy) claims he does not have the funds to complete this project in my riding, and I believe him.

The completion of the Point Salines airport on the Island of Grenada was described by Canadian External Affairs officials as "an important psychological factor for investment needed to bolster the local economy". In my riding, where unemployment has reached 47 per cent, crisis proportions, the same can be said of the need to complete an airport. What are the Government's priorities?

ORAL QUESTION PERIOD

[*English*]

FINANCE

INTEREST RATE LEVELS—REQUEST FOR REVIEW OF BUDGET PROVISIONS

Hon. Brian Mulroney (Leader of the Opposition): Mr. Speaker—

Some Hon. Members: Oh, oh!

Mr. Mulroney: This is a very impolite way to treat a new Member of the Queen's Privy Council.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Mulroney: A little more decorum, please!

[*English*]

My question is directed to the Minister of Finance. Last Thursday the Minister of Finance said he knew of no serious analyst, either in Canada or in the United States, who was warning of significant increases in interest rates. The very next day Henry Kaufman, respected chief economist for Solomon Brothers, said: "Before the end of the current cyclical interest rate period peak is reached, interest rates will move spectacularly higher." I know that the Minister of Finance views Mr. Kaufman's statements with respect and concern. In light of this very dramatic statement by Mr. Kaufman, is the Minister contemplating revising his budgetary statements? If so, can he tell the House to what point mortgage and other interest rates must rise in Canada before he will consider such a change in course?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, Mr. Kaufman indeed made a statement later in the week after I spoke in the House. I do not think there is any relationship

between the two statements. I remind the Leader of the Opposition that the view held by Mr. Kaufman is very much a minority view in North America, in the United States in particular. Mr. Kaufman has proven to be wrong in the past. I hope he is wrong again. Obviously it is a matter of speculation as to what will happen in 1985 in particular, as Mr. Kaufman has indicated. I certainly have a lot of respect for the views of Mr. Kaufman, but it is a matter of trying to predict what will happen in the course of 1985 in particular, and much later this year.

Once more, Mr. Kaufman's view is certainly not a view that is shared by most other analysts. I submit that his view in this instance is not going to be proven right in the course of the next year.

I would like to remind the Leader of the Opposition that, during his absence, we tried to make progress on a number of Bills dealing with the last Budget.

Some Hon. Members: Oh, oh!

Mr. Lalonde: We succeeded in getting some agreement with his spokesman on early consideration of Bills, but we have not been able to get the necessary co-operation.

MINISTER'S ECONOMIC PROJECTIONS

Hon. Brian Mulroney (Leader of the Opposition): Mr. Speaker, I hope, and I say this with some degree of kindness, that the Minister of Finance is not putting his reputation in the international investment market up against that of Mr. Kaufman, because he will find they will chose Kaufman ten times out of ten. There is nobody in the international investment world, or in the OECD, who pays any attention to this guy. They are even having serious questions in the OECD.

Mr. Trudeau: What about your Party?

• (1420)

Mr. Mulroney: Notwithstanding the generous efforts of the Prime Minister, there are grave doubts arising in the OECD.

Mr. Trudeau: You do not want a Canadian in OECD?

Mr. Mulroney: The Prime Mnister is retiring. He should be polite. The Prime Minister should not be angry with me; he should be angry with all of his Cabinet colleagues who are devastating his legacy every day of the week when campaigning for the leadership of the Liberal Party. I have been out there defending the Prime Minister, Mr. Speaker.

Some Hon. Members: Oh, oh!

Mr. Mulroney: On February 15, in his economic documents and projections, the Minister of Finance said at page 15:

> A crucial aspect of the medium-term projection is the underlying view of moderate sustained declines in interest rates—

He went on to say:

> If nominal and real rates of interest were to rise significantly from current levels, the recovery itself could be at risk—

Those were his words. Since that time interest rates for five-year mortgages have risen a point and a half. The bank rate has gone up 1.13 per cent in less than three months. In the words of the Minister of Finance, the recovery is already at risk. In light of this, will the Minister of Finance acknowledge that the projections have not worked out as he hoped they would, and will he bring in a new financial statement that will relieve the pressure on hundreds and hundreds of thousands of Canadians who need relief from the burden of high interest rates? Will he do so today?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I listened with interest to the lighthearted comments of the Hon. Member. I would like to suggest that, if he is to worry about someone's future, he should worry a great deal about his own future rather than mine. He may have noticed that during his lengthy absence some worrisome results were coming out. I would suggest to him that he should begin to look behind his back because he may end up the way so many other Tory leaders, including the Right Hon. Member for Yellowhead, ended up.

Some Hon. Members: Oh, oh!

Mr. Lalonde: We went from—

Mr. Speaker: Order. The Chair hesitates to interrupt, but the Chair does suggest that perhaps the questions and answers are straying from the usual procedures of the House.

Mr. Mulroney: Mr. Speaker I would just say—

Mr. Speaker: Is the Hon. Member rising to ask a second supplementary question?

Mr. Mulroney: Yes.

Mr. Speaker: I recognize the Hon. Leader of the Opposition for a further supplementary question.

Mr. Mulroney: Mr. Speaker, I would simply say that if the Prime Minister and the Minister of Finance believed those numbers, let them call an election right now because the people of Canada want one.

Some Hon. Members: Hear, hear!

An Hon. Member: What about the polls?

Mr. Mulroney: This is going to be dangerous, because he is now being coached by the Prime Minister. I have been out conducting my own poll and I have bad news. There are at least 70 Liberal Members who will not be back after the next election.

Oral Questions

REQUEST FOR NEW BUDGET

Hon. Brian Mulroney (Leader of the Opposition): Mr. Speaker, in view of the Minister's reference to the situation in the United States, there are four very key areas to be addressed apart from the interest rate burden, these being more robust recovery in employment, more industrial production, more real income, and an effectively milder recession by any objective criteria. I think the Minister of Finance would agree that that is the case in the United States *vis-à-vis* Canada.

Apart from the overwhelming burden of rising interest rates in Canada, could the Minister indicate his actions to the House, to Canadians, and particularly to those who are running and small and medium-sized businesses who are now being crippled and are alarmed? These businessmen are alarmed as well by the Minister's use of the word "panic" in terms of rising interest rates. Can he tell the House whether or not he will be bringing in a new budgetary document of any kind designed to correct the misapprehensions which have arisen out of his Budget and to reduce the burden of interest rates on the ordinary taxpayer? Will he do that right away?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the Leader of the Opposition is looking more and more like a man who is whistling in a graveyard. I would like to tell him that, indeed, an election will be called in due time and he had better get ready because he will be dumped and buried in the graveyard in which he is whistling at the present time.

Some Hon. Members: Hear, hear!

Mr. Lalonde: As far as my hon. friend's question is concerned, I would like to remind him that in 1983, for instance, Canada knew a rate of growth higher than that in the United States. Canada grew at a rate of 6.6 per cent versus a rate of 6.3 per cent in the United States last year. I would like to remind him that the growth rate in Canada was larger than that in every other industrialized country during that 12-month period to which I have referred.

I would also like to remind my hon. friend that, in terms of job creation, Canada's record compares favourably with that of any other country, including the United States. I also remind him that last year labour growth in Canada was some 50 per cent higher than it was in the United States. This is why we have not been able to reduce the unemployment rate as much as we would have liked. In the meantime all of our efforts are concentrated on creating jobs as fast as we can and on keeping our interest rates as low as possible in the current context.

As far as small business is concerned, Mr. Speaker, I remind my friend again that we have put forward proposals whereby the taxation of small businesses would be very significantly reduced. We would do away with two-thirds of the legislation dealing with small business income tax, and this would generate a tax saving of some $150 million for small businesses. I would hope we would get co-operation from Tory Members to have these pieces of legislation passed quickly rather than the foot dragging on their part that we have been facing for the last several weeks.

Mr. McDermid: Introduce the Bill!

* * *

THE ADMINISTRATION

LIBERAL PARTY LEADERSHIP RACE—POLICY STATEMENT BY MINISTER OF STATE FOR ECONOMIC AND REGIONAL DEVELOPMENT

Hon. James A. McGrath (St. John's East): Mr. Speaker, my question is a supplementary one. The Minister of Finance complains that his policies are not working because there are too many Canadians looking for jobs. I would like to ask a question of his colleague, the Minister of State for Economic and Regional Development. In Halifax on the weekend, the Minister of State for Economic and Regional Development said that he would call on his fellow candidates to put their cards on the table. He went on to say:

> Instead of propping up run-down trucking firms, bankrupt computer companies and over-staffed government Departments, we should be investing more money in our people.

The Minister of State for Economic and Regional Development chairs a most important Cabinet committee and I would like to ask him if he has been successful in persuading his Cabinet colleagues to adopt these spending priorities. Since the obvious and self-evident answer to that question is no, how can he reconcile his continuance as a member of the Cabinet?

Hon. Donald J. Johnston (Minister of State for Economic and Regional Development and Minister of State for Science and Technology): Mr. Speaker, I think that the policies are clear. Just look at the last Budget, Mr. Speaker. Look at the tax incentives for research and development. Look at the investment in the East Coast fishery, for goodness' sake. Is the Hon. Member suggesting that that is not where taxpayers' dollars should be spent? Those are priorities, and those investments are being made.

MINISTER'S POSITION

Hon. James A. McGrath (St. John's East): Mr. Speaker, did I quote the Minister correctly in my previous question? If so, does this account for the reason why Canada has fallen so far behind the United States in terms of job creation and in terms of consumer spending? The dollar is down, unemployment is up, and consumer spending is down because Canadians are saving more as they have no confidence in the future because of the policies the Minister supports.

Hon. Donald J. Johnston (Minister of State for Economic and Regional Development and Minister of State for Science and Technology): Mr. Speaker, included in the comments I made in Halifax was the statement that that is utter rubbish. I would like to requote myself on that. The Hon. Member for St. John's East always prefers to see the glass as being half

empty instead of half full. He is preaching gloom and doom at a time when the object for all of us should be to stimulate the confidence of Canadians in the economy. The economy is growing and a recovery is under way. Jobs are being created and important investments can be made. Our job is to spur that on. That is the job of everyone in the House, including members of the New Democratic Party. We have had enough of this nonsense. Let us tell Canadians how good the economy is, rather than trying to camouflage the strengths upon which we all must build.

* * *

FINANCE

INTEREST RATE LEVELS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is also directed to the Minister of Finance. Last week in response to a question that I asked the Minister of Finance regarding mortgage interest rate increases, he responded by saying that there is no automatic relationship between the Bank of Canada rate and the interest rates charged by the banks.

Given that we have seen increases in the bank rate over the months of February, March, and April, amounting to 1.13 per cent, given that we have seen increases in the mortgage interest rates charged by the chartered banks amounting to 1.75 per cent, and given that we now see interest rates for mortgages at a level of 14 per cent, which effectively excludes 85.5 per cent of all renters from entering the housing market, is the Minister either incompetent or is he not telling us the truth?

● (1430)

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I might refer the Hon. Member to the answers he gave himself and which indicate a gap between the increase in the Bank of Canada rate and mortgage interest rates, answers which apply directly to his question.

Furthermore, I can inform the Hon. Member that, for instance, the prime rate has remained at 11.5 per cent for several weeks, while in the United States it rose to 12 per cent.

In addition, the Hon. Member mentioned the figure of 14 per cent. I might remind him that mortgages are available for less than 14 per cent, provided they are for periods shorter than five years. If my hon. friend would take the trouble to check mortgage rates for one-year mortgages, he will find that his figures are all wrong. In that respect, the Hon. Member has decided, as usual, to pick the worst figure for the consumer instead of finding out what the possibilities are as far as interest rates are concerned.

[*English*]

Mr. Deans: Mr. Speaker, while the Minister points to the United State prime interest rate as being higher than that in Canada, he fails to acknowledge the fact that the United States has taken steps to establish a mortgage interest rate which is pegged and is well below the prime rate now being charged in the United States.

EFFECT OF MORTGAGE INTEREST RATES ON POTENTIAL HOME BUYERS

Mr. Ian Deans (Hamilton Mountain): Since the Minister says that I am overstating in using the figure of 14 per cent, surely he recognizes that even at the 12 per cent level which is currently available for one-year mortgages, that rate effectively excludes 80.7 per cent of all of the renters in Canada who might have to qualify for the average mortgage currently available. Does the Minister believe that it is reasonable in this country to have interest rates which effectively eliminate 80.7 per cent of all of the potential home owners from the marketplace? Does the Minister not feel that it would make more sense to protect home ownership, and to move to establish a rate which people in Canada can afford?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the New Democratic Party is back to its usual rhetoric, without suggesting a solution to the problem the Hon. Member is referring to. I am happy to hear my hon. friend admit it is even possible to borrow money at 12 per cent. For his information I may add that even 11.75 per cent is possible today. If the Hon. Member would like to check, he will find a large number of financial institutions that are still offering one-year mortgages at 11.75 per cent.

Now, for the more general issue he is raising, the Hon. Member is aware of the programs that exist under legislation passed by this Parliament, and I am referring to programs set up by the federal Government and aimed at promoting the housing industry in Canada, and more specifically the purchase of homes by Canadians.

I may remind him, however, that we have said many times that we deplored the fact that interest rates are as high as they are, not only for housing but also for small businesses, farmers and anyone in our economy who has to borrow. Nominal and real interest rates are high, and they are much too high in our view. Of course the problem is that we and the rest of the industrialized countries, except for the United States, are in a situation where we depend very much on what happens in the United States. We have made exactly the same complaints as the Hon. Member has today. These views are shared by industrialized countries, who are now making representations to the United States, urging that country to adopt measures that will bring about a reduction in real and nominal interest rates in the United States. If this were to happen, we would feel the beneficial impact immediately. The issue was dis-

cussed at the last meeting of the International Monetary Fund, and I am sure it will be discussed again at the next meeting of the O.E.C.D.

[*English*]

Mr. Deans: Mr. Speaker, rarely have I sat and listened to such absolute nonsense.

Some Hon. Members: Hear, hear!

Mr. Deans: I want to say to the Minister, first of all, that, even at 10.75 per cent, he knows that 75 per cent of all of the renters in Canada cannot qualify for the average sized mortgages currently required in order to purchase a home.

REQUEST FOR CEILING ON MORTGAGE INTEREST RATES

Mr. Ian Deans (Hamilton Mountain): I ask the Minister if he does not recall that up until 1968, under the Bank Act, there was ceiling on mortgage interest rates which guaranteed that Canadians working in Canada could affort to buy a home in Canada? Why, therefore, does the Minister not—

Mr. Speaker: Order, please. With respect to the Hon. Member, the Chair has concern about the length of the questions—

Some Hon. Members: Oh, oh!

Mr. Nielsen: How about the answers?

Mr. Speaker: —the length of the supplements—will Hon. Members allow the Chair at least to make a remark?—and the length of the answers. We have now had our third questioner and the net result of this will be a lack of opportunity for other Hon. Members to participate.

Mr. Deans: It might be more useful if you talked to the Leader of the Official Opposition.

Mr. Hnatyshyn: Order.

Mr. Deans: Fifty per cent of what he said was absolute nonsense.

Some Hon. Members: Oh, oh!

Mr. Speaker: At this stage the Chair is inviting the Hon. Member for Hamilton Mountain, on his second supplementary question, to be brief in putting his question.

Mr. Deans: I now ask the Minister, as I was about to ask the Minister, will he not move to establish a ceiling on mortgage interest rates which is both reasonable and fair, both from the point of view of the investor and of the Canadian family who must purchase a home in order to live?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the Hon. Member was quite wrong in his statement about the Leader of the Opposition.

Mr. Hnatyshyn: You agree in everything else.

Mr. Lalonde: The Leader of the Opposition is usually wrong in 95 per cent of what he says.

Mr. Epp: That does not beat your 100 per cent.

Mr. Lalonde: As far as the question itself is concerned, I want to remind my friend that, indeed, the issue of an artificial ceiling on interest rates was extensively studied at the time when the Bank Act to which he referred was revised.

This issue has been studied extensively over and over again, repeatedly, every time that interest rates tend to go up. All those who have studied this subject have come to the conclusion that it is wrong to set some artificial ceilings on interest rates, for the good reason that the net result in the end tends to be that funds going into that area end up being very limited and there is not enough to meet the demand. I believe, therefore, this country would be much better served—

Mr. Deans: By driving people out of their homes.

Mr. Lalonde: —by relying on the rules of the market and trying to keep interest rates as low as we can, generally, to all Canadians, whether they want to buy a home, farm, small business, or borrow to buy a car or some appliances. I believe that the best solution remains one whereby the consumers will have the choice to allocate their borrowings according to their needs, rather than making the artificial decision for them.

MORTGAGE INTEREST PROTECTION PLAN—ELIGIBILITY CRITERIA

Mr. Doug Lewis (Simcoe North): Mr. Speaker, my question is also directed to the Minister of Finance. The Minister will know that rising mortgage interest rates are of continuing concern to the Canadian home owner and the housing industry. Last week the Minister assured the House that everyone who has taken out a mortgage since March 1 will be eligible for the mortgage interest insurance protection plan. In the absence of the legislation, which has been promised for almost two months now, can the Minister explain to the House just what that eligibility is going to mean to the average Canadian home owner?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I have indicated that we have proceeded with extensive consultations with the housing and construction industry, as well as consumer groups, and that those consultations have been concluded. We should be able to introduce a Bill by the end of this month which I hope will receive prompt consideration by the House.

As to the nature of the proposal, I have indicated that all home buyers since March 1, 1984, would be eligible for the program and, second, I released at the time of the Budget an extensive document which provided for the nature of this particular program, to which I invite my friend to refer.

I must say that the consultations we have had, which have been quite extensive across Canada, have indicated very broad support for the measure we have put forward, and it is

expected that the Bill to be introduced will be substantially along the lines of what was proposed in the Budget.

BASIS OF PROTECTION

Mr. Doug Lewis (Simcoe North): Mr. Speaker, I suggest to the Minister that the problem will not be with the concept but with the mechanics.

Mortgage interest rates have risen almost 2 per cent since March 1. Can the Minister assure the House that a Canadian home owner who renews his or her mortgage after March 1, 1984, will receive mortgage insurance protection based upon the rate in effect on March 1, 1984? Or will the protection be based upon the prevailing rate at the time the application is approved? There is a 2 per cent difference right now.

• (1440)

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I will take the question of the Hon. Member as a representation. He will have to wait for the Bill, which he will see at the end of the month, to reach his own conclusions in that regard.

FARM FUEL TAX—REQUEST FOR ABOLITION

Mr. Lee Clark (Brandon-Souris): Mr. Speaker, my question is directed to the Minister of Finance. We on this side of the House are delighted that three Liberal leadership candidates, namely, the Minister of Justice, the Minister of Employment and Immigration, and the Minister of Agriculture, have decided to co-opt the Progressive Conservative proposal to abolish the 9 per cent federal sales tax on farm fuels.

Some Hon. Members: Hear, hear!

Mr. Hnatyshyn: Better late than never.

Mr. Clark (Brandon-Souris): In light of that important and noteworthy conversion on their part, can the Minister indicate to the House that he and his colleagues are prepared in fact to do so, which would mean a saving to Canadian farmers of $250 million?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I already answered this question last week. Furthermore, as the Hon. Member is aware, the Government brings down a Budget each year, and I think he should wait until my next Budget.

[*English*]

GOVERNMENT POSITION

Mr. Lee Clark (Brandon-Souris): Mr. Speaker, I think it is very much within the capacity of the Government, if it is so inclined, to introduce interim measures at any time. Therefore, why is this not happening? Is it because the Ministers I have named have no influence in this particular Cabinet, or is it because the rest of their colleagues are insensitive to the plight of Canadian farmers?

Some Hon. Members: Hear, hear!

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I come from a family which has had eight generations of farmers before me. I have two brothers who are active farmers. Representations along the lines mentioned by the Hon. Member are well known to me. The fact is the Hon. Member knows the Government of Canada is providing support to farmers to the tune of several hundreds of millions of dollars a year. That support is very extensive and takes the form of many, many programs. It also includes a rebate on the federal sales tax on fuel consumed on the farm, of which the Hon. Member is aware. Every time I meet farmers I sit down and discuss with them the notion of sharing the burden of taxation fairly between all Canadians. Other Canadians are also paying high taxes in various forms. I must say that farmers, when you discuss it with them, are very reasonable people and recognize they also have to share the burden with others.

PETROLEUM INCENTIVES PROGRAM—DOME CORPORATION'S REQUEST

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, my question is also directed to the Minister of Finance. He has recently received correspondence from Mr. Fred McNeill, the chief executive officer of Dome Canada Ltd., requesting that the Government bend the rules so Dome can obtain another $30 million of taxpayers' money under the Petroleum Incentives Program to continue drilling dry holes in the Beaufort Sea. Given the rather disastrous record of this company in that area, would the Minister assure the House that Dome Petroleum will not receive this additional $30 million of taxpayers' money, and that there will be a review of Dome's performance in that area before any further action is taken?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I must admit I have not read Mr. McNeill's letter, to which the Hon. Member is referring. However, the Department of Energy, Mines and Resources obviously approves of exploration projects and investment by various companies in the oil sector, especially on Canada lands, and I am also sure the Department will want to examine very carefully any proposals that may come from Dome Petroleum or other companies.

Actually, I am rather surprised at the Hon. Member's comments of the news in the papers this morning. A multinational company announced the discovery of a major oil pool in the Beaufort Sea on the Alaska side, I admit. I therefore think it is rather surprising that my hon. friend should jump to the conclusion that there is no future in exploration in the Canadian Arctic, while they seem to be able to find oil on the American side, right next to the area where we are drilling now.

[*English*]

REQUEST THAT PROGRAM BE REVIEWED

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, we have been calling on the Government to open its eyes and stop squandering billions of dollars in an area which has produced nothing but dry holes. The Japanese have pulled out, and now Dome is pulling out of the Beaufort, and requesting one last hurrah to the tune of $30 million. In light of that, will the Minister of Finance guarantee that we will not squander another $30 million, and that there will indeed be a review of this program which has produced nothing but dry holes on the Canadian side of the Beaufort Sea?

Mr. Speaker: The Hon. Member is repeating his original question. The Hon. Minister of Finance.

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, there is so much misinformation in the question, it is pretty hard to answer. First of all, the Japanese have not pulled out. They have loaned a few hundred million dollars in that area. They have indicated they were not planning further investment, but they have not pulled out. They made a commitment, and the money they invested has been spent for exploration.

In addition, the record in the Arctic has not been one of dry holes. There have been a number of discoveries; the question is whether we will be able to make discoveries leading to a development of commercial value. Oil and gas have been discovered in the Canadian Arctic, as the Hon. Member knows.

Finally, I am amazed that the Hon. Member wants to put forward as a philosophy or policy in the energy field the idea that we should go only for wells which will produce. The history of the oil and gas sector is one of a large number of dry holes, with a few discoveries. If you want to have discoveries you have to drill, and you will not be successful most of the time. You will be successful a number of times, and this is how the industry has developed in Canada and around the world.

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VETERANS AFFAIRS

CANADIAN PENSION COMMISSION—ADJUDICATION PROCEDURES

Mr. Jim Schroder (Guelph): Mr. Speaker, my question is directed to the Minister of Veterans Affairs. Last night the television show *W-5* was very critical of the adjudication process established under the Pension Act. The show suggested that some veterans are not receiving due consideration from the Canada Pension Commission, and that changes to the adjudication process are required. Will the Minister comment on the subject matter raised on that program, and the action he proposes to take to determine if the allegations are true and how they can be resolved in the best interests of disabled veterans?

Hon. W. Bennett Campbell (Minister of Veterans Affairs): Mr. Speaker, may I begin by thanking the Hon. Member for his question. As he knows, the Pension Act establishes the process by which entitlement to disability pensions is determined. It is a quasi-judicial process and was developed by veterans to serve veterans. Over the past couple of years we have taken steps to speed up the administrative process by which veterans' applications for disability pensions are handled. We have not, however, looked at the basis for the adjudication process under the Pension Act.

I have taken action not only to meet with the War Amps of Canada and their representative, Mr. Chadderton, a couple of weeks ago, but I further examined whether or not the adjudication process continues to meet the needs of veterans in the 1980s. As a result, I determined to establish a working committee, and I will be asking veterans' organizations to examine the adjudication process and recommend ways and means by which the Pension Act can better serve the needs of veterans.

* * *

● (1450)

PENITENTIARIES

DAY PASS RELEASE OF MULTI-MURDERER

Hon. Allan Lawrence (Durham-Northumberland): Mr. Speaker, the Solicitor General has caused an investigation to be made, and apparently has an answer ready, as to why Wayne Clifford Boden, a convicted multi-murderer, would even be considered for a full parole, day parole, or even a day pass, bearing in mind that Mr. Boden, immediately upon his escape on Friday in Montreal, was classified by both prison and police authorities as being "extremely dangerous". I understand the Solicitor General has an answer for us. I would like to know what that answer is.

Hon. Bob Kaplan (Solicitor General of Canada): Mr. Speaker, I had the Commissioner of the Correctional Service in to see me this morning. I must tell my hon. friend that I am not satisfied with the explanation I have of what went wrong in this case. It appears to me there were a number of breaches of long standing policy. I want to hear more from the Correctional Service about the steps they intend to take to be certain that the policies which were presented to me, and which I have approved, are complied with.

I do not see any humanitarian basis in this case for allowing the individual out on a temporary absence, even though he was reported to have been under escort. There is no excuse for his having been given $300 by the person who was responsible for his escort, even though it was his own money which he had earned inside the institution. Policies do not permit sums like that to be given to individuals under those circumstances. They should not have had lunch in a bar where the inmate treated the escorting officer to lunch. He should not have been permitted to go to the washroom without the escort accompanying him.

I am pleased to be able to tell the House that, thanks to good police work and to an anonymous tip, this individual was apprehended very shortly after he escaped. However, it is a matter which concerns me very much. I would like to assure the House that steps will be taken to ascertain that the policies of the Correctional Service of Canada are complied with in every case.

REQUEST FOR EXPLANATION

Hon. Allan Lawrence (Durham-Northumberland): Mr. Speaker, surely that is not good enough. The Minister has already caused an explanation to be given to him. I think Hon. Members of the House are entitled to hear from the Minister exactly what that explanation was which he has not given to us.

He mentioned a custodial officer. In actual fact it was an art instructor from a maximum security prison. If the Minister is going to attempt to slough off the accountability to his officials, I think the public is entitled to know exactly what the explanation is that the Minister has received and to which he referred.

Hon. Bob Kaplan (Solicitor General of Canada): Mr. Speaker, I intend to have further discussions with officials about this in the next day. I am glad to remind the Hon. Member that I am appearing on my Estimates tomorrow before the Justice Committee. I would be very glad to discuss this whole policy.

This was a case of an inmate who had served 12 years behind bars, who had undergone sexual therapy treatment at a regional psychiatric centre, who was reported to have been making good progress, and who was about to be downgraded from a maximum security to a medium security level. I agree that the House is entitled to a further explanation and further assurances. I am very pleased that I will have the opportunity to appear before the Justice Committee tomorrow. I will be there with senior officials. I hope that the Hon. Member and other interested Members will attend.

DAY PASS POLICY

Mr. Geoff Scott (Hamilton-Wentworth): Mr. Speaker, my supplementary question is for the Solicitor General. Will the Minister report fully to the House on how this convicted sex slayer obtained his own American Express credit card?

Mr. Nielsen: Do not go anywhere without it.

Mr. Scott (Hamilton-Wentworth): This calls into question the whole matter of convicted killer day passes. Can the Minister assure us or himself, if he doubts his officials, how many other convicted killers may be out having lunch today with privileges similar to those offered to Mr. Boden?

Mr. Nielsen: Do not leave jail without one.

Hon. Bob Kaplan (Solicitor General of Canada): Mr. Speaker, I have tried to track down the credit card feature in the story. I do not see any evidence, and neither can my officials find any, that he did in fact have a credit card. I do not know if I have the whole story. By the time of my appearance tomorrow I hope I will have the opportunity to find out about that.

There is no such thing, Mr. Speaker, as a killer day pass policy.

Mr. Stevens: What do you call it?

Mr. Kaplan: There is a policy of humanitarian releases which are available under very special circumstances, under escort. I do not see any justification for one in this case, even though the explanation I have is that this was out on a humanitarian day pass under full escort. With regard to the escorting official, all of the staff in maximum security institutions receive security training. They are all eligible to handle escorts. I do not have more information about the particular escorting official. However, I know he was trained for that job.

* * *

EXTERNAL AFFAIRS

CENTRAL AMERICA—UNITED STATES MILITARY PRESENCE

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, my question is for the Prime Minister. I would like to assure him that we in this corner join him in welcoming the President of Mexico, Senior de la Madrid, to Canada for an official visit.

In his meetings with the President will the Prime Minister take care to state clearly Canada's growing concern about, and opposition to, the increasing size and permanence of the U.S. military presence in Central America? Will he also assure the President of Canada's full support for the efforts of the President, and the Contadora group generally, to halt and reserve the U.S. militarization of the region?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have already been discussing these very subjects with the President of Mexico, Mr. de la Madrid. I indicated that it was Canadian policy to try to put an end to the ideological struggle between East and West, between Moscow and Washington, in the area. I repeated the policy often, stated by our Secretary of State for External Affairs, that the problems in those areas are more of a socio-economic nature and should not be turned into a cockpit of ideological confrontation between East and West. That meant regretting any military presence, not only from Washington but from Cuba interposing itself for the Soviet Union. Perhaps in that regard we have a different policy from the NDP in that we regret the ideological use of that area by both the superpowers, not only by the United States.

Ms. Jewett: Mr. Speaker, this Party also regrets it on both sides. I would only remind the Prime Minister that, so far, not

a single shipment of arms, that the Americans keep saying are coming from Nicaragua, has in fact been identified.

REQUEST THAT CONTADORA FOREIGN MINISTERS BE INVITED TO CANADA

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, my supplementary question is for the Secretary of State for External Affairs. Members of the U.S. Congress, including Senator Edward Kennedy, have invited the four Contadora Foreign Ministers to Washington to discuss with them the recent peace proposals made among the Contadora group at their meeting in Panama.

I would like to ask the Secretary of State for External Affairs whether he has considered inviting the four Foreign Ministers of the Contadora group to Ottawa subsequent to their meetings in Washington, in order that the Canadian public, as well as the Canadian Government, can become more fully informed about and more involved in the Contadora process?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Mr. Speaker, today I had discussions with the Foreign Minister of Mexico, who is a leading member of the Contadora group. Recently, during my visit to Colombia, I had discussions with Mr. Lloreda, the Foreign Minister of that country. I met with the Foreign Ministers of several of the Central American countries. I will continue that process of consultation as the opportunity arises.

* * *

FARM CREDIT CORPORATION

INTEREST RATE LEVELS—REBATE PROGRAM INQUIRY

Hon. Bill Jarvis (Perth): Mr. Speaker, my question is for the Minister of Finance and is with regard to Farm Credit Corporation mortgage interest rates. When these interest rates were in the range of 16.75 per cent to 20 per cent the Government, under considerable pressure, instituted the interest rebate program, which was subsequently abandoned, of course. Now that these rates are on the rise again, at what level of interest rate for a Farm Credit Corporation mortgage will that interest rebate program be reinstituted?

● (1500)

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the Government is carefully following developments in this area. As the Hon. Member pointed out, the Government did not hesitate to intervene the last time we had a substantial increase in interest rates. I would like to make it clear to the Hon. Member that my colleague, the Minister of Agriculture, myself and my Cabinet colleagues are giving careful attention to developments in interest rates, and if any steps must be taken, I shall certainly inform the House in due course.

[*English*]

MINISTER'S POSITION ON INCREASE IN INTEREST RATES

Hon. Bill Jarvis (Perth): Mr. Speaker, last Wednesday the Minister indicated that the program was abandoned, to use his words, "because of a significant decline in interest rates". Would he tell us in absolute terms what is his interpretation of a significant increase in interest rates, at which time I would imagine that the interest rate program would be reinstituted?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I remind the Hon. Member that we have known a period when interest rates went as high as 20 per cent and even more. We have succeeded in bringing down interest rates significantly, both in Canada and in the United States. In the last few weeks there has been some increase in the interest rates. I hope that those interest rates will not grow more significantly, but obviously we will monitor the situation. If such were to be the case, we would not hesitate to take steps similar to those that we have taken in the past.

ROUTINE PROCEEDINGS

[*English*]

PETITION

MR. KILGOUR—MEASURES TO COMBAT PORNOGRAPHY

Mr. David Kilgour (Edmonton-Strathcona): Mr. Speaker, it is an honour to present a petition on the subject of pornography signed by approximately 200 members and friends of Strathcona Baptist Church in Edmonton. Among other things, the petition expresses concern about easy access to pornography and violence to women and children. The petition calls on the House to pass effective measures to combat pornography, including passing Clause 36 of Bill C-19 amending the Broadcasting Act and, finally, amending the Criminal Code.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos 567, 763 and 789.

[*Text*]

CANADA POST CORPORATION—BOARD OF DIRECTORS

Question No. 567—**Mr. Howie:**

What are the (a) names (b) positions of the persons who occupy positions on the Executive and Board of Directors of Canada Post Corporation and, in each

case, what amount was he/she paid in respect of that position in the fiscal year ended March 31, 1983?

Mr. Normand Lapointe (Parliamentary Secretary to Minister of Labour): The Canada Post Corporation informs me as follows:

(a) Names	(b) Positions
Hon. René J. Marin	Chairman of the Board of Directors
R. Michael Warren	President and Chief Executive Officer
Vacant	Executive Vice-President and Chief Operating Officer
K. J. Harry	Executive Vice-President—Finance and Administration
S. T. Cooke	Executive Vice-President—Personnel and Labour Relations
G. C. Clermont	Vice-President—Corporate and Legal Affairs
L. Sperling	Vice-President—Corporate Planning and Business Development
A. Villeneuve	Vice-President—Corporate Communications
Elisabeth Kriegler	Vice-President—Corporate
K. Jolliffe	Vice-President—Administration
W. T. Kennedy	Vice-President—Employee Relations
J. E. Aiken	Vice-President—Field Operations
G. F. Wilton	Vice-President—Finance
H. J. Klassen	Vice-President—Financial and Rate Planning
P. E. Vivian	Vice-President—Labour Relations
J. R. Taylor	Vice-President—Marketing and Sales
Paul Lamontagne	Vice-President—Technical Operations Services
Claire Beaudoin	Member of the Board of Directors
George A. Cohon	" " "
Ronald W. Lang	" " "
Donald A. S. Lanskail	" " "
Derek Oland	" " "
Francis J. Reidy	" " "
Adélard M. Savoie	" " "
Lynda M. Sorensen	" " "

The salary and other remuneration paid to the above-mentioned persons is approved by the Governor in Council. For salary ranges of Governor in Council appointees, please refer to the Report on Governor in Council Appointees tabled in the House of Commons on November 17, 1983.

STATISTICS CANADA—TRAINING PROGRAM FOR INTERVIEWERS

Question No. 763—**Mr. Hawkes:**

Is there a training program for Statistics Canada field interviewers and, if so, during it are they instructed (a) not to mention that many survey questions need not be answered (b) that the easiest way to get financial information is to have respondents show their income tax forms and, if so, are they instructed in how best to probe for sources of "hidden income" (c) that anyone who does not willingly answer all questions probably has something to hide?

Hon. Charles Lapointe (Minister of Supply and Services): Statistics Canada reports:

Statistics Canada conducts a variety of interviewer training programs appropriate to different survey subjects.

(a) Interviewers are trained to try to obtain a response to all questions which are applicable to a given respondent.

(b) For selected surveys where financial information is sought from the respondent, interviewers are instructed to suggest to respondents to refer to their most recent income tax returns to assist themselves in completing the questionnaire. In conducting the interview, questions are asked to enable the respondent to include all sources of income required on the questionnaire.

(c) No.

EXEMPT STAFF OF MINISTER OF REGIONAL INDUSTRIAL EXPANSION

Question No. 789—**Mr. Hnatyshyn:**

1. Are any exempt staff employed by the Department of Regional Economic Expansion and, if so, what are their (a) titles (b) positions (c) names?

2. Do any of the staff mentioned in part I receive income, financial assistance or other benefits related to their employment from sources other than the ministerial budget and, if so (a) which members (b) what are the details of the income, financial assistance or other benefits?

Hon. Ed Lumley (Minister of Regional Industrial Expansion): There is no department of Regional Economic Expansion in the Government of Canada.

1. The Minister of Regional Industrial Expansion currently employs eight exempt staff:

(a) and (b)	(c)
Executive Assistant	P. McGuire
Special Assistant	L. Branch
Special Assistant	A. Denis
Special Assistant	P. W. Fitzpatrick
Minister's Driver	D. Gaudet
Special Assistant	G. Lalonde
Special Assistant	J. P. Morgan
Special Assistant	D. A. Proudfoot

2. No.

[*Translation*]

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

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

FINANCIAL ADMINISTRATION ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Ouellet (for Mr. Gray) that Bill C-24, an Act to amend the Financial Administration Act in relation to Crown corporations and to amend other Acts in consequence thereof, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, when the House adjourned at one o'clock, I was laying down the background for a positive proposal to be made with respect to any legislation dealing with Crown corporations under the Financial Administration Act. I pointed out this morning that this is not a new subject and that efforts were made some 15 years ago to give the House some form of responsibility for the accountability work that must be done with these Crown corporations. We are dealing with the same suggestions 15 years later.

When one examines this Bill more closely, it is evident that accountability will be given to the cabinet. All common sense dictates that since the Cabinet has enough to do, it will delegate that responsibility to civil servants who will oversee the accountability of other civil servants. In effect, the same mistakes that have been made over the last 70 years are being repeated.

The one positive suggestion whose precedents I believe made it workable was that suggestion made in the House approximately 15 years ago by the Member for Peace River at that time, Ged Baldwin. I seconded that motion and I believe we made a fairly good argument for it. However, it was turned down by the Government and the NDP. They argued quite sincerely and honestly that if this power was given to civil servants they should be trusted and permitted to run the corporation as they saw fit. This willy-nilly type of thinking has proven to be a disaster.

I put my proposal forward quite seriously in the hope that, if this legislation goes to committee, a suggestion will be made to remove the proposal that accountability be put into the hands of the Cabinet. I suggest that that is a useless form of accountability. My proposal is to use the experience of the Australian Parliament where important subjects in that country are referred to a statutory committee as distinct from the ordinary standing committee that we have. The statutory committee meets automatically and draws its power from Parliament and is not subject to the whims of Cabinet. Such a committee is comparable to the Public Accounts Committee in our country. However, this statutory committee includes competent people who work for the parliamentary committee and who can scrutinize these Crown corporations that are made accountable to the committee. While this cannot be done for all Crown corporations, I certainly believe that the major Crown corporations should be under some form of statutory committee.

Another precedent that I wanted to mention comes from the Province of Saskatchewan. When the CCF first came to power in 1944, the Province of Saskatchewan had a large number of Crown corporations. That legislature took an important step in appointing a Committee of the Whole House to scrutinize Crown corporations. However, one of the regulations in that provision was that the legislature itself could not adjourn until that committee was satisfied that it had received all of the information it required from a particular Crown corporation. When the Crown corporation civil servants realized that they would be kept there until they answered, they would provide the information. That was a successful form of accountability which even led in some cases to dismissal and reprimands to those in charge.

I can give further examples but I believe I have made it quite clear that a positive suggestion for this legislation is that accountability not be put into the hands of people who are too busy and unable to carry it out. This pertains to a single Minister, as we discovered with Transport, or to the Cabinet as a whole.

I believe that a committee working full time, completely independent from Cabinet and whose recommendations Parliament must heed, would be able to act on the recommendations or warnings of the Auditor General before they are two years too late.

I suggest these views are held by many people in the civil service. Let me quote from a report which I do not believe was ever made public. It was given as a seminar paper to the Canadian Transportation Commission some nine years ago and was written by one of the last old-fashioned mandarins who believed in giving honest judgment and advice.

The Acting Speaker (Mr. Herbert): Order, please. I sincerely regret to interrupt the Hon. Member but his time has expired. If it is the mood of the House to grant the member a one-minute extension, it will require unanimous consent.

Some Hon. Members: Agreed.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Thank you, Mr. Speaker. I will read this quotation:

● (1510)

In spite of the long slow move to greater recognition of the importance of normal economic processes, recent trends to strengthen the role of the bureaucracy at the expense of the operator, of Parliament, of the regulatory agency and even of the cabinet cause concern. The trend is typified by the increasing concentration of power, as defined by statute or regulation, in the hands of Governor in Council or the Minister. This means, more often than not, the advice of the bureaucracy is leading to a bureaucratic discretionary authority that in some cases should belong to the legislator or, in other cases, to the regulatory agency rather than departmental officialdom. This, if unchecked, could lead to a greater interference with normal processes in transportation.

I quote that in conclusion, Mr. Speaker, to show that these are views of able, sincere and experienced men warning us that if we continue to take this power away from Parliament and put it into the hands of Cabinet or other forms of the bureauc-

racy, we will be destroying the very system we are trying to maintain.

Mr. Ted Miller (Nanaimo-Alberni): Mr. Speaker, Bill C-24 before us today is an important Bill to amend the Financial Administration Act as it pertains to Crown corporations. The legislation, I am afraid, is a great deal of smoke and mirrors. What this legislation reflects is the concern which the Liberal Government has now about the public's attention to and its suspicion of those Crown corporations which the Liberals set up. This Bill reflects a mechanism which the Liberal Government is hoping to use in an election campaign to indicate to the public that there is concern among the caucus and the Cabinet. As a result the Government through this Bill is going to deflect some of the anger, frustration and bewilderment which the public presently has toward Crown corporations, Crown corporations which Canadians do accept and do understand are a part of the mixed economy we have and have had for some time.

The public is concerned over the revelations about Canadair and de Havilland and the massive debt those corporations have accumulated over the past few years. People are concerned that the Government did not seem to understand that these corporations were running up large deficits until it was revealed that Canadair had a deficit of $1.4 billion. The public is concerned that Canada Post Corporation has not met the level of efficiency expected. Everybody has examples of mail service inefficiency, examples of letters being lost or mail misplaced for months and months.

Then there is the concern about Petro-Canada, a corporation set up with a great deal of public support. Indeed, this was a corporation which the pbulic hoped would be a window on the oil industry. But we are finding that the public is becoming very disenchanted with Petro-Canada, and I think rightfully so. Petro-Canada is operatinmg much like any other corporation in the oil industry, in a great deal of secrecy, with very little public input in terms of the service people can expect of it, its pricing policies and access to information about its financial position and the investments in which Petro-Canada is involved.

This legislation is really an appeal to the public in an election period. If we look at some of the terminology in the press release of the President of the Treasury Board (Mr. Gray) announcing the legislation, we cannot argue with its intent. What do we have? We find terminology to the effect that Crown corporations should become more accountable to the public, that Crown corporations should operate under sound management procedures. A Crown corporation should produce a mandate for the pbulic and Parliament to understand what it intends to do, plans should be filed, and the objectives should all be placed before Parliament and government. All of these terms are commendable and supportable. There is a little bit of suspicion, particularly on my part, that we are getting into legislation which does not meet all those criteria, as with much of the legislation which the Liberal Government passes.

Why have these policies not been implemented in the past? Why do we wait until this particular time? Every Crown corporation should be operating under sound management. The public should be aware of the mandate and the objectives of a Crown corporation. We have waited until 1984 because it has been divulged that the public mood toward Crown corporations is changing.

In terms of this legislation, I wonder whether we have the resources in Parliament and in the provincial legislatures to deal with the number of Crown corporations that have been set up. In Schedules B and C, for example, there are some 50 Crown corporations listed. These Crown corporations have some 129 subsidiaries. They have assets of some $47 billion and employ 209,000 people. That covers only the 50 corporations and their subsidiaries; there are far more Crown corporations than that. The kind of mechanism proposed in this legislation does not give us the opportunity to deal with those Crown corporations and their function adequately without some kind of parliamentary assistance.

In the short time I have left, Mr. Speaker, I want to talk about the fishing industry. My Conservative colleagues are somewhat critical of the number of Crown corporations there are, I think rightfully so. We have to assess the value of those corporations. I know that in the fishing industry we have a number of Crown corporations. In Schedule C, for example, we find the Canadian Fisheries Products Company, the Canadian Saltfish Corporation, the Fishwater Fish Marketing Corporation and the St. Anthony Fisheries Limited. These corporations were not set up particularly because government wanted to get into the processing sector of fishing industry. All of these corporations were set up because the private sector was unable to operate effectively and efficiently in the fishing industry whether on the Prairies through the Freshwater Fish Marketing Coporation or in Atlantic Canada through the Saltfish Corporation. These companies were set up by the Government in order to protect jobs in the communities, those jobs benefited and the fishermen who were dependent on one of the only resources in the northern parts of the provinces of Saskatchewan or Manitoba, or on the East Coast. Those corporations are serving public policy and those communities. They will continue to serve them because the private sector could not function or support those industries themselves.

However, if we look at the restructuring of the Atlantic fishery, we get an indication of how the Government really feels about accountability and openness in Crown corporations. We passed a Bill restructuring the Atlantic fishery in Newfoundland and Nova Scotia. That Bill was expected to be passed within a couple of days effecting an expenditure of $138 million. Parliament was not given adequate financial information concerning that restructuring, a restructuring that put massive amounts of Canadian funds into the Atlantic fishery. That is not accountability as far as this Parliament is concerned.

If we are to have accountability, there must be some initiative on the part of the Government to provide Parliament and its members with adequate information to make decisions

about Crown corporations. I have some suspicion that that will not happen. When we see a major restructuring with a day long debate in committee and without adequate access, how are we expected as Members of Parliament to deal with the hundreds and hundreds of Crown corporations if there is not that sincerity, accountability and the willingness on the part of the Government to allow Members of Parliament to look at the financial structure of Crown corporations, particularly in the commercial field? Without sincerity and accountability, Members of Parliament will not achieve anything more through this legislation than they have under the present legislation.

With that in mind, I think we have to be convinced that the Government, through legislation and some amendments to this present Bill, will really allow Members of Parliament and this House to have the information to make the directors of the Crown corporations accountable to the Canadian public.

● (1520)

Mrs. Jennifer Cossitt (Leeds-Grenville): Mr. Speaker, in rising to speak on this important and utterly inadequate Bill before us, C-24, an Act to amend the Financial Administration Act in relation to Crown corporations, I must admit to a continuing sense of bewilderment about the business of this House. I know that I have been a Member of this Chamber long enough that nothing should surprise me, but it does. I cannot overcome the Alice in Wonderland sense of disorientation in which this Government seems to fulfil its legislative obligations.

Here we have a Bill which supposedly will restore accountability to the management of our Crown corporations. According to its sponsors, Ministers of the Crown will be responsible for these corporations and they will have the duty of reporting to Parliament. At exactly the same time that these proposals come before us, we have the spectacle of the Crown corporation de Havilland paying unheard of bonuses to its executives for the sterling job of having lost $236 million. Ministers of the Crown have been more than rigorous in defence of these bonuses.

At the same time we have the spectacle—the word "spectacle" hardly does the phenomenon credit—of Liberal leadership candidates and Cabinet Ministers criss-crossing the country, disavowing any personal responsibility for the unholy mess they collectively have made of our economy. I need hardly reiterate for this House the flabbergasting performance of the Minister of State for Economic and Regional Development (Mr. Johnston) just this past weekend. Whom are we to believe? Who truly speaks for the Government? The President of the Treasury Board (Mr. Gray) who, in introducing it, expounded that this Bill would clarify the responsibilities and relationships of Crown corporations and Ministers? Is it the Minister of National Revenue (Mr. Bussières) who has no nobly defended de Havilland and CDIC bonuses? Is it the Minister for Economic Development who would have us believe the question is really academic since he will be cutting these Crown corporations loose just as soon as the June convention is concluded? Whose voice is the voice of authority? It is like the old game show, "To tell the truth"? Is it Minister number one, Minister number two or Minister number three? The only difference is that on the game show you eventually found out who was telling the truth.

My colleagues who have spoken on this Bill have outlined thoroughly and convincingly why this Bill is so inadequate. In particular, the Hon. Member for Calgary South (Mr. Thomson) did so in his rebuttal to the Minister of Labour (Mr. Caccia) who spoke on behalf of the President of the Treasury Board. My colleague showed the many ways in which this Bill is deficient in the purpose for which it was intended; the subsidiaries of Crown corporations which are exempt from the control of Parliament, all 150 or so of them, the built-in closure to cut off debate on the creation of a new Crown corporation after only seven hours and 30 days in committee, and the possible power of the Governor in Council to by pass Parliament altogether in creating new corporations.

To be sure, Bill C-24 promises regulations to make Crown corporations accountable to Parliament, but it does not specify what those regulations are to be. What we have is a set of conditions and circumstances in which such regulations may be suspended or even subverted entirely by the removal of a given Crown corporation from one schedule to another. Is it any wonder that we on this side of the House must treat this Bill with suspicion? Is it any wonder we question the accountability of Crown corporations under this Bill when the Bill itself so obscures the process of accountability as to make it invisible?

Under this Bill, boards of directors have no authority but to act as a rubber stamp. Cabinet picks the chairman and the chief executive officers, the vice-presidents and even the auditors. What has a board of directors to do but to clock in for their per diems and expenses? What, then, is it accountable for, and to whom?

As far as my colleagues on the Progressive Conservative task force on Crown corporations can determine, there is no clear chain of command either up or down. Any one of a half dozen interested Ministers can get in on the act and give their orders, but when it comes to carrying the can, what do we hear? Cabinet is collectively responsible; it was a decision of Cabinet.

Even that we could live with if we could believe it, but how can we when half the leadership candidates, Cabinet members, daily undermine that collective responsibility with impunity? The Minister of Justice (Mr. MacGuigan), the Minister of Employment and Immigration (Mr. Roberts) and the Minister for Economic Development all question openly and publicly the policies they are responsible for and yet cling so tenaciously to office. One or the other. There is no honourable or honest middle ground.

Of course, it may be that it is we on this side of the House who are wrong. Perhaps we should not complain about the inefficiency and mismanagement of de Havilland and Canadair. Perhaps we should not worry about all the political appointees to these six-figure plums. Perhaps we should be

unconcerned about the secrecy, the Orders in Council which pervade the Crown corporations, the post-midnight manipulations such as that performed very early last Wednesday morning when at the stroke of a pen the sports pool became a lottery.

Perhaps we simply should not concern ourselves that the Parliament of Canada is now, and under C-24 will remain, powerless to demand an accounting of either Crown corporations or their nominally responsible Ministers. After all, Crown corporations now employ 263,000 people, 25,000 more than the Government of Canada. Last year they lost $4 billion. The Government of Canada lost $25 billion. That is small solace to the taxpayers who must underwrite such losses, the people who are owed accountability by all of us in public life, not just at election time but every day that we sit as Members of this House.

That above all else is the principle that Bill C-24 ignores. That more than anything is what is missing from this legislation—the obligation to see that these Crown corporations answer to their stockholders to no less of a degree than would the board and administration of any publicly-held and traded corporation or business enterprise.

These Crown corporations—Canadair, Canada Post, the CBC, Air Canada, Petro-Canada—do not exist in a vacuum. They are the very real property of the people of Canada, from the desk Knowlton Nash sits behind to the corner gas station with the Petro-Canada logo. If Members opposite forget, they should be reminded that it was their policy to have the latter, Petro-Canada, spend millions to convince us with their slogan "Petro-Canada, it's ours". Yes, it is ours, for better or for worse. The Crown corporations of Canada belong to the people of Canada. They are their property. The Government is only the steward of those investments, with no less responsibility to give a full and accurate accounting than any executor or trustee of an estate required to pass the accounts before the court each year.

That is the accountability which is required, that and nothing less. We, the 282 Members of this House, not only represent the people of Canada; we represent and hold the trust of the people of Canada. The court before which the accounts of Crown corporations, of government in all its form, must pass is this Parliament. We have not only the right but the duty to demand a full and complete report, not this pitiful sham called C-24. Nothing less can or will do.

Mr. Bud Bradley (Haldimand-Norfolk): Mr. Speaker, I appreciate the opportunity to speak to Bill C-24 today. The expanse of the proposed legislation is such that one could speak under the old rules for 40 minutes over and over again. It is quite restrictive to speak for only ten minutes. I will restrict myself to that.

I begin by saying that I am not opposed to Crown corporations. I do not think anyone on this side is opposed to Crown corporations when they are utilized to the extent and the need where private enterprise cannot provide the service. I am opposed to Crown corporations that abuse the public system and abuse the taxpayers' funds.

• (1530)

The purpose of this Bill is to amend the Financial Administration Act to provide greater Cabinet control over Crown corporations and greater accountability to Parliament. The statement of that purpose is one which I would have liked to have written myself because I feel that it is indeed the purpose of this Bill. The only question I have is whether or not the Bill follows up on that purpose.

Perhaps I may quote the words of Mr. J. Robert S. Prichard, a Professor of Law at Harvard Law School, who on November 29 to December 1, 1983, made a representation to the Conference on "The Board of Directors: Coping with Changing Expectations" sponsore by the Conference Board of Canada in Toronto. I am sure that government Members listened to and received copies of his comments. At that time, he said:

> My concern is that the accountability mechanisms are failing us with the result that the viability of the Crown Corporation as a policy interest is being threatened.

He went on further to say:

> —in attempting to respond to demands for increased accountability, the government has resorted to a complex web of multiple bureaucratic approvals, attempting to make Crown Corporations accountable to everyone in sight—Parliament, Treasury Board, Finance, Ministers, committees, officials, etc. In the course of making Crown Corporations nominally accountable to so many, they are in fact truly accountable to no one.

His comments caused me great concern, Mr. Speaker. He went on to make some recommendations to which I would have hoped the Government had paid attention. The first of those recommendations reads as follows:

> First, reduce the problem to a manageable size: ... reduce the number of Crown Corporations that need to be kept accountable.

He went on to recommend the following:

> Second, encourage—indeed mandate—processes that will clarify objectives for Crown Corporations: Without objectives we cannot derive performance standards. And without performance standards we cannot achieve accountability.

Later on in his speech, he recommended the following:

> Third, follow Lord Macaulay's dictum: "Choose Wisely and Confide Liberally": That is, we should try to ensure that appointments to the Boards of Directors are of the highest quality—

The Government did not listen to that recommendation.

> —and then, having chosen the directors wisely, we should confide liberally in the Board, giving it both the responsibility and the necessary power to do its job.

Another recommendation reads as follows:

> Fourth, emphasize regular, reliable and timely reporting and disclosure policies: The current haphazard situation is utterly unacceptable and the case history of Canadair provides compelling evidence of the inadequacies of the current legislation.

He went on to make the following two recommendations:

> Fifth, to the extent possible, minimize the bureaucratization of the interrelationship of Crown Corporations and the government—
>
> Sixth, resist the temptation to achieve accountability through relying primarily on after-the-fact audits,—

Professor Prichard's final comment that day was the following:

> Whether or not we move in that direction has now become a question of political will. And whether or not our government possesses that will is a judgment on which I can make no special claim to competence.

Has the Government addressed that problem, Mr. Speaker? Has it exhibited the will to which Professor Prichard refers? The legislation before us applies directly to about 183 Crown corporations and subsidiaries wholly owned by the federal Government. Parent Crown corporations are held accountable for all of their subsidiaries, investments and mixed enterprises. Definitions of relevant terms are substantially clarified. That is a general over-view of the Act.

Looking at this Bill in the light of accountability and fairness, I do not think that we could even stretch a curve in order to give this Bill a passing grade. The Bill provides the Governor in Council too much regulation-making power. We must bring more of the mechanics of regulations to the Bill. The Ministers have responsibility but no power under Bill C-24. Power over the appointment of directors and the approval of plans and budgets still resides with Cabinet.

Bill C-24 provides for an insufficient role for boards of directors to play. More power should be given to the boards of directors, particularly in the appointment of CEOs and auditors and the setting up of by-laws. We should create an onus of responsibility on the boards of directors.

Above all, Mr. Speaker, Bill C-24 provides for an insufficient role for Parliament to play. It states that all new parent Crown corporations will be formed only by special Act. However, it provides for no control over subsidiaries of parent Crown corporations. That is our greatest problem at the present time. As well, many existing Acts will allow for the establishment of Crown corporations of the parent type.

The clause in the Bill dealing with special investigations and comprehensive auditing is totally confusing. What is a special investigation? Who dictates what special investigations will take place? Who carries out those special investigations? Who reports them and to whom? Who finalizes them before they are reported to the House, Mr. Speaker?

Dealing with directives, Bill C-27 provided for compensation. Bill C-24 provides for none. Mention of the FBDB, the EDC and the Farm Credit Corporation should be added to Clause 99(7) of the Bill. Our interpretation of the Act is that it is not binding on the Crown.

After reading the clauses which refer to annual reports and trying to understand what is meant by them, one finds that the Treasury Board will still control the form and content of all annual reports of Crown corporations. That is the accountability which is contained in the Bill, Mr. Speaker. Accountability is still spread all over the place and is still not given to Parliament. No Minister of the Crown can be truly held accountable for the Crown corporations for which he is responsible.

I return to the final comment made by Professor Prichard and I will read it again, Mr. Speaker, as follows:

> Whether or not we move in that direction has now become a question of political will. And whether or not our government possesses that will is a judgment on which I can make no special claim to competence.

I wish Professor Prichard were here to read this Act and to see the lack of political will displayed by the Government.

I would like to carry on, Mr. Speaker, but I see that my time is running short. If I had more time, I would discuss the issue of fairness as it relates to this Act and to Crown corporations. I do not believe we see Canada Post exhibiting fairness when it is entering the field of Consumers Distributing and competing with private enterprises and small corner hardware stores. What about the fairness of a Crown corporation like Air Canada and the fairness of the way the Government is treating employees of Nordair and people who wish to purchase shares in Nordair? I do not think that we see any fairness there, Mr. Speaker.

I could mention many aspects of this Bill and try to relate the accountability contained within the Bill to the issue of fairness to people in private enterprise and to Members of the House. There is no fairness in the Bill, Mr. Speaker, so I ask the Government to reconsider the Bill and to reconsider the need for accountability of Crown corporations before it imposes this on the people of Canada.

• (1540)

Hon. James A. McGrath (St. John's East): Mr. Speaker, I would like to join my colleagues in putting forward my concerns about the Bill which is now before the House. I do so because it creates the sense that it satisfies one of the legitimate concerns of Parliament, that is, the accountability of Crown corporations to Parliament. I do not believe that the Bill achieves that very noble and necessary objective. Certainly it will have the effect of making Crown corporations more the instruments or the creatures of the Government. I do not suggest that that is a bad thing. It is a good thing. Having had some limited experience in that regard, I believe that the Government should have more direct day-to-day control over the running of Crown corporations. That is the function of government. But I suggest that it is the function of Parliament to hold the Government and agencies of the Government accountable for the day-to-day spending activities of the Government, of Crown corporations and of agencies. Parliament has the responsibility of holding the Government and its agencies accountable for the money that we vote for them every year. I do not believe that this Bill satisfies that basic objective.

I remember the special committee on parliamentary reform, the Special Committee on Standing Orders and Procedure, which made ten reports to this House. One of the reports dealt exclusively with the question of accountability. One of the recommendations in that report called for the establishement of a standing committee of the House to deal with Crown corporations. It called for a special standing committee of the House which would have the power to deal exclusively with Crown corporations, their day-to-day activities and how they conducted themselves in terms of the mandates that they were given by Parliament. Unfortunately, that report remains on

the Table of the House. It has not been dealt with by Parliament. Like so many of the other excellent recommendations of that committee, we have chosen to set it aside and relegate the responsibility to some future Parliament. I would say that that is a great pity.

I suspect that the genesis of this Bill stems not only from the growth in the number of Crown corporations, their size and financial strength, but also from the comments made by the Auditor General in his annual report of 1983. I would like to quote from paragraph 1.61 of that report. It reads:

> The sheer size of the Crown-owned corporations makes the matter of accountability important. Crown-owned corporations employ over a quarter of a million people. With revenues of $40 billion in the fiscal year ended 31 March 1983 (up from $31.9 billion in the previous year) and expenses of $44.2 billion ($33.7 billion in the previous year), Crown-owned corporations form a huge segment of Canada's total affairs. Their very massiveness demands a proper accountability framework.

Nothing could be more clear, nothing could be more precise, than what the Auditor General said to us in that report. He went on to say, in paragraph 1.63:

> In my view, it is a situation which must not be permitted to continue. While it does continue, parliamentarians are losing part of their fundamental right to be the representatives of their constituents in the crucial decisions of how tax dollars are to be deployed and accounted for.

Parliament—not the Government, but Parliament—was the concern being underlined by the Auditor General, the ability of Parliament to exercise its ancient and very important function of holding the Government accountable for how it spends taxpayers' dollars.

Other Members of the House in speaking on this Bill have made reference to the sheer size of Crown corporations, to the growth in the number of Crown corporations—and I underline this because it is important to emphasize it—and the growth in the number of subsidiaries and agencies of Crown corporations. I emphasize that because this Bill will not exercise any degree of statutory control in terms of accountability over subsidiaries of Crown corporations. Again I refer to the Auditor General's report of March 31, 1983, from which I found out that there were 72 parent corporations in Canada. Those 72 parent corporations controlled 114 subsidiary corporations. There were also 106 corporate investment subsidiaries, for a total of 292. As has already been outlined by my hon. colleague from Leeds-Grenville (Mrs. Cossitt), Crown corporations directly employ more people than the Government of Canada. According to the Auditor General, they employ a total of 263,000 people. The 72 parent corporations, at the end of fiscal year 1983, had assets of $71.7 billion. What is even more important is that they had total liabilities—here again I refer to the 72 parent corporations—in fiscal year 1983, of $64.3 billion. Clearly, it is a situation which is out of control.

What concerns me—and I go back to my opening comments—is that the Bill creates the perception that the Government somehow is addressing the concern expressed by the Auditor General, which has been expressed in many other public forums and also in this House, that not only has Parliament lost control over Government spending but that Parliament has no control whatsoever over Crown corporations and their subsidiaries.

The danger of involving oneself in this kind of rhetoric is that one could get carried away and say that all Crown corporations should be done away with. I, for one, would be the last to put that position forward. Crown corporations are a unique part of the Canadian way. If they are a unique and important part of the Canadian way, then somehow they have to be made accountable to Parliament. I would like to suggest ways in which that could be made possible. For example, why not have Crown corporations report directly to Parliament instead of to the Government? After all, we as Members of Parliament represent the shareholders of Crown corporations—the taxpayers of Canada. Why should they go to the Government first? They should come to the shareholders in terms of being represented by the Members of this House. That is number one. The second suggestion is: why should the Government not move now? It does not have to wait for the recommendations and bring in the entire report of the Special Committee on Standing Orders and Procedure. It could bring a measure now, through the good offices of the Government House Leader, and establish a standing committee of the House to deal with Crown corporations. In that way, Parliament would have a vehicle by which to exercise some degree of control over Crown corporations.

Indeed, I would suggest that these two very simple suggestions would go a considerable way in strengthening the Bill to allay the fears of people and in ensuring that this Bill addresses the concerns of the Auditor General and Parliament, and that we will somehow take control of Crown corporations.

An Hon. Member: Question.

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

Some Hon. Members: No.

The Acting Speaker (Mr. Herbert): The Hon. Member for Lanark-Renfrew-Carleton (Mr. Dick).

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I would like to discuss briefly some of the matters in this Bill relating to Crown corporations. The proposal before us would allow an amendment to the Financial Administration Act and, in essence, would give Cabinet greater control over what are sometimes referred to as Crown corporations. To a certain degree it would give greater accountability to Parliament but, through a number of loopholes or ways in which the Bill could get around the basic premise—and there are a number of them Parliament and the Members of the House of Commons and the Canadian people would not be made aware of what is going on in Crown corporations.

• (1550)

There are, according to some estimates, 183 or 186 Crown corporations of which the federal Government has 100 per cent ownership. The Government also has interest in about 315

other listed corporations, some of which are mixed enterprises, some are subsidiaries and some are associated with the subsidiaries or other types of ventures. There are 55 associated corporations which are less than 50 per cent owned by the Federal Government. It has 17 point mixed enterprises. It has 23 other corporate entities, which are not explained. It has 148 subsidiary corporations, and there are 72 parent Crown corporations. That makes a total of 315 listed Crown corporations. There are, however, disputes over certain other corporations as to which no one seems to know whether they are, in fact, Crown corporations.

The unfortunate thing about this Bill, Mr. Speaker, is that it provides so many loopholes and so many exceptions and the federal Government and the Cabinet can interfere so much. A number of Crown corporations, such as the Bank of Canada, the Canadian Wheat Board and the international development research centre, are going to be exempt from this entire structure set up under the Financial Administration Act. However, that is for now. Others can be exempted later by statute.

As all of us are aware, in the last few clauses of almost any statute or Bill that has been passed there are a few clauses which deal with regulations such as, "The Governor in Council can make regulations pertaining to . . ." I am sure many times in the future regulations will sneak in to exempt such and such a corporation from the Financial Administration Act. It is done all the time and we are only too aware of it. I feel it would be better, frankly, for Cabinet, as the shareholder, to vote its shares at the annual meeting, to elect the directors and then leave it up to the directors to run the company, unless there is something of massive importance to the Canadian nation and to society for which it must give direction. I do not believe the Government should be involved in the day-to-day running, decision-making and reviewing of by-laws of each of the parent corporations and 114 subsidiaries.

Under this proposal the Cabinet makes the major strategic decisions. Parliament merely approves the creation, and if it comes around to it, the disposal of a Crown corporation. Budgets, although they may be put before Parliament, are always put together in such a flimsy form and with such lack of detail because of alleged commercial confidentiality, that it really must be considered a bit of a laugh.

The unfortunate thing today is that although most of the major corporations in this country and in other countries really try to select the appropriate directors and go to great pains and effort to try to get the right mix of directors so they can give the right direction as need be to the management, the only prerequisite in a Crown corporation is that a person have connection to the governing Party, which in this case is the Liberal Party which has been in power for so many years. Therefore, we see intelligent people such as Pierre Goyer, who, however, was a bit of a disaster as a Minister in this House, being appointed a director of Canadair where there is another disaster taking place. It would seem to me that a person should have proven himself in the corporate commercial world before being appointed director of a Crown corporation. However, such is not the case. It has become a patronage tool. Cabinet has taken away most of the issues which directors should be discussing and has left the directors with certain criteria and guidelines which may be inappropriate. Cabinet has taken away the powers of the directors to direct and it has asked the directors to develop and implement the corporate plans, which I really believe is a management prerogative, and if management does not carry it out then the director should have the right to change the management.

Of course, under the terms of this legislation, Cabinet chooses the management, not the directors. Therefore, the directors are really toothless tigers, which is an unfortunate situation. For example, directors should appoint the auditors, whether it is Touche Ross Limited, Thorne Riddell Inc., Price Waterhouse Associates or whatever accounting firm is competent and capable. That is a normal every day obligation of the directors, a decision which is usually approved at annual meetings. But in this case they must consult the Minister or the Cabinet, which is just another way of allowing the Cabinet or the Ministers to interfere and to porkbarrel, making sure that their Liberal friends—as has been the case for so many years—are in there to mess around with the Crown corporation.

The Bill says they are to consult with the Ministers and Cabinet in other management affairs. Again, that is not what shareholders are allowed to do. As a shareholder in any one of our Canadian companies, one cannot go in and involve oneself in management affairs on a daily basis. All that shareholders can do is to wait until the next annual meeting or special meeting and vote, and by the pressure of their vote make their concerns known to the directors, who will, in turn, pass them on to management. Management would be unwise to ignore the interests of the shareholders, and I think any intelligent management would take cognizance of the fact that they have certain views. However, under this legislation, Cabinet has a right to meddle on a daily basis with the management affairs, and I feel that is wrong.

Cabinet can give directives, which are to be tabled within 15 days in Parliament unless the appropriate Minister feels that this would be detrimental to the commercial interests of a Crown corporation. We have heard, Mr. Speaker, the excuse that this is detrimental to the commercial viability of so many things, whether it be a FIRA application or a person applying for a grant under the RDIA program, formerly the DREE program. Unless you had a copy of their application in front of you, even though they were constituents, you would not be allowed to discuss it because, we are told, security is needed to protect the commercial nature of the project. Right there we have an exemption which, although directives can be given and Parliament is supposed to hear about them within 15 sitting days, is allowed just on the whim of a Minister.

There are many other areas I would like to speak about, Mr. Speaker, but unfortunately I see my time is running out. All I want to say is that I know our Party was so concerned at the proliferation of Crown corporations and the bad administration involved, it set up a task force, which has set forth a very

good report. I think the Government would have been wise to have read the report of that task force before it undertook the appointment of more Liberal appointees in the system.

• (1600)

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order. It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Peterborough (Mr. Domm)—Canadian Development Investment Corporation—(a) Status of orders for Dash-8 aircraft manufactured by de Havilland (b) Financial assistance offered to airline companies; the Hon. Member for St. John's East (Mr. McGrath)—Provincial Affairs—Churchill Falls power contract—(a) Government position (b) National Energy Board Act; the Hon. Member for Red Deer (Mr. Towers)—Western Grain Stabilization Act—(a) Size of announced pay-out (b) Contributions to fund.

GOVERNMENT ORDERS

[*English*]

FINANCIAL ADMINISTRATION ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Ouellet (for Mr. Gray) that Bill C-24, an Act to amend the Financial Administration Act in relation to Crown corporations and to amend other Acts in consequence thereof, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

Hon. Bill Jarvis (Perth): Mr. Speaker, it is embarrassing to confess that with respect to Bill C-24, an Act to amend the Financial Administration Act, I find myself not only confused but bewildered. I know some of my colleagues might allege that this is a permanent state of affairs for me, but I frankly do not understand what went on in the developmental process leading to Bill C-24. I am the first to acknowledge that we are in what is likely to be the last or penultimate session of this Parliament, what we normally call our pre-election session, when Government has historically been cautious in its legislation, bringing forward only that which it thinks is in its own best political interests. That is understandable. I sometimes deplore it but I think we have been living with that for well over 100 years and none of us should be too surprised at it. But what confuses me is that I did not think, and I still do not, that there was any political downside to an Act dealing rather substantively with Crown corporations. I do not see where the political risk is. In fact, I think it is a good political issue no matter what side of the House you are sitting on.

In my view, Bill C-24 could have been a very substantive, tough and realistic piece of legislation without any political risk whatsoever. I do not want to be harsh, but I think we are dealing with a cosmetic Bill, one that might be termed, were it dealing with some other subject matter, a political Bill in the last session of the House before an election.

The Government has certainly had lots of time. I can recall that when I first came here 12 years ago, the Government commenced the study of Crown corporation control and accountability. More than seven years ago, this Government promised legislation to reform Crown corporation control and accountability. If, Sir, this is the result of over a decade of Government study, then frankly, to be as charitable as I can, it is extraordinarily disappointing.

There is a multitude of flaws in this Bill. One could take almost any one of a dozen aspects, but time is limited and I want to deal with something that others in the House have dealt with. Because I find it so incredible, I think the point needs reinforcing, that is, Mr. Speaker, the role and responsibility of the board of directors of Canadian Crown corporations. I admit that a Crown corporation has certain unique elements, but if it is engaged in commercial or quasi-commercial activity, then surely it must bear some resemblance to a corporation undertaking the same thing in the private sector. My colleague, the Hon. Member for Calgary South (Mr. Thomson), in opening the debate for our Party said that: "In effect, Bill C-24 would convert board of directors into advisory boards with little or no power". I absolutely agree. If I had any quarrel with that, it would be that the Hon. Member was being a little too charitable to the Government. I am not sure that these boards of directors should really be called in the truest sense advisory boards whose advice would, as a rule of thumb, be given some credibility even if it were not followed. Frankly, an advisory board gains its reputation by its clout, power or prestige, of which obviously there is none in these Crown corporations as proposed by Bill C-24. Frankly, Sir, I cannot see anything very prestigious about the proposed boards of directors of Canadian Crown corporations. The greatest flaw is the inability of a board, Mr. Speaker, to choose the chief executive officer, establishing the tenure and supervise him or her. I have always believed that to be a hallmark of any board of directors. However, in this legislation Cabinet, not the board, appoints the chief executive officer. Cabinet establishes tenure. Cabinet sets the remuneration. With respect to some Crown corporations, Cabinet not only appoints the CEO, it appoints others at the executive level. Also, the election of a chairman of the board is not made by the board from among its members. Cabinet appoints the chairman. Cabinet appoints the auditors as well. Cabinet establishes the dividend policy of the corporation.

I suppose the question is, Mr. Speaker: Why the flaws? Again, trying to be as charitable as I can, I presume no one directed his or her mind to the principle of responsibility when the legislation was drafted. If one had started with the Minister responsible for a particular Crown corporation, then I think there would have been a natural flow. The Minister has to be put in the position, if he is to exercise his judgment with any degree of responsibility, of being able to say, "I am responsible, my job is on the line, and I am going to go out and get the very best board of directors I can find". He is not going to give them seven, eight and nine year terms. If they do not measure up to the standard which the Minister needs to protect him or her as a Minister and to discharge his or her responsibility, they should go. That to me would seem to be the logical flow, Mr. Speaker. At that point the board is going to say, "We had better get the best chief executive officer we can find in this whole country to run this Crown corporation. Unless we do, we, the board of directors, are going to be gone". If that had been the starting point, Mr. Speaker, we would never have got into this mess.

As I say, it is inconceivable that there is a downside. I do not understand why any Cabinet Minister would want to proceed in that direction. Obviously there are political appointments and everyone has his input on the Government side, particularly Cabinet Ministers. But when your job is on the line, I would think it not only behooves you, but it is, in the most crass way, in the self-interest of a Cabinet Minister to get the very best board he or she can get his or her hands on and say to them: "You are running this company, so find a chief executive officer and other executives who will make sure that you and I look good". Obviously that was not the starting point. I do not know what was. I do not know whether this was a bureaucratic Bill that no one thought through in a business or political sense. I do not believe the Government has done a good political job here.

• (1610)

I see, Mr. Speaker, that you are signalling that I have one minute left. The analogy to a commercial corporation is not perfect. I understand that. There are no shareholders in the sense in which we know them. One could say that every taxpayer is a shareholder. I do not think that destroys the natural analogy to a company in the private sector. If I were the Minister, I would say that I am the trustee for every shareholder and that every taxpayer is a shareholder. As a trustee I would be very careful because a trustee's responsibilities are even greater than those of a Cabinet Minister.

I see, Mr. Speaker, that you are signalling for me to conclude. I would like to go on for another hour, Mr. Speaker. However, I am not going to ask for unanimous consent to do that. I thank you for your patience. I deeply regret that this Bill, which I thought was very very important, has turned out to be such a disappointment for all of us.

Mr. Terry Sargeant (Selkirk-Interlake): Mr. Speaker, I am glad to have a few minutes to speak on the Bill before us this afternoon. This Bill could be a very important development in the life of Crown corporations in this country. Unfortunately, the way it has been put before the House of Commons, it will certainly not be anywhere near adequate. I do not think it will come as a surprise to Members of the House that we in this corner of the House have a very positive position with regard to Crown corporations. We recognize that they are a very important part of Canadian life. We recognize that many years ago governments in our country realized that with Canada's great geographical area and small population there were many services that the private sector either could not or would not provide. Therefore, it became incumbent upon the governments to put forward this bill having to do with Crown corporations.

Since that time the Canadian economy has evolved into what we refer to in this country as a mixed economy, with a large private sector and a substantial public sector in the form of Crown corporations and other government bodies under Crown control or partly owned by Crown corporations. Unfortunately, in recent years the credibility of Crown corporations has been called into question. I believe we can lay a lot of the blame for that on the Government. It has not kept an adequate control on the Crown corporations.

What has been the purpose of some of these Crown corporations, Mr. Speaker? In some cases, such as that of PetroCan, they have provided a commercial entry into an area of the economy. In other cases, their purpose has been to develop a certain part of the country. In many instances, they provide a service. One example is provincial telephone companies, which in much of Canada are Crown corporations. I believe that electric companies in the entire country are Crown corporations. In some parts of Canada, automobile insurance has been taken over by Crown corporations with great success. There are a lot of very good success stories about Crown corporations. I would say that most of them in the country have been successes.

When my friend, the Hon. Member for Nanaimo-Alberni (Mr. Miller), was speaking earlier this afternoon, he made reference to the Freshwater Fish Marketing Corporation. I am very familiar with that Crown corporation, Mr. Speaker, since a large part of its business is done in my constituency. I would like to relate its experience very briefly.

This corporation moved into an industry which was in terrible shape in the late 1960s. At that time it was controlled by a number of private corporations, which were not acting at all in the best interests of the fishermen, the people for whom the industry should be providing the most benefit. These private corporations were operating in a dog-eat-dog fashion. They basically controlled the fishermen through their initial payments and, in most cases, lack of a final payment, and through the provision of start-up fees for getting into the business at the beginning of each season. In many ways they were endangered employees. Most of them were fairly poor as a result of that.

In the late 1960s, provincial Governments asked the federal Government to step in and fix it up. The federal Government moved in and provided a very successful corporation. At the

present time, fishermen in most of western Canada who come under that body are able to earn at least an adequate living, if not a great living. I certainly do not want to give the impression that this is a perfect corporation. It is not. There are many improvements which could be made. However, there is no arguing with the fact that the situation for the workers is vastly better than it was previously.

What happens to so many corporations? In recent months we have heard much about the computer company which lost hundreds of millions of dollars. We have certainly heard of the scandalous situation of Canadair and de Havilland. We all know the story of Canada Post. I am most amused by the quarterly reports which we receive from the Chief Executive Officer of Canada Post, Mr. Warren, informing us how much things have improved since he took over the corporation. Almost ironically, within days of receiving a quarterly report I often receive a letter from a constituent telling me a horror story he or she has experienced in getting mail delivered.

What should we do, Mr. Speaker? In his opening comments last week my friend, the Hon. Member for Prince Albert (Mr. Hovdebo), said that we must give these corporations a clear mandate with public responsibility and public direction. We then must ensure that they stick to that mandate and operate within the objectives which this House gives them when the corporation is established. That does not mean that we are going to interfere in the day-to-day operations. Indeed, if this piece of legislation is to give the Cabinet the right to interfere in the day-to-day operations of Crown corporations, then I think the Bill has to be changed. The responsibility for day-to-day operations must be left up to the board of directors and the chief executive officer. However, we must ensure that Crown corporations, like any other corporation, operate with sound management in the best interests of the shareholders, who are the taxpayers of the country.

I would like to make a few comments on the parliamentary reform committee that the Member for St. John's East (Mr. McGrath) was talking about a few moments ago. You well know what I am speaking of, Mr. Speaker. You were one of the leading members of that committee. You are aware that we debated at some length the need for controls and government accountability in many different areas, including Crown corporations and Departments. We received some degree of accountability through the fact that government Departments must now submit their reports to standing committees. However, we also identified the fact that there are many corporations which do not put out annual reports. There are many corporations which are partially owned by the federal Government that should be accountable to the Parliament of this country.

• (1620)

As the Hon. Member for St. John's East (Mr. McGrath) pointed out, we called for the establishment of a committee to which all Crown corporations, quasi-Crown corporations and partly owned corporations will report. As the Hon. Member said, it is lamentable that this report still lies on the Table of the House and that nothing has been done about it. It calls the good faith of the Government into question and begs the question as to whether the Government has something to hide about the operation of these Crown corporations. We would certainly hope that is not so, but when we see the scandals of recent weeks, notably that of Canadair and de Havilland, after their huge losses, having had the nerve to grant bonuses to some of their senior executives, we think it is time that Members of the House of Commons, who are the representatives of the shareholders, have a say in how those corporations are run.

In closing, I think that most Members would agree, and certainly we in this Party believe, that Crown corporations are too important to the well-being of this country to be left alone. It is very important that they maintain their credibility. For that reason we believe that through this piece of legislation and amendments to it, through the adoption of the recommendation made by the Special Committee on Standing Orders and Procedures for a standing committee, Crown corporations will be made accountable to the Parliament of Canada.

Mr. Chuck Cook (North Vancouver-Burnaby): Mr. Speaker, the tired, old, worn out Government has given us another useless, pitiful and disgraceful piece of legislation. It is all smoke and mirrors without any true substance at all. This is evident when one sees de Havilland, Petro-Canada, the CBC and Canadair. I could go on with a list of 420 Crown corporations.

Mr. Foster: The tories set up the CBC.

Mr. Cook: If they remained silent, they might learn something, but that would be asking a great deal. The Government has been studying Crown corporations since 1972 and has been promising reforms since 1977. We have read the various reports of the Auditor General and of the Public Accounts Committee. We have had the Lambert Commission and various reports by academics. There is a consensus that something must be done in Canada to bring Crown corporations under control. However, Bill C-24 is totally inadequate. I do not know why the Government has bothered with it.

Bill C-24 entails a clear and major erosion of Parliament's control over Crown corporations. Of course, there was not that much control to begin with. Parliament will have no control over the creation of subsidiaries by Crown corporations. A Minister need not get parliamentary approval for the creation of a Crown corporation if he or she already has the power to do so through an existing Act of Parliament. There are at least 12 pieces of legislation that give Ministers such power.

Bill C-24 gives immense regulatory power to the Government. Virtually every clause of the Bill contains a regulation-making power by which the Government, in effect, defines how that clause will operate or which Corwn corporations will be exempted from the requirements imposed by that clause. In effect, the Bill states that regulations can change the clause, so the Government is offering nothing to the people of Canada

except to ask then to trust it. That has been the problem with Crown corporations in the past.

There are few, if any, criteria in the Bill which constrain or establish a framework within which the Governor in Council may make regulations. Bill C-24 converts boards of directors into advisory boards with little or no real power. In the private sector, the principal role of the board of directors is to recruit the chief executive officer and to supervise his stewardship of the corporation. According to Bill C-24, the Cabinet appoints the chief executive officer and sets his tenure and remuneration. Cabinet also appoints the chairman and the auditor, and it approves the by-laws and may even make laws for the board of directors.

The basic problem is that the Crown corporations do not know to whom they are responsible. Real authority is not exercised by a Cabinet Minister but by Treasury Board, groups of Ministers or the Cabinet as a whole. It is certainly not exercised by an individual Minister. As a result of being accountable to so many ministers, Crown corporations are accountable to no one. However, I suggest that this is probably to the Government's advantage, because what Minister would want to be totally responsible to any Crown corporation after the mess that has been made of them over the years?

The proliferation of Crown corporations has meant that the task of ensuring their accountability has become much more difficult and really much more important. No matter how good a government's accountability regime, it will not work so long as the trend to the creation of more Crown corporations continues.

The first step under Bill C-24 should have been to reduce the number of Crown corporations that we need. Every means should be utilized, either by selling them, giving them away, winding them up or making them smaller. However, we certainly do not need the present number of Crown corporations.

The increase in Crown corporations has not been accompanied by a comprehensive overhaul of the legal and administrative machinery for ensuring their accountability. We have not heard the objectives of Crown corporations properly clarified. Boards of directors should be obliged to articulate their understanding of their corporations' objectives on a regular basis. If the Government does not agree with those objectives, it can exercise its power as the sole shareholder to direct a change.

It is not clear to me from this Bill to whom the Government wants the Crown corporations to be accountable. Is it Parliament, Treasury Board, Finance Ministers, standing committees or various government officials? They are nominally accountable to many but truly accountable to no one which, I suggest, is evident from the scandals of the last few years. There should be regular, reliable and timely reporting and disclosure policies for all Crown corporations. Why is that not set out clearly in the Bill? Appointments to boards should be of the highest quality, and the Government must have the will to forgo patronage. Directors' terms should be for one year, not multiple years, and performance, not presumption, should govern the appointment and reappointment.

Boards should be given responsibility and the necessary power to do the job. Furthermore, interrelationship with Government should be streamlined, simple, expeditious and effective. There should be no ambiguity in these objectives.

I think an analogy with the private sector is worth-while pointing out. The private sector involves shareholders. In the case of Crown corporations, the shareholders are the people of Canada, and through them, their elected representatives. I am a shareholder in every Crown corporation, but those Crown corporations do not give me the information that I would receive as a shareholder in a private company. The board of directors should select the chief executive officer, as it does in the private sector. While I admit that the Government can appoint the board of directors, the members of any board of directors should have some ability to operate those corporations.

Every Crown corporation should make a quarterly report as well as provide financial statements. Their financial accounting should be conducted in the same way as is done in any other company and they should not hide the truth from their shareholders, the people of Canada, as they do now.

The Canadair, de Havilland and other scandals have cost me as a taxpayer million of dollars. I find the attitude of this Government in this Bill C-24, which is its mirror image, does absolutely nothing to clean up the horrible mess it has created. It is shameful to bring this Bill before the House in this form. All I can say to this tired old Government is, for heaven's sake, in this case in the interest of all Canadians, why not withdraw this Bill, clean up the act and make Crown corporations accountable to the House of Commons? Let us get some facts out on a quarterly basis so that we can save a dollar now and then for the taxpayer, about which this Government does not seem to care. What's a billion? Canadair can tell you what a billion is. The taxpayers of Canada as voting shareholders will have a chance to tell you, Members opposite, in terms of your tenure as the board of directors of this country what they think. You, over there, have to be thrown out for the benefit of all.

• (1630)

Mr. Thomas Siddon (Richmond-South Delta): Mr. Speaker, I would like to say a few words. The Government opposite has a tendency to wait until the later months of spring as we get into the time of adjournment to bring in a whole host of complex and overdue pieces of legislation, such as Bill C-24, to create the illusion of progress and activity on behalf of the people whom they have poorly represented these past 14 years. That is what Bill C-24 is all about. It is the same in the case of Bill C-19, the omnibus Bill which purports to amend so many aspects of the Criminal Code including sentencing, computer crime, drinking drivers, fire arms, and a whole long list of important measures of reform. They have all been thrust upon this House in the dying moments of a dying Government merely to create the illusion of action. Here we are once again faced with a piece of legislation. Suddenly the Government awakened to the realization that the Crown corporations,

which it has created in abundance over the past 14 years, perhaps 15 years under the present Prime Minister (Mr. Trudeau), have been disastrous in their consequence to the people of Canada. It has not mattered whether these Crown Corporations have been in a form to regulate and their regulatory powers have run out of control. It has not mattered whether they were corporations created to fulfil some great and important national purpose by way of providing a monopoly service to the people of Canada, which then became deficit ridden and top heavy with bureaucracy. It does not matter whether we are talking about the Crown corporations that were created to generate a positive industrial climate by developing new initiatives in different areas in which Canada had not previously been engaged. In all of these cases the Government opposite has failed miserably to bring these Crown corporations under control, to make them accountable to the people, who, after all, ought to be considered as the shareholders. If the Crown is to operate corporations in the name of the people of Canada, what better place to make them accountable than in this House of Commons where those who represent the people of Canada are empowered and should be welcome to overview the management of such major enterprises? As other Members have pointed out we have now created, at last count I think, over 450 corporations of this sort in Canada. We cannot count all of the subsidiary little creatures that have spun off from the major corporations, because they are being created virtually day after day without the House of Commons and the Parliament of Canada being invited to scrutinize the rationale, the *raison d'être* for the creation of these new agencies.

If we look at Bill C-24 in detail, we can see that it will not go too far to resolve this fundamental question of accountability. One of the reasons Crown corporations have not been held accountable is that the legislation under which they were created, where indeed that legislation has been debated in the House of Commons, is more or less just a shell, a framework in which broad powers of discretion are granted to the Governor in Council. If we look at the detail of this Bill, we see no means of bringing this lack of direction under control. In fact, the regulation making powers of the Governor in Council will be enhanced under the provisions of this Bill.

We have also pointed out that the boards of these corporations and their chairmen are not directly accountable to Parliament. Under existing legislation, most of the boards are accountable to responsible Ministers. But under the proposals contained in this Bill, Mr. Speaker, that level of responsibility—accountability to a specifically designated Minister—would be diminished and the corporations and their boards would be asked to report to a Cabinet committee, thus the direct responsibility to the House of Commons and to a responsible Minister would be diminished even further.

If we were to prepare a Bill of this nature dealing with the necessary structure and framework under which Crown corporations were required to operate, it would begin with the notion that no Crown corporation has the perpetual right to existence. We would begin with the notion that Crown corporations would be required to come annually to Parliament to justify their financial plans and their borrowing requirements. Members of the board would be called before parliamentary committees to demonstrate their expertise in conducting the affairs of a corporation. When such a corporation was established under legislation to serve certain aspects of a national interest, that is to say to provide transportation in remote parts of the country, which was the original mandate for the CNR and Air Canada, then it would be incumbent upon the directors of that corporation to come before Parliament annually and point out the extent to which that national interest was being served.

The question in the case of Air Canada of meeting the convenience and the necessity of an affordable service to the travelling public, for example, would have to be addressed by the chairman of that corporation. He would be accountable to Parliament for the continuation of his responsibility, not accountable to the Cabinet or the Prime Minister.

The system of politically appointing the chief executive officer or the chairman of a Crown corporation and his board—I should correct that slightly, the chief executive officer is not supposed to be a political appointee, although in many cases he is, but it is quite evident that the chairmen or chair persons of major Crown corporations are appointed for political reasons—that practice must come to an end, Mr. Speaker. If a Crown corporation is to be accountable to the taxpayers of Canada in whose interests it is supposed to operate, then the Parliament of Canada—just as in a private corporation where the board of directors is selected by the votes of the shareholders—the Members of this House of Commons, should have the right to examine the proposed occupants of the key positions on the board of a corporation, and indeed in some case this House should vote on those positions.

• (1640)

Another area where Crown corporations should be brought under control is their almost unlimited ability to borrow money privately in the name of Her Majesty without adequate overview by the people's representatives here in the House of Commons. In other words, the extent to which Crown corporations incur financial responsibility must be strictly controlled. There ought to be a relationship drawn between the equity, the asset value of the Crown corporation, and the amount of liability it incurs. Those liabilities should be permanently entered on the books of that corporation as a liability to be cleared from the earnings of that corporation, unless the chairman and board of directors can justify the deficits from the point of view of fulfilling some element of the national need.

There is no provision in this legislation to restrict the ability of Crown corporations to spawn subsidiaries. There is no provision to prevent Government Ministers from creating Crown corporations merely as a smokescreen, to remove from their area of responsibility a corporation that is going wrong, as was the case with CDIC. The responsible Minister did not

want to have to account for the disastrous and tragic mismanagement of Canadair, de Havilland and Eldorado Nuclear. Therefore, the Government hived them off into a new subsidiary organization, CDIC, whose purpose to this date has not been clearly stated in this House of Commons. It appears to be a ruse to deny parliamentarians the right to scrutinize those corporations by removing them one step from the overview of this Parliament.

When we look at the track record, we see that Canada Post is incurring annually a deficit in excess of $500 million. We should look at the deficits incurred by the CBC. We can turn on the CTV television network and obtain virtually the same quality programs without incurring a deficit of half a billion dollars a year. We have to ask if this Bill is adequate.

In conclusion, it is obvious to the people of Canada that a major overhaul is essential in the management of our Crown corporations. This Bill will just not fill the bill.

Mr. Walter McLean (Waterloo): Mr. Speaker, in joining with my colleagues in speaking to this Bill I wish to spend my allotted time on Bill C-24, an Act to amend the Financial Administration Act dealing with Crown corporations, by addressing one very crucial aspect of this legislation, one that is fundamental to my Party's view of financial accountability. It is important because, while it demonstrates a gaping flaw in Bill C-24, it is characteristic of the current Liberal's inclination to snub a tradition of trust with the electorate at the same time as it takes steps to legislate sloppiness and protect bunglers. This Bill legislates against the tradition of ministerial responsibility.

As the Hon. Member for Calgary South (Mr. Thomson) outlined in his speech opening second reading, this Bill once again ducks the whole notion of ministerial accountability. We have heard from political commentators that the so-called Trudeau era ushered in the practice of collegial decision-making. I suggest that Bill C-24 provides eloquent testimony to the failure that this practice has been in terms of public policy formulation and the efficient operation of the Government of Canada.

Collegiality might better be viewed as the attempt to protect the slender reputations of political appointees who found themselves stuck in ministerial roles demanding far more managerial moxie than they could ever muster. Except for geographical coincidence, they should never have been considered ready to manage anything more than their golf scores. Even then, they would have needed to have a foursome.

The Hon. Member for Calgary South outlined my Party's position on ministerial accountability. He said:

> —we will never solve the problems of Crown corporations until Crown corporations come under an effective regime of individual ministerial responsibility. C-24 goes in the opposite direction. The individual minister is nothing but a post box. The real authority is exercised by Cabinet or the Treasury Board—groups of Ministers, rather than individual Ministers . . . In being accountable to so many Ministers, Crown corporations will continue to be accountable to no one.

The Government maintains that this Bill seeks to address the problems of the accountability of Crown corporations, as pointed out in various studies ranging from the Auditor General's report, the Lambert report, and its other self-appointed experts. This is nonsense. What this Bill does is to enshrine all the worst inclinations this Government has demonstrated in unnecessary bureaucratization of a process that clearly demands the hands-on intervention of responsible Ministers held accountable by Parliament. In Bill C-24 we are offered regulation instead of responsibility, mud instead of stone, and spinelessness instead of gumption.

Let me offer a case in point, one that illustrates the often useful vehicle of a Crown corporation which has gone sour, and worse. During 1966 and 1967, the federal Government was busying itself creating the National Museum's board. As originally envisaged, the board was to offer centralized services to the National Museums and Galleries. However, in settling on a model for this board, the Government chose the structure of the British Coal Board to oversee the best interest of Canadians in housing and exhibiting their heritage in an educational fashion. Think of the example of the British Coal Board. Needless to say, what Canadians actually got was a messy bureaucratic structure which takes up nearly three-quarters of all monies allocated in the federal budget to museums. That way we see the current administration able to hide away the National Museums Construction Board, which will not be audited until 1989, which is hell-bent on building new galleries and museums before the Minister, who should be responsible, has even begun to devise the programs by which they will be run.

The viability of the Crown corporation as a vehicle for public interest is being threatened by the tendency for Ministers to hide behind bureaucracy rather than to send clear signals to that bureaucracy and then be prepared to stand in Parliament and defend them. This Bill demonstrates no newfound desire to open Crown corporations to public scrutiny, to let the interest groups regularly and systematically react, whether it be through the vehicle of parliamentary committees or whatever. On the contrary, Bill C-24 has the seeds of even more blatant attempts by our collegial federal Cabinet to spend its way into the political hearts of Canadians while it eats its way into the future of their children and grandchildren.

There are many illustrations. When talking about responsibility, I think not only of the responsibility in cultural areas but of the responsibility in public transport. In the last few days I have been reviewing the service of VIA Rail into the Kitchener-Waterloo area. I spoke to passengers about that Crown corporation, the funding for which is still a $1-vote in the Estimates. It is a corporation which is impossible to influence even though the citizens are directly affected by it. I regularly found that the insensitivity of this Crown corporation is such that all of the advertisements in the Kitchener-Waterloo area relate to national travel and it is impossible for passengers wishing to travel from Kitchener-Waterloo to Toronto to find those trips advertised by a government agency in their own newspaper.

• (1650)

I could go on. My colleagues have been outlining the failure of this Bill to meet the reality of what we see as being a substructure of Government running amok. Each of us could spend hours illustrating this from our own experiences.

Let me conclude my remarks by indicating that not only is the lack of ministerial responsibility one of the fundamental shortfalls of the Bill but, as well, the scope of the Bill is very limited. Bill C-24 does not cover many of the major structural problems related to Crown corporations as a whole. It is, for example, silent on the matter of internal government organization and on the matter of privileges and immunities of Crown corporations. It is silent about whether we will find more Crown corporations hiding behind the Combines Investigation Act and whether public servants should serve on the boards of Crown corporations. It is silent about the extent of the Government of Canada's accounting entity and the creation of parliamentary oversights. In addition, the Bill covers only wholly-owned corporations. It does not apply to the more than 100 mixed and joint enterprises that exist.

Therefore, Mr. Speaker, I would like to suggest that the public is not being fooled by this cosmetic effort. Bill C-24 demonstrates that the Government is out of step with the thinking of Canadians and their desire for accountability of the tax dollars that are spent. I join with my colleagues in asking the Government to withdraw this Bill and return to Parliament with something which will really tackle the serious concerns which have been reflected in the House.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, it gives me a great deal of pleasure to participate in today's debate concerning the control and accountability of Crown corporations. Crown corporations have played a very long and valuable role in the development of Canada. As long ago as 1841, the joint Governments of Upper and Lower Canada, the Government of the United Provinces, set up a board of public works to build canals in the country which was known as Canada at that time. As long ago as 1906, Ontario Hydro was established as a Crown corporation which had a monopoly on producing electricity in the Province of Ontario. That corporation was set up by a Conservative Government in 1906.

Many provinces have found it useful and necessary to set up Crown corporations, most of which have been patterned after a monopoly, with regard to the offering of telephone services. As an example of that, I cite the Government of my own Province of Saskatchewan and the Government of the neighbouring Province of Manitoba. In terms of providing services for the new airline industry, for example, Trans-Canada Air Lines was established as a Crown corporation to provide service right across the country.

I suppose there are many different ways to look at Crown corporations, because there is a great range of work that can be done by Crown corporations and a great many ways in which Crown corporations may function. Some very useful and beneficial Crown corporations do exist. Corporations which are often thought of as Crown corporations, such as the Canadian Wheat Board, have been very useful. The Canadian Wheat Board does an excellent job of marketing farmers' grain in western Canada, the area for which it has responsibility, and it does so in the most efficient manner possible. Without extracting a profit from its users, it returns all of its benefits and all of its surplus funds back to the farmers who use the Wheat Board. When Crown corporations function in that way, they provide a benefit to the users and a benefit to the economy as a whole.

We have seen examples of Crown corporations being created to bail out investors who have done a poor job. We saw this happen in 1919 when the Borden Government established the Canadian National Railways by rolling three nearly bankrupt railway companies into one. The shareholders of those companies were protected because the Government took over the liabilities of those railways and kept on paying dividends by way of interest. The CNR had a great deal of difficulty functioning because what had happened was that the Government had in effect taken over the assets of those railways for far more than their market value.

A similar example occurred a few years earlier when the Liberal Government of Saskatchewan began to establish a government grain elevator corporation, the establishment of which was against its will. The farmers insisted on having a government-operated elevator company in order to avoid some of the practices in which the free enterprise elevator owners were engaged. The Government of the day did not want to enter into the elevator business but was forced into it, by the farmers. Consequently, the Government chose to buy all of the losing elevators across the country. It bought the poorest elevators in the poorest locations with the worst managers and combined them all. By golly, the Government was right. The Government could not run an elevator company. Since that time, many other corporations have been set up by the Crown that have not followed that route but have been very efficient and effective. It is simply a matter of what the mandate of a Crown corporation is and what the written and unwritten agendas of the management of the Crown corporations are.

I believe that a Bill which would attempt to make Crown corporations more accountable and would set out rules for them to follow would be of some use to the country. The effects of the proposed legislation have been indicated several times in the speeches we have heard up to this point. Given the few moments left to me, I would like to point out that we have some questions regarding the ability of this legislation to provide the necessary control and accountability, given the fact that there now exist Crown corporations which act as holding companies.

The proposed Canadian Development and Investment Corporation would act in effect like a little Argus or Power Corporation. There would be a great many other second, third and fourth-ranked Crown corporations under that corporation. Under this legislation, the Parliament of Canada would only be setting out accountability provisions for the granddaddy corporation, the CDIC, and would not have very much say or

control over what goes on in the second, third and fourth-level corporations.

As well, another form of involvement of Crown corporations which we are seeing quite often is the entry of Crown corporations into joint ventures and the setting up of other Crown corporations in which the parent Crown corporation is a one-third or one-half shareholder. This legislation does not make clear at all how the Parliament of Canada will be able to control those assets, which are under the name of the Crown and managed by a Crown corporation but exist beyond the control of Members of Parliament and beyond the accounting process that is set up by this legislation. We do not think that those questions have been adequately answered at this point in time.

We believe that the legislation should take those kinds of real life, current-day problems into account when it goes to committee. We feel, therefore, that the legislation needs some further amendment and further strengthening if indeed parliamentarians will be able to make the Crown corporations of the country accountable to them on behalf of the people of Canada who act as the shareholders of these corporations.

• (1700)

The Acting Speaker (Mr. Guilbault): It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*English*]

The Acting Speaker (Mr. Guilbault): Shall all orders and items preceding No. 108 stand by unanimous consent?

Some Hon. Members: Agreed.

* * *

CRIMINAL CODE

AMENDMENT TO REINSTATE CAPITAL PUNISHMENT

Mr. Gordon Taylor (Bow River) moved that Bill C-214, an Act to amend the Criminal Code (death sentences), be now read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, I hope it is the intention of the House to pass this measure, because the people of Canada are getting tired of waiting for the reinstatement of capital punishment.

I want to deal with the problem today from the viewpoint of the man on the street, and from the viewpoint of 85 per cent of the people who sent me here. First, I think the terms should be defined. In the Bill, capital punishment means the death penalty for the murder of another human being that is deliberately planned and executed, and where the person committing the act is found guilty beyond the shadow of a doubt. I want to make it clear that if there is any doubt whatsoever, the execution should not take place, in order to do away with the suggestion that we may hang the wrong man.

The first point I would like to deal with is that it is time the long moratorium on capital punishment ended. The people want it to end, and I think statistics will show that it should end. Canadians are angry. They believe in democracy and they want to know why the Government of Canada is not reflecting their wishes.

What are their wishes? According to the polls, the vast majority of people want the death sentence reinstated for first degree murder, where there is no shadow of a doubt. In 1972, the polls showed that 63 per cent of the people wanted the death penalty reinstated. In 1975, it rose to 69 per cent, and 79 per cent if it involved the death of a police officer. In 1983, the polls showed that 85 per cent of the people wanted capital punishment reinstated. When 85 per cent of the people of the country want something done, surely it is the responsibility of the government in power to reflect that thinking in the legislation. That many people cannot be wrong.

We live in a democracy. I do not accept the theory that the Government is providing leadership. His the people whom we are representing. When I knocked at doors in my own riding, more than 85 per cent of the people wanted capital punishment reinstated. If I did not stand for that, I would have had to tell them so, and I am doubtful if they would have elected me.

Why is the Canadian public feeling terrorized? Why are women afraid to walk in the streets of our cities after dark and sometimes before dark? Why is it not safe to put your can in an underground parking lot, or even in a parking lot above the ground in some cases? I think there are a number of reasons. There are too many murderers walking the streets. We do not know when those who are in prison are going to get out.

There was a very definite example of that just in the last day or so with a man who strangled four women. One of them was a schoolteacher in Calgary; the other three women, I believe, were from Quebec. He strangled them. A sex maniac. What happened? He was supposed to get a life sentence, but he was out at a fancy restaurant for dinner without enough guards to look after him. He went to the washroom and he escaped. He could have killed another woman. Fortunately, he was caught before he did that. It is not good enough for the Minister to say, as he did this afternoon, "I am not sure what went wrong". I know what went wrong. The man should have been executed after he murdered the first or second person. We should not have waited until he murdered four people.

How many times does this happen in Canada with murderers committing their second, third and fourth murder? The bleeding hearts of the country say, "We are rehabilitating them". I would have laughed, if it were not so sad, when the Hon. Minister said today that the chap took sexual therapy. Well, sexual therapy did not do Boden much good. I am

doubtful if it is doing anyone else much good. What is wrong is that we are catering to our murderers. We are giving more attention to the murderers than we are to the victims. The people of Canada are getting fed up with it.

Another case—and I do not want to deal with this in detail because I would like to deal with it at another time—is that of Clifford Robert Olson. He murdered 11 young people, people who were in the spring of their lives. He deliberately planned and murdered those young people. What he did to them before he murdered them God only knows. I do not say that in a profane way. Of course, Olson knows the abuse to which he may have submitted those young people before he murdered them and before he buried them. Then he bragged that he killed at lot more than 11 people. He tells us that he killed several more in the United States. Now he wants to write a book and make money from the deaths of the kids. It has gone too far and the people are getting fed up with this bleeding heart business.

Let us look at Brown and Peters in my own riding. They went out and searched to find a woman or girl whom they could sexually abuse, mutilate and then cover with gasoline and burn the evidence. One young married woman who ran out of gas happened to be their victim. It could could have been your daughter or your wife, Mr. Speaker, who happened to be on that road that night. But it was a young lady. If that was not enough, a short time afterward they watched stores to see if they could find a young girl who was left alone. Finally they found a store, went in the back way and took her out. They mutilated, abused her, and then covered her with gasoline and burned her. What happened to them? They got life. I would not be surprised if they are out on parole right now. There are so many bleeding hearts in this country who think that such men can be rehabilitated, men who are deliberately committing murder, who get their kicks out of murder. The kick they should get is at the end of a rope, and it should be their last kick.

There is also the Shearing case in British Columbia, that of a man who murdered three generations all in one night. He killed them, burned them and tried to destroy the evidence. It was carefully planned. He did not know the two families. It might have been you and your wife in the trailer, Mr. Speaker, but it happened to be those two particular families. Who knows what other murderers are lurking beside some national park waiting for the same thing to happen? In the way these murderers are treated afterward, there is certainly no deterrent. They are put in prison and they are given special attention. They are guarded from other prisoners. The other prisoners would not stand for it. There would be another murder if Olson was ever let loose in a prison. But do not worry, he will get out. "Life" does not mean a life sentence any more. Life means 20 years or 25 years, if it means that much. The prisoner is then supposedly rehabilitated. Yes, just like Boden. We are fortunate that Boden did not commit another murder. No wonder the Canadian people are terrorized. "Life" does not mean life. If it did, perhaps 85 per cent of the people of this country would not want capital punishment returned. "Life" does not mean life; it means 15 years or 20 years, and less than that in some cases.

• (1710)

Shearing got 25 years, and what did the judge say? I quote from part of his comments when sentencing, "... this senseless, brutal, cold blooded murder of six innocent people, three generations, murdered". For what? So he could have their trailer. That is how he views human life, and we make sure that he lives and we as taxpayers give him the best to eat. The prisoners are receiving the best of food, particularly those like Olson, Shearing, Brown and Peters, who are put into special protective areas. They eat a lot better than people on relief and a lot better than people who are unemployed, I will tell you that, Mr. Speaker. If you do not believe me, go to the prisons and see what they are eating. In the Calgary remand centre a short time ago prisoners went on strike because they are getting too much turkey. Well, I know people in my riding who are lucky if they get turkey once a year. That is why the Canadian people are angry.

People say the death penalty is not a deterrent. I happen to believe it is a deterrent. I respect those who think it is not, but I cannot follow their logic. People love life and people will do anything to stay alive. It is only the exceptional person who wants to die. We struggle to remain alive. Some people say that capital punishment is not an effective deterrent, that it is never used. We are told that it did not produce results. Well, it has been a long time since we have had capital punishment, and people knew they would be hanged or executed if they committed a murder. It was in 1961 or 1962 that the last person was hanged in Canada. After that, every murderer was pardoned by a royal pardon. It became a policy of the Government, both Liberal and Conservative, to pardon the person who took another's life. It is too bad they could not bring back the lives which were taken.

How do people know that the death penalty is not a deterrent? From 1961 to 1967 murders kept increasing. In 1963, murders went up 1.04 per 100,000 per year on an average. In 1966, they went up to 1.2. In 1969, they went up to 1.67. In 1972, they went up to 2.05. In 1975, they went up to 2.46, and that was the peak. That was also the time when the death penalty was abolished altogether. Many people tell us to look at the years from 1978 to 1981 when the number of murders dropped from 2.46 to 2.38. But I do not believe that proves anything. I do not really believe statistics prove a great deal either. How many of us know how many murderers would be deterred if they knew they were going to be executed? They love life.

It does not matter what kind of law you have, some murders will be committed, murders of passion which happen in a moment over a family fight, a love affair, or many other instances. It just simply happens. It is not planned and deliberate. Those are a different type of murder. I speak now of those murders which are deliberately planned and executed by these people who know they are not going to be executed but are

going to be given number one treatment in our jails, and that is what we are giving them.

In my view, the death penalty is a deterrent. It is an effective tool which pinpoints law and order. I respect the views of people who do not believe in capital punishment, even though I cannot follow their logic in light of things which are happening today. The abolitionists appear to have no objection to punishing a child for stealing or a grownup for committing rape. There is no objection to punishing them. But when someone is murdered, the worst of all crimes, then the appropriate punishment is objected to, namely, death to the killer. Violent crimes are becoming all too rampant throughout Canada. Elderly men and women are afraid to walk outside after dark in some of our cities. But we are more concerned about the criminal, in rehabilitating him, than we are about the victims of the crime. The rights of law-abiding citizens seem to be eroding with the increasing leniency toward crime in prison sentences and punishment.

When we get these people in prison, what rights do we take away from them? The only punishment is that they are locked behind bars. That is all. They have better food than many people outside of prison who are honest and clean living. They have entertainment. They are even provided with movies, which many of us would not go to see, blue movies. They have the best of pool tables. Oh, yes, we treat them wonderfully well. We are rehabilitating them. We give them sexual therapy, and what happens? We are now providing conjugal visits at the expense of the taxpayers for prisoners serving a life sentence. We do not even stop with those who are married; we even give this privilege to those who are not married. That is the way we are operating our prisons. Common law wives can go in for conjugal visits at the expense of the taxpayer. Sometimes I wonder why we do not take the prostitutes away from our main hotels and put up a sign in front of our prisons saying, "March up and down here. Government will provide a trailer for you". I hope that is not the next program because it is almost that bad now.

Yes, we must provide food, clothes and shelter, but let us forget about all this bleeding heart business on the pretense of rehabilitating these people. If they did not know what they were doing, that is one thing, but when they know what they are doing, death is the proper punishment. I make no excuse or alibi for advocating that very thing.

I believe that the death penalty is a just punishment when someone deliberately plans to take the life of another human being and carries that plan out, particularly when the victims are young children and women. That is the kind of man Olson was, a yellow dog. He could not pick on a man his own size; he picked on kids or on women. The death penalty, in my view, is a deterrent. We have not given it a chance. We have not had the sure penalty of death on the books long enough for people who deliberately plan and kill and are found guilty beyond the shadow of a doubt. It has not been on the books long enough to show whether or not it is a deterrent, and I believe it is.

The death penalty prevents a second, third and fourth murder, as in the case of Boden. The school teacher in Calgary would still be teaching youngsters, helping people, if she had not been strangled by this man they call "Strangler Bill". The death sentence is a basic of justice in law. The death penalty is final because there can be no change after a murderer is executed. The courts must be sure that a person is executed only if and when that person is proved guilty beyond the shadow of a doubt to have murdered a child, a woman, a man, a guard, a policeman, another human being. If there is any doubt, then the murderer should be put in prison and not executed. What are we going to do with all these murderers as our prisons get fuller and fuller? Some day we will have so many murderers in our prisons that we will have to start building more prisons, another expense for the taxpayer.

• (1720)

I say, Mr. Speaker, that people who kill should get their desserts: execution. Let it be known across the land that that is what it is. I believe that then the number of deaths will decrease because all human beings love life.

Mr. Stanley Hudecki (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, I welcome the opportunity to speak on the issue of capital punishment. The Hon. Member for Bow River (Mr. Taylor) has introduced a Bill to reinstate the death penalty for first degree murder, and I wholeheartedly disagree with that suggestion. I am disappointed that a man of his stature should have killing as the thrust of his speech. The psychology of killing appears to pervade an increasing proportion of our society. We see it in the killing of the unborn and those who are born with abnormalities. We see the thought pervading hospitals when they bring in a person with a broken hip who appears to have difficulty in orientation and in understanding what is going on. The thrust of this psychology of killing is really that we are seeking vengeance, and the more vengeance we seek, the more we promote the concept of killing.

In our system of justice, which is of very high calibre, there have been two cases of people found guilty of murder, and later their innocence was proven. Fortunately, they had been put in prison and not executed. It would have been a sad reflection on our system of justice had we lost those two men.

In 1976, Parliament had a free vote on capital punishment. The result was approval of the Bill officially bringing capital punishment to an end. Instead, as the Hon. Member for Bow River indicated, we have a imposed sentence of life imprisonment with no parole for at least 25 years for first-degree murder and 10 to 15 years for second-degree murder. However, it appears that that vote did not settle the matter. Since then there has been a stream of Private Members' Bills, motions and proposals for a national referendum on the subject. What has this accomplished? Absolutely nothing. Just a lot of window dressing about procedures governing appeals and executions.

There is only one point to be debated here, that is whether or not we want to bring back capital punishment. I suggest, Mr. Speaker, that we have to ask ourselves why this particular subject keeps coming back. We have to look at it in perspec-

tive. We have heard, and probably will hear, numerous arguments about the effectiveness of capital punishment as a deterrent. Statistics can be marshalled to show that the murder rate has not increased since capital punishment has been abolished. Reference will be made to trends in other western abolished. Reference will be made to trends in other western countries. However, I would like to deal with the moral question, because I think that is the key to understanding why this issue keeps coming up. It is perhaps also the key to determining whether or not the matter should once again be put to a vote in the House.

First, Mr. Speaker, every time those who favour capital punishment raise the matter, they inevitably give lurid and emotional examples of murders which have occurred recently. We hear examples of cold-blooded murders in individual ridings. Members do surveys of their constituents and find that a significant percentage are in favour of capital punishment. What these samples illustrate is but one side of the moral issue, namely, that everyone is outraged and horrified by such extreme crimes. No one wants to see a criminal get away with his crime. Every time a murder is committed we hear demands that the death penalty be brought back. Thus it is clear that for the anti-abolitionist the central issue is a moral one.

However, this is stating only one side of a difficult moral question. Those who keep introducing motions to reinstate capital punishment tend to ignore the other half of the problem, that is, whether the state has the right to take a human life deliberately. The right to life is given explicit recognition in our Charter of Rights and Freedoms. It is not sufficient for anti-abolitionists to argue an eye for an eye. In other areas the state does not punish a crime in the same way it was committed. For example, we do not mutilate those who have been convicted of the crime of mutilation. I seriously question whether the appropriate punishment for the crime of murder is a corresponding act of murder by the state, and I have yet to hear any persuasive arguments to this effect from the other side.

I note the statements by those in favour of hanging that crime is on the upswing and we have lost our morality, that we must do something about these crimes. Well, if indeed Parliament, the criminal justice system or this Government did nothing about crime, then obviously it would be acting immorally. The fact is—and I think we can take some comfort from this solid fact—that Canadians enjoy an effective, sophisticated criminal justice system. The great majority of criminals, including killers, are apprehended by the police. The penalties provided in the Criminal Code for serious offences are severe, and I have noticed no reluctance on the part of the courts to impose such sentences. In 1977, capital punishment was replaced with a mandatory life sentence without eligibility for parole for 25 years. We certainly are not coddling criminals or acting immorally in handing out such sentences, but I hasten to point out that unfortunately in Question Period today details were presented to us by the Solicitor General (Mr. Kaplan) indicating that in a particular situation the implementation of such sentences is wanting. However, he has assured the House that this is an exception and will be fully investigated and appropriate measures taken.

• (1730)

Those who are in favour of capital punishment have the burden of proving that this form of execution by the state is justified. It seems to me that this ultimate penalty carries with it the seeds of severe injustice through its potentially unequal application to the poor. It is very rare that we see the rich, well supported and knowledgeable people go on to an execution. Usually they are able to get the support of the best criminal lawyers in the country. Through the use of their status in life, the support of their friends and the very skilful use of the laws, they are able to have their crime dealt with by a sentence other than execution. If you study the records, you will see that it is usually the ignorant and uneducated who are found guilty and who in so many cases have been, and in some countries still are, executed. So there is a very definite potential for error. This was demonstrated lately in the cases which have been mentioned. This has happened despite elaborate safeguards and guarantees built into our criminal justice system.

The definition problem also makes it difficult for the state to impose the death penalty fairly. However shocking some of the particular examples described, it is likely that many of these crimes would not constitute first degree murder given the emotional element of the crime and the lack of premeditation. These aspects of a crime are very difficult to prove and errors can occur. Moreover, I have heard it argued by retentionists that those who kill are sick, incurable souls. We do not execute the sick. We try to control them, through incarceration if necessary, in order to prevent repetition of their crimes.

It is often suggested that the majority of Canadians want capital punishment, the conclusion from this being that the Government must respect their wishes. The results of the Gallup poll which the Hon. Member has given us are certainly most impressive. However, he was not able to give us the circumstance under which those polls were taken. What were the factors that stimulated such a response at that time and place?

I believe that we must confront the moral issue, particularly in terms of our roles as MPs. Certainly the majority of Canadians do not want to pay taxes, for example, but no one is suggesting that we stop taxing. Our democratic system does not require that each MP vote every time according to the wishes of the majority of his constituents. That is not our role as Members of Parliament. This is particularly true of moral and philosophical issues like this one. His or her decisions must be based on reason, evidence and a sense of the morality of the issue. I believe that this principle of parliamentary democracy was articulated centuries ago by Edmund Burke, and I am willing to be guided by that well-known conservative.

There also appears to be a trend in the United States in favour of executing people by pills or lethal injections, as though this made execution somehow more humane, as if it was simply a matter of putting someone out of their misery.

The first such execution was carried out in Texas in December of 1982 on a prisoner named Charlie Brooks. In effect, they gave him a massive drug overdose to kill him. Whether we kill someone by hanging, shooting or by passing 2,000 volts of electricity through his body, we cannot sidestep the fundamental moral issue of whether or not this meditated killing by the state is justified.

In conclusion, Mr. Speaker, I have chosen to emphasize the moral question in this capital punishment controversy. The 1976 free vote was a culmination of years of public debate on the issue. Approximately half the Members of the House at that time spoke on this matter. I know that many of them agonized over the moral question. Ultimately, Members voted according to their conscience, and the result was a majority in favour of abolition. The issue has not changed since this wide-ranging debate in 1976. I cannot see what would be gained by returning to the issue in a free vote.

Yes, there will continue to be horrifying examples of murder. I stress that these incidents will probably occur regardless of whether or not we have capital punishment. Members can conduct public opinion polls of their constituents, but it is not our role collectively to vote strictly according to public opinion surveys. The issue keeps coming up because it is a moral issue. It seems to me that in the 1976 debate the moral questions, from both sides, received a full and fair hearing.

I do not have the time to deal at length with the huge subject of deterrence, which is a moral question in itself. I would like to quote from an essay by Albert Camus, the Nobel Prize winner and passionate opponent of capital punishment. He said:

> It cannot be denied, however, that men fear death. The privation of life is indeed the supreme penalty and ought to excite in them a decisive fear. The fear of death, arising from the most obscure depths of the individual, ravished him; the instinct to live, when it is threatened, panics and struggles in agony. Therefore the legislator was right in thinking that his law was based upon one of the most mysterious and most powerful incentives of human nature. But law is always simpler than nature. When law ventures, in the hope of dominating, into the dark regions of consciousness, it has little chance of being able to simplify the complexity it wants to codify.
>
> If fear of death is, indeed, a fact, another fact is that such fear, however great it may be, has never sufficed to quell human passions.

The proof of this argument is that capital punishment has never succeeded in eliminating murder. I suggest that our strong and fair system of justice, including the criminal law, has shown itself to be a better approach to deterring criminal acts. It imposes appropriate punishments but, perhaps more important, it fosters respect for the law. The Government has also implemented firm gun control measures and is embarking upon crime prevention efforts that I believe will result in significantly reducing the opportunity to commit crimes.

I have heard no compelling reasons for reopening debate on an issue which has received as much House time over the last 30 years as any other single matter.

Mr. Bill Domm (Peterborough): Mr. Speaker, I am very pleased to have the opportunity to speak on Bill C-214, an Act to amend the Criminal Code. I feel very strongly that we need a review before the Standing Committee on Justice and Legal Affairs in order to review some of the more recent statistics we have as a result of the abolition of capital punishment.

I would like to take a moment, Mr. Speaker, to discuss a couple of points that were brought up by the Hon. Member for Hamilton West (Mr. Hudecki). First, there seems to be an inclination among members of both the Liberal and the New Democratic Party to refer in the House to cases in which people would have been hanged. They talk about two cases in which a person who was found guilty would not be alive today if the death penalty were in force. These people have since been found innocent. I remind both of these Parties that in both occasions, and in particular in the Don Marshall case in Nova Scotia, the charge was not first degree murder but second degree murder. The courts did not find the murder to be premeditated in the case of Donald Marshall. That person would not have been hanged had the law implementing capital punishment for premeditated first degree murder been in place.

• (1740)

The other point that was made by the Member for Hamilton West was that there was one strong point to be made, to paraphrase his comment, which is, that murders have not increased since the abolition of the death penalty. I would like to take this opportunity to point out to the Hon. Member that according to the statistics of Statistics Canada, it is the number of first degree murders committed while in the act of committing a criminal offence that have increased. That means murders while robbing a Beckers, a Mac's Milk or actions of that nature. The deterrent to carry a gun is not there, particularly a loaded gun.

Therefore, it is grossly unfair to say that, because we do not have capital punishment and because there is a decrease in first degree murders, we do not need capital punishment. If we could decrease the number of first degree murders that have occurred while in the act of committing a criminal offence by the deterrent of carrying a loaded gun, that would go a long way. I remind the Hon. Member that the number of first degree murders was decreasing when capital punishment was in place according to a great number of Statistics Canada figures. First degree murders were on a decline and they are still on a decline, thanks to the improvement in society. It still does not answer the question of when constituents feel that there needs to be a review of this very important question.

With respect to deterrents, there are those like myself who feel that it would definitely be a deterrent and there are those who feel differently. With all due respect, there are people who are probably far more expert in analysing the pros and cons of capital punishment than are most Members of Parliament, including myself. We cannot afford the disadvantage of not reviewing such an issue from time to time. Simply because we abolished capital punishment in 1976 does not mean that it should be abolished forever. There have been many types of legislation that have been put in place and either have not been

implemented by the Government or have been overlooked or else have been amended as time have changed.

As far as violence while in the act of committing a criminal offence is concerned, I am sure the Hon. Member who is in support of abolition was horrified by the Barbara Turnbull case. She is an 18-year old girl from Mississauga, who was a Beckers' store clerk and also a volunteer worker with terminally ill cancer patients, who was shot in September, 1983, and now is paralyzed for life. I am sure he is also aware of the Nizam Ali case. He was an 18-year old boy who was stabbed to death recently while he worked the overnight shift at a fast food dispensing store. Constable David Utman is another example. He was a 38-year old Nepean police force officer who was shot to death at a west end shopping centre on October 14, 1983. The accused, one Peter M. Collins, escaped in June from the regional detention centre where he was awaiting trial on several robbery charges. I am convinced that bringing in capital punishment for premeditated first degree murder would deter us from carrying a loaded gun.

I am not picking on the Member for Hamilton West but he is the only member on the government side who has spoken on this issue so far. I would like to make one other point in response to his comments. During his remarks in reference to the remarks of the Member for Bow River (Mr. Taylor) who introduced Bill C-214 he said that he "could not substantiate the poll". I challenge the Member for Hamilton West to take his own poll. Let the Member ask a very simple question of the constituents in his riding. Let him ask if they support capital punishment for premeditated first degree murder, yes or no. I challenge him or any other Members of the House to take the same poll.

Surely, when Gallup takes a poll, it is a national poll. They do not look for the riding that has just experienced a most horrendous murder. They do it on a regular basis, and there has never been a poll taken in Canada that has demonstrated the support of abolition by a majority of people.

I believe that we as Members of Parliament have a certain obligation to our constituents who send us to Ottawa to represent them. It is not satisfactory simply to say that we abolished the death penalty in 1976 by a majority of six votes and so we have abolished it forever.

I remind Hon. Members that when we abolished the death penalty for first degree murder in 1976, I am sure that a great number of those in the House today who were here then have perhaps changed their minds. I know that I used to be an abolitionist. I am the son of a United Church Minister who fought long and hard for many years to see the death penalty abolished. When I came to Ottawa in 1979, I was still an abolitionist.

However, there comes a point in the conscience of every Member of Parliament when he or she must determine on many of these issues whether he or she will vote one of three ways; either for the position taken by the Party, on what he or she believes to be the majority wishes of the constituents, or on his or her own conscience. I found it very difficult as a Member of Parliament to satisfy my conscience when I voted against 87 per cent of the constituents in my riding. I did not ask that question if the people in my riding at a time when there was a horrendous murder case described on the front pages of any daily newspaper in Canada. In fact, I pointed out to them that I thought that the people in my riding might have changed and that there was a feeling that there might be a desire to maintain the abolitionist viewpoint. I was prepared to listen to my constituents, 87 per cent of whom voted to return to the death penalty for premeditated first degree murder.

I would be remiss if I did not take this opportunity to answer some of the questions that are so often asked of Members of Parliament who support capital punishment for premeditated first degree murder.

In addition to what has already been stated, the following points illustrate why it is favourable, in my humble estimation, to have capital punishment for premeditated murder reinstated. First, public opinion appears to be in favour of the death penalty. In a democracy, the will of the majority should be respected.

Second, the alternative of life imprisonment or 25 years of mandatory imprisonment may be harsher and more cruel punishment than death. Some prisoners in the position of facing this kind of alternative have voiced this kind of opinion publicly.

Third, in response to the argument that the state does not have the right to take a person's life, think what the state can do in wartime. One will see that the state has established the right to take another man's life.

Fourth, the victim's family should be a major factor in fitting the punishment to the crime. Next, the rate in Canada of homicidal offences generally and murder incidents in particular has more than doubled from 1961 to 1978. At a time when violent crime is increasing, the focus should be on the maximum possible protection of society rather than on the treatment of the criminal.

The final point is that in 1956, the parliamentary joint committee, after serious study, recommended retention of the death penalty.

I would say that the principle of democratic representation is a greater one than that of any single cause, whether or not, for the best of reasons, Members are convinced of their own rightness of action which is contrary to the clear opinion of the majority of their constituents. I for one do not quibble with, or seek to argue, the rights or wrongs of the case, although I have my own opinion about that. What I seek to defend is the right of the people to exert their will. This right, I feel, should supersede the right of government within the limits of order to exert its will if that is contrary to the peoples' will.

• (1750)

Finally, the principle of a free vote is far preferable to the muzzle which has been imposed on certain sections of seats in this House when it suits the purposes of certain interests. I say that with good reason. We had an Opposition Day motion to be considered publicly not as a vote of confidence or non-confi-

dence in the Government two years ago in the House. It was introduced by the Conservative Opposition. We asked for no more, no less than that the subject of capital punishment be referred to the Standing Committee on Justice and legal Affairs in order that we could review up-dated information, perhaps so that we could convince the abolitionists that we should have capital punishment or perhaps so that we could convince those in support of capital punishment that we should retain abolition. That is the democratic process. All government Members plus five Members in Opposition voted against even talking about it. That says something about Government and its lack of credibility in representing constituents when 80-some per cent of constituents in most polls and 70-some per cent of constituents in national Gallup polls support capital punishment for premeditated first degree murder.

What I would like to see happen with this Bill brought in by the Hon. Member for Bow River is to see it referred to the Standing Committee on Justice and Legal Affairs in order that expert witnesses from the John Howard Society and organizations that speak very strongly in support of abolition could be called so that all Members of Parliament would have a better understanding of the pros and cons of capital punishment. Failing that, Mr. Speaker, in order to carry the case before the House of Commons, we have to resort to Opposition Days, asking questions in the House, making statements under Standing Order 21, through Private Members Bills and through statements on motions as well as every other means we can conjure up so that someone can give some fair representation to constituents who send Members here to Ottawa to represent them.

It is seven minutes to six o'clock. I do not want to be accused of talking out this Bill. I am sure that if I sit down now there will probably be no other speakers and we could refer the subject matter of the Member for Bow River's Bill to the Standing Committee on Justice and Legal Affairs.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, this is the first time in my years in Parliament that I have spoken on this question. I have voted on this question three times. I voted for abolition on each occasion. The people of my constituency who are part of that large majority which the polls tell us favour capital punishment knew my position and had the opportunity to end my career as a Member of Parliament if they thought that this was an issue that was so important and an issue on which I was so at odds with them that I ought not to continue to be a Member. But I am still here, Mr. Speaker.

I want to remind those Members who have spoken in support of capital punishment, and I respect their right to hold their views, that we have had three votes on this question. The last time we had this vote, the vote for abolition was supported by the Leaders of all three Parties, the present Prime Minister (Mr. Trudeau), the present Leader of the New Democratic Party (Mr. Broadbent), and the Rt. Hon. Member for Bow River, who was then the Leader of the Conservative Party.

Mr. Taylor: Mr. Speaker, I rise—

Mr. Orlikow: I am sorry, Mr. Speaker. I meant the Right Hon. former Prime Minister. He is not the Member from Bow River. Let me remind Members of Parliament that the Gallup polls in Great Britain show a similar support for capital punishment. I remind Members of Parliament here that the British Parliament recently had a free vote.

Mr. Domm: Good.

Mr. Orlikow: The British Parliament has a majority of members who are Conservative. The Government is led by the Prime Minister who is a supporter of capital punishment. The British Parliament again voted on the question and again rejected bringing back capital punishment.

Mr. Domm: What is wrong with that?

Mr. Orlikow: In virtually every democratic country, Mr. Speaker—

Mr. Domm: Except Canada.

Mr. Orlikow: —Norway, Sweden, Holland, Denmark, Belgium, France, Spain, Australia, New Zealand, and Israel, all of them have abolished capital punishment. The State of Israel has the kind of problem that we will never have. It has terrorists operating almost daily. When Israel wanted to execute Adolf Eichmann for the millions of deaths for which he was responsible, Israel had to pass a special Act which applied only to Adolf Eichmann.

Mr. Domm: You will never get that chance in Canada.

Mr. Orlikow: Those countries have abolished capital punishment. The countries which have not abolished capital punishment are the military dictatorships of South America, communist countries—

Mr. Domm: The United States.

Mr. Orlikow: —such as the Soviet Union, China. Those are the countries which have capital punishment. I see no reason that I should follow the example of those countries on the question of capital punishment or on any other question. I see every reason for following the example which we have seen in virtually all democratic countries which have abolished capital punishment and which, incidentally, have among the lowest rates and numbers of murder of any countries in the world.

We have figures for the number and rates of murders which have occurred since the abolition of capital punishment. The facts are pretty clear, Mr. Speaker. The numbers and rate have decreased. In 1975, we had 701 murders. This figure includes manslaughter and infanticide. In 1980, the last year for which I have figures, that number is down to 593. The rate was 3.07. That figure is now down to 2.48. The rate is determined on the basis of offences per 100,000 of the population.

All the evidence is that capital punishment does not work as a deterrent. If it does not work as a deterrent, the only argument for capital punishment disappears. That being the

case, I would vote again, as I have on earlier occasions, for abolition.

[*Translation*]

Mr. Henri Tousignant (Témiscamingue): Mr. Speaker, thank you for giving me the floor. I suppose I could speak to this subject for at least half an hour, but since we only have one minute left until six o'clock, I have no objection if the House agrees to call it six o'clock, I think it is not really worthwhile to start a speech with one minute left. Could the House give me its opinion?

[*English*]

The Acting Speaker (Mr. Guilbault): In order to do that, we need unanimous consent. Is there unanimous consent to call it six o'clock?

Some Hon. Members: Agreed.

Some Hon. Members: No.

[*Translation*]

Mr. Tousignant: Mr. Speaker, we do not have the unanimous consent of the House to interrupt the debate, and we only have about thirty seconds left. I wonder whether I should start my speech. Actually, the abolition of capital punishment was adopted by the House on July 14, 1976, for a variety of good reasons and after lengthy debate.

• (1800)

Mr. Speaker, I feel that the Bill presented in the House by the Hon. Member—

The Acting Speaker (Mr. Guilbault): Order, I am sorry to interrupt the Hon. Member, but it is now six o'clock.

The time provided for the consideration of Private Members' business has now expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

CANADIAN DEVELOPMENT INVESTMENT CORPORATION—STATUS OF ORDERS FOR DASH-8 AIRCRAFT MANUFACTURED BY DE HAVILLAND. (B) FINANCIAL ASSISTANCE OFFERED TO AIRLINE COMPANIES

Mr. Bill Domm (Peterborough): Mr. Speaker, I am pleased to have the opportunity to enter into the record information concerning the Dash-8 aircraft and the sale of this aircraft by de Havilland to three domestic Canadian airline companies. In telephone conversations today, I was advised that there is very little now standing in the way of the Government of Canada co-operating through the Crown corporation, de Havilland, so that these $60 million to $100 million worth of Dash-8s are sold to the three Canadian airline companies.

What good is an aircraft company in Canada if we cannot sell the aircraft to our domestic airlines? Atonabee Airways, a Peterborough company, has now moved its headquarters to Toronto. What is standing in the way of the sale of millions of dollars of aircraft by de Havilland to Air Atonabee, Time Air of Lethbridge and Norcanair of Saskatoon? It is very simple.

Competition in Ireland has come in with a comparable aircraft. It developed in its private sector an aircraft that seats 36, the same number of people, flies at less cost per mile and costs $2 million per aircraft less. It will sell to the Canadian passenger aircraft industry for over $2 million less per unit. In addition, it will sell with an interest rate of 7 per cent to Air Atonabee in Toronto.

What does the Government have to do in order to save the industry? I would point out that a loss of $100 million worth of business to de Havilland represents an immediate lay-off of 400 employees. It means cutting the work force from 2,450 to under 2,000 and a forecast of future lay-offs. The Canadian Government has dumped $700 million into de Havilland to build an airplane that cannot be marketed because of poor management on the part of a Crown corporation. That Crown corporation is directly accountable to the Cabinet. Regardless of whether or not the Economic Development Minister says we should get rid of it, the point is that we have put a lot of money into de Havilland and Canadair. Those who go on the air to talk about getting rid of these two companies have little compassion for the 2,450 employees at de Havilland.

We are not interfering, as the Minister would have us believe, with our GATT agreements when we offer to subsidize interest rates in order to compete on the international market in a domestic situation. We in the Opposition are asking the Government to take a very close look at the situation that now prevails. An Irish firm is offering 7 per cent interest to Atonabee Airways on the purchase of planes for $2 million less. We have invested $700 million in de Havilland and the Government is not prepared to subsidize the interest rates. Where is the justice that is required on behalf of those employees?

• (1805)

If that is not bad enough, Jack Austin appeared on *Canada AM* just last week and stated that we should be subsidizing interest rates to the tune of 2 per cent. I do not know what he meant by that. There is no one with any sense to answer for him in the House of Commons. All the Minister of Finance (Mr. Lalonde) has said is that we are not in the business of subsidizing these industries in order for them to sell aircraft. If we are not in that business, then why did we dump $700 million into a company so it could build an aircraft that we cannot market?

I plead with the Government of Canada and with the Minister's Parliamentary Secretary who will respond to me to answer the question. Are we going to susidize Air Atonabee and de Havilland aircraft so that we can sell the Dash-8s or are we going to let $100 million go out the window through Time Air, Norcanair and Air Atonabee, and satisfy ourselves by saying that we have some strange agreement with GATT? This is a domestic matter. Another country has entered Canada and has undercut our own Crown corporation. I plead with the Government to meet the interest rate. If it can do it to build monuments in Algeria, it should be able to do it to sell aicraft.

Mr. W. Kenneth Robinson (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, the Hon. Member for Peterborough (Mr. Domm) is to be congratulated for keeping this matter before the House. He does make a good point. When he has asked what good the aircraft industry in Canada is if we cannot sell to airlines in Canada, he makes a very valid point indeed, and one which we must take a very good look at. Unfortunately, the time that is available to me will not allow me to respond to all of the matters raised by the Hon. Member. It is too bad that we could not have a full-scale debate on this issue because I think it is one that is worthy of that kind of consideration.

When this issue first arose a few weeks ago, a great many false impressions were created regarding the status of potential purchases of the Dash-8 by Air Atonabee of Peterborough, Ontario, Time Air of Alberta and Norcanair of Saskatoon. Let me correct the record.

First, Air Atonabee had then and has now five conditional contracts for the Dash-8. There have been no cancellations of contracts. Second, Time Air had a contract for four Dash-8s. The contract was conditional on the availability of satisfactory sales financing. Time Air gave notice of cancellation because of a lack of this financing. The two parties are now discussing a new contract. Third, Norcanair has not signed a contract but is currently negotiating a contract for three Dash-8s. In the last two weeks, representatives of all three airlines have witnessed demonstration flights of the Dash-8. Believe me, Mr. Speaker, they really like that plane.

I hope that this will clear the air on the current status of de Havilland's dealings with those companies. All of these airlines would prefer to buy the Dash-8. That is why they are pressing so hard for financing concessions. They are tightly run enterprises with limited margins and must be extremely conscious of costs. This means that competitors offering low-interest sales financing have great appeal for Canadian regional operators. What Members have seen is a public lobbying effort to get a government decision on the type of competitive sales financing de Havilland may be able to offer. The pressure reflects the fact that these operators would sooner buy the Dash-8.

Embraer Brasilia is an example of what we are up against. Brazil has offered 10-year 90 per cent financing at interest rates as low as 7.5 per cent in Canada. This may be compared with the roughly 13.5 per cent interest rates which domestic carriers can negotiate with Canadian financial institutions.

The 360 Short aircraft has been named publicly as one that is taking customers from de Havilland. I must tell the House that this aircraft is not comparable to the Dash-8. It is unpressurized, which means it cannot fly above 10,000 feet and therefore cannot climb to avoid turbulence. It is also slower than the Dash-8. It is unlikely that the flying public would want to use this plane for any but the shortest flights.

The Acting Speaker (Mr. Guilbault): I regret to interrupt the Hon. Member but his time has expired.

• (1810)

PROVINCIAL AFFAIRS—CHURCHILL FALLS POWER CONTRACT—GOVERNMENT POSITION. (B) NATIONAL ENERGY BOARD ACT

Hon. James A. McGrath (St. John's East): Mr. Speaker, on Thursday last, that is May 3, the Supreme Court of Canada brought down a unanimous decision respecting the Upper Churchill Water Rights Reversion Act. They declared that legislation to be *ultra vires*, that is to say unconstitutional. That was a Bill which was brought in and passed by the Newfoundland legislature in 1980 to give the Government of Newfoundland the authority to withhold the water that was the source of power for the Churchill Falls Corporation Limited. The legislation was referred to the Supreme Court of Newfoundland by the Government of Newfoundland, in order to be sure it was on clear constitutional grounds. It was ruled by that court, in fact, to be constitutional. The Government of Newfoundland then referred it on to the highest court in the land, the Supreme Court of Canada.

I might have raised the question that day, to the Government of Canada, as to what steps it proposed to take with regard to the impact and the consequences of the decision. I did not because I wanted to wait 24 hours so as not to be seen to be emotionally shooting from the hip or, more precisely, to have an opportunity to examine the judgment and the consequences flowing from it. I raised the question on the following day, May 4. It can be found at page 3412 of *Hansard*. I put the question to the Acting Prime Minister (Mr. Pepin). I served notice that I would be raising the question, because I knew that the Prime Minsiter (Mr. Trudeau) would not be in the House that day and I wanted the acting Prime Minister to be fully briefed. I put the question to the Acting Prime Minister as to what steps the Government of Canada intended to take to see that justice was done in this case. The Supreme Court of Canada addressed itself to the strict points of the law—to the letter of the law. They said that someone else would have to deal with the social and political ramifications of the legislation.

The genesis of Newfoundland's Upper Churchill Water Rights Reversion Act goes back to 1969, when the Government of Newfoundland through its agency, the Churchill Falls Corporation, entered into a long-term agreement with Quebec Hydro. It was a 65-year agreement for the sale of power from the Churchill Falls development to Hydro Quebec. The Quebec Government of the day made it very clear to the

Newfoundland Government that if they did not sell the power to Quebec they would not be able to sell the power to anybody. In other words, Newfoundland would not be able to transmit its power through the Province of Quebec. Therefore, Newfoundland was forced to enter into a 65-year contract to sell that power for 2.5 mills.

That power is being sold today to New York State and to some of the New England states, as well as to the Province of New Brunswick and, to a lesser extent, the Province of Ontario, for 28 mills. The Economic Council of Canada estimated the income to the Province of Quebec to be $800 million. The income derived from that power to the people of Newfoundland—the owner of the resource—has been estimated to be $8 million. It is clearly a situation that cannot be condoned and cannot be allowed to continue.

The Acting Prime Minister, in reply to my question, said that it was a provincial matter. Clearly it is not a provincial matter because it deals with interprovincial trade, it deals with international trade, it deals with the National Energy Board and it deals with the National Energy Program. Under the Constitution all of these are clearly within federal jurisdiction. While the Acting Prime Minister was saying that it was a provincial matter, his colleague, the Minister of State for Mines (Mr. Rompkey), was saying outside of this House that he felt the federal Government should have been involved in this matter.

How can the federal Government get involved? There are a number of ways. First of all, it must recognize that this injustice cannot be condoned and cannot continue. Second, it must recognize that we cannot hope to achieve justice from a government in Quebec that is dedicated to the separation and the breaking up of this country. We cannot expect to get just treatment from a separatist government in Quebec. Third, the Government must recognize that this power belongs to the people of Newfoundland, and should enjoy the same rights of passage as natural gas coming from the western provinces. When the Government of Canada builds a pipeline, it does not have to ask the Province of Manitoba or the Province of Ontario for permission to build the pipelines in order to get the gas into the markets of Montreal. We demand nothing less in terms of hydro power.

• (1815)

The purport of my question on Friday was to ask the Government of Canada in the name of justice, in the name of simple justice, if it would invoke the powers it has under the National Energy Program, specifically under the National Energy Board, to treat the transmission of hydro electric power in the same way as we treat the transmission of other sources of energy, for example, gas, in terms of declaring it in the national interest that common carriers carry this power across the Province of Quebec and into the markets of Ontario and New England so that Newfoundland could enjoy the revenue.

We are a poor province, Sir. We have had a number of blows. We pay the second highest domestic electric rates in the country in St. John's, Newfoundland. I believe Charlottetown pays the highest. The City of Montreal, I believe, pays the lowest domestic electricity rates. That is because of the power it enjoys from a Newfoundland resource.

I said to the Prime Minister that this was a festering sore on the face of Canada and unless something was done to correct it, unless there was remedial action, there would be dire consequences. The people of Newfoundland have been much harder hit by this decision than by the decision with respect to the offshore oil and gas. Clearly this is perceived by every man, woman and child who has the power of judgment and rationality to be a gross injustice to the people of Newfoundland. I can only say to you, Sir, that if corrective steps are not taken it will fan the fires of separatism of which I hope the Government will take notice.

Mr. Leonard Hopkins (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, in order to add to the remarks made on May 4 by the Minister of External Relations (Mr. Pepin), I would make the following comments: trade in oil and gas and in other commodities which involve the bulk transfer of a natural resource between a source province and a number of receiving provinces lends itself readily to the concept of a common carrier for transportation. Electricity trade, on the other hand, has generally involved interchanges between complex electric power systems that include generation facilities and customer loads. These systems usually involve multiple transmission linkages, making it technically difficult to identify definite paths for a specific flow of power and energy. For this reason, interchanges within power pools and between individual utilities have quite generally in North America been handled through a series of contractual agreements for "wheeling", by which is meant the transfer of electricity over transmission systems.

The power conferred upon the National Energy Board, under its Act, provides for the authorization of construction of designated interprovincial and international transmission lines. This would provide, for example, the assurance that interconnections could be built even if provincial statutes did not provide powers for the province to authorize such facilities for extra-provincial purposes. These powers do not envisage common carrier facilities. No application has yet been received for interprovincial lines and there is no proposal to make any changes to legislation at the present time.

WESTERN GRAIN STABILIZATION ACT—SIZE OF ANNOUNCED PAY-OUT. (B) CONTRIBUTIONS TO FUND

Mr. Gordon Towers (Red Deer): Mr. Speaker, on April 3, I directed a question to the Minister of Agriculture (Mr. Whelan) which is recorded at page 3681 of *Hansard* as follows:

—my question is supplemental to those asked of the Minister of Agriculture with regard to the Grain Stabilization Fund. When is this pay-out going to be made?

The Minister of Agriculture replied:

—I am sure the Hon. Member knows that the legislation has to be changed, et cetera. The formula has to be approved by the House through the necessary

procedures. Unless we have the speedy concurrence of the House, we would be very lucky to make one in 1984. However, we want to do it in 1984.

● (1820)

Then as recorded at page 2711 of *Hansard* the Leader of the Opposition (Mr. Mulroney) asked the Prime Minister (Mr. Trudeau) this question:

The Prime Minister is aware of the growing concern of western grain farmers because of the Government's delay in carrying out its commitment to amend the Grain Stabilization Act to permit desperately needed cash payments this spring. Will the Prime Minister prod his lethargic Ministers to bring down the legislation so that hard-pressed grain farmers in western Canada can have the assurance right now of desperately needed cash flow at this time?

The Prime Minister replied:

Mr. Speaker, I would be in a better position to give that assurance to the Hon. Leader of the Opposition if he were to assure me that his Party would co-operate with the Government House Leader in getting through that and many other pieces of legislation which the country needs.

Then as recorded at page 2713 of *Hansard* the Leader of the Opposition said:

It is typical of the Government that when the interests of western Canada are involved, it is always tied to something else. You can't get a straight answer from the Government.

The Hon. Otto Lang proposed this legislation to the House of Commons. We told him at that time it would not work, but he was stubborn, would not listen, and now western grain producers are suffering the consequences. On April 4, the Prime Minister said that the legislation passed by the Liberal Government in 1976 had to be corrected. We are still waiting for the amendments.

The western grain producers are not asking for something which is not theirs by right. There is $1 billion in that fund, a third of which was contributed by the producer. That was the agreement, however, inept it was, that the Government of the day made with western grain producers. We had a promise of a pay-out in October, but the farmers need it now. The pay-out is supposed to be in the vicinity of $300 million. That is less than one third of the balance in that account. That means that even with this pay-out the Government is not giving back to the farmers even the amount they put into it. It is unfair, unjust and it is frustrating for the western grain producer.

This year, Mr. Speaker, the western producers will probably contribute about $50 million to this fund. There is now $1 billion in this fund, which means that at 10 per cent interest there will accrue to the fund probably $100 million. That is a total of $150 million, subtracted from a $300 million pay-out, leaving a pay-out of only $150 million in fact. The fact that the producer has to wait until the fall to receive this money just creates more distrust and disharmony in the west.

I wanted to bring to your attention and the attention of this House how unjust the Government has been, and is currently in its treatment of the prairie grain producer. There is absolutely no wonder, Mr. Speaker, why the Government cannot generate any trust or good will in western Canada. If the Government would make they pay-out immediately, then of course the farmer would be getting it at a time he justly deserves it.

Thank you very much for allowing me to bring this to the attention of yourself and this House.

● (1825)

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the Western Grain Stabilization Act was enacted to provide income insurance for those prairie grain producers who wished to be covered. It was designed to be actuarially sound. Normally producers contribute 2 per cent of the value of their grain sales and the Government of Canada contributes an additional 4 per cent. This money is deposited in an interest bearing account, the western grain stabilization fund, for use when prairie grain incomes are depressed.

Because of the actuarial mechanism, contributions were reduced on January 1, 1984 to 1.5 per cent for producers and 3.5 per cent for the Government in light of large fund balances. Proportionately, therefore, producers have benefited more from this, with a 25 per cent reduction, then has the Government, with a 12.5 per cent reduction.

Pay-outs under the original Western Grain Stabilization Act are triggered when net cash flow, which is essentially receipts less cash costs, fall below the previous five year average. Despite lower grain prices over the past two years, total receipts have not fallen because volumes sold have been increasing so that pay-outs have not been triggered.

The intention of the Western Grain Stabilization Act was to have an actuarially sound producer-contributory program. Even in its proposed amended form, it is important to note that the actuarial soundness will be preserved. It would be imprudent to amend the Act in such a way as to undermine its actuarial mechanism, as would be the case if all producer contributions to date were simply reimbursed. This could seriously deplete the fund, leaving inadequate amounts available in case pay-outs are triggered next year or beyond.

The Government intends, however, to amend the Western Grain Stabilization Act to make it more responsive to the needs of the prairie grain economy. Under the proposed payout mechanism, participating producers will receive larger and earlier payouts than the existing Act would provide. The actuarial soundness of the program will, however, be maintained so that the funds will continue to be managed in a responsible manner.

[*Translation*]

The Acting Speaker (Mr. Guilbault): The motion to adjourn the House is now deemed to have been adopted. Accordingly,

the House stands adjourned until tomorrow at 2 p.m., pursuant to order adopted on Thursday, April 12, 1984.

Adjournment Debate

At 6.27 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, May 8, 1984

The House met at 2 p.m.

• (1405)

[*Translation*]

HOUSE OF COMMONS

Mr. Speaker: I have not yet received all the details on the tragic events at the Quebec National Assembly, but I am sure that all Members of this House will join me in expressing our heartfelt sympathy to the families of the victims. To those who were wounded in the course of these events, I want to say that our thoughts are with them and that we wish them a prompt and speedy recovery.

I wish to inform the House that I have asked the Sergeant-at-Arms to review all aspects of our security policy and procedures.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

WESTERN GRAIN STABILIZATION ACT

SUGGESTED ESTABLISHMENT OF LOTTERY FOR FARMERS

Mr. Gordon Taylor (Bow River): Mr. Speaker, the Western grain farmers have amassed a jackpot of nearly $1 billion, and even though the Tories have told the Government to give it back to the farmers, the Government does not appear to know how to make a pay-out. Since the Government is determined to run lotteries, the agricultural reporter for the *Calgary Herald*, John Schmidt, has come up with a solution.

Since Liberal politicians are wringing their hands because they don't know what to do with the money, the trustees of the Chancellor War Memorial Hall in Bow River are suggesting that the $1 billion be sent to Chancellor and be put into a big pot called the Lotta Crow, that the 150,000 Wheat Board permit books also be shipped to Chancellor, and that a nationally televised draw could be made on April Fool's Day, by Otto Lang.

There would be 500 prizes of $1 million, and 1,000 prizes of $500,000. The grain growers could become so independently wealthy that the new Crow rates would never bother them at all. This could be the world's largest lottery pay-out and this Lotta Crow would be more exciting and create more publicity about the gamble of growing wheat than the small payment planned by the Government in the distant future. The trouble now is that the farmers keep paying into the fund, but the Government uses every excuse in the book not to make a pay-out.

Don't you think, Mr. Speaker, that the farmers have a big enough gamble already, what with the weather, the grasshoppers, and this Liberal Government? Do we have to add another gamble for the farmers to get a pay-out?

* * *

[*Translation*]

MINING INDUSTRY

REQUEST FOR POLICY DETAILS CONCERNING USE OF ASBESTOS

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, at a time when the use of asbestos is being thoroughly reviewed in the United States, an Ontario Royal Commission of Inquiry has now published a report that may worsen the situation considerably. Not only does the report fail to clarify the issue, it also raises a number of questions, including the fact that it is more dangerous to remove asbestos from buildings than to leave it in place.

On the other hand, in recent years the Government of the Province of Quebec, which owns two asbestos mines at Thetford Mines, and our own Government, have authorized and paid for programs to remove injected asbestos from certain buildings.

The four years of study and investigation required to prepare this report have produced only one result, which is to heighten and add to the controversy around the use of asbestos. This controversy, which has existed for a number of years, has had very tragic consequences for the producing region and thousands of workers. I may remind Hon. Members that these workers are just as concerned about their health as the rest of the country.

Mr. Speaker, in the circumstances, it is now imperative that our Government announce its official position on asbestos, in order to inform Canadians and Americans as well.

On behalf of the people working in the asbestos mines and on my own behalf, I say that we can and should use asbestos and can do so without risk. Now that the Government of Quebec has failed to clarify this issue—

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

S.O. 21

[*English*]

AGRICULTURE

LOCATION FOR PROPOSED AGRICULTURAL LABORATORY IN ONTARIO

Mr. Bruce Halliday (Oxford): Mr. Speaker, I wish to draw a priority matter to the attention of the Government, and particularly to the Minister of Agriculture (Mr. Whelan). My statement is an earnest suggestion regarding the location of the $10 million Agriculture Canada laboratory which is proposed for southwestern Ontario. The County of Oxford will be most pleased to relieve the tension and indecision which the Members from London East, London West, and London-Middlesex have displayed in prior discussions which had seemed to establish the site in the City of London.

As Oxford's Godfather, the Minister of Agriculture will be aware of the many attributes of Oxford pertaining to agriculture. Woodstock, the county seat, is known as the dairy capital of Canada, and many agriculture-related facilities are established within Oxford's boundaries, such as the Agriculture Campus of Fanshawe College, and the head office of the Ontario Flue Cured Tobocco Growers' Marketing Board. Its geographical location, just a few kilometres from the University of Western Ontario, and equidistant from Toronto and Windsor, would seem to indicate that I am offering an ideal site for this project.

I would also suggest that an acceptance of this proposal to establish a laboratory in Oxford would confirm the Government's expressed impartiality when locating projects of this magnitude.

* * *

IMMIGRATION

ASSISTANCE FOR AGENCIES AND ORGANIZATIONS

Miss Aideen Nicholson (Trinity): Mr. Speaker, the recommendation of the House of Commons Committee on Visible Minorities that the proposed Ministry of Multiculturalism should provide increased and extended funding to ethnic groups and broadly-based community organizations, has received strong support from many such groups.

A number of organizations now serving immigrants receive assistance from the Department of Employment and Immigration under ISAP, the Immigrant Settlement and Adaptation Program. The Ontario Council of Agencies Serving Immigrants speaks for many in voicing its concern that the Department of Employment and Immigration is contemplating a redistribution of the ISAP budget to tie ISAP assistance to intake of new immigrants, without regard to the question of continuing to meet the needs of existing immigrants. These agencies and organizations are hard-pressed to remain in existence, and any effective reduction in their funding is indeed cause for concern.

• (1410)

Until funds are available from another source, such as the proposed Ministry of Multiculturalism, I trust the Department of Employment and Immigration will not take any steps which would have the effect of lowering existing levels of assistance to agencies or organizations serving the immigrant community.

* * *

EDUCATION

NEEDS OF IMMIGRANT CHILDREN

Mr. David Orlikow (Winnipeg North): Mr. Speaker, in major cities across the country, including Montreal, Toronto, Winnipeg, and Vancouver, a substantial and growing percentage of students attending schools come from families in which the language spoken at home is neither English nor French. These children are attending schools in Canada because the immigration policies of the federal Government in recent years have permitted and encouraged their parents to come to this country. It is now becoming increasingly evident to teachers, parents, and community groups that problems are developing for these students because they are not getting the services they need. They require assistance in order that they can fit into Canadian life on an equivalent basis with young people born in Canada.

Equality Now, the report of the Special Committee on Visible Minorities in Canadian Society, made a series of very good recommendations urging the federal Government, through the Secretary of State (Mr. Joyal), to encourage provincial Governments and school boards to develop and implement policies to improve race relations. The provinces, which are responsible for education, are finding it increasingly difficult to provide local educational systems with sufficient funding to meet those special needs.

I urge the Secretary of State to give consideration to the federal Government sharing the cost to the provinces of funding to meet the needs of immigrant children in Canada, considering that this may be the only possibility which would allow these services to be provided.

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CANADIAN COAST GUARD

ADDITIONAL ICE BREAKING SERVICES SOUGHT FOR NEWFOUNDLAND REGION

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I want to bring to the attention of the House the great need for better ice breaking services along the coastline of Newfoundland. I checked today and I discovered that only one of the four ice-breakers assigned to the Newfoundland region is presently operative. We have two new ice-breakers coming on stream shortly which have been assigned to the western region, to Vancouver.

The Maritime region has no problems; it has lots of ice-breakers. The Quebec region has no problems; it has lots of ice-breakers. However, on my coastline there are boats stuck in port with people out of work because of that, ferry systems to four islands are cut off most of the wintertime, large ships are unable to get into port, and 11 long-liners have been stuck for the past 37 days, with 60 men aboard. I do not think this is good enough. I ask the Minister of Transport (Mr. Axworthy) to intervene to give the Newfoundland region more ice-breaker services on a permanent basis.

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ADMINISTRATION OF JUSTICE

RAPE CONVICTION SENTENCES—CALL FOR APPEAL

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, in October last year in Hall Beach, Northwest Territories, three adult men took a 13-year old Inuit girl to the home of one of them. All three had sexual intercourse with her, as a result of which she became pregnant.

The crime which was committed is viewed by Parliament as a most serious one, and one for which Parliament has prescribed a maximum penalty of life imprisonment. However, on April 21 the convicted persons were sentenced to only one week in jail each, of which only a few days were actually served. So light a sentence almost condones the criminal behaviour of the guilty parties. The public of the Northwest Territories, especially those organizations representing native women, are outraged, as am I, at what can only be described as a miscarriage of justice.

The sentence of the court must be appealed so that confidence in the administration of justice and the court system be maintained. The law ought to be applied equitably and fairly without regard to race, and a sentence of only one week's imprisonment for what is commonly referred to as statutory rape ought not to be allowed to stand.

* * *

● (1415)

PARLIAMENT

ATTENDANCE DURING ADDRESS BY PRESIDENT OF MEXICO

Mr. Bill Yurko (Edmonton East): Mr. Speaker, it was indeed an honour and a privilege to sit in this Assembly earlier this day to hear the President of Mexico, His Excellency Mr. de la Madrid, address this Assembly, the nation, and indeed the world. This was an historic event.

The President's message was important and laid guideposts and stepping stones on the road toward more harmonious relations within and between the nations of the two American continents. What was not so pleasant was the extent to which chairs in the Assembly were empty during the President's remarks. Even more disrespectful was the late entry of many Members into the Assembly. In my view the honour, dignity, and pride of this Assembly trembled today.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

STATISTICS CANADA ANALYSIS—REQUEST FOR NEW BUDGET TO HELP UNEMPLOYED

Hon. John C. Crosbie (St. John's West): Mr. Speaker, in the absence of the Minister of Finance, I would like to direct my question to the Prime Minister. As reported in *Hansard* of April 6, 1984, the Minister of Finance stated the following at that time:

—we expect the unemployment rate to fall during the course of this year. I still expect this to happen, and I am not considering at the present time making any changes to the Budget—

Yesterday Statistics Canada reported in its economic analysis that there is a slackening of employment growth and that, because of the slowing down of the recovery in the United States, the rate of recovery in Canada may not be sufficient to reduce unemployment substantially in the first half of the year.

In view of the fact that the Minister's forecast is again incorrect in that unemployment rates are higher than he forecast, and the Statistics Canada forecast is even worse, will the Prime Minister direct the Minister to bring in a new Budget containing some changes to help the 1,541,000 people here in Canada who are unemployed? The Prime Minister is a lame duck, and he is now raising his wing toward the Minister of Finance.

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I think the best way to create growth and reduce unemployment would be to begin by passing the legislation that is before the House which deals with a number of measures aimed at creating jobs and stimulating growth which were contained in the last Budget. I would hope that the Opposition would gather its energy together, muster its will, and agree to give early and quick passage to that legislation.

Mr. McDermid: Where is it?

Mr. Lalonde: It is right before the House. There are something like six Bills for immediate consideration which are before the House now.

Mr. Wilson: Bring them in now.

Some Hon. Members: Oh, oh!

Mr. Lalonde: Mr. Speaker, here is a nice example of the ignorance of members of the Opposition. They do not even know which Bills are before the House at the present time.

Mr. Crosbie: Mr. Speaker, on February 17, 1984, the Minister of Finance said that his new Budget is not having any effect on the Canadian economy and that that makes him happy. How can legislation stemming from the new Budget have any effect on the economy if the Minister has already said that the Budget has had no effect on the economy? So much for his legislation.

* * *

FINANCE

INTEREST RATES CHARGED BY CHARTERED BANKS

Hon. John C. Crosbie (St. John's West): Mr. Speaker, my supplementary question is directed to the Minister of Finance. Today the chartered banks have increased the prime bank rate to 12 per cent. In the United States, banks have raised interest rates to 12.5 per cent. So much for Mr. Kaufman's forecast. He is 100 per cent more accurate than the Minister of Finance. Given these increases in interest rates, what action will the Minister now take to try to get the economic recovery moving along again here in Canada?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, not only do Members of the Opposition display their ignorance, they are also intellectually dishonest in their analysis of the situation and the statements which have been made. I never said that my Budget would not have any impact on the economy. What I did say was that the Budget was aimed at sustaining the basic trend of the economy which was in full recovery after last year's April Budget, I mean a stable and continuing growing trend in the coming months. The latest figures made public seem to indicate that indeed we have achieved that stable and continuing growth to which I referred in my Budget.

As to the increase in interest rates, the Hon. Member knows for instance that the bank prime rate went up half a percentage point in the United States today, up from 12 to 12.5 per cent in most American banks. It was inevitable and understandable that certain Canadian banks would raise their prime rate, to 12 per cent in this case, which still leaves Canadian interest rates half a percentage point lower than what they are now in the United States.

Personally, I deplore this latest increase in interest rates, particularly in the United States. That does not leave us the choice to keep our rates much lower than those now prevailing. This concern is shared by most industrialized nations and their Ministers of Finance whom I met with recently. We will have another opportunity to discuss this issue at next week's OECD meeting which will be attended by American Government officials, of course. Together we will try to see whether there is any possibility of finding ways to reduce interest rates, or at least prevent them from rising even more.

• (1420)

[*English*]

MINISTER'S POSITION

Hon. John C. Crosbie (St. John's West): Obviously, Mr. Speaker, the OECD will not need the Minister for his forecasting ability.

On March 12 the Minister said, and I quote from the Ottawa *Citizen:*

> Interest rates will remain stable for most of 1984 and drop towards the end of the year.

Interest rates have gone up one percentage point since. So much for the forecasting ability of the Minister or for his scrupulous truthfulness.

How can anyone in Canada, whether an economist or other citizen, have any confidence in the Minister after he has made these consistently wrong forecasts just weeks before interest rates go up, unemployment goes up, and the Minister promises they will go down? How often can the Minister cry wolf without Canadians being completely gobbled up? How long is the Minister going to continue in his portfolio after this astounding display of incompetence?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I have taken extra care to mention every time I have spoken on this subject that the forecasts were what they were, that is, they were an estimation of what might happen in the economy at a particular time. I have indicated many times that they should be seen as such. They were estimations of what could happen and the evidence is systematic—

Mr. Crosbie: We cannot believe a word you say.

Mr. Lalonde: —including the forecasts when the Hon. Member was Minister of Finance. The fact is that the world economy usually develops in a different way than most forecasts, anyway.

Mr. Crosbie: Resign now!

Mr. Lalonde: I can show to the Hon. Member—

Mr. Crosbie: Do you have his resignation, Mr. Prime Minister?

Mr. Lalonde: I can show to the Hon. Member, for instance, that last year Canada knew a rate of inflation which was lower than the one I had forecast, and a rate of job creation which was higher than I had forecast—

Mr. Crosbie: Tell the unemployed.

Mr. Lalonde: —and we knew a rate of growth in the Canadian economy in 1983 which was higher than the one I forecast in my Budget. Therefore, sometimes in those forecasts you will have results which are better than those you have anticipated, and sometimes they will be worse than you have anticipated. What anyone must do is try to work on the basis of the best advice you can get in that regard.

Mr. Crosbie: You are a travesty.

Mr. Lalonde: I refer my friend to the forecasts which have been made internationally, and those which have been made by dozens of national agencies in the private sector, and he will find out that the forecasts made by myself as Minister of Finance are very much in line with the average forecasts made in the private sector of the Canadian economy.

Mr. Crosbie: God help the OECD.

* * *

[*Translation*]

HOUSING

REQUEST FOR INFORMATION REGARDING FUTURE OF HOUSING CONSTRUCTION

Hon. Roch La Salle (Joliette): Mr. Speaker, I am always rather fascinated by the remarks made by the Minister of Finance, to whom I would like to direct a question about what he has done and what he intends to do in the months to come, considering the problems Canadians will be facing as a result of high interest rates.

As far as the Canada Mortgage and Housing Corporation is concerned, the Minister of Finance is aware that in recent months there were over 27,000 fewer housing starts than during the last three months of last year. The person responsible for statistics at the Canada Mortgage and Housing Corporation is very concerned about the effect high interest rates will have on the construction industry. Does the Minister of Finance have any suggestions he might like to make to the House for avoiding the same problems this vital sector of our economy was experiencing only two years ago?

• (1425)

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I am glad the Hon. Member raised this point. I may remind him that according to the forecast, this year the number of housing units built in Canada will increase at a higher rate than it did last year. We expect that between 160,000 and 170,000 housing units will be built this year.

The Hon. Member may recall that early last year, a number of federal and provincial programs aimed at stimulating construction were operational at a time when we had experienced a very substantial slow-down in the Canadian economy.

Since the Hon. Member is asking whether we have any measures in mind, I would like to ask him, as soon as the Bill is introduced at the end of May, to support our measures to provide insurance against rising interest rates for homeowners with mortgages. I also invite the Hon. Member to support the amendments we shall be proposing to the Interest Act, to ensure that borrowers will be able to pay off their mortgages early if they decide it would be to their advantage to do so. These measures were announced in the Budget and will be introduced in the House in the form of legislation at the end of May. I hope we shall have the co-operation of the Opposition so that these measures can then be adopted forthwith.

REQUEST FOR DETAILS FROM MINISTER

Hon. Roch La Salle (Joliette): Mr. Speaker, I have a supplementary. I certainly would like to accept the Minister's invitation. However, he said that his projections would give us 160,000 more housing starts, but according to the results for February, March and April, we have had 26,000 fewer housing starts than last year. Mr. Speaker, I am sure you will understand that the Canadian people may have some doubts about the Minister's projections.

In the circumstances, I would ask the Minister, since he referred to his mortgage insurance program, what the maximum would be for insured rates? That is the kind of information we must have as soon as possible if we want to prevent the recession in the construction industry from getting worse. In the circumstances, I would like to invite the Minister to introduce his Bill as soon as possible, because of the drop in housing starts in Canada.

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I have two things to say to the Hon. Member. The first one is that last year, there was a rise in housing construction during the first few months of the year because we had a home ownership stimulation plan that expired at the beginning of the year. Later on, there was a slow-down in the construction industry. This year, we seem to be seeing the reverse, since we had a slow-down in the construction industry at the beginning of the year, and now we hope and we believe that construction will pick up in the months to come, in 1984. That is why we expect to see at least as many housing units this year as last year.

Second, as far as the Mortgage Rate Protection Program is concerned, I must say the Opposition's homework is pretty hopeless. The Hon. Member asked me what the insured rate would be. I indicated this in my Budget. I also tabled in the House a paper providing all the details of this program, and I would invite the Hon. Member to read this paper. He would realize that the program provides insurance and security for both mortgagees and mortgagors, that the program is quite clear and provides the assurances the Hon. Member is seeking.

* * *

[*English*]

THE ECONOMY

INCREASE IN NUMBER OF CORPORATE MERGERS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I think it is appropriate to give credit where credit is due. As a result of government policy we have seen considerable econom-

ic activity in a certain sector, namely, the corporate takeover and merger sector. Corporate mergers in 1983 were higher than they had ever been in Canadian history. Because this is occurring largely as a result of government policy, I ask the Minister of Finance what benefits do average Canadian citizens receive as a result of government policy which encourages and rewards corporate takeovers and mergers?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, we have taken steps over the years to ensure that the takeovers and mergers are not going to be detrimental to the Canadian people. We have done this, first of all by ensuring that foreign takeovers are controlled. Contrary to the view of the Conservative Party which would like to do away with the protection we have for Canadian industry and ownership, we have taken steps to maintain the existence of control of foreign ownership in this country. The Hon. Member knows what the Leader of the Opposition has said in that regard where, for all practical purposes, he would do away with that kind of control of Canadian ownership in this country.

● (1430)

Mr. Hnatyshyn: You had better check with John Turner.

Mr. Lalonde: With regard to takeovers and mergers, the Hon. Member knows that this process is occurring all the time in a free economy. This is a normal process. There are laws under the Competition Act to prevent undue detrimental impact on the Canadian public. My colleague, the Minister of Consumer and Corporate Affairs, has introduced a Bill for which she has asked early consideration. This Bill will provide for additional measures in that regard. Again I invite the Opposition to take note of the Bills before the House, to give them support, and to ensure that we have laws on the books which are completely adapted to the needs of today.

TAX POLICY—EFFECT ON CORPORATE TAKEOVERS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, although that answer was very elaborate, I would like to repeat my original question. The Government of Canada has tax legislation which encourages and rewards corporate takeovers and mergers. In other words, it makes it an attractive process. How do mergers and takeovers assist Canadians? In other words, government policy which encourages this must be in place because it is going to have an over-all benefit to Canadians. How do Canadians benefit from corporate takeovers?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, first I would like to say that, contrary to what the Hon. Member has said, we do not have a fiscal or taxation policy which favours or encourages takeovers or mergers. We are trying to establish a policy which is neutral in that regard and will not favour or discourage takeovers or mergers.

As far as the question raised by the Hon. Member is concerned, I think we will have to spend time on a first year course in economics. Surely he has heard about rationalization in the industry whereby firms are merging, or are taken over, in order to become more efficient and competitive in world markets. That is how large firms have been built which, in Canada or other countries, are carrying on large shares of the export market and world trade today. You are not going to take over a large share of the world trade if you continue with corner shop operations. You must have large units which are able to compete in world markets. Surely my hon. friend knows that.

Mr. Riis: Mr. Speaker, surely the Minister of Finance's hon. friend does not know that.

RATIONALE FOR TAX LEGISLATION

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I would like to quote to the Minister of Finance from Mr. McKinley of the Combines Branch of his own Government.

Mr. Speaker: Order. On a second supplementary question, quotations from documents should be absolutely minimal.

Mr. Riis: Mr. Speaker, I will not quote from the document. However, officials in his Government suggest that there is no evidence to suggest that the economies of scale that result from corporate takeovers have benefited Canadian society. A major report coming from the United States suggested that, out of 200 reasons that corporate managers have for corporate takeovers, economies of scale rank 198 out of 200.

Based on evidence available which indicates that corporate takeovers do not result in net benefit to Canadian citizens, why does the Minister keep tax legislation in place which encourages and rewards this kind of economic behaviour, this paper shuffling, as opposed to real job creation and economic development?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I already answered this question when I clearly stated that our fiscal legislation neither favours nor promotes corporate takeovers or mergers, but that its objective is to establish a policy which is neutral, allowing the marketplace to decide whether it would benefit from a particular corporate takeover or merger. There is, however, in our tax legislation no provision which would systematically favour or promote corporate takeovers or mergers. We try to make our system as neutral as possible.

* * *

[*English*]

FINANCE

MORTGAGE RATE PROTECTION PROGRAM—TIMING OF APPLICATION TO MORTGAGE RENEWALS

Mr. Doug Lewis (Simcoe North): Mr. Speaker, my question is for the Minister of Finance. The details of the Mortgage Rate Protection Program in the budget papers state:

> The interest rate to be protected will be the market interest rate prevailing for the relevant mortgage term at the time the mortgage protection is taken out.

The Government has delayed the introduction of this legislation for almost two months, and interest rates have gone up almost 2 per cent. Will the Minister admit to the House that his Department is misleading the Canadian people when it suggests, as it did on the telephone today, that the insurance will be available at the rate at which the mortgage is taken out or renewed, rather than the rate at the time the application is approved?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I told the Hon. Member yesterday that he would have to wait until the bill is introduced in the House. Then, he will be able to find out for himself what legislative provisions are taken in that respect.

[*English*]

REQUEST FOR INTRODUCTION OF LEGISLATION

Mr. Doug Lewis (Simcoe North): Mr. Speaker, I suggest to the Minister that people who are renewing mortgages want the truth from the Department now. Each day's delay in bringing in that legislation is affecting housing starts, which are dropping. Each delayed housing start costs Canada's housing industry two and one-half jobs. Each day's delay, while mortgage interest rates rise, costs Canadian home owners. On March 20 the Minister said a few weeks. Last week the Minister said the end of May. Why is the Minister delaying in bringing in that legislation?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I answered this question yesterday. I indicated that we had extensive consultations with all the private sector people and organizations in this regard to ensure that the Bill which would be introduced would be a piece of legislation which would address the situation appropriately and would meet the needs of all parties concerned. We have concluded those discussions and are in the process of finalizing the drafting of the Bill.

I am happy to see that, for once, the Opposition will co-operate when this Bill is introduced. I am looking forward to seeing this happen because there are now five or six financial Bills before this House which would be beneficial to Canadian citizens and Canadian industry.

An Hon. Member: Bring them forth.

Mr. Lalonde: They are before the House at the present time and the Conservatives have reneged on an agreement to pass those Bills expeditiously. That is what the Conservatives have been doing in this place.

Oral Questions

CANADIAN ARMED FORCES

IDENTITY OF GUNMAN INVOLVED IN QUEBEC NATIONAL ASSEMBLY INCIDENT

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, my question is for the Minister of Defence. Can the Minister of Defence confirm that the gunman involved in the very distressing situation at the Quebec national Assembly is in fact a member of the Canadian Armed Forces, and is a member of the security detail attached to the government bunker at Carp near Ottawa?

Hon. J.-J. Blais (Minister of National Defence): Mr. Speaker, I would first like to join with you and other Members of the House who offer their condolences and express their views relating to this tragedy.

As I understand it, the gunman has now been captured and is in the custody of the QPP. My information is that he is a member of the Canadian Forces. However, I do not have details relating to the unit. I cannot confirm the unit to which he belongs at this time.

ACQUISITION OF FIREARM—MENTAL STABILITY CHECKS

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, we certainly join with the Minister in offering condolences to those who lost family and those who were injured in that most unfortunate incident.

I realize it is a very short time after the event. However, I would like to ask the Minister whether he can advise the House how it was possible for a private soldier to get a semi-automatic or automatic rifle from the armouries, with ammunition, which is guarded quite carefully. Did his position in fact allow him to have possession of this ammunition and rifle? This would be the case if he were attached to the security unit at the Carp bunker. What kind of security checks are made to determine the mental stability of individuals who are responsible for protecting the Cabinet, Cabinet facilities, and the ultra secret equipment that is a component of that important part of our emergency measures operation? Can the Minister enlighten the House in this regard?

[*Translation*]

Hon. J.-J. Blais (Minister of National Defence): Because I cannot confirm which unit this prisoner belongs to, Mr. Speaker, I cannot determine what security checks he would be subject to or what definite duties he would carry out.

Yet, I can say to the Hon. Member that we are well aware that military personnel have access to weapons of war which by their very nature are dangerous, and that we are taking every necessary precaution to ensure that the people who are using these weapons are mentally stable people. For the time being, that is all I can say, because no other details concerning this unfortunate affair are available.

• (1440)

[*English*]

LABOUR RELATIONS

INCREASES IN CORPORATE EXECUTIVES' SALARIES

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question is directed to the Minister of Finance. I am sure that the Minister knows that in recent years the average increase in wages and salaries for most Canadians ran behind the increase in the cost of living. Last year the average increase in wages and salaries was more than one per cent less than the increase in the cost of living. This is partly because of the recession, and partly because of the kind of lecturing that the Minister has given to Canadians, urging them to show restraint.

Yesterday we were given the news that Canadian executive salaries jumped last year by 12.5 per cent. Dome Petroleum increased them by 42 per cent, Genstar by 86 per cent, and McIntyre Mines by 71 per cent. I suppose it is too much to ask the Minister to plug some of the loopholes in the Income Tax Act, but may I ask him if he could make a speech in the next while urging Canadian executives to show the same kind of restraint that he has asked Canadian workers to show?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, first, contrary to what the Hon. Member has said, over the last several years the average increase in wages has been higher than the cost of living. I invite my friend to look at the figures, both in terms of the average salaries and in terms of the disposable income, which is the income after taxes. He will find that, as an average over the last several years, increases have been higher than the cost of living, not lower.

As far as executive salaries are concerned, he mentioned a few specific cases. Obviously I do not have the detailed information on individual firms, but I will be pleased to send him copies of the speeches I have made already on this very subject that have, indeed urged management in the firms to ensure that increases in their level of renumeration were showing the same restraint in line with the restraint that we were asking of workers. I have stated quite categorically that it would indeed be extremely counterproductive and prejudicial if increases in senior management renumeration were to exceed those that they were ready to concede to their workers in general.

I will be happy to repeat those admonitions at any opportunity that I have. I can take this opportunity today to appeal to senior executives to make sure that they will show the same kind of restraint that they are asking their workers to show during these difficult times. I would hope that indeed we will see that average increases like the ones mentioned by the Hon. Member are not happening as a rule among Canadian industries.

DOME PETROLEUM—EXECUTIVES' REMUNERATION

Mr. David Orlikow (Winnipeg North): Mr. Speaker, Dome Petroleum continues to function as a company today thanks to the bank loans which were guaranteed by the Government. Yet in 1983, Dome, a company which is close to floating in red ink, gave its executive officers a 42 per cent increase in salary and benefits. Does the Minister believe that such extravagance by a government supported corporation is justified and, if not, what is the Government prepared to do to see that executives in Dome and other corporations bring their salaries into line?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the Hon. Member talks about a government supported corporation. I remind him that the Government has not invested a penny in Dome or has not provided any particular support to Dome. There has not been one dollar of specific support given to Dome in that regard under the agreement that was reached with the banks.

Mr. Orlikow: What about bank loans?

Mr. Lalonde: That bank loan guarantee has never been called, and the Hon. Member knows that. Again, the Hon. Member would have to examine exactly what transpired in terms of the executive remuneration because as he knows there has been a change of management at Dome. The company was in very serious difficulties and, as a matter of fact, had to go outside of the country to find the kind of management that it needed.

While I do not know the kind of remuneration that it had to pay in this particular case, one would have to look not only at the level of renumeration itself but compare it with what existed before, for instance, with the previous management when there were stock options and other features concerning fringe benefits that are probably very difficult to calculate. I would invite my friend to exercise some restraint himself in reaching conclusions about the particular figures he mentioned.

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INDUSTRY

PETROCHEMICAL INDUSTRY—IMPACT OF TAXATION

Miss Pat Carney (Vancouver Centre): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. Canada's petrochemical industry is a high tech, state of the art industry which upgrades our natural resources into higher value products and sustains more than 200,000 jobs. Yet the petrochemical industry is suffering from excessive taxation which the Liberal Government has imposed on the energy industry. The Minister is aware that this industry has made representations to Cabinet for some sort of tax relief. Is the Minister going to bat for these 200,000 jobs with his Cabinet colleagues, the Minister of Finance and the Minister of Energy, Mines and Resources? Is he seeking reduced taxes in both the oil based and natural gas based sectors of the industry?

Hon. Ed Lumley (Minister of Regional Industrial Expansion): Mr. Speaker, as the Hon. Member knows, the Govern-

ment commissioned a task force made up of private sector people from both management and labour in the petrochemical industry. It made its report several months ago. That report is under discussion now by various Departments within the federal Government.

The Hon. Member also knows that the major recommendation in that report is seeking a reduction in the industrial gas price, which is the responsibility of my colleague, the Minister of Energy, Mines and Resources, as well as the producing provinces. My colleague has had several discussions with his counterparts in the provinces, and I am sure that when he returns to the House the Hon. Member can ask her question then and probably get a more appropriate answer.

Miss Carney: I regret that the Minister has told us nothing which we cannot read in the newspapers.

* * *

FOREIGN INVESTMENT REVIEW AGENCY

REJECTION OF JAPANESE PROPOSAL TO INVEST IN BRITISH COLUMBIA COAL PROJECT

Miss Pat Carney (Vancouver Centre): Mr. Speaker, again dealing with jobs within the Minister's area of responsibility, Cabinet reviews all the decisions made by FIRA In regard to the plans of foreign companies to invest in Canada. Therefore the Minister must have been involved in the rejection by Cabinet and FIRA of the proposal by Sumitomo of Japan to invest $10 million in a joint venture with Petro-Canada in a B.C. coal mining project.

Considering the fact that British Columbia has a bleak economic future and has the highest unemployment this side of Newfoundland, what steps did the Minister take to ensure participation of Sumitomo and Petro-Canada in this job creating coal mining venture? Why did he reject it?

Hon. Ed Lumley (Minister of Regional Industrial Expansion): Mr. Speaker, I fail to see that this is a supplementary question; this is a question about a FIRA application as opposed to the petrochemical industry inquiry in her original question. But I am pleased to answer the Hon. Member.

First, the Hon. Member knows that it has been a policy of the Government for a long time with respect to new coal mines that a minimum of 50 per cent ownership must be maintained by Canadians. I am surprised that the Hon. Member would be against this particular policy. We did advise the applicant of that requirement by the Government of Canada, and also that Canadian ownership would be respected as required by government policy in regard to additional new coal mines. Mind you, Mr. Speaker, based on some of the comments I have heard regarding FIRA from the Hon. Member's Party, I cannot be surprised at this particular question.

UNEMPLOYMENT INSURANCE

PLIGHT OF ATLANTIC FISHERMEN—REQUEST FOR EXTENSION OF BENEFITS

Mr. George Baker (Gander-Twillingate): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. As the Minister knows, heavy pack ice on the northeast coast of Newfoundland and other parts of Atlantic Canada is preventing fishermen from being able to get out and fish this year. The fact of the matter is that unemployment insurance benefits will be discontinued as of May 15. Would the Minister give consideration to extending the unemployment insurance benefits for thousands of fishermen so affected? The ice is an Act of God, but this can be seen as an act of leadership.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Hnatyshyn: Show some leadership, John.

Mr. Crosbie: Move over, Pierre.

Mr. Nielsen: The iceman cometh.

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, I want to thank the Hon. Member for his accurate assessment of my qualities but, even more important, I want to thank him for drawing to my attention and to the attention of the House this very serious question.

An Hon. Member: He didn't know about the ice.

Mr. Roberts: I did know about the situation because Hon. Members on this side of the House, in contrast to those on that side of the House, drew the matter to my attention.

Some Hon. Members: Hear, hear!

Mr. Lalonde: Tories don't care.

Mr. Roberts: It is a serious situation. I will examine how we may be able to respond to it. I understand that some similar situations have arisen in the past, I think in 1974. There may be some other solution which may be equally appropriate, but I will discuss with my cabinet colleagues how we might respond to the situation which the Hon. Member raised.

* * *

● (1450)

POOLS

SPORTS POOL—PROVISION OF FUNDING FOR MEDICAL RESEARCH

Hon. Jake Epp (Provencher): Mr. Speaker, my question is directed to the Minister of State for Fitness and Amateur Sport. When the Government introduced legislation setting up the sports pool, one of the recipients of possible profit from the

pool was to be medical research, a kind of moral component in what many of us feel is a very questionable enterprise.

Today when the chairman and members of the Medical Research Council appeared before the appropriate committee, they were asked how much money they had been promised from the Government from profits realized from the sports pool. We were told that there were no promises made nor was any money forthcoming. Could the Minister give an estimate of how much money medical research will get from the sports pool, in view of the fact that this was one of the selling points the Government used to set up the sports pool in the first place?

[*Translation*]

Hon. Jacques Olivier (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I am happy to reply to this question. As we all know, Bill C-95 was introduced in the House and voted on. The purpose of this legislation is to provide assistance for various activities, including the Calgary Olympic Games, arts and culture, as well as medical research. Needless to say, we shall have to determine the share each recipient will get but we believe at this stage that the direction to be taken first is the direction which we, as the Government, have taken, namely to make sure that the 1988 Olympics in Calgary are a great success. The first amounts will probably be directly assigned to the 1988 Olympics.

[*English*]

REQUEST FOR FIVE-YEAR FUNDING PLAN

Hon. Jake Epp (Provencher): Mr. Speaker, I have a supplementary question for the Minister of State for Fitness and Amateur Sport. He said in this House that medical research was going to get money from the sports pool. Today he showed very clearly there will be no money for medical research from the sports pool, that it is a secondary consideration.

In view of the fact that medical research has to have long-term planning, such as five-year plans, and if we are to keep medical researchers in Canada we have to put those kinds of plans in place, does the Minister have any plan for the next five years concerning how much money medical research will get from the sports pool?

[*Translation*]

Hon. Jacques Olivier (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, as I have already said, medical research is as important for us as amateur sport, arts or culture. It is obvious that we shall take priorities into account. We are committed to help medical research, and we shall support this sector. We are committed to help arts and culture, and we shall support arts and culture, as we are now doing and shall continue to do. We are already providing assistance for medical research. If the Progressive Conservatives want to give us their support, with the tremendous profits that we make, we shall be able to help medical research even more. If the Members opposite want to co-operate to help amateur sport and medical research, it will be a success for all of us.

[*English*]

Mr. Paproski: One short supplementary.

Mr. Speaker: The Hon. Member for Burnaby.

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FINANCE

MORTGAGE INTEREST LEVELS—REQUEST FOR IMPOSITION OF CEILING

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is for the Minister of Finance, if he would return to his seat. The Minister is well aware of the fact that recent increases in mortgage interest rates, particularly in longer term mortgage interest rates, are having a crippling effect on housing starts at a time when record numbers of building trades workers are already unemployed and drawing unemployment insurance or welfare. Given the fact that these high interest rates also effectively deny home ownership to hundreds of thousands of renters, why is the Minister still acting as a lackey of the banks and refusing to cap mortgage interest rates immediately at levels which Canadians can afford, and at levels that will put building trades workers back to work?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): For an obvious reason, Mr. Speaker: the solution advocated by the Hon. Member is both naïve and counterproductive. Should he care to review the situation, he would realize that imposing artificial ceilings is not likely to renew the confidence of investors in the construction field. What we hope to do is to keep interest rates at the lowest possible level throughout the Canadian economy as a whole, be it in the construction sector, in the agricultural sector, in the small business sector or in any other sector.

I think that the Hon. Member should instead support the Government in its efforts to keep Canada's interest rates below the prevailing American rates, and support as well its efforts and those of other industrialized countries to convince the United States to stop if not reverse current rising interest rates.

[*English*]

Mr. Paproski: Mr. Speaker, I have a supplementary question.

Mr. Speaker: I will get back to you. Hold it. The Hon. Member for Burnaby.

Some Hon. Members: Oh, oh!

INTEREST RATES CHARGED BY BANKS

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, the Minister of Finance appears to be agreeing with the recent statement by the Leader of the Conservative Party that Canadian banks are doing a fine job in serving Canadians, which I suppose is not surprising considering the donations of over $250,000 a year which the Canadian banks give to both the Liberal and the Conservative Parties.

Given the fact that a senior official of CMHC this week noted that at current interest levels on a two-year mortgage a person would need an annual income in excess of $34,000 in order to purchase a house, a level far beyond that of my constituents in Burnaby, if not of just about everybody in this country, how much longer is the Minister prepared to stand by and allow Canadian banks to gouge consumers and charge these exorbitant interest rates, before he finally takes action to lower interest rates to levels which Canadians can afford?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I will always marvel at the hypocrisy of the NDP.

Mr. Stevens: What about your hypocrisy?

Mr. Lalonde: The Hon. Member talks about the high interest rates charged by the banks. He could also talk about the high rates charged by the credit unions, the caisses populaires, and the other financial institutions. He does not do so. He knows, or certainly should know, that interest rate levels at the present time are very much influenced by events in the United States which affect Canada and practically every other country in the world. If the Hon. Member were here this morning, he could have listened to the President of Mexico who addressed this House, and he could have taken the trouble of talking to the Minister of Finance for Mexico who indicated that a rise of 1 per cent in interest rates in the United States means $500 million more in interest rate payments for Mexico, which is facing severe difficulty and trouble—

Mr. Stewart: We are not Mexico.

Mr. Lalonde: —and just by an increase of 1 per cent in interest rates Mexico loses all the gains it is making by increasing exports. This is the type of situation and the kind of difficult world in which we are living. I invite my friend to come down to earth, realize what difficulties we are all facing as industrialized countries—

Mr. Stevens: You just cannot cope.

Mr. Lalonde: —and as developing countries at the present time, and encourage and support all Governments to try to convince the American authorities to take steps to reduce their interest rates.

Mr. Stevens: At least the Mexicans are coping.

Oral Questions

METRIC CONVERSION

DROPPING OF APPEAL BY TORONTO SERVICE STATION OPERATORS

Mr. Bill Domm (Peterborough): Mr. Speaker, we all learned today that in Toronto Jack Halpert and Ray Christiansen, the two independent gasoline service station operators who are fighting for the freedom to choose between metric and imperial measurement, have announced that they can no longer proceed with their appeal case in the Ontario appeal courts and they will forfeit their award of $41,000 from the Crown because they cannot afford the appeal.

I would like to ask the Minister of Consumer and Corporate Affairs, who has consistently looked for fairness in her assessment of the right to choose imperial measurement, whether she feels satisfied as Minister of Consumer and Corporate Affairs, responsible for the Metric Commission, that the decision to revert to metric only, because a small independent gasoline operator in Toronto cannot afford to go to appeal, is a fair decision on behalf of the Canadian people?

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Mr. Speaker, I was not aware that the appeal had been withdrawn. I will have to consult with my officials for more information.

LEGALITY OF IMPERIAL MEASUREMENT SYSTEM

Mr. Bill Domm (Peterborough): Mr. Speaker, now that the Minister of Consumer and Corporate Affairs is aware that the appeal has been withdrawn because Mr. Halpert and Mr. Christiansen cannot afford $25,000 to get the $41,000 they were awarded by Judge William Ross in their first case, and now that the federal Government intends to go all the way to the Supreme Court of Canada to win this fight for mandatory metric, let me ask a supplementary question. Would the Minister, on behalf of Canadian people, in order to do what she said she wanted to do, that is, come up with a fair judgment under the Charter of Rights on whether or not it is legal to use imperial measurement, suggest to the Minister of Justice and Attorney General of Canada that funds be made available to these parties as they have been made available to other parties in the interest of the federal Government to win federal court cases?

• (1500)

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): As I said earlier, Mr. Speaker, I will examine the facts and report back to the Hon. Member.

Mr. Speaker: The Hon. Member for Edmonton North on a short supplementary.

Some Hon. Members: Hear, hear!

Petitions

OLYMPIC GAMES

PARTICIPATION OF SOVIET ATHLETES IN 1988 OLYMPICS

Hon. Steven E. Paproski (Edmonton North): Mr. Speaker, my supplementary question is directed to the Minister of State for Fitness and Amateur Sport. It is a very serious question, the fact that today the Soviet Union has pulled out of the Los Angeles Olympics.

An Hon. Member: Oh, oh!

Mr. Paproski: Faites attention; faites attention.

Mr. Speaker: The Hon. Member has been given the floor.

Mr. Paproski: Today the Soviet Union has pulled out of the Los Angeles Olympics. In view of the fact that the lottery was set up to help the Calgary Olympics in 1988, what guarantee do we have from the Minister that the Soviets will not pull out of the 1988 Olympics? Has he had contact with the Soviet Embassy?

Mr. Smith: That is not a supplementary; it should not be allowed.

[*Translation*]

Hon. Jacques Olivier (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, to answer one part of the question asked by the Hon. Member, I simply want to state that, in my opinion, it is unfortunate for the athletes throughout the world that some countries have decided to withdraw. These countries made their own decision. With respect to the lottery, I must tell the Hon. Member opposite that this is not a lottery, but a sports pool. In reply to the third part of his question, I will tell him that I leave it to the Winter Olympic Games Organizing Committee (OCO'88) to reach the decision and answer his question.

* * *

[*English*]

PETITION

MR. KILGOUR—MEASURES TO COMBAT PORNOGRAPHY

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Edmonton-Strathcona (Mr. Kilgour) on Monday, May 7, 1984, meets the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

PUBLIC ACCOUNTS

PRESENTATION OF THIRD REPORT OF STANDING COMMITTEE

Mr. Doug Lewis (Simcoe North): Mr. Speaker, I have the honour to present the third report of the Standing Committee on Public Accounts to which, pursuant to Standing Order 69(13), the committee requests a comprehensive response.

[*Editor's Note: For above report, see today's Votes and Proceedings.*]

* * *

PETITION

MR. BRADLEY—TAXATION OF TOBACCO PRODUCTS

Mr. Bud Bradley (Haldimand-Norfolk): Mr. Speaker, it is my privilege and honour to present a petition signed by some 182 farmers and residents of the Province of Quebec who are extremely concerned with the effects federal taxes are having on tobacco and its related industries in the country. The petition of the undersigned residents of Canada, who now avail themselves of their ancient and undoubted right thus to present a grievance common to your petitioners in the certain assurance that your honourable House will therefore provide a remedy, humbly sheweth that the federal excise tax placed upon tobacco products is a serious threat to employment and economic viability in the tobacco industry in the communities involved.

The petitioners hope that in your examination of the petition, Mr. Speaker, you will find the petition in order and that you will exercise the discretionary powers vested in the office of the Speaker of the House of Commons to allow discussion and referral to a committee at the earliest possible time, in order that employment and economic viability in that region of Canada may be preserved.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 560 and 738.

[*Text*]

COSTS OF RENOVATING AND DECORATING STORNOWAY

Question No. 560—**Mr. Althouse:**

1. During the residence of (a) The Right Honourable Pierre Elliot Trudeau in 1979 (b) The Right Honourable Joe Clark in the period 1980 to 1983 (c) Mr. Brian Mulroney, M.P., to the end of 1983, what, if any, was the cost of

renovating and decorating Stornoway, the house used by the Leader of the Official Opposition?

2. In 1983, were any expenses incurred due to the staffing and operating requirements of the residence and, if so, what were they?

Hon. Roméo LeBlanc (Minister of Public Works): 1. (a) $133,934.91, (b) $36,443.84, (c) $150,555.34.

2. (a) The Official Residences Act authorizes the Leader of the Opposition to appoint a steward or housekeeper and up to three other employees to manage his residence. Moneys appropriated by Parliament for the operation of the House of Commons may be used for the remuneration and other expenses related to the employment of such persons. Questions concerning these payments should be addressed to the Speaker of the House of Commons.

(b) Operating cost—$43,019.69.

RIVIERA MOTEL, TRACADIE, NEW BRUNSWICK

Question No. 738—**Mr. Waddell:**

1. In 1975, did the then Department of Regional and Economic Expansion make loan guarantees totaling $315,000 to a trust company for the construction of the Riviera Motel in Tracadie, New Brunswick and, if so, did the company subsequently exercise its power of sale on the property and did the Department pay the company $315,000 as guaranteed?

2. In 1982, did the trust company mentioned in part I dispose of the motel by means of public auction and was this contrary to its agreement with the Department and, if so, did the agreement stipulate (a) the method of sale (b) whose consent was required for the sale (c) the requirement for court action against the owner and, if so, in each case, what were they?

3. Did the Department take any action to recoup some of the value of the loan guarantee prior to the sale of the property at public auction and (a) if so, by what methods (b) if not, for what reason?

4. To the knowledge of the government what was the selling price of the motel and did the Government take any action to ensure that the Crown's interests were protected in this sale and (a) if so, what were they (b) if not, for what reason?

5. Since the sale of the property at public auction did the government take any actions to recover some of the lost loan guarantee and (a) if so, what were they (b) if not, for what reason?

6. Was any action taken to reprimand those responsible in the Department and, if so, what action?

Hon. Ed Lumley (Minister of Regional Industrial Expansion): 1. Yes. The Department of Regional Economic Expansion made loan guarantees totalling $315,000 to a trust company for the construction of the Riviera Motel in Tracadie, New Brunswick; yes; the trust company exercised its power of sale on the property. Loan guarantee claims in the amount of $300,000 and $15,000 were paid on July 7, 1982 and September 1, 1982, respectively.

2. Yes. The trust company disposed of the Riviera Motel by public auction. The agreement called for the sale of security by public tender or private sale with the prior written consent of the Minister. By virtue of the Property Act of New Brunswick, a power of sale is given to a mortgagee (the trust company) to sell by public auction subject to compliance of certain advertising requirements prescribed in the Property Act. The trust company chose this route of disposal rather than public tender or private sale as specified in the guarantee agreement. The Property Act does not require that, in the event of sale by public auction, a consent from the guarantor is required.

3. No. Prior to the sale of the property at public auction, liquidation procedures were the responsibility of the trust company.

4. To the knowledge of the Department, the selling price was $200. The Department relied on the trust company to ensure that the assets securing the loan guarantees were sold for adequate consideration.

5. Yes. The Department is currently considering a course of action including, but not limited to, legal action to recover some of the lost loan guarantees.

6. A departmental review of this case indicated that this is an isolated incident and, therefore, no specific action has been taken against officials of the Department. The Department's procedures for processing loan guarantees have been amended to include a review by senior departmental officials. In addition, a new form of agreement has been instituted providing for a stronger provision when the lender is deemed to be negligent in the administration of the loan.

[*English*]

Mr. Speaker: The questions enumerated by the Hon. Parliamentary Secretary have been answered.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if questions Nos. 559 and 712 could be made orders for returns, these returns would be tabled immediately.

Mr. Speaker: Is it the pleasure of the House that questions Nos. 559 and 712 be deemed to have been made orders for returns?

Some Hon. Members: Agreed.

[*Text*]

DEATHS IN PENAL INSTITUTIONS

Question No. 559—**Mr. Robinson (Burnaby):**

1. Since January 1, 1976, how many persons died in penal institutions?

2. How many such deaths occurred in (a) maximum security (b) medium security (c) minimum security institutions and, in each case, what was his/her (i) name (ii) status in the institution (i.e. inmate, guard, social worker, etc.) (iii) cause of death?

3. To the knowledge of the Government, by province, how many deaths occurred in provincial institutions and, in each case, what was his/her (a) name (b) status in the institution (c) cause of death?

4. In each case where the victim was an inmate (a) for what crime or crimes had he/she been incarcerated (b) what was the length of sentence he/she had been serving?

5. Since January 1, 1976, how many hostage-taking incidents have occurred in penal institutions and, in each case, what was the (a) date (b) number of hostages (c) name of the institution?

Return tabled.

Financial Administration Act

NATIONAL MUSEUM ADVISORY COUNCIL ON GRANTS COMMITTEE

Question No. 712—**Mr. Mazankowski:**

1. Is there a National Museum Advisory Council on Grants Committee and, if so, what (a) are its terms of reference (b) is the (i) name (ii) background or expertise (iii) term of appointment of each member (c) remuneration, such as salary or travel expenses (i) do the members receive (ii) did the members receive to date (d) other funding, if any, is provided by the government?

2. During the fiscal year 1982-83, did the Committee meet and, if so (a) how often (b) how often is it required to meet (c) what matters did it consider (d) what reports and/or recommendations were published?

Return tabled.

[*English*]

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

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

FINANCIAL ADMINISTRATION ACT

MEASURE TO AMEND

The House resumed from Monday, May 7, consideration of the motion of Mr. Ouellet (for Mr. Gray) that Bill C-24, an Act to amend the Financial Administration Act in relation to Crown corporations and to amend other Acts in consequence thereof, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

Mr. Tom McMillan (Hillsborough): Mr. Speaker, today we are debating the federal Government's Bill C-24, an Act to amend the Financial Administration Act in relation to Crown corporations and to amend other Acts in consequence thereof. In essence, the Bill recognizes belatedly that the Government has lost control over the hundreds of Crown corporations which it operates. Indeed, some months ago, when asked how many Crown corporations the Government had, the then President of the Treasury Board was unable to answer that question even to the nearest hundred. As it turns out, the Government in fact owns and operates some 500 Crown corporations.

Those companies vary greatly in size. On the one hand there are the huge conglomerates like Canadian National, Air Canada and the CBC which employ thousands of people. On the other hand there are those like the Canadian Saltfish Corporation, which in the private sector would be viewed as a small business, employing somewhere in the vicinity of a dozen to a couple of hundred people. Together, whatever the size of the company, government Crown corporations constitute such a large part of the economy that the Auditor General has termed them a sub-government, rivalling the Government itself in economic might and impact. The truth is that under the present Government Crown corporations have been allowed to multiply like rabbits and grow like elephants. They are all but out of control.

It is bad enough that there are as many Crown corporations as there are, for all the good many of them do, but many have given rise to the creation of others, often without any authority to do so beyond themselves. Certainly Parliament has little control over their activities, a fact of growing concern to the Auditor General and to many Hon. Members of this Chamber. Now like the proverbial deathbed repentant, the Government has introduced this Bill in an effort to blunt swelling criticism about its lack of action.

Specifically, the Bill seeks to tighten control over Crown corporations by giving the Auditor General the authority he has sought. Moreover, henceforth Parliament will be required to approve the creation and operation of Crown corporations, and more information will be required concerning these companies. In the final analysis, however welcome may be the reforms in question, the Bill merely scratches the surface in holding Crown corporations to account. The legislation gives the appearance of action without delivering any genuine solution.

It is ironic that at the very time the Government was heralding Bill C-24, *The Globe and Mail*, Canada's national newspaper, was releasing confidential Cabinet documentation making it clear that de Havilland Aircraft of Canada Limited, a granddaddy of Crown corporations if ever there was one, will require hundreds of millions of dollars more in government subventions in the years ahead. Even with such support from the taxpayer, however, the principal product of the company, the Dash-8, is not expected to be marketable unless all kinds of questionable conditions prevail. For example, according to the confidential Cabinet document, interest rates will have to be very low and certainly much lower than they are now. The relevant unions at de Havilland will have to be prepared to accept generous wage concessions that in many instances they will not likely accept. As well, not only the federal Government but the provincial governments and perhaps even some municipal governments will have to agree to buy the product at a premium price.

• (1510)

The Government was not prepared to share such vital and important information with Parliament or with the taxpayers. The information had to be stolen from the Government by the media. Parliament and the taxpayers of Canada were expected to approve blindly the expenditure of hundreds of millions of dollars without having access to any of the basic information upon which judicious decisions may reasonably be made.

Between them, de Havilland and Canadair have soaked up more than $2 billion in federal aid. We on this side support the aerospace industry. We are in favour of research and development and in favour of many other such fields of endeavour. We want to protect and strengthen the jobs in those areas.

However, we are puzzled that the Government would announce to the country in March that it was prepared to bail out Canadair by assuming $1.5 billion in debt accumulated by that company through sheer bad management after the plane manufacturer had reported a loss of something like $540 million in 1983 alone.

We have now learned that in the case of de Havilland, rather than firing the top managers, the Government paid them fat bonuses of something like $13,000 each on top of their already generous salaries in the neighbourhood of $125,000 a year. In the case of Canadair, every single member of the board of governors was reappointed even after the responsible Minister, Senator Jack Austin himself, blamed the company's problems on the managers who were being reappointed.

Sir, what is lacking is not the authority to bring Crown corporations under government or parliamentary control, but rather the political will to do so. The Government simply lacks the desire to do anything about the problem. It has no intention of holding Crown corporations to account. The legislation we are debating today is simply window dressing. The Government is so accustomed and inured to spending money and wasting hundreds of millions of dollars that it has long since ceased to know what fiscal responsibility means.

No amount of tinkering with legislation of the kind that is before us today will matter one whit. The process in which we are engaged is nothing more than a charade. Frankly, Sir, every single one of us in the House and in general will be contributing to that charade by voting for this legislation. What is needed is a new government which is genuinely committed to reform, ready to shake up Crown corporations from the ground up, and prepared to abolish those companies whose usefulness has long since passed. We need a government that is courageous enough to expose all Crown corporations, large and small alike, to the harsh scrutiny of auditors and parliamentarians. We need a government and a cabinet that is sufficiently insulated—yes, Sir, insulated—from former policies that they may be hospitable to fresh ideas and approaches.

In conclusion, Mr. Speaker, I would say that instead of experiencing that which I have just described, the very creators of the mess in which we find ourselves are disguising themselves as reformers. That is like hiring the town arsonist as fire chief. Bill C-24 is a sham. The Government's policy on Crown corporations is a sham. If the public wants real reform in this area, it will get it only through the election of a new government. In my view, such an event could not happen soon enough.

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, I would like to join with my colleagues in opposing this legislation because it is simply inappropriate for the times. If the Government wanted to introduce a Bill which would have Opposition support, it should have introduced the former Bill C-27 which was authored by the Hon. Member for Wellington-Dufferin-Simcoe (Mr. Beatty). That Bill offered real accountability.

I would like to put an argument to my colleagues opposite who are not participating in this debate. We are discussing an area of public life which will affect us for many, many years into the future and one which will affect individual Canadians dramatically. Yet Liberal Government Members are not participating in the debate. I would like to see them stand and answer the concerns that I and other Members on this side are raising because that is what this place is for, Mr. Speaker. It is a place in which we may debate the issues. The opinions of both sides are revealed in this place and out of that comes a collective wisdom that is better for the country. However, Government Members are not standing. Once again, it is a case of the Cabinet making a decision and the individual Members not performing what in my submission is their responsibility as imposed upon them by their constituents.

I always find it wise to go back and look at an issue in its historic context. In the development of Crown corporations, there was a period of time that was known as the infrastructure period and this occurred from about the year 1800 to the year 1930. For 130 years the Government was involved in Crown corporations which dealt with ports, new harbour commissions, a few canals and the CNR. For 130 years those were essentially the only Crown corporations that existed.

After the restrictions and cutbacks caused by the Depression, a few more Crown corporations were formed. For example, the Bank of Canada, a farm loan board, the Canadian Wheat Board and the CBC were set up during that time in response to national sentiments and to counteract actions taken by the Government of the United States.

One might describe the third phase of Crown corporations as the war phase. At that time, the Hon. C. D. Howe set up numerous Crown corporations in order to cope with the demands of war. As well, those corporations were set up in part to avoid bureaucracy during the war and to attract managers who worked as the one-dollar-a-year type of manager. You will probably recall those events, Mr. Speaker. During the war phase, the strategic area of atomic energy was nationalized as well.

During the 1950s and the 1960s, a few Crown corporations were set up, most of which acted in the interests of patriotism. Such Crown corporations as the Canada Council, the CBC reorganization and Expo 67 were set up at that time. I suppose that from 1800 to about 1970 there was a maximum of about 50 or 60 Crown corporations in existence.

Since 1968 we have entered a new phase in the growth of Crown corporations. We have entered a phase of an absolute proliferation of Crown corporations which has given the Government and its executive control over broad areas of our society. I believe we should describe this phase as the socialist phase, and I mean socialist in terms of economics. I do not see socialism existing only in terms of social areas. I have no problem with having us collectively agree that we want to fund schools or hospitals publicly. However, when we start to move into the creation of wealth and the economic side of society and begin to nationalize and socialize through Crown corporations, that is when we become inefficient and block the natural

market price signals which cause appropriate change where necessary. That is the problem with socialism and that is what has happened since 1972. There has been almost unlimited growth of marketing boards and nationalization of industries, under which Canadair and de Havilland fall. We have the situation of public servants going out and incorporating companies on their own, without even the Minister of the Department being aware of what they are doing; but the taxpayers have to jump in and get those companies off the hook. There is an example of this in British Columbia and it cost taxpayers something like $750 million.

• (1520)

Every few years Parliament has to write off $400 million, $500 million, $600 million or $700 million for the CNR. Air Canada, which is a well-run company, gets all sorts of privileges. When a company becomes an agent of Her Majesty, it can then obtain money more cheaply than private competitors can obtain it in the marketplace. Air Canada also has a monopoly. While it is well run , it is only succeeding because it still has some 5 per cent debentures in its annual report, and it has an absolute monopoly of many of the major points across the country, including the setting of rates. Therefore, it surely should succeed when it has that type of advantage. We might look at the Dungarvin Forest Service Company, which was set up under B.C. law. That company went belly-up and cost the taxpayers $750 million.

All of these Crown corporations—and there are over 400, including the subsidiaries—have the effect of distorting the marketplace. I know that my friends in the NDP dislike this profit motive and the concept of the invisible hand of Adam Smith. Adam Smith did not create the law. He was simply describing the phenomenon that if we do not change the times, and if we do not adopt new technology when our competitors do, the competitor will be able to provide a service to the public at a cheaper cost, and that service will be bought. If we do not change, we will go down.

That principle applies whether in a socialist country, a communist country, or here in Canada. We have not been prepared to face the changes that have occurred in the world. It is as if South Korea does not exist. That has been the public policy of this country. It is as if Japan has not come on. There seems to be a reluctance on the part of the Government to realize that we have to compete in the world and to make that case with Canadians, so that we can adopt high technology and change our educational system. That is what the invisible hand of Adam Smith is. He simply described, as did other scientists, the law of gravity. We might not like the law of gravity, but we still are faced with it as a reality. That is the invisible hand that Adam Smith described. We must always in public policy keep on the cutting edge.

Crown corporations, by virtue of being creatures of government and without the discipline of the marketplace, never fail. For example, we know that if 100 private companies are set up, at least 40 per cent of them will fail, either because of under-capitalization or inefficient management. But, Mr. Speaker, have you ever seen one Crown corporation fail? Never, Mr. Speaker; they simply come back and ask the taxpayers to kick in the money. That is the problem.

When Crown corporations are set up, they should be told: "Here is your mandate; either you make it or you die". I could live with that. But when Crown corporations continuously survive as a result of the infusion of public moneys, I take issue with that and I object to that. Those public moneys are coming out of the pockets of our mothers, fathers, sisters and brothers—taxpayers who are having a very difficult time meeting their mortgage payments and properly educating their children. I disagree with digging deeper into people's pockets to save a Crown corporation.

The reason we are saving Crown corporations is that if the Minister responsible sets a corporation up and that corporation fails, it affects the perception and success of the Minister. Therefore, he will not let that corporation fail. That has been the traditional response of government. When a government sets up a Crown corporation, it ensures that that corporation will succeed even if it takes every cent from every Canadian because it is the reputation of the government or the Minister which is at stake. We must cut through that.

This Bill is purported by the Government to give better accountability. When one looks behind it, in fact it does not perform that duty. I say to my colleagues opposite that they should adopt Bill C-27 which was presented during the Government of the Right Hon. Member for Yellowhead (Mr. Clark) in 1979. That Bill was vastly superior in terms of accountability and setting forth the duties of directors.

When the Cabinet appoints a chief executive officer, the directors are nothing but an advisory, honorific body—a way to transfer money to more government supporters across the country. There should be a statute which puts the responsibility on the board of directors. They should hire the chief executive officer and monitor that chief executive officer day by day. If he does not cut the mustard, they can fire him because it would be their responsibility in law. Even that one change would be a major advance.

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I welcome the opportunity to speak on Bill C-24, an Act to amend the Financial Administration Act in relation to Crown corporations. As I watched the debate on this Bill unfold, I could not help but ask myself: Why is the Government pursuing this Bill? I asked that question because my colleagues in the Official Opposition have already demonstrated that the Bill is seriously, if not fatally, flawed. It does not, for example, address many of the issues and recommendations of the Estey Commission of Inquiry into Air Canada. Had C-24 been in force in 1977-78, we would not have avoided the débâcle that occurred with AECL at that time. In my opinion, if Bill C-24 had been in force, we would still not have avoided the chronic problems we are facing today with Canadair and de Havilland.

It seems to me to be quite obvious that the present Government has little or no real faith in Bill C-24 as an effective curative to the problems we have faced as a nation over the

past ten years. On the one hand, Bill C-24 is pointed to as a solution to the problems we face when dealing with the financial management and control practices of Crown corporations. On the other hand, only a few days after Bill C-24 was tabled, the Government tabled the CDIC legislation. This Bill, Bill C-25, is in many important respects in direct conflict or inconsistent with the changes listed in Bill C-24. I ask the House, if Bill C-24 is so good, then why is it not good enough for CDIC? These two Bills must have been drafted at approximately the same time, undoubtedly by the same people. Why the inconsistency? Is it an oversight, or is the Government still uncertain about the best way to proceed? I suspect it is the latter and, therefore, the best solution is for Bill C-24 to be withdrawn until the Government can make up its mind.

We must ask ourselves: Why is the Government pressing on with this Bill at this time? The Government had the problems of managing Crown corporations brought forcefully to its attention as far back as 1974. In the period between 1974-76, I served as the Chairman of the Standing Committee on Public Accounts. The new Auditor General for Canada at that time, Mr. James Macdonell, minced no words about the Government's over-all mismanagement of its affairs. That was ten years ago. Why wait until the eve of an election to bring in a hodge-podge of legalese to deal with one of the most important problems in Canada, namely the over-all management of Canada's Crown corporations? As a nation we cannot continue building up our massive public debt with annual deficits ranging anywhere between $25 billion and $31 billion due to the mismanagement that we see at the top.

In the report of the Auditor General to the House of Commons for the fiscal year which ended March 31, 1976, these words appear in his Financial Management and Control Study:

> I am deeply concerned that Parliament—and indeed the Government—has lost, or is close to losing, effective control of the public purse.

● (1530)

In the previous year, the same Auditor General stated, and I quote:

> The present state of the financial management and control systems of departments and agencies of the Government of Canada is significantly below acceptable standards of quality and effectiveness.

He stated that he based this conclusion on:

—a comprehensive examination of financial management and controls in 28 departments and agencies of government. The examination resulted in 34 recommendations for strengthening and improving financial controls at the central government-wide level and in hundreds of observations and recommendations—

He continues in his 1976 report by stating:

> During this second year of the massive special study of financial management and control throughout the Government of Canada which was launched in May 1974—

And, as I say, Mr. Speaker, that was more than ten years ago:

—our examinations have been concerned mainly with the Crown corporations—

At that time Mr. Macdonell reported his findings in these words:

> In the majority of Crown corporations audited by the Auditor General, financial management and control is weak and ineffective. Moreover, co-ordination and guidance by central government agencies of financial management and control practices in these Crown corporations are virtually non-existent.

That was not a very pleasant statement to read, Mr. Speaker. It was an indictment of the present administration. The full results of the two-year study led him to state, in his report to the House of March 31, 1976, as follows:

> Based on the study of the systems of departments, agencies and Crown corporations audited by the Auditor General, financial management and control in the Government of Canada is grossly inadequate. Furthermore, it is likely to remain so until the Government takes strong, appropriate and effective measures to rectify this critically serious situation.

The Auditor General, Sir, may just as well have been baying at the moon when one considers the lack of attention given to his recommendations. Surely this Government is not going to try to pull the wool over the eyes of the Canadian people by stating that this Bill represents strong, appropriate and effective measures to rectify a critically serious situation. Unfortunately, it falls far short of providing greater cabinet control over our Crown corporations, and far short, Sir, of providing greater accountability to Parliament.

During my public career I have never been persuaded that the requirements for good financial management and control in Government need to differ at all when compared to those in any other corporation in the country, with one exception. I believe management and control over government corporations should be more stringent, because governments are dealing with what I regard as trust funds provided to them by the taxpayers of Canada to finance operations, whereas in the private sector, many times shareholders put up their own money knowing very well that they face a major risk when so doing.

When I look at the wording of Bill C-24, I can come to only one conclusion, namely, that it is a crass attempt to defuse the Crown corporations issue. In other words, it is simply a political exercise. I cannot believe in all sincerity that the Government would want this Bill to become law. It is simply too full of fundamental defects.

Bill C-24 covers some 183 Crown corporations and subsidiaries wholly owned by the federal Government. Some schedules are revised, some corporations are dropped, while others are rearranged into three categories. However, with all of this magician's hocus-pocus, this waving of the magic wand and holding up of a sheet, Parliament will still see only summaries of corporate plans, operating budgets and capital budgets as they are tabled by the appropriate Ministers. I say to you, Sir, that there is no time limit for the tabling of these Crown corporations' documents and the Treasury Board controls their form, content, budgets and summaries.

In view of all the faults I have listed, I hope that the Government will withdraw this Bill and eventually replace it with one more in keeping with the recommendations which were made by our Auditor General. I could cite some suitable recommendations, Sir, for the consideration of this Government, but that is really unnecessary. When James Macdonell tabled his report—and I was privileged to assist him in its

preparation—there were many helpful suggestions put forward. It was a matter of some concern to me, having worked with the Auditor General very closely during those years, that all of that work appeared to be in vain. It still appears to be in vain even at this late date, more than ten years later, because the actions which he had hoped to see taken, the recommendations which he had hoped would become law, are still being divided and subdivided in this Bill.

Mr. Macdonell laid out the course very clearly. He pointed his ship of state toward the area in which it should go, namely, financial management at the top. In his view, if that course had been followed, we would not be faced with the conditions with which we are faced today in this country, where our dollar is debased, our unemployment is at the million and a half figure and rising, where we have massive deficits and a constantly growing public debt. He hoped to avert all that by assessing the operations of these Crown corporations and by putting forward hopeful suggestions.

In conclusion I say through you, Sir, to the Government that I hope the Auditor General's work was not all in vain and that the Government will withdraw this aberration which is before the House and bring forward a Bill more in keeping with the recommendations which were made by Mr. James Macdonell when he was our Auditor General.

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I welcome this opportunity to speak on Bill C-24, an Act to amend the Financial Administration Act dealing with the whole subject of the accountability of Crown corporations. I welcome this opportunity because of the importance of the subject. First of all, it is important simply because of the sheer bulk of Crown corporations in our economy and in our daily lives. Both provincial and federal Crown corporations affect the daily lives of people in all parts of Canada, and there is widespread concern that there is neither financial nor social accountability built into these Crown corporations. Unlike private corporations which exist primarily to make a profit for their shareholders, Crown corporations are supposed to serve a public purpose. The public purpose, as we all know, can be defined in several different ways.

I was interested to read the remarks of the President of the Treasury Board (Mr. Gray) regarding this Bill when he introduced it in March. He talked about the creation of the CNR by the Conservative Government in 1919, and about that he said, and I quote:

> The objectives were to safeguard the Government's large investment in the railways, to protect Canada's image in foreign capital markets, and to avoid potential damage to large segments of the Canadian economy if the three companies (then on the brink of bankruptcy) did not continue to operate.

Beneath those very nice phrases, Mr. Speaker, is the fact that the accumulated companies which were brought into the CNR had accumulated debts of something like $1.3 billion. Through the Act which incorporated the CNR, not one investor lost any of that money, even though they had been investing in worthless stock, in effect. Therefore, basically what was defined as the "public purpose" at that time was to protect the investment community which had been speculating and had made some very handsome profits out of Canadian lands and grants.

The Canadian National Railways was formed to protect its interests and not the public interest. However, at least today it is publicly owned and it could be made to conform with public policy. The concern of our Party is that the CNR and all Crown corporations should be made to conform with public policy in the largest sense of the word. This does not always happen. For example, Canadian National owns property in the Cowichan Estuary, Lot 160. It is presently involved in some major development on that land which will have a detrimental effect on the estuary and its ability to serve as a fish habitat. When we talk about public accountability, we want to see the broadest kind of accountability whereby Crown corporations will serve not just to earn money or provide transportation, as in the case of the CNR, but also to serve the public interest; in this case to protect the fish habitat. But we are having a great deal of difficulty finding out exactly what CNR's plans are for that area because they are very secretive. We believe that at the very least a Crown corporation, when possible, should be open to public scrutiny. There is absolutely no reason, in this particular case, why they could not be open.

• (1540)

We have a similar situation where the CNR is involved in double-tracking through Indian lands. Again, Indian people are having difficulty finding out exactly what is happening. Therefore, we say it is simply not enough that the CNR was nationalized; we would like to see it socialized as well. We would like to see the corporation serve community interests. Basically, we are concerned that this Bill does not help very much in moving in that direction.

There are many similar examples, and I have a very striking one in Petro-Canada. That corporation is involved in exploration in the area which the Lubicon Lake Band of northern Alberta is claiming. Last December the task force on the churches and corporate responsibility wrote a letter to the Chairman of Petro-Canada Exploration Inc., Mr. Albert Hopper, and I quote from that letter:

> We have recently received reports that your Company and others are engaged in exploration, production and development on lands claimed by the Lubicon Lake Band. We understand that this industrial activity is proceeding despite the fact that the ownership of land is in dispute. Moreover, this activity apparently causes irreparable damage to the Band's way of life and livelihood and hence to its cohesion and its ability to survive as a band.

The letter goes on to ask a number of questions:

> (1) Has your company adopted certain principles governing its concepts of corporate responsibility?
>
> (2) Do these principles pertain to the impact of your company's activity on the social well being of people in areas of your operation?
>
> (3) What factors have influenced your Company's understanding of its corporate responsibility when faced with the plight of the Lubicon Band?
>
> Would your Company accept the proposition that its corporate responsibility goes beyond what are strictly legal or regulatory requirements and accept, as many other companies do, a responsibility towards predicaments similar to those of the Lubicon Band?
>
> (4) Would you comment on the charges that the activity of your Company (and others) has the effect of causing irreparable damage to the hunting, trapping and fishing economy of the Lubicon Band? Could you tell us what

efforts your Company is making to minimize this damage so as not to destroy the Lubicon Band's sources of livelihood?

(5) A *Globe and Mail* article (18 November 1983) states that the Band's legal costs are financed through a bank loan. Should your Company and others press to have the court costs assigned to the Band, the Band's diminished resources might make it impossible for it to appeal the court's decision.

Would your Company contemplate such a step, or would it expedite an appeal to a higher court as a necessary part of a multi-faceted process through which it will be determined if the claims of the Lubicon Band have just cause?

The response from Petro-Canada was very legalistic and did not deal with the substance of the questions that were asked. In other words, Petro-Canada does not wish to be brought to the bar of social responsibility and have to face up to questions about social responsibility.

We have to ask whether that kind of action on the part of Petro-Canada really serves the public interest. We in this Party believe that Crown corporations can serve a very positive role in the economy and in society. Generally we support them but we want to see financial and social accountability built in.

I was rather interested to hear the Conservative Member for Lethbridge-Foothills (Mr. Thacker) talk about his concern that Crown corporations wanted to create wealth by using some of our natural resources and that this wealth would be used to finance social services. We ask: What is wrong with that? What is wrong with the public being involved in developing our economy and using the wealth that is generated to provide a better life for everyone? For our part, we support that principle. We feel that the Government is not doing that, but we support the principle.

The Hon. Member also talked about Crown corporations distorting the marketplace. He made a rather incredible statement which implied that he still believed in Adam Smith's myth of the invisible hand. He does not seem to recognize that the marketplace in today's world is manipulated by giant corporations, that we live in a world of administered prices, and that large corporate takeovers have absolutely nothing to do with the concept of the invisible hand.

We want to see Crown corporations made accountable, because too often they act like other corporations in our society; they end up serving their own interests rather than the public interest. They end up serving Liberal Party patronage rather than the public interest. We find in our constituencies that many people are frustrated and fed up with large impersonal systems and corporations which operate in a blind manner so that ordinary people cannot seem to get a handle on them. Even the management of some of these large systems do not seem to be really in control. We suggest that Crown corporations offer the possibility of an alternative model which could be open, accountable and could serve community purposes. Instead, we have the kind of arrogance typified by de Havilland which has incurred large debts, which have been followed by bail-outs and lay-offs and, incredible as it might seem, by bonuses paid to members of the executive.

The Hon. Member for Vancouver-Kingsway (Mr. Waddell) pointed out last week that de Havilland has top-heavy management. For example, in 1981 there were 3,500 employees on the shop floor and 1,900 management employees. In 1984, there are 1,300 floor employees and 1,400 management employees. There is a slush fund for management retirees and nothing for the workers except lay-offs.

I received a letter from a constituent who was very concerned because he is fighting to keep a small business operating, at a time when de Havilland is giving bonuses to executives who have lost money.

This Bill does not go far enough, Mr. Speaker. We want to see full financial and social accountability on the part of our Crown corporations. We support the concept of Crown corporations, but they must be made accountable to the Canadian people.

Hon. Jake Epp (Provencher): Mr. Speaker, many Members of this House have had experience in committee with executives of Crown corporations and with the Ministers responsible in this House for Crown corporations. We find that in many cases Crown corporations are not answerable to the House or to parliamentary committee and, I dare say, in most cases are not even answerable to the Government. This Bill is at best a feeble attempt to try to address that issue. However, Mr. Speaker, I say that Bill C-24 does not go far enough.

The Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly) believes philosophically that the more Crown corporations you have, the better for the economy. I do not subscribe to that viewpoint. When one examines the amount of money that is generated by Canadians in goods and services and the percentage of those goods and services which are taken by governments at all levels, one sees that we have moved well beyond a mixed economy and are moving dangerously close to the point where government will be the chief architect of the direction and planning of the economy. That is a trend which I personally would like to see reversed.

● (1550)

In part, Mr. Speaker, Crown corporations have had a historical value. For example, the Member spoke of the creation of the Canadian National Railways. He will recall that the CNR actually grew out of a number of private railway corporations which were created in the second phase of railway development, especially in western Canada. Those corporations did not find financial success, and the Government essentially created the CNR out of them.

It is interesting to note that not many years ago in the House there was a write off of CNR liabilities. The argument of the NDP was always that the CNR would make money if it were not burdened with these historical debts and if we would write off in excess of $800 million. When we look at the CNR accounts we see that, through the Western Grain Transportation Act, the CNR will have a further windfall of money to enable it to show a profit. I know the same thing applies to the CPR, but I constantly hear the NDP raising the point that Crown corporations can deal with the conditions of the marketplace as well as turn a profit. However, in most cases the evidence is directly opposite. Therefore, if there is not a social

value to Crown corporations, I believe we should seriously question their economic viability.

Let us take a look at the way the Northern Canada Power Commission operates. Due to bureaucratic red tape and the decision-making process, the NCPC cannot take advantage of the market or project ahead by making provision to meet the demands of the market. In the Yukon and the Northwest Territories there is economic potential, especially in the mineral field. However, we do not have the infrastructure through NCPC to develop that resource because we do not have the power to do so. There are corporations today considering how that kind of corporation could be privatized in order to develop the social goals which the Member for Cowichan-Malahat-The Islands and the NDP generally say are valid. We accept the validity of the goals, namely, the creation of jobs and of an economic basis in Yukon and the Northwest Territories. However, Crown corporations generally are unable to take advantage of the economic realities of the moment and in many ways have not served the developmental aspirations of that part of Canada.

More important, Mr. Speaker, my constituents do not understand how the Government can create more Crown corporations and spin-offs of those Crown corporations and pour money into them and then come before the House and ask for additional financing for them, as in the case of de Havilland. I defy anyone in the House or in the financial markets to know exactly how much more de Havilland or Canadair are going to need over the next 10 years. Our constituents ask us why taxes have to be at certain levels when they are struggling with their farms and small businesses trying to maintain a tax level to stay in business. They read daily about Ministers making statements that Crown corporations will need new infusions of capital.

I suggest to you, Mr. Speaker, that in that regard Crown corporations are competing directly with the private economy. If you take a look at borrowings today you will find that 93 per cent of borrowings in Canada are made by Government. What does that leave the market economy? That is another way in which the Government and Crown corporations compete directly in the marketplace with small business and farmers. There is a double standard, Mr. Speaker. Crown corporations can come to Parliament and get additional funds to support companies that are not viable on the basis that jobs will be lost if this is not done. If you flip the coin, you will find that we are possibly losing many more jobs. Small businesses are not viable. They are not being created because the tax load is such that a person cannot make that kind of investment.

In my experience in the House, Members and Ministers opposite have not told us the number of jobs that are being lost because the Government is in the competitive financial market as well as competes directly with private enterprise in the same field. We also hear the argument that we do not want to be thrown out of the aeronautical field. That is true and I accept that argument. However, if that is the case, why are European countries looking at the cost of joint ventures? They are looking for new financial arrangements in order not to be a burden on the taxpaying public of those countries. We in Canada somehow feel that the financial resources are limitless when it comes to Crown corporations.

Those of us who have been sitting in committee have seen executive members of Crown corporations come before committee. We know the answers we are getting are not complete. I am not saying the answers are false; I am saying they are not complete. They may say that they cannot give more information because it would destroy their competitive or commercial advantage or commercial information. How can you have it both ways? On the one hand Crown corporation executives come before committees and say they are answerable to Parliament. On the other hand, they say they cannot answer questions put by Members of Parliament because it might jeopardize their economic or commercial position.

Until the Government presents a Bill which will make Crown corporations answerable to Parliament, and through Parliament to the people of Canada, who are paying taxes and struggling to develop resources and jobs in the economy of Canada, I suggest to Members of the House that Bill C-24 should not be passed.

Mr. Gordon Towers (Red Deer): Mr. Speaker, in speaking on Bill C-24 my thoughts go back a number of years to the period in time when we were dealing with AECL. At that particular time, one of the members of the committee decided to ask Government officials exactly how many Crown corporations the Canadian Government had control of. The answer to the first question was that it was in the vicinity of 100 or so. Day after day those officials kept coming back for further questions. Every day they came back they had a few more Crown corporations. They were embarrassed. The more Crown corporations they had to announce to the committee, the more embarrassed they were. I would think that today any responsible Government would be terribly embarrassed to count the number of Crown corporations that the Canadian Government has to service 25 million people. After all, Mr. Speaker, what are Crown corporations for? They are not there for their own purposes but, rather, to give service to the people. We now see that the whole system is getting out of control, to the point where it will be a horrendous task for any government to regain control of the Crown corporation system in Canada. Crown corporations are multiplying like rabbits.

• (1600)

Eventually, the sunset clause with regard to any legislation must be reinstated so that legislation can be brought back to Parliament and sustained for the benefit of the people in Canada. Otherwise, the entire system will get completely out of control. This is what has happened to government officials who have attempted to determine the number of Crown corporations that exist in Canada. I do not think that anyone really knows what the number is today as a result of subsidiaries multiplying so quickly.

Let us consider Petro-Canada, which was supposed to be a window on the industry. The House will recall what the then Minister of Energy, Mines and Resources said at the time,

that this was the reason this corporation was being established. It was primarily because the Leader of the NDP at the time, Mr. David Lewis, was harping on the subject of corporate welfare bums. Canadians finally became upset about this and decided that perhaps there was something taking place of which they were not aware. However, I maintain that it is not necessary to have a Crown corporation in order to have a window on an industry. That is the responsibility of the Government. We have the vehicle available to us to be able to delve into those situations and determine whether an individual or corporation is making excess profits. This can be dealt with accordingly through the taxation structure.

Instead, the government of the day decided to set up a so-called window on the industry. Some window! According to the latest figures I have, Petro-Canada has 54 subsidiaries under its control. That is how quickly it has multiplied since its inception.

Let me quote from a statement made by the Minister of Energy, Mines and Resources (Mr. Chrétien) to the Ottawa *Citizen*. He said, "Petro-Canada's latest spending spree, its partial takeover of BP Canada Limited", British Petroleum Canada Limited, "for $347 million is simply a good commercial deal". I suggest that the Hon. Minister made a mistake. The Government did not really want to have a window on the industry. What it wanted was to get into the oil business. We now find that Petro-Canada wants to sell off 400 of its service stations in eastern Canada because it does not have any use for them and they are making it go broke.

If Petro-Canada had to operate within the same structure as does any private corporate entity, it would have gone bankrupt long ago. Hundreds of millions of dollars have gone into Petro-Canada to buy Petrofina and then BP. All of the interest was paid for out of the revolving term loan of the Canadian ownership account. It must be great to have a sugar daddy like that, and I am sure that William Hopper is delighted to be fed cash to enable him to continue paying those debts. He must be pleased that he does not have to show his debt equity relationship.

The facts would come out if we had appropriate legislation. This is why the Government must be held accountable for the Crown corporation legislation. We cannot allow the current situation to continue because it will bankrupt us.

I stand to be corrected but I believe that Mr. Hopper is the director of some 23 subsidiaries that are related to Petro-Canada. The latest figure also shows that Petro-Canada has at least 6,900 person years. This massive corporation is just one example of the Crown corporations with which we must cope. Canadians in the future will face havoc if the Government continues to get itself into this dilemma by promoting Crown corporations without having any sunset clauses.

Let us examine Canagrex, one of the most recent Crown corporations. It was brought in by the Minister of Agriculture (Mr. Whelan). I have talked to people within the Department of Supply and Services who were satisfied that they had all the necessary facilities to accommodate the export industry that Canagrex could possibly generate. Such duplication of services only causes an overlap, which is a major cause of problems for our country. There is too much overlap between departments of federal, provincial and municipal governments, which only creates much frustration.

For example, when two or three corporations are involved in a single project, one cannot make a decision and accomplish something without the approval of the others. This is a situation that is taking place in the country today. It also happens between the federal and provincial governments. For example, it was reported several years ago that there were 600 meetings between the federal Government and the provincial Government of Alberta alone at the ministerial level, employee level and throughout the system. This is what people mean when they talk about a heavy government overburden on the taxpayers. This duplication and overlapping of services must not continue.

I know that I am expressing the opinion of 100 per cent of my constituents as their Member of Parliament in the House of Commons when I say that they would be very happy if the Government were to take the opposite approach and cut down on the number of Crown corporations and the overburden of Government that has been allowed to take place in Canada. Only then will we be able to create a situation in which the taxpayers will be able to carry the load that the Government thrusts upon them.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Portage-Marquette (Mr. Mayer)—Railways—Grain freight rates (*a*) Interim adjustment costs (*b*) Request that Minister review figures; the Hon. Member for Western Arctic (Mr. Nickerson)—Northern Affairs—Lobby against fur trapping industry; the Hon. Member for Trinity (Miss Nicholson)—Housing—Mortgage rate protection plan.

GOVERNMENT ORDERS

[*English*]

FINANCIAL ADMINISTRATION ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Ouellet (for Mr. Gray) that Bill C-24, an Act to amend the Financial Administration Act in relation to Crown corporations and to amend other Acts in consequence thereof, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, it is a pleasure for me to take part in this debate on Bill C-24, an Act to amend the Financial Administration Act in relation to Crown corporations and to amend other Acts in consequence thereof.

In looking at this Bill, we find that it is virtually a skeleton Bill because most of what will really happen concerning the Government's intentions on Crown corporations will depend on regulations which have not yet been drafted.

We have rejected this unparliamentary approach to legislation so many times in the past that it is hardly worth-while wasting one's breath or devoting a lot of time to it now. Needless to say, this Bill attempts woefully, I suggest, to deal with a problem which is crying out for meaningful reform. All this Bill contains is cosmetic changes that will do nothing to revamp any Crown corporation meaningfully.

• (1610)

The Minister states that Bill C-24 is designed to strengthen the control and accountability of Crown corporations. However, he neglected to tell us that the Bill does not affect all Crown corporations. There are now some 315 Crown corporations under federal jurisdiction, but this Bill, woefully, will deal with only 183. Really, Mr. Speaker, any child can see that this Bill does not come to grips with and does not accomplish what the Government promises. It really does nothing to strengthen the control and accountability of Crown corporations. There is really no comprehensive plan of action to deal with an extremely serious situation. This Bill could have provided the opportunity for a long awaited and necessary reform in an area that is in great need of meaningful changes. But simply put, Mr. Speaker, it does not do the job that it sets out to do.

I am not going to deal with specific examples of the inadequacies of Crown corporations because we have too many examples of this already in the record enunciated by many speakers in the debate. The record of Crown corporations in Canada is anything but good. Very few of them ever show a profit. In fact, last year they lost a total of some $4 billion, which is underwritten by you and me, the Canadian taxpayers. Crown corporations are good examples of why governments should not be involved in business. I grant you that there may be a few essential areas where government must be involved, but really, Mr. Speaker, 315 Crown corporations? That is ridiculous. If this Bill is to be passed eventually, Mr. Speaker, it should be amended, completely overhauled and completely restructured if it is to do the job and do it properly.

It seems to me that in Bill C-24 the Government is trying to have itself perceived by the people of Canada, and is trying to convince Canadians of it in the Bill, as having finally gained control over Crown corporations. Crown corporations have been totally uncontrolled for many years, running their own show and oblivious of the fact that they are responsible to the people of Canada. Unfortunately, gaining control over Crown corporations with Bill C-24 is just an illusion and nothing more. It is a bluff by the Government that will not go unnoticed by Canadians. With this Government, Mr. Speaker, government by Order in Council has become a way of life and Parliament has been turned into a rubberstamping organization. That is why we have Bills such as this before us. That is why this Bill gives all the power over Crown corporations not to Parliament, but to the Cabinet. Only rarely does this Government really seek the approval of Parliament when it comes to the expenditure of taxpayers' dollars. That is why we are looking for accountability in this Bill.

There are many deficiencies in this Bill. This Bill shies away from presenting policy on matters of internal government organization. There is no reference to the privileges and immunities of Crown corporations. The Bill does not specify whether or not public servants may sit on the boards of Crown corporations. This Bill sidesteps the suggestion that a parliamentary overseeing committee should monitor Crown corporations. If this were done, Mr. Speaker, the Government could easily avoid the threat of cover-up accusations. It is common sense that if all Parties are involved, there is bound to be less suspicion of underhanded tactics on the part of the Government or Cabinet.

It is our hope to have the opportunity to make amendments to this Bill, which would institute the necessary checks and balances to prevent the Government from running wild. What Bill C-24 now presents nowhere near gives the answers that all Canadians would like to see in bringing some semblance of control over and accountability to Crown corporations. Let us hope that the necessary changes will be made to Bill C-24 that will result in a meaningful Bill, one which it will be possible for all Members of all Parties in the House to support in order to bring Crown corporations at long last under the control of the representatives of Canada's taxpayers.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I am very pleased to have the opportunity to say a few words on Bill C-24, an Act to amend the Financial Administration Act in relation to Crown corporations. I must say that in listening today to the various speakers I could not help but think of the individual who purchases a bag of apples from the store and, because there is a bad apple somewhere in the bag, takes the whole bag and throws it out. I have listened to speaker after speaker this afternoon, mainly Conservatives, saying how horrible Crown corporations are and how they have failed to serve the people of Canada. I cannot help but think of the eight Conservative Governments that exist across the country and, in terms of total assets, have more in Crown corporations than

the federal Government has altogether. I do not understand in a sense the theme of the criticism—

Mr. Blaikie: It is called hypocrisy.

Mr. Riis: As the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) says, maybe there is some ring of hypocrisy in the comments. However, I will not say that necessarily, Mr. Speaker. One of the very earliest Crown corporations in this part of the world, in central Canada, goes back to 1906 when the Conservative Government in the Province of Ontario decided that a Crown corporation should have a monopoly over all the power generated in the Province of Ontario and that that was in the best interests of the citizens of Ontario. The Government essentially established Ontario Hydro at that time. Because of the obvious advantage, I suppose, in having a Crown corporation responsible for such a critical energy resource, we saw similar things in British Columbia under the Social Credit Government, again the establishment of a Crown corporation to oversee hydro developments. There were similar acts across the country. I suppose that one of the most recent was the Conservative Government takeover of Pacific Western Airlines a little while ago, again in the best interests of Western Canadians, as Premier Lougheed said at that time. It was said that the service being provided by the private airline was not adequately serving Western Canadians, at least in the mind of the Premier of Alberta. He decided that PWA should become a Crown corporation.

One could go on and on, Mr. Speaker, and list literally hundreds of Crown corporations that Conservative governments, as well as Liberal and Social Credit governments, have created for one reason or another in the best interest, at the time of creation, of the citizens of a province or, as far as the federal Government was concerned, in the best interest of the people of Canada.

The tradition of Crown corporations is as Canadian as the beaver or the hockey stick. Crown corporations have been part of the economic fabric of the Canadian economy virtually since their inception. I refer to the origin of Crown corporations which goes back to 1841 when the joint Governments of Upper and Lower Canada decided, in the best interest of Canada at that time, that an integrated canal system would benefit Canadians. The Governments of Upper and Lower Canada got together and established a board, which was essentially the forerunner of Crown corporations in the transportation industry. Most recently, of course, and the most obvious is the creation of the Canadian National Railways, again created by and large in an effort to bail out some financially pressed transportation companies, three railroad companies that had grown up at the second stage of the railroad era in Canada and which found themselves in financial difficulties. Because the Government of the day felt it was appropriate that these rail lines be maintained, that the service they provided and the development, particularly of western Canada, was very important, the creation of the CNR as a Crown corporation took place. Since then, Mr. Speaker, we have seen many other examples of Crown corporations created to serve Canadians in one way or another.

While I do not want for a moment to suggest that the Bill before us is adequate, that the Bill before us will resolve the problems attached to Crown corporations, I will say that it is at least a step in the right direction. What we have found in Crown corporations is that while certain areas might have been nationalized, they have not been socialized. While Crown corporations are intended to represent the views of Canadian society and to reflect social and economic policy, in more cases than not they act no different from their corporate brothers in the private sector. Their motives seem to be profits only. Their motives appear to be the shareholders, in this case the people of Canada, as opposed to being an arm or a vehicle with which to develop economic policy in the best interests of Canada.

• (1620)

I should like to refer to some Crown corporations which tend to be glossed over in the criticisms Hon. Members have raised in the last number of days. I refer to corporations such as the Canadian Centre for Occupational Health and Safety, the Medical Research Council, the National Museums of Canada, the National Research Council of Canada, the Natural Sciences and Engineering Research Council, the Science Council of Canada, the Social Sciences and Humanities Research Council, the Canada Council, the Canada Deposit Insurance Corporation, the Canada Mortgage and Housing Corporation, the Canadian Broadcasting Corporation, the Farm Credit Corporation, the Export Development Corporation, and Teleglobe Canada. One could go on and on listing Crown corporations, which are not perfect by a long shot but which provide a very valuable service to Canadians.

First, I will refer to the Export Development Corporation. In what position would Canadian exporters be today, in what position would Canadian firms be today, if they did not have an organization like the Export Development Corporation standing behind them to assist in ensuring for their commodities, as they move into overseas ports, some type of supportive financing? In every exporting country in the world today, there are Crown corporations providing that kind of supportive system, the type of financial support needed to compete on international markets in today's competitive world.

I do not understand the critics of this particular Bill. I do not know whether or not the Conservatives would like to do away with the Export Development Corporation. Are they saying that we should do away with the Farm Credit Corporation? It is not perfectly clear, and I do not want to put words into their mouths. While there is a great deal of room for criticism, let us not throw out the baby with the bath water or throw out the whole bushel of apples because one or two are a little rotten or sour.

It has become perfectly clear that Bill C-24 does not go far enough. It is inadequate. When we lump Canadair and Canada Council in the same Bill and say that they are to be approached in a similar way, it misses the point as to how different are those two Crown corporations. For example, it is

imperative that Canada Council remain at arm's length from this institution. When Prime Minister Louis St. Laurent brought in the Canada Council Act, the point he made was that it was important for Canada to encourage the development of the cultural arts at arms length, not to control the development of the arts in Canada. That distinction is very important.

When it comes to accountability, I sat through the sessions when Canadair appeared before the Standing Committee on Finance, Trade and Economic Affairs, only to hear those corporate directors misrepresent and mislead. I would not go so far as to say that they would lie to us, but they certainly misrepresented the information they were presenting. They refused to tell us all sorts of points when specific questions were put to them.

If they are to be accountable, this Bill before us must be altered. While we have a tendency to support the concept of this Bill, the principle of Crown corporations, we certainly have grave reservations about it in its existing form and will certainly be suggesting amendments at the appropriate stage.

Hon. George Hees (Northumberland): Mr. Speaker, I rise, as have other Hon. Members, to speak on Bill C-24. I should like to say at the outset that I share the many concerns of my colleagues in the Opposition on this whole matter.

The concern I want to express today, however, relates to the lack of accountability of Crown corporations to Parliament. During the Crown corporations hearings before the Standing Committee on Public Accounts in January-February 1978, a committee member expressed the frustrations of many Members of Parliament with Crown corporations. He said:

> When it comes to Crown corporations, I feel like I am in a bus, with the windows painted black and the bus is taking me helter-skelter to God knows where.

The essential ongoing role which Parliament must play with respect to Crown corporations is to hold Crown corporations to account for their handling of the public trust and to hold the Government to account for the exercise of its shareholders' prerogatives. To do so requires that Members of Parliament have information about Crown corporations which is relevant, accurate, comprehensive and provided on a timely basis. What happens all too often is that Members of Parliament do not receive any information at all or, when they do, it is irrelevant, inaccurate and too late.

In his 1982 annual report to Parliament, the Auditor General found that "timely" information on Crown corporations is often not made available to Parliament. Under the Financial Administration Act, Crown corporations are supposed to provide their annual reports to the Minister within three months of the end of the fiscal year. The Minister then has to table the report in Parliament within 15 days.

The Auditor General has found that in 1982, 64 per cent of the annual reports of Crown corporations were tabled after this deadline. It took 54 per cent of Crown corporations over six months to have their annual reports tabled after the end of the fiscal year—54 per cent took six months or more! Is that timely information? The Auditor General also found that in 1982 only two capital budgets of Crown corporations were approved prior to the year to which they applied and were tabled in Parliament. Most capital budgets of Crown corporations were approved during or after the year to which they applied. The 1982, capital budgets of 10 Crown corporations were never tabled in Parliament, according to the Auditor General's 1982 report. Is this the way to provide timely, accurate, comprehensive information to Parliament? What penalties or sanctions were taken against those Crown corporations or Ministers who failed to fulfil their statutory duties to provide information to this House? The answer is none, absolutely none. That demonstrates how serious the Government's commitment really is to reforming Crown corporations.

Since 1976, the Auditor General has frequently been critical of the quality and integrity of information provided by Crown corporations through their often glossy and expensive annual reports. The Government alleges that Bill C-24 would result in Parliament receiving much more and much better information about Crown corporations. What nonsense, Mr. Speaker. In fact, in many respects Bill C-24 goes in precisely the opposite direction.

• (1630)

Let us take a look at the facts. Under Clauses 99 and 154 of the Bill, the Minister can withhold from Parliament a directive to a Crown corporation if, in the Minister's opinion, the directive contains "commercially detrimental information". The Minister alone makes that decision. There is no appeal.

Under the current Financial Administration Act, all Schedule C corporations and some Schedule D corporations are to submit operating budgets for approval by the Government and for tabling in Parliament. Under Clause 131 of Bill C-24, only those corporations requiring a parliamentary appropriation are required to table an operating budget in Parliament.

Under the current Financial Administration Act, all Schedule C and D corporations are to submit capital budgets for approval and for tabling in Parliament. Under Clause 132(2) of Bill C-24, all corporations which fall under Schedule C-1 must submit capital budgets, but corporations which fall under Schedule C-11 need submit capital budgets only if the Treasury Board so directs.

Under Clause 130 of the Bill, corporate plans from all Crown corporations are submitted for the approval of the Government. However, only summaries are prepared by the corporation and tabled in Parliament. In other words, the corporations and Ministers will decide what Parliament should or should not know about the content of corporate plans.

Under Clause 154(5) of Bill C-24, Orders in Council approving, first, the incorporation or acquisition of subsidiaries; second, remuneration for directors, chairmen and chief executive officers; and third, corporation plans, are exempted from the authority of Sections 24 to 26 of the Statutory Instruments Act. This means that they are not public docu-

ments and are not automatically referred to the Standing Committee on Regulations and Other Statutory Instruments.

Although Bill C-24 goes to some length to define deadlines by which reports, budgets and plans are to be tabled in Parliament, it provides for no sanction whatsoever for a Crown corporation which ignores or breaches those deadlines. The situation identified by the Auditor General to which I alluded earlier is therefore completely ignored by Bill C-24.

I could go on and on, Mr. Speaker, to say how Bill C-24 diminishes Parliament's access to relevant, accurate and comprehensive information concerning Crown corporations. In that respect, Bill C-24 proposes a regime that is worse and not better than the status quo. In tabling this Bill, the Government has once again demonstrated its contempt for Parliament and its penchant for secrecy.

I have only one paragraph left, Mr. Speaker. To return to the metaphor I used at the beginning of my address—

Mr. Deputy Speaker: Order. Order, please. The Hon. Member can only be allowed to continue his remarks with the unanimous consent of the House because his time has expired. Is there such agreement?

Some Hon. Members: Agreed.

Mr. Hees: Mr. Speaker, I thank my colleagues for their generosity. To return to the metaphor I used at the beginning of my address, Bill C-24 paints the windows of the bus even blacker and hurries us toward a precipice of more Canadairs, more de Havillands, more AECLs, more sports corporations and more money being wasted by Crown corporations, with little or no scrutiny or control by Parliament.

Mr. Lee Clark (Brandon-Souris): Mr. Speaker, I am pleased to be afforded the opportunity to address the House on Bill C-24 this afternoon because it is a Bill which deals, at least in part, with a very important issue. What I regret very much, however, is that the Government, apparently being cognizant of the problem, has failed to go far enough in its attempt to resolve the problem.

The problem is that Canadians are deeply distressed, first, by a general lack of accountability that they believe permeates the entire parliamentary process and, second, by the growing number of Crown corporations which have appeared in recent years and by the fact that those Crown corporations appear to act in a manner which is almost beyond the comprehension of most Canadians and perhaps even beyond the comprehension of most parliamentarians. The difficulty causing this problem is that there is a lack of information being made available to the public regarding the nature and number of Crown corporations, regarding their methods of operation and, indeed, regarding the very purpose of their being.

I find it almost unbelievable that there is a lack of awareness among the public about the number of Crown corporations which exist, because these Crown corporations are in themselves economically significant. In many cases, they represent a drain upon the public purse. As well, new Governments which have come to power have found it difficult for a number of days and indeed for a number of weeks to determine exactly how many Crown corporations and their subsidiaries exist. This indicates that there has been an unfortunate failure on the part of the Government to make available to the public sufficient information to permit the public to appreciate the purpose and operations of Crown corporations.

Unfortunately, Mr. Speaker, the Bill that is before us today addresses the administration of only 183 Crown corporations out of the total number of Crown corporations which exist. Members who have spoken today have referred to the fact that there are 315 Crown corporations in existence. I have heard other Members on other occasions use different numbers. The public is left at sea. It is simply unaware of how many Crown corporations exist.

I believe that the Government has taken a tentative step in the direction of trying to convince the public that Crown corporations will be more accountable, but it has failed to ensure that there will be sufficient accountability for the public to feel confident about the Government's administration of this problem. Many Canadians would be quite content if there were some way for us to reduce quite substantially the number of Crown corporations which exist. In fact, many Canadians would like to see that happen. One of the reasons why they are so opposed to Crown corporations is that they believe that these institutions have failed in the past to be accountable to Parliament and to the public.

As well, Canadians are deeply distressed by the fact that they know very little about the affairs of Crown corporations, including the highly publicized ones like de Havilland and Canadair, two Crown corporations which have been in the public eye in recent weeks. It has become apparent to Canadians, who believed that they understood the financial doings of such Crown corporations, that they are in fact unaware of important statistics and have perhaps even been misled by those who are responsible.

What we need is a complete overhaul of the entire structure of all Crown corporations which exist. We need an intensive examination of the reasons for their creation in the first place. We need an intensive investigation to determine whether or not they are fulfilling the purposes for which they were intended. We need an opportunity to determine whether or not Crown corporations are being operated in a proper administrative manner that is, in a competent and business-like manner. We also need to determine whether or not they are, in fact, fulfilling some important function.

• (1640)

Some of the better-known corporations are very much under public scrutiny. The lesser-known corporations, of course, operate almost in ignorance—the public is almost ignorant of their very being. This Bill unfortunately does very little to offset public concern. For example, the Bill will ensure that it is Cabinet rather than Parliament which will have access to vital information. There is nothing in this Bill which will compel Cabinet to make the information available to Parlia-

ment and hence to the public at large. Unfortunately, this Cabinet and other Liberal cabinets in the past have demonstrated a very definite inclination to ignore Parliament and to ignore public opinion. Whereas Cabinet responsibility under an older political system would have ensured parliamentary awareness of important and vital decisions, we do not have that kind of assurance any longer.

What we need is a system whereby the operations, the day-to-day administration and the books of Crown corporations worthy of public support, are open to public scrutiny. That means, of course, that they must be fully accountable to the Parliament of this land. It is not enough for summations of financial statistics to be made available to Parliament. Detailed estimates should be made available to the appropriate parliamentary committee. As well, we need the assurance that no new Crown corporation will be established without parliamentary scrutiny and without parliamentary approval. Hon. Members of this House know that it is possible under the proposed legislation for new subsidiaries to be created under existing legislation without reference to Parliament. Also, new Crown corporations could be created with only a minimum amount of reference to Parliament and, hence, to public opinion.

Therefore, there is nothing in this legislation which will dispel the immense amount of public antipathy which exists. There is nothing in the legislation which will reassure Canadians that someone is responsible to Parliament and hence to the public, that someone in fact is in charge of the ship. If we use the analogy of the rudderless ship, there is a feeling that somehow or other the whole concept of Crown corporations has gone astray from its original purpose.

Previous speakers have referred to Crown corporations which were introduced early in Canada's history, at a time when there was widespread appreciation of the need for such particular institutions. However, those Crown corporations were created in response to a specific need. They were created at a time when the purpose and the administration of those Crown corporations were subject to public scrutiny. today, we have a situation whereby individuals operate in secret and have the capacity to create new Crown corporations that are permitted to continue to operate almost beyond public reproach. As a result, as has been stated, those Crown corporations were permitted to accumulate an operating deficit of approximately $4 billion last year. As a result of the method in which those Crown corporations have been permitted to operate, without being subject to parliamentary and public scrutiny, we are virtually unaware of the reasons for those losses. The public remains unaware as to why the losses were incurred and in what enterprises they were incurred, and they have no awareness of the economic or perhaps social benefits which could be derived from such government activity.

One of the reasons why I think there is so much dissatisfaction with the entire political process today is that we have permitted an immense bureaucracy to evolve within Canada. I think that Crown corporations are part of that bureaucracy in a general sense. We permitted the public bureaucracy to evolve within Canada and we permitted it to operate in such a way that the public, unfortunately, has lost confidence in it. As a result of the public's having lost confidence in that bureaucracy as well as in the Crown corporations, the public is growing extremely apprehensive about the entire parliamentary and political process. The danger in permitting that lack of confidence to continue is that, without support for this institution, the very essence of the democratic process is in danger. The essence of democracy is the principle of accountability. We must do everything to ensure that that principle continues.

Therefore, this Bill is a bad Bill because it misleads the public into believing that henceforth, if the Bill is passed, it would ensure that accountability. This Bill does not go far enough. It is bad legislation and must be amended before it can be improved.

Mr. Charles Mayer (Portage-Marquette): Mr. Speaker, Bill C-24 is indeed an important piece of legislation. It is important in the context of the tremendous number of Crown corporations in Canada. In fact, I am given to understand that the Government does not know precisely how many Crown corporations it has. If the Government does not know how many Crown corporations it has, then it becomes all the more important that the legislation be effective to deal with their operation.

I listened with interest to the Hon. Member for Northumberland (Mr. Hees) who spoke previously. He is a very distinguished and senior Member of this House. He referred to information being relative, accurate and too late. It reminds me of the story of the economist who was good in handing out information that was relative, accurate, but totally useless. That is how many of us view the legislation in front of us. It is not simply that we want to be critical of the Government for the sake of being critical, but many speakers, on this side, in fact the spokesman for our Party, the Hon. Member for Calgary South (Mr. Thomson), laid out some very useful and helpful suggestions on ways in which the Government could use legislation like this effectively to bring about its intended purpose.

The name "Crown corporation" has an interesting connotation. The Bill begins by saying:

> Her Majesty, by and with the advice and consent of the Senate and House of Commons—

I am not sure that Her Majesty, if she knew everything that was being carried out in her name, would be very pleased about it. One cannot help but make that kind of observation. What is most important for anyone, including government, to bring to his job is the right attitude. If the Government really wanted to control Crown corporations and to see that they function according to their purpose, it would have had a different attitude. I would like to cite VIA Rail as an example. VIA Rail was created on a $1 vote. We do not have a Bill which is called, "VIA Rail". Therefore, there is no precise, easy-to-look-at terms of reference for VIA Rail. What is VIA Rail's mandate? In the last Estimates we saw that it is costing the taxpayers of this country $700 million or $800 million.

That does not require an Act of Parliament; it simply requires a change of attitude on behalf of government as to how it views and how it wants to make use of Crown corporations.

It is fine to have legislation. I do not think this is, by any means, perfect legislation. It is flawed in many ways and there have been many speakers who have pointed out why the legislation is flawed and why we are concerned about it. But even if it were first rate legislation that did not have the flaws, which we have tried to point out to the Government, the most important thing we could bring to any venture would be our attitude. I would like to suggest that that is one of the most important things which is lacking in this Government—the attitude which it takes toward its job. Its job is to see that the tax dollars which it collects from the many citizens of this country are spent in the best possible way.

I would like to talk about the regulations in the Bill. There is another point which needs to be made, and that is, that the more any government tries to do, the less control people have over it. If a government tried to do everything for the people, and they still had only one vote every four years by which to judge that government, that would mean that the people would have one vote to judge it on everything. The point is that the more a government attempts to do on behalf of the people of this country, the less control citizens of the country have over it, because they only have one vote on average every four years, or thereabouts, to pass judgment on everything the government does. Therefore, the more government does, the more that one vote at election time becomes diluted over all the issues with which the Government has dealt in the ensuing term. That is a concern. And when you see the amount of regulation being put in place with this Bill, which hands over the real power to Cabinet and by Order in Council, it further dilutes the control of the people, because it takes away what we should be doing in this House and in committee.

• (1650)

Over two years ago we began a process in this House which was designed to improve accountability, to improve the functioning of the House, and to improve the way the committee system works. I was part of that Special Committee on Standing Orders and Procedure which, I believe, in many ways, made some very useful suggestions as to how this place should conduct its affairs in a more appropriate and efficient fashion. Yet what did we see? We saw in many cases the recommendations of that committee thwarted by the present Government simply because of the attitude it took toward some of the changes which were recommended.

That is what is happening here, Mr. Speaker. When you have a committee of Cabinet which is able to appoint the board of directors, the chief executive officer, and, in the case of Canada Mortgage and Housing Corporation and Canada Post, even appoint the vice-chairman of a Crown Corporation, what does that do to the accountability of that Crown corporation to the House of Commons? It does absolutely nothing.

It was pointed out previously by the Hon. Member for Brandon-Souris (Mr. Clark) that one of the ways to control anything in this world is to have a handle on the financial matters. One of the ways to do that with Crown corporations is to regulate the amount of borrowing which they are able to do. Clause 100 in the Bill gives, at least on first blush, control of the borrowing power of any Crown corporation over to the Minister of Finance (Mr. Lalonde). However, Clause 135(4) states:

> The Governor in Council may, on the recommendation of the Minister of Finance, make regulations
>
> (*a*) exempting a specified Crown corporation or a Crown corporation of a specified class from the application of subsection (3)—

Subsection (3) simply says that a Crown Corporation cannot borrow unless the Minister of Finance approves. Yet the subsequent subsection dilutes the whole provision so that, with the approval of Cabinet, that Crown corporation can borrow and incur debt and carry on its affairs in spite of what appears to be a good clause, Clause 100, which would limit the amount of borrowing by any Crown corporation. Those are some of the things which are disconcerting about Bill C-24.

VIA Rail is an important institution in this country. It is important because the railways have played a historic role in the settlement of our country. Many of us from the west feel particularly strongly about it because distance is greater in the west, and when we see a Crown corporation like VIA Rail, which can operate without any mandate and incur the kinds of deficits it has without any instructions from the Government on what its mandate should be, it really makes one wonder how serious the Government is about addressing the problems of this Crown corporation without bringing forward, first of all, a VIA Rail Act.

It seems to me we can make the same case with CDIC. If the Government was really serious about doing what it should do with Crown corporations, it would, first of all, approach some of these Crown corporations and give them a mandate so that we may know how to judge them and what kind of guideposts they can be measured against. In the specific case of VIA Rail, we see that without a mandate it can abandon some of its passenger lines and then talk about bringing them back. How is this Bill going to affect VIA Rail when its executive officers ask for additional money to provide the services that we understand the Minister of Transport (Mr. Axworthy) is going to ask VIA Rail to provide? How is it going to be affected by this Bill? We are not told. We are simply turning over more regulation, more power and more latitude to the Cabinet to make regulations by Order in Council away from the House of Commons regarding the manner in which some of these Crown corporations should carry out their affairs.

I would like to suggest in closing, Mr. Speaker, being aware of the attitude of the present Government, that what this Bill is really going to do is to make Crown corporations if anything more exempt from examination by the House of Commons, more autonomous and independent of the committee system, and it will give them wider latitude in operating free of Parliament and free of the control of the ordinary citizens who vote and send us to this place to represent them.

Financial Administration Act

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, Bill C-24 is a rather pathetic attempt to come to grips with what is a very serious governmental problem, namely, the fact that Crown corporations are basically out of control. Billions of dollars of taxpayers' assets are tied up in these Crown corporations, yet to all intents and purposes they have no democratic control over these Crown corporations. My colleague, the Hon. Member for Red Deer (Mr. Towers), earlier related to the House the difficulty the Government had in even establishing the number of Crown corporations, let alone in controlling them. It did not even know the number of its own Crown corporations.

I suppose, Mr. Speaker, one has to ask oneself how the heck this happens? Why are there so many Crown corporations? Why have they been allowed to proliferate as they have? I believe that if one asks oneself that question and looks for the answer, one will find that the fundamental reason is that Crown corporations are a wonderful thing for an irresponsible government. They really are a wonderful thing because, if perchance a Crown corporation does something which is good and beneficial, or is perceived to be good and beneficial, the government can take credit. If, on the other hand, the Crown corporation fouls up, well, it is not a part of government. It is there on its own. The Minister avoids any acknowledgement of its existence.

Let me give you, Mr. Speaker, two examples in that regard. I recall the time when the leadership candidate, the current Minister of Energy, Mines and Resources (Mr. Chrétien), was Minister of Industry, Trade and Commerce, and Canadair produced this marvellous executive jet called the "Challenger". You could not watch a television program, see a magazine or a newspaper which did not have a picture of the Minister in front of a Challenger jet talking about this wonderful Crown corporation which was at the peak of technology with this tremendous product which was going to make us billions of dollars. A few years later, when the Auditor General pointed out exactly what Canadair was doing and how many billions of dollars we were going to lose, you could not find a Minister of the Crown who would admit having heard the name "Challenger", let alone accepting responsibility for that foul-up costing billions of dollars.

I would like to point to Atomic Energy of Canada Limited, Mr. Speaker. I recall when I was debating the Petro-Canada Bill, the royal commissioner Donald Macdonald was talking about how marvellous Crown corporations were and he talked about Atomic Energy of Canada Limited which had just sold a reactor to Argentina. He said, "You reactionary Tories, can you not see how wonderful Crown corporations can be?" When the Auditor General pointed out three years later that that deal was going to cost us $250 million, that there was no profit, and that an illegal bribe was made to get the contract, again you could not find a member of that Liberal Government who would admit to knowing the name of Atomic Energy of Canada Limited, let alone accept the responsibility which should be theirs.

That is the fundamental reason, Mr. Speaker, that we have so many Crown corporations. It allows that irresponsible bunch over there to avoid the responsibility of the depletion of the Treasury and the wasting of billions of dollars of our money. That is why Crown corporations exist and that is why we need something much better than Bill C-24 to bring them under control.

[*Translation*]

The Acting Speaker (Mr. Herbert): It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*Translation*]

The Acting Speaker (Mr. Herbert): Shall all orders and items preceding No. 100 stand?

Some Hon. Members: Stand.

The Acting Speaker (Mr. Herbert): Stand, by unanimous consent.

• (1700)

[*English*]

Before we proceed to the motion, may I draw the attention of the House to the fact that last week the Chair expressed some reservations as to the content of certain motions proposed for debate during Private Members' hour. Again today before the House is a motion which contains detailed provisions which might more properly be advanced during the course of debate. The Chair will propose the motion to the House so that debate can proceed. I would, however, invite all Hon. Members when drafting their motions for the Order Paper to pay particular attention to citation 423 of Beauchesne's Parliamentary Rules and Forms, which reads:

A motion should be neither argumentative, nor in the style of a speech, nor contain unnecessary provisions or objectionable words. It is usually expressed in the affirmative, even where its purpose and effect are negative.

* * *

GARRISON DIVERSION

ADVISABILITY OF ENSURING SAFETY OF CANADIAN ENVIRONMENT

Mr. Terry Sargeant (Selkirk-Interlake) moved:

That, in the opinion of this House, the government should consider the advisability of taking those measures necessary to ensure that there is no damage caused to the Manitoba environment by the completion or construction of the Garrison Diversion Unit in the State of North Dakota and, that such measures to be considered include:

1. Continuation of diplomatic action to have the Garrison project amended so as not to affect the environment of Canada;

2. The offer of legal and technical assistance to those citizens groups in Canada now striving to halt the progress of the Garrison Diversion; and

3. The bringing to trial in the World Court, the government of the United States, should Canada be unsuccessful in its efforts to receive satisfactory assurances regarding the future safety of the Canadian environment.

He said: Mr. Speaker, it is a pleasure once again to rise on a motion in this House to discuss this issue, which is very important to all Manitobans. This motion is similar, if not exactly the same, as the one I had on the Order Paper throughout the last session of Parliament. Indeed, it was debated on at least two occasions. I must admit that from what you have said I am not quite sure what is wrong with the motion, but I will get some direction from you on that at another time so as not to make the same mistake again.

I would like to point out, before I get into debate, that if I were submitting this motion again I would very likely take out the third point regarding the world court. I would hate to have to see us ever resort to that, because it would be an admission of complete defeat, at which time the Manitoba ecology would be subject to the kind of destruction we do not want to see happen. In addition, given the recent American attitude towards the world court, it may not be an effective move.

In any event, I would like to point out that the very first time I took part in debate in the House of Commons back in October or November of 1979 when I first came here. I asked questions, during Committee of the Whole, on a fisheries motion having to do with the Garrison issue. It is a subject matter to which I have paid attention and which I debated in this House on a number of occasions over the years. A lot of things have changed in that time Mr. Speaker, but one thing I can say has not changed is the fact that I am still as strongly opposed to the completion of the Garrison Diversion unit as it is presently designed as I was five years ago. This issue, I believe, is probably the single most important regional issue I have dealt with during my time in the House of Commons. There is a lot at stake here. Manitoba's fishing industry could be severely damaged if the project were to go ahead as planned. Jobs could be lost in that industry and in the tourist industry. The ecology of Manitoba's lakes and rivers could be irreversibly transformed. Needless to say, it will have a lasting effect, perhaps a disastrous effect, on my riding if it goes ahead as presently planned.

In preparing for the speech today, Mr. Speaker, I looked over my previous questions, statements under S.O. 43 and speeches, etc. on the Garrison. I discovered that I had risen in this House on 14 different occasions concerning this subject. As well, I have attended countless meetings in the Province of Manitoba and travelled to Washington on, I believe, four occasions to discuss the issue with members of the American Congress in order to share my concern and the concern of all Manitobans, regardless of political stripe, on this very important issue.

Over the years, Mr. Speaker, all of us have become increasingly aware of the very delicate balance which exists between nature, our ecology, and the industrial society we have created throughout most of the northern world. We have learned how fragile our rivers, streams and forests are, and how easily damaged they can be. Of notable concern is an issue which has received a lot of attention in Canada in recent years. We have seen in recent years acid rain turn living bodies of water into stagnant and worthless cesspools. Most Canadians concerned about acid rain have really wished over the years, as we continue to wish today, that our neighbours to the south shared the same concern about it that we have here in Canada. The same thing applies to the Garrison issue, Mr. Speaker. It must be dealt with between the Governments of Canada and the United States. We can see that more Canadians than Americans are concerned about this issue. They do not seem to share our particular concerns about Garrison.

Unlike the acid rain issue, Mr. Speaker, the effects of Garrison would be not largely the result of chemical pollutants but, rather, of the transfer of fish and bacteria into Canada's waterways by means of man-made lakes and canals constructed as part of the Garrison Diversion unit. Let me just backtrack for a moment and give a very brief history or description of the project.

It was initially conceived in the 1940s as a way to counter the serious effects during the depression of the drought on the State of North Dakota and its agricultural industry. Basically, the Garrison is a gigantic irrigation system which travels across the northern central part of that state. As currently designed, its aim is to irrigate 250,000 acres of North-Dakota soil by means of reservoirs and dams, which would eventually, through human engineering, do something that nature never intended to be done, that is, link a southern flowing drainage system with a northern flowing drainage system, specifically, the waters of the Missouri-Mississippi system with the waters of the Red River-Lake Winnipeg-Hudson Bay drainage system. We Manitobans have no quarrel with the Government of North Dakota or the U.S. federal Government planning to build such a massive and complicated irrigation system in that state. We do not object to anything the American Government wants to do on its side of the border. However, as it is now designed, the Garrison Diversion unit will not only irrigate land in North Dakota. As I have pointed out, it will cause water to flow from the Missouri River system into the Red River system. It will thereby introduce strange fish, water, bacteria and, likely, a certain amount of chemicals into the rivers and lakes of our province. That is what we object to. These objections are not only based upon a purist, naturalist obsession about our province, although we are certainly proud of our clean air and waters. Our objections are based just as strongly on the reality of the lost livelihoods which could result from the completion of this project. These livelihoods would be lost mainly in the fishing and tourist industries. There will also be problems with the water supplies of many towns and rivers which lie along the Red and Souris Rivers in Manitoba.

● (1710)

There are 700 commercial fishermen in my constituency, Mr. Speaker. They have families and they support other industries such as trucking and fish-packing. I consider these

people to be an important component of my constituency. Obviously I believe that it is my job to represent their interests and concerns here in Ottawa. Over the years I have tried, to the best of my ability, to do just that, to make Members of this House and of the American Congress aware of our concerns with regard to the Garrison Diversion unit.

As I have pointed out, the environmental impact of Garrison would be the introduction of these various fish species into Manitoba waters. The Lake Winnipeg fishing industry in particular could be destroyed if these larger and often predatory fish were allowed to compete with the indigenous fish population for space and food in that lake.

I have said before, and will say again, that this is an emotional issue for me. That is not just because I have made it one of my priorities in the time in which I have been a Member of the House of Commons. It is also because I have often been frustrated by some of the things which have occurred during the course of the battles we have fought over the years. It has not only been Members of this House and government officials who have been involved in this fight, Mr. Speaker. There are a number of private citizens in the Province of Manitoba who, unlike those of us who are politicians and government officials, do not get paid for their efforts in opposing the hazards of the Garrison Diversion unit. I refer to people such as Jerry McKinney, a Manitoban who on a number of occasions has led delegations to the City of Washington, most recently in April of this year, to talk to Members of the House of Representatives and Senators. He uses his own money and time to take on the bureaucracy and the legislative branch of government in the United States. Another such person is the Mayor of my home town, Gimli, Manitoba. Ted Arnason has worked long and hard against Garrison. He spends a lot of time educating a whole generation of young people throughout the province about the potentially devastating effects of Garrison. Recently on the CBC show *The Fifth Estate*, Mr. Arnason pointed out that this issue is not just for today's townfolk but for the future people of that small town. All of them depend in some way or another on Lake Winnipeg for their livelihood.

I must admit that I have occasionally been frustrated by some of the setbacks we have encountered in our opposition to Garrison. I have also been tremendously encouraged at all times by the perseverance of those who work in this fight. I believe that progress is possible, otherwise I would not stay in the fight. I believe that the joint efforts of the Governments of Manitoba and Canada, as well as the lobbying efforts of the citizen groups, have had some effect.

One thing which has been on our side in recent years is the fact that the costs for the Garrison Diversion unit have skyrocketted. The cost has become well over $1 billion now. More and more American politicians and more of the American media have come to see that it is perhaps a waste of money. In the current issue of *Esquire* magazine it was described as a massive boondoggle of which a few persistent Senators refuse to let go because they think they can win votes by pushing ahead with it.

As well, there has been some meddling in this issue, leading to its continuation in recent months. Last fall, a well known American syndicated columnist, Jack Anderson, wrote a column pointing out that the Department of the Interior and the Government of the State of North Dakota had meddled in studies having to do with wetlands and wild life habitats which would be affected by Garrison. They had cooked some of the results which were being used to determine what kind of effect it would have in those areas.

More recently, Mr. Speaker, we have learned of another kind of meddling which is taking place, this time in the Province of Manitoba. The proponents of the Garrison Diversion unit have hired a public relations firm in the City of Winnipeg to circulate the pro-Garrison side of this issue to Manitobans. From time to time in recent weeks articles, which are unsigned and are not accredited to the Garrison Diversion supporters, have shown up in Manitoba newspapers. These articles are designed to make Manitobans believe that Garrison will not be a threat to their waterways.

I am skeptical, Mr. Speaker, about anything that is designed to placate Manitobans. We do not want to be placated. We do not need to be placated. We want to have the plan changed. We want the U.S. Congress to re-examine the project. We want the Department of the Interior to come up with a new concept for Garrison which will not have anything to do with Canada's rivers or lakes. As long as the only plan around is the one currently on the books, Manitobans will feel threatened.

Recently, some good news came out of Washington. It was probably the best news we have had on this issue in quite some time. After a recent trip to Washington by officials of the Governments of Manitoba and Canada, we learned that the Department of the Interior and the State Department, along with some Canadian supporters in the American Congress, agreed to put forward proposals for the funding of alternative designs for the Garrison Diversion unit. This is a very important step. I made a statement about this in the House last week, Mr. Speaker. It is a small but very important step. It is the first time that the American Government has publicly admitted that it is willing to spend money to find ways of altering Garrison. It is the first time it has publicly admitted that Canadians do have legitimate concerns with regard to the present design of the Garrison Diversion unit. We received that news in good spirit and look forward to the studies being done in the very near future.

Having said that, Mr. Speaker, I was very disappointed to learn, a few days after hearing that news, that Senators Burdick and Andrews from North Dakota have thus far objected to using any of this year's money to conduct these studies to look for alternatives. They have also objected to a proposal which would have used some of next year's money now to carry out these proposals. I would point out to the House that Senator Andrews has often been interviewed on CBC Radio. I heard him approximately a year ago on *The Food Show* on Saturday morning, I believe, criticizing Canadian Politicians and Canadian government officials because, he said, there have been no studies conducted that

would prove the Canadian points. He said that Canadians were unwilling to study alternatives to Garrison and that we stick to only one point, that is, that we want the project stopped. That is clearly untrue. We have always stated that we have no problems with what they do on their side of the border.

• (1720)

The recent action of Senators Burdick and Andrews is very disappointing. It begs the question as to who is really dealing in good faith and who is looking for a way whereby Americans and North Dakotans could have the benefits of Garrison while Manitobans and Canadians would be protected from the bad effects of Garrison.

Let me point out quickly that the member of the House of Representatives from the State of North Dakota has been very supportive of the alternatives proposal.

In conclusion, let me just say that I am pleased to have had the opportunity to present this motion to the House yet again. It is an ongoing and very critical issue in the Province of Manitoba. At times it might seem that we belabour it too much and that the issue is always around and will not go away. I am not sure that it will ever go away in the sense that I am not sure that we will get a clear-cut victory. However, it is an issue for which I strongly believe we must continue to fight to the best of our abilities in order to prevent the serious harm that might come to the Province of Manitoba. It is far too important for our province to let it lie or for us to roll over and let the proponents of Garrison proceed to construct it as it is currently designed.

I pointed out that we have seen an important development. Let us hope that there are many more important developments. Members of the House and the Government of Canada must continue the very strong and, I would suggest, the very good fight we have been carrying on for the last few years.

* * *

BUSINESS OF THE HOUSE

Mr. Pinard: Mr. Speaker, I rise on a point of order. I would like to announce a change in House business for the remainder of the week. I have just talked to representatives of the two Opposition Parties to inform them that tomorrow we will proceed with Bill C-17, an Act respecting bankruptcy and insolvency. There is no change for Thursday. On Friday, we will be debating Bill C-32, which was supposed to be debated tomorrow. However, debate on Bill C-32 is postponed until Friday and will be replaced by Bill C-17 tomorrow.

The back-up Bill tomorrow, in case we conclude second reading of Bill C-32, will be Bill C-10, the Divorce Act. As I have indicated there is no change for Thursday. It is an Opposition Day.

Mr. Mayer: Mr. Speaker, may I ask the Government House Leader if he could give the House an idea as to when he will be presenting the Bill to amend the Western Grain Stabilization Act? Could he tell us now when he believes that Bill will be introduced?

Mr. Pinard: Mr. Speaker, there is not question that the minute notice is given, we will be able to introduce the Bill within the normal delay. There is no link to be attached to any other legislation to be passed, depending on the introduction of the Bill referred to by the Hon. Member.

I indicated in my answer last week that we would likely do that this week. I have very good reason to believe that the notice will be given before the end of the week. I hope to be able to introduce the Bill, as the result of pressure from Members on both sides of the House, as early as possible.

Mr. Mayer: Mr. Speaker, I have heard suggestions that the Bill may in fact be introduced in the Senate. Could the Government House Leader comment on whether it will be introduced in this place or in the other place?

Mr. Pinard: Mr. Speaker, our intention would be to introduce the Bill in the House of Commons.

* * *

GARRISON DIVERSION

ADVISABILITY OF ENSURING SAFETY OF CANADIAN ENVIRONMENT

The House resumed consideration of the motion of Mr. Sargeant:

That, in the opinion of this House, the Government should consider the advisability of taking those measures necessary to ensure that there is no damage caused to the Manitoba environment by the completion or construction of the Garrison Diversion Unit in the State of North Dakota and, that such measures to be considered include:

1. Continuation of diplomatic action to have the Garrison project amended so as not to affect the environment of Canada;

2. The offer of legal and technical assistance to those citizens groups in Canada now striving to halt the progress of the Garrison Diversion; and

3. The bringing to trial in the World Court, the government of the United States, should Canada be unsuccessful in its efforts to receive satisfactory assurances regarding the future safety of the Canadian environment.

Mr. W. Kenneth Robinson (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, at the outset I would like to congratulate the Hon. Member for Selkirk-Interlake (Mr. Sargeant) on his persistence and his concern about this very important matter. I can assure him that this matter is not only a concern to him and his constituents but it is a concern to all Canadians. It has been a great irritant between Canada and the United States for a number of years.

I welcome this opportunity to respond to the Hon. Member's statement on an appropriate strategy for managing the long-standing garrison issue. The Hon. Member is advising the Government in his motion before the House to consider the advisability of taking necessary measures to ensure that no damage is caused to the Manitoba environment by the construction of Garrison project features. His recommendation in particular is that the Government continue current diplomatic action, offer legal and technical assistance to anti-Garrison

citizen groups and, should these measures fail, that the Government bring the United States of America to trial at the International Court of Justice in The Hague.

I might point out to Hon. Members that this motion is substantially the same as that introduced by the Hon. Member on February 9, 1981, and debated again in the House on November 2, 1983. However, while the motion is substantially the same, the Garrison Diversion unit we are facing in 1984 is substantially different from that which was envisaged in 1981, or so I have been advised. In response to persistent representations by the Canadian Government based on the conclusions of the International Joint Commission's 1977 report, in 1982 the United States undertook a major redesign of the full 250,000-acre project into two phases in order to proceed with the construction of only one phase, which would not affect waters flowing into Canada, while deferring indefinitely construction of phase II, which would affect waters flowing into our country. Further project revisions and technical modifications have been introduced by the United States Bureau of Reclamation engineers over the past half year, largely as a result of the technical consultative process developed last fall by federal and Manitoba officials and agreed to by the United States at the November 21, 1983 consultations in Ottawa.

The considerable success achieved by the Canadian Government in securing project modifications and safeguards for phase I features was evident at the most recent round of consultations held on April 25 in Washington. The Hon. Member is himself aware of the very positive results achieved by the Canadian delegation through the technical consultative process, and has gone so far as to stand in the House a week ago on May 1 to portray the April consultation as "good news" and even as "a breakthrough".

I believe that the Hon. Member's statement on May 1 is a more accurate and timely reflection of the success and status of government efforts to resolve the Garrison issue than is his motion which dates back to 1981. I agree, however, with his view that the April consultations represent an important step forward rather than a complete victory. I can assure him, therefore, that the Government will indeed continue diplomatic action through the technical consultative process to the point where no Garrison feature which potentially could damage or pollute waters flowing into Canada is constructed or contemplated. That said, I see no reason at this stage for the Government to adopt additional and unproven measures when measures already in place have already proven effective to the satisfaction of federal and Manitoban representatives.

The process to which I have referred a number of times already is one that is being pursued together by federal and Manitoban officials. It has two clear objectives: first, to ensure that technical modifications and safeguards for phase one Garrison features are fully adequate; and second, to obtain clear, credible and publicly convincing assurances from the U.S. Government that phase II as planned will never be built. These two objectives are based on recommendations of the International Joint Commission's report, which is and always has been the foundation of Canada's position on the Garrison Diversion unit.

With respect to project features defined by the United States as phase I, Canada has requested technical modifications and safeguards to eliminate the risk of accidental, inter-basin biota transfer, pursuant to the following recommendation of the International Joint Commission:

> If and when the Governments of Canada and the United States agree that methods have been proven that will eliminate the risk of biota transfer, or if the question of biota transfer is agreed to be no longer a matter of concern, then the construction of the Garrison Diversion Unit which will affect waters flowing into Canada may be undertaken providing the following conditions are met:

● (1730)

> (*a*) Any agreed modifications or other measures required to resolve the inter-basin biota transfer issue are incorporated into the project—

Canada is categorically opposed, as the Hon. Member knows, to those project features defined by the U.S.A. as phase II, and has requested tangible evidence from the U.S.A. that its assurances on that score are in fact credible, bearing in mind the International Joint Commission's recommendation that:

> —those portions of the Garrison Diversion Unit which would affect waters flowing into Canada not be built at this time.

Canada proposed the technical-consultative mechanism to the U.S.A. side at the November 21, 1983 consultations. This was an attempt to shift management of the Garrison issue back on track toward mutually agreeable solutions, after a long period of protracted and often interrupted consultations.

Canada had always valued general assurances provided by the United States at the policy level not to construct Garrison features which would affect adversely Canadian waters, and had always welcomed the commitment of successive United States administrations to the principle of consultations. At the same time, however, the Government realized that if it was to be successful in its determination to protect Manitoba's commercial and native fishing interests and prevent the pollution of Hudson Bay drainage basin waters by foreign biota from redirected Missouri River water, then it must fashion some instrument for translating general assurances from the United States into technical assurances and have safeguards built into the specifications of Garrison engineering plans and drawings.

Further to the requirement for a bilateral mechanism at the technical level was the requirement to institutionalize bilateral consultations at the senior officials' level. Canada was seeking above all else a fail-safe mechanism for preventing a recurrence of the Lonetree Dam *fait accompli*, which in August 1983 had aroused deep concerns if not suspicions in the minds of many Canadians that the United States intended to proceed with construction in advance of consultations.

Against the background of these considerations, Canada presented the United States with two alternatives: either to resolve to manage jointly the Garrison issue in a manner that reflected the two nations' mutual commitments to the 1909 Boundary Waters Treaty and to recommendations of the International Joint Commission, or to allow matters to devolve along separate tracks, with the risk that the inevitable environ-

mental and political consequences would dominate the issue, undermine Canada-U.S.A. efforts to manage our joint tenancy of North America, and make a solution to the Garrison issue even more difficult.

It was evident at the November consultations that both countries preferred the first course of action to the second. The technical-consultative mechanism they agreed to comprises a senior officials' consultative group with representatives from the Canadian, Manitoban, American, and North Dakotan Governments, and the Garrison Joint Technical Committee of technical experts from these respective Governments. The United States readily supported the establishment of a technical committee, in particular, which hopefully could move the Garrison issue from the arena of political rhetoric to the domain of disinterested professionals of impartial judgment. To ensure that the technical committee did not work in total isolation from the policy and political process, while respecting the impartiality of due technical process, the technical committee was made accountable to the senior officials' consultative group, which would next meet in April and, as the Hon. Member knows, it did meet at that time.

The Garrison Joint Technical Committee has been mandated by the consultative group to carry out two prime functions. The first function is to examine Canada's immediate phase I technical concerns, which were communicated formally to the United States in Canada's diplomatic note No. 473 of October 3, 1983. These are recapitulated, item by item, in the technical committee's terms of reference. To this end, the committee is tasked with obtaining all relevant technical information, project plans, specifications, construction schedules, secondary source material and information from on-site inspections in order to assess Canada's concerns and American-proposed solutions. The second and longer term function is to act as an early warning signal to alert the federal and Manitoban Governments should it appear that phase II construction might proceed. Specifically, this function tasks the technical committee with monitoring the plans of the United States for future development and advising the consultative group on technical considerations related to whether and how phase II might be developed outside the Hudson Bay drainage basin without damage to Canadian waters. In this respect, as with phase I concerns, the consultative group technical committee's interface provides Canada with an effective bilateral mechanism for narrowing the gap between general assurances at the policy level and actual project modifications at the technical level.

In my opening remarks I mentioned that in the May 1 statement of the Hon. Member he portrayed the April consultations as good news and a breakthrough. I would like to emphasize that the outcome of the consultations, which was very positive indeed, was no accident but was, rather, the product of a lot of hard and concentrated work by the technical committee and its task forces. In the short space of time between its establishment in January, 1984 and the April consultative group meeting, the technical committee met four times in Winnipeg, Bismarck, again in Winnipeg, and in Denver to examine those phase I technical concerns for which engineering plans were available and to monitor bureau of reclamation construction schedules and budget documents relative to the intentions of the United States for future development of the Garrison project. At its first meeting in January, the technical committee established a supportive task force structure in the fisheries and biota, wildlife mitigation and engineering fields, which comprised representatives of the Canadian, Manitoban, the United States and North Dakotan Governments. Arrangements were also made to establish a fourth task force. These meetings and consultations went on endlessly and are continuing.

Hon. Members who have followed closely the Garrison debate over the past year will be familiar with the two key issues which were uppermost in the minds of the Canadian delegation as the consultations approached. The issue of whether or not the United States would construct the McClusky Canal Fish Screen had been a subject for consultation in November, with inconclusive results, and deferred to the April consultations when the report of the technical committee on the biota situation in the Missouri and Hudson Bay systems would be available. Of equal concern was the issue of the intentions of the United States regarding phase II, that is, the continued construction and the need to secure tangible evidence that assurances of the United States were credible.

The McClusky Canal Fish Screen was not included in original designs for the Garrison project, but was added shortly before 1975 in response to concerns, mainly from Canada—one can see from this that the matter has been going on for at least ten years—that diverted Missouri River water would convey undesirable fish species, fish disease, and other biota via McClusky Canal directly into the Lonetree reservoir. From there it would enter into all associated water systems of the Hudson Bay basin. However, at a bilateral technical meeting in Ottawa on July 20, 1983, the United States made available to Canada the final supplemental environment statement prepared by the Department of Interior which reported that the fish screen was no longer contemplated. Canada was told that this decision would be made final only after the consultations anticipated for the fall. This kind of thing went on.

Canada's request for construction of the fish screen was raised by the Deputy Prime Minister and Secretary of State for External Affairs (Mr. MacEachen) when he met with Secretary of State Mr. Shultz for their bilateral discussions on October 16 and 17 in Halifax. The same issue dominated the agenda at the November 21, 1983, meeting. You can see, Mr. Speaker, that this has been a matter of concern to both sides at a high level for quite some time. I suppose the cost of this project was really one of the problems, because the cost for the Fish Screen Project is $40 million.

In April, the consultative group reapproached the question of the fish screen, this time equipped with the results of the technical committee's study of the fish and biota situation in the Missouri and Hudson Bay systems. Canada built its case for the fish screen on the technical committee's finding that there had been no significant change in the distribution of problem fish species in the Missouri and Hudson Bay systems

which would cause different conclusions to be reached from those in the 1977 International Joint Commission, reinforcing its case with the technical committee's conclusion that downstream movement of rainbow smelt and other Missouri species into the Lonetree reservoir was certain without the fish screen while the fish screen, though unproven, would provide a first line of defense against any such movement.

The second major issue dominating the agenda for the April 25 consultations was the question of U.S.A. intentions regarding phase II. Canada has taken every opportunity to communicate its unequivocal opposition to phase II, and did so once again at the consultations. As anticipated, the United States repeated earlier assurances provided in diplomatic notes and at bilateral discussions that phase II would be undertaken "only if it could be implemented consistent with the United States obligations under the Boundary Waters Treaty", and that no contracts would be let until Canada had been afforded "an opportunity to consult with the Government of the United States on specific features, and adequate assurances had been given that Canadian waters would be protected, as recommended by the IJC".

• (1740)

Canadians, Manitobans in particular, have always valued such assurances and appreciated the fact that the United States is proceeding with construction of only phase I features, which will not transfer Missouri water to the Hudson Bay basin and which are subject to the modifications and safeguards introduced through the technical consultative mechanism.

What the Canadian side had in mind was a study of viable alternatives to phase II, construction outside the Hudson Bay drainage basin which could not affect adversely waters flowing over the border into Canada. In response, the United States agreed to support and broaden initiatives to study such alternatives. This agreement is a good example of the kind of positive results which emerged from the April 25 consultations and which motivated the Hon. Member to speak as he did about the breakthrough last week.

The McClusky Canal Fish Screen and phase II were the most significant but not the only concerns addressed at the April consultative group meeting. The consultative group reviewed and concurred with 17 recommendations and conclusions submitted in the technical committee's report for resolving a substantial number of Canada's detailed engineering and wildlife mitigation concerns which had been outlined in Canada's note No. 473. For example, the consultative group agree with the technical committee recommendation that the municipal and industrial outlet from Lonetree Dam be sealed with a bulkhead/frange/steel plate structure considered technically superior to the concrete plug agreed to in November, and so on.

Canada approached the April consultations with the twin objectives of ensuring that phase I technical modifications and safeguards are fully adequate and obtaining tangible evidence that United States assurances respecting phase II are indeed credible. The United States agreement to construct the McClusky Canal Fish Screen and to support studies of alternatives to phase II marks a significant advance toward both these objectives and reinforces, in particular, the utility of the technical/consultative process as the most effective mechanism for resolving any remaining or newly-emerging concerns.

I hope my remarks will satisfy the Hon. Member to some extent and that no further motions on this subject will be necessary.

Mr. John Gamble (York North): Mr. Speaker, I had an opportunity to listen to the comments of the Hon. Member for Selkirk-Interlake (Mr. Sargeant) with respect to his motion. He mentioned that there were two valid reasons, given other circumstances, for his being inclined to strike out paragraph No. 3 in his recommended conduct with respect to the Garrison Diversion project. It occurred to me that there was one very valid reason for striking the recommendation to bring to trial in the World Court the Government of the United States. It is simply that the provision is offensive and objectionable when dealt with in the fashion the Hon. Member for Selkirk-Interlake would bring it.

He mentioned that he spoke about this issue 14 times in the House. He said that he had even gone to Washington to deal with this important matter. Let it be clearly understood that the matter of the Garrison Diversion project is serious. It has, if it proceeds, a most detrimental effect upon the welfare of this country, in particular the welfare of the people of Manitoba who live in the immediate vicinity of the project. So long as the Hon. Member for Selkirk-Interlake and his colleagues in the House persist in attacking the Government of the United States, its representatives and the nation of the United States, as though they were Canada's bitter enemies, there is little likelihood that they can, under any circumstances, convince the administration of that country that it should deal with this serious matter as it affects Canadians in a manner which will be beneficial to Canadians.

I am not suggesting for a moment that in pursuing our goals, as they relate to the welfare of the environment and the economic well-being of the country, we ought not to be persistent and determined. However, it does us no good in advancing that cause if members of the New Democratic Party in Manitoba, in particular the minister responsible for the environment of Manitoba, attend meetings at which symbols of the United States are burned in effigy. In the event that people are legitimately concerned about the welfare of Canada and genuinely believe that something should be done to prevent this project from ever proceeding, we must advocate our positions in a strong and determined but friendly fashion.

The United States is not the enemy of Canada. The United States has defended freedom and liberty. It has the same kind of system of government as we do in terms of permitting the people to determine how the country is run. It has, through its defensive mechanisms, protected the entire North American continent. I know the Hon. Member who brings this motion and his colleagues would prefer at every opportunity to attack that friendly neighbour to the south, attack it for involving

itself, as it should, in preserving freedom in the Americas, attack it for being unfriendly to a communist regime in Nicaragua or for not treating as a friend the communist government in Havana, Cuba. Quite frankly, the real issue which should be dealt with when we are concerned about the environment of this country should not be intermingled with contempt and open hatred for the Government of the United States and the people of that country. Accordingly, I examined the original draft of this motion and, as I indicated at the outset, was offended by the suggestion that the United States be brought to trial in the world Court like some criminal.

We have disputes with the United States. There is no doubt that we have disputes with respect to the establishment of a boundary off the Grand Banks. Quite frankly, that dispute is now being adjudicated. It is a matter which has a direct bearing upon the welfare of our fishermen off the East Coast. We have disputes with the United States with respect to matters of pollution such as acid rain. It would appear—and I say that because I do not think it has been convincingly established as yet—that Canada has decided to go it alone, at long last, with respect to this issue, as indeed it should, and abate a pollution problem for which we are in large measure responsible as well.

We need the co-operation of the United States. In the event the Hon. Member for Selkirk-Interlake goes to Washington, he should go there as a legitimate ambassador speaking to a friend, not someone shaking a fist like an enemy. In my view these problems with the administration of the United States could best be solved if men and women of good will, recognizing a common problem and desiring not to harm a friend, negotiate for the purpose of ending this project, ending the problems of pollution which jointly confront both our nations and working out, as friends should, the difficulties which are bound to occur when two developed nations have areas of disagreement between them. If they are legitimately concerned about the issue raised in this motion, I would urge members of the NDP, both in the Government of Manitoba and in this House, to approach the matter in the fashion that I have decribed rather than by wielding a battle axe and chanting anti-American slogans.

● (1750)

Mr. Ron Irwin (Sault Ste. Marie): Mr. Speaker, we are dealing with a very difficult problem which goes back almost to the 1930s. I will try not to wrap myself in the Canadian flag as the Hon. Member for York-North (Mr. Gamble) has done.

Nothing really happened with the Garrison Diversion until 1943, and we have been debating the problem ever since. One thing is clear, Mr. Speaker. The goal of connecting the Mississippi River with the Hudson Bay drainage system is not in Canada's best interests. It is only in the best interests of the United States. The Americans wish to achieve the goal of connecting those two waterways solely to irrigate North Dakota.

We in Canada have some legitimate concerns about this goal. If the Hon. Member for York-North wishes some American input, I might suggest to him that he read the 1977 IJC report. That report was prepared by equal numbers of Canadians and Americans and it indicated that as of 1977, the technology for the McClusky screen referred to by the Hon. Member from our side was not adequate. All this time we were being told by American politicians, who were not really acting as judges but more as advocates, that we in Canada should not be concerned. Well, we are concerned.

We are concerned about parasites getting into our water system. We are concerned about fish eggs, fish, chemicals and everything else that comes from that drainage system which may interfere with our commercial and sports fishermen, our drinking water and our recreational facilities.

While we in Canada were being told not to be concerned, an impartial report was prepared in the United States by the Environmental Protection Agency. Again, I would suggest that my friend, the Hon. Member for York North read that report, because he seems to be very prone to American studies. In that report, the EPA indicated that it could not conceive of a program which would adequately police human and wildlife activities to prohibit transfer of undesirable fish species. This report was in existence at the same time as we Canadians were being told not to be concerned.

My hon. friend referred to the great things that Canada and the United States are doing together. He referred to the achievements made with regard to solving the problem of acid rain. In August, 1980, Canada had a written memorandum from the United States regarding acid rain. That is much more than we have now. Daniel S. Greenberg, a respected and responsible writer for the *Washington Post*, said about the Reagan administration's feelings toward that written memorandum that the Reagan administration was of the opinion that the memorandum of intent carried only "moral rather than legal force" and so, without consultation, the Reagan administration went its own way. He went on to say:

> We have double-crossed the Canadians plain and simple.

That was the fate of our 1980 written memorandum. Fool me once, foolish you, but fool me twice, foolish me.

We are now expected to believe, without even a memorandum like the one we had in 1980, that all these great things will be done regarding the Garrison Diversion. The Americans informally say that they will police fishing at the reservoir. I can see them trying to police fishing. If they cannot even police chemicals. How can they police fishing? They say that the screen for which they are paying $40 million will work. It has not even been tested. They tell us not to be concerned about phase two, and at the same time they have allocated approximately $5 million for 1983, I believe, $20 million for 1984, if my memory serves me correctly, and approximately $40 million for 1985, in order to go ahead with the project.

Who from Canada has gone to the United States to discuss our concerns? We have sent federal-provincial representatives, farmers, fishermen, municipal people and native people to the U.S. The Right Hon. Howard Powley sent wires to all Congressmen. The Hon. Minister of Transport (Mr. Axworthy)

has expressed his concerns about new mechanisms. The Hon. Secretary of State for External Affairs (Mr. MacEachen) has said that we do not want phase II to go ahead. A resolution, which I believe was passed unanimously by the House, resolved to refer this matter to the World Court. Lawyers from Canada and the United States have suggested a uniform trans-boundary pollution reciprocal access Act, which the Americans scoffed at. However, the Hon. Member for York North tells us to trust the Americans.

Mr. Gamble: Are you kidding? What were you listening to?

Mr. Irwin: I heard Nicaragua mentioned.

Mr. Gamble: Yes.

Mr. Irwin: I heard many stories about the American flag.

Mr. Gamble: Yes.

Mr. Irwin: However, I did not hear much about the issue itself.

Mr. Gamble: I told them how to negotiate.

Mr. Irwin: I did not hear much about the issue, and the issue is that we in Manitoba are concerned that we should be addressing the matter as a federal House and not leaving it for a few MPs and MLAs to discuss and not leaving it to periodic dialogue in the House.

I think the public perception of this issue in Canada is much like it is in North Dakota, that is to say, 5 per cent know about the issue and want it, 5 per cent know about the issue and do not want it, and 90 per cent do not know about the issue and do not care. That is the perception in Canada of the Garrison Diversion.

I believe that if our responsibility is to the entire country, we should learn a little more about the situation and not talk about communism in the United States. We should talk about the very important fishing industry of Manitoba.

Mr. Gamble: Obviously you were not listening.

Mr. Irwin: There have been some compromises made. First, the United States invited Canadian scientists to study the matter. I think we should have taken them up on that invitation. However, the decision not to do so was a political decision. I believe we erred by not accepting that invitation.

The Americans then proposed a closed waterways system. To their credit, the Americans have suggested compromises for our benefit. Unfortunately, at the time of the proposal of the closed waterways system, the Americans wanted to save millions of dollars by doing it on the cheap, and therefore the closed waterways system was not very safe. As a matter of fact, it turned out to be worse for us than what had been suggested in the first place.

If those are the proposals of the Americans, they do not give us any great faith in them. The Americans proposed the formation of a technical committee, and I give them full credit for that proposal because it seems that they are going to go ahead with the project notwithstanding what was done in Canada. This joint Canadian-American committee has been formed and it assures us that it will stand on guard, for want of a better word, because it cannot do much else. It assures us that it will stand on guard against the malfunctioning of the screen, the implementation of phase II, and the introduction of parasites into Canada. However, such treaties have existed with the United States since 1909. I believe it was in 1909 when the original trans-boundary water treaty under which the IJC functions was introduced. Since that time, not only the Americans but also the Canadians have polluted the water system.

I will begin with the pollution that originates in Ontario. Ontario puts 263,000 tonnes of liquid industrial waste into the water system per year. Every day, Ontario puts 34,000 tonnes of dissolved solids, 127 tonnes of heavy metals, 18 tonnes of phosphorus, 118 tonnes of oil and grease, 12 tonnes of phenol and 3,000 tonnes of chlorides into the water system. In Thunder Bay, millions of tonnes of asbestos fibres are being put into the water system. In the St. Mary's River, there are phenols, oils, cyanides, sulphides, zinc, ammonia and iron. The St. Clair River system contains ammonia and lead.

With all this going on, I commend the motion of the Hon. Member from the New Democratic Party because someone must stand on guard. I am certainly not going to leave it to the American Government.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

RAILWAYS—GRAIN FREIGHT RATES—INTERIM ADJUSTMENT COSTS. (B) REQUEST THAT MINISTER REVIEW FIGURES

Mr. Charles Mayer (Portage-Marquette): Mr. Speaker, I rise this evening to further amplify a question I put to the Minister of Transport (Mr. Axworthy) last Thursday concerning the recently announced transportation rates for western grain. I asked the Minister why the Government was not going to assume its share of the costs. This will involve some explanation; I will try to be explicit and speak in some terms so that the Government will understand exactly what I am saying. I am not at all certain that the Minister understood the question which I posed to him.

Let me begin by saying that the rates that western farmers are now paying for grain as a result of the demise of the Crow on January 1, are made up of three components: the first is volume, the second is an adjustment for the previous crop year, and the third is an increase in costs, if any, that the railways

say they incur. I would like to deal with the last component first—the increase in costs which the railways claim.

The Minister said that the railways did not have very much of an increase in costs. We agree with that. Effectively, that means the increase in the rates was not very great, if any, attributable to the costs the railways say they will have this year over next year.

Volume should not be a factor because volume is down. When the crop year started on August 1, the estimate for the year was 32.8 million tonnes. It looks like the railways will move 34.55 million tonnes this year, but the estimate for the coming year, to which the rates apply and about which I am concerned, is less than the estimate for this year. The two factors I have mentioned, an increase in costs that the railways say they have, and an increase in volume, should not be part of the increase in the rates the Government has just announced.

The increases are substantial. They are 33 per cent. The average rate for shipping a bushel of grain from the western provinces to export position is something like $7.70 a tonne. That is increased $1.94 over the previous year, which means almost a 33 per cent increase. That tells me that the total, almost exclusively, reason for the increase in rates is the interim adjustment. The interim adjustment comes about as a result of the rate setting mechanism and the way it is established.

Very simply, at the beginning of the crop year, which is August 1, an estimate is made of the amount of grain that will be moved. If the amount is greater, the railways have to be paid more because they have moved more. If the amount the railways move is less then they will get a refund, because they move less grain. The adjustment in this crop year is amost exclusively the result of an underestimate in the volume. If the railways move more than is estimated, they will get paid more. It is that simple.

But, this is a special year because the Bill did not come into place until January 1. That meant that for the previous five months, from August 1 to December 31, the Government was responsible for the increases in rates. The producer then was responsible for the next seven months, January 1 to July 31. That meant that for the first five months, which is five-twelfths of the calendar year, the Government should have been responsible for the increases in costs that the railways charged to the producers.

The difference that the railways should have as extra compensation for the extra volume they moved is $60 million.

What I would like to know from this Government is why it is not picking up its share of the increase—Five-twelfths of $60 million is $25 million. There is no doubt in my mind that the Government is overcharging producers to the tune of $25 million.

• (1805)

We raised this issue with the Government at committee when the Bill was being put through. I would like to quote from an exchange I had with Mr. Kruger in committee. I said:

> The railways are not going to be short-changed, they are going to get their additional increases, except in this case it is all going to come from the Government up until January 1.

That is January 1, 1984. Mr. Kruger replied:

> Yes, it will, but not under this Bill. The Government will be seeking authority from Parliament under the next Supplementary Estimates to make a further installment—

I went further to ensure that he understood my question. I was asking him if the producers were going to be expected to pay more. He replied:

> No. That is a matter between the Government and the railways as to whether the railways are to be compensated for their losses in the first five months of this crop year or not.

Clearly, what Mr. Kruger said is that the Government is going to take up with the railways the issue as to whether they are going to be compensated for their losses, if they have any, as a result of the increase in volume, and that it is not going to be the producers' responsibility. The announcement last week of the new rates, indicates to me that the Government is deliberately overcharging the producers by $25 million.

I hope the Parliamentary Secretary will confirm this evening that the Minister understood my question, and that he is now going to announce that $25 million will be deleted from the producers' share of that increase in rates, Mr. Speaker.

[*Translation*]

Mrs. Éva Côté (Parliamentary Secretary to Minister of Transport): Mr. Speaker, under the provisions of the Western Grain Transportation Act, the producers have to pay for any rate increase resulting from traffic movements in excess of a preset volume. Because the 1983-84 crop was underestimated by nearly three million tonnes, that increase is quite considerable. That underestimation is offset through a rate structure interim adjustment. As a result, the Government paid too much and the farmers did not pay enough. Rather than distributing the Crow profits on the basis of 34.7 million tonnes, the Government did so on the basis of 31.9 million tonnes. However, those profits were paid out on the basis of total grain movements for the year, hence the one payment in excess.

When the people involved in the Gilson project were trying to find a producer and Government contribution formula with respect to future freight rates, they had to decide how best to allocate the Crow profits. In their opinion, the best way to protect the producers was to make the Government responsible for the highest possible percentage increase in inflation-related costs. Under a legislative provision, for the first three years the Government will pay for any inflation-related cost increase over 3 per cent, and for anything else over 6 per cent in the following years. In exchange for that protection against inflation, they suggested that the producers be held responsible for future increases in the volume of shipments. This is a wise choice because the increase in volume is tied to the productive capacity of the land, and also because an increase in volume means higher incomes for grain producers. Fortunately,

increases due to inflation were not very high this year. However, the volume of shipments was badly underestimated, so much so that payments had to be adjusted under the formula contained in the legislation. We agree that producers are now facing cash problems, and that is why we are amending the Prairie Grain Advance Payment Act and the Western Grain Stabilization Act. There is no way to solve the problem raised by the Hon. Member for Portage-Marquette (Mr. Mayer) without amending the Western Grain Transportation Act. I think that the current formula will be effective in the long term and cannot be changed every year to account for short fluctuations in volume and inflation rates.

[*English*]

NORTHERN AFFAIRS—LOBBY AGAINST FUR TRAPPING INDUSTRY

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, Canada's oldest and most honourable industry is under attack. I refer, Sir, to the fur industry, a business which really started Canada. For many years the fur trade was the most important industry in Canada and had it not been for the fur trade which encouraged people to go out to the hinterland, Canada might even today be only a few small scattered settlements along the St. Lawrence Valley. Even today, the Fur Institute of Canada estimates that about 100,000 Canadians are involved throughout the industry which, I might add, considerably aids Canada's international balance of payments. Not only are trappers involved in the industry, but all manner of traders, merchants, pelt processors, auction house employees, manufacturers and retailers.

● (1810)

In northern Canada trapping today remains the most important part of the local economy. In the Northwest Territories, for instance, we annually produce $3 million to $5 million worth of raw fur which would have considerably more value once it has been processed and upgraded. But that value represents production in excess of any other renewable resource industry such as fishing or lumbering. Many people in northern Canada, particularly in my constituency, are dependent for their livelihood, either wholly or partially, on the trapping industry. What is probably more important is that it is a way of life. It is a means for independence. You do not have to be a wage slave if you can go out and get yourself some fur once in a while.

This has all been threatened, Mr. Speaker. There is a concerted attack on the industry by well financed organizations like Greenpeace and other animal welfare rights organizations which are invariably supported by city dwellers, people who do not really know what the trapping business is all about. They tend to play to the hilt the cruelty aspect, even though the degree of cruelty involved in the industry is debatable. In my opinion it is not at all comparable with the cruelty to animals in industries, such as the veal industry in this part of Canada. Animals are kept under what I would consider cruel conditions throughout their short and I assume rather miserable existence. At least the animals harvested in the fur trade have an opportunity for practically all of their lives to live in the way wild animals were intended to live. I have seen the signs on buses here in Ottawa playing up this kind of thing. Also there is the use of high pressure and sometimes illegal tactics. I think back to the shenanigans going on at the Frankfurt Fur Fair a couple of years ago where valuable fur coats were sprayed with paint and the young women who were modelling the coats were assaulted.

I asked questions of the Minister last Thursday and he was sympathetic to the cause of the trappers, but the answers I received were not really detailed enough as to what the Government was doing to combat this attack. In my opinion the case for the trapper must be equally as well organized and financed as that of the anti-trappers. A strategy is needed to combine the efforts of trappers themselves, their organizations and native organizations. I know a lot of work has been done here already and I cite as an example the Winnipeg conference organized by the Native Council of Canada not too long ago. I would also include in that group the provincial and territorial Government who legislate with respect to trapping methods and have under their jurisdiction fur bearer management, as well as the federal Government, especially the Department of Indian Affairs and Northern Development.

I am not satisfied the Government has done all it can on this issue, Sir. We must not lose on this issue the same way we lost on the white coat issue. Sir, the trappers of Canada must not be blackmailed out of existence.

● (1815)

[*Translation*]

Mr. René Gingras (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, during the Question Period on Thursday, May 3rd, the Hon. Member for Western Arctic (Mr. Nickerson) raised the issue of the ecological lobby and of the threat its activities represent for the Canadian fur industry and the way of life of northern hunters, especially the native people.

As the Minister stated at that time, it is a fact that this lobby poses a serious and unwarranted threat. The seal pelt boycott initiated by the European Economic Community in 1982 clearly reminds us that ecological groups can have a crucial influence on the market. If foreign fur markets give in to this threat, the Canadian fur industry will be seriously affected. In addition, native and northern hunters will be most affected by a possible slump in the fur trade. The consequences of one lost hunting season could be disastrous for the communities.

Because of this, in December 1983, the Ministers of Environment (Mr. Caccia), External Affairs (Mr. MacEachen) and Indian Affairs and Northern Development (Mr. Munro) submitted to Cabinet a three-part federal strategy based on consultations with all the parties concerned both within and without the Government. This strategy involved, first, a na-

tional and international information program using the most effective approach to both prevalent opinions; second, an education program for hunters to make sure that Canadian hunters are better informed about all aspects of the issue; and, third, a research program to develop more humane trapping methods adjusted to Canadian conditions.

Cabinet approved the use of an amount of $5 million to develop and implement the federal strategy during the upcoming three years. Cabinet also asked the Departments of Indian Affairs and Northern Development, Environment and External Affairs to assume responsibility for the development of the federal strategy in consultation with the other Departments, the Provinces and representatives of the private sector.

I would like to point out that, before taking any direct action about information campaigns, the federal Government intends to assess fully public opinion both in Canada and internationally in view of the sensitive nature of this issue.

Abroad, to make sure that the Canadian Government will make timely interventions, for instance, at the recent Frankfurt fur fair—

I am sorry, Mr. Speaker, but if I had a few seconds more, with unanimous consent—

The Acting Speaker (Mr. Herbert): I am sorry, but there is no provision to extend the allotted time. The time of the Hon. Member has expired.

[*English*]

HOUSING—MORTGAGE RATE PROTECTION PLAN

Miss Aideen Nicholson (Trinity): Mr. Speaker, on May 1 I asked the Minister of Finance when he expected to introduce legislation to give effect to two measures announced in the last budget speech; first, the mortgage rate protection plan and, second, the proposal to give borrowers the right to prepay their mortgages at any time. In his reply the Minister said he hopes the legislation will be introduced this month. He stressed that there have been extensive consultations with the housing and construction industry, with consumer groups and financial institutions. The Minister also said that those who have taken out mortgages since March 1 would be eligible under the new program.

I am pleased that there has been such extensive consultation, because the measures will depend for success on the active participation of all involved, in particular the financial institutions. We have heard of at least one trust company which is now asking people renewing mortgages to waive any rights they may acquire under the new legislation. There is no lack of funds on the money market for mortgage loans at this time, and there is no need for borrowers to agree to waive their rights since many other financial institutions are willing to co-operate with the Government in enhancing security and opportunity for homeowners.

• (1820)

The Budget encouraged Canadians to anticipate stronger rights for mortgage borrowers, a wider choice of mortgage instruments, a more flexible mortgage market, greater stability in mortgage costs and fewer risks in taking out a mortgage. These measures are eagerly awaited not only by homeowners and prospective home owners, but also by realtors, construction workers and those involved in producing the goods associated with new homes, such as furniture and appliances.

The consultations and discussions to which the Minister referred have, I trust, removed potential problems and ambiguities in what admittedly is a complex undertaking. I trust that we will soon have the legislation before the House in a form which will facilitate general acceptance and speedy passage.

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the Minister of Finance (Mr. Lalonde) has indicated that he anticipates that legislation for the mortgage rate protection program and for amendments to the Canada Interest Act will be introduced in the House of Commons toward the end of this month. Over the past several weeks, the Minister of Finance, the Minister responsible for Canada Mortgage and Housing Corporation (Mr. LeBlanc) and the Minister of Consumer and Corporate Affairs (Mrs. Erola) and their officials have been actively involved in intensive consultations with the provinces, with the housing industry, with consumers' representatives, with lenders and with life insurance representatives. This consultative process is surely the best way to develop and implement these budgetary proposals.

The basic purpose of the government's proposed mortgage rate protection program is to offer security against severe financial disruption due to sharp increases in interest rates. By limiting an individual's exposure to extreme volatility in mortgage rates, the program will add to stability in mortgage costs and thereby increase the ability of individuals to plan their financial affairs with confidence. The degree of protection provided by the program can be very great if mortgage rates should increase dramatically.

The proposed amendments to the Canada Interest Act will ensure that mortgage borrowers have complete disclosure of all terms and conditions regarding their mortgages, including those relating to the prepayment of their loans. This initiative responds to the needs of borrowers for full information, and will improve competition in mortgage markets by helping consumers to compare the terms and conditions of mortgages offered by various lenders. The amendments will give borrowers the right to repay their mortgage at any time, at penalties that are fair to both borrowers and lenders. In addition, the proposals in the Budget would facilitate the introduction of mortgages with terms of more than five years and increase the number of alternative mortgage instruments that are available to borrowers.

In considering these measures, the various Ministers involved have attempted to ensure that the mortgage market

remains as viable and responsive in the future as it has in the past. We certainly would not want to approve measures that would have the effect of increasing the cost of mortgages, decreasing the availability of mortgage funds or reducing the range of instruments available. Indeed, the various measures in the budget related to mortgages are expected to improve the security of home owners and prospective home buyers and increase the flexibility of the mortgage market.

The Minister has indicated that the mortgage rate protection program and the amendments to the Canada Interest Act are well advanced. Because of the extensive consultations, it is hoped that legislation could be passed expeditiously. In addition, the mortgage rate protection program legislation is to be retroactive to March 1, 1984, so that the delays resulting from the consultation process would not prevent home owners from obtaining protection.

[*Translation*]

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

At 6.25 p.m. the House adjourned, without question put, pursuant to Standing Order.

APPENDIX

ADDRESS

of

HIS EXCELLENCY MIGUEL DE LA MADRID

President of Mexico

to

Both Houses of Parliament

in the

House of Commons Chamber, Ottawa

on

Tuesday, May 8, 1984

The President was welcomed by the Right Honourable P. E. Trudeau, Prime Minister of Canada, and thanked by the Honourable Maurice Riel, Speaker of the Senate, and the Honourable Lloyd Francis, Speaker of the House of Commons.

Hon. Lloyd Francis (Speaker of the House of Commons): Order, please. The Right Hon. the Prime Minister of Canada.

Right Hon. P. E. Trudeau (Prime Minister): Senor Presidente, Mr. Speaker of the Senate, Mr. Speaker of the House of Commons, Hon. Members of the Senate and of the House of Commons.

Canadians consider it a mark of special distinction for them, Sir, that you have chosen Canada for your first official visit North of the Rio Grande. We welcome you with open hearts to our country, as Mexicans have warmly welcomed Canadians. The generosity of your people is matched by the splendour of your country, as in the words of Octavio Paz:

[*Translation*]

Mexico rises between two seas as an enormous pyramid: its four sides are the four cardinal points, its steps are the climates of all its regions, its high plateau is the house of the sun and the constellations.

[*English*]

Mr. President, Canada is honoured by your presence in this Chamber. All Canadians are pleased to welcome you to Canada and to afford you an opportunity to speak directly to us at this Special Session of both Houses of our Parliament.

Early in your term of office, Sir, you earned our admiration and respect for the vigour and determination with which you strove to ease the crushing burden of indebtedness which Mexico, like so many other countries around the world, faced during the deep recession of recent times. Courageously you made difficult decisions which required heavy sacrifices by the Mexican people.

You have proved, as you said you would, that both the people and Government of Mexico are vigorous and mature, capable of responding to crisis and overcoming adversity. We admire such strong and determined political will. I am glad that Canada and Canadian financial institutions were able to play a part in assisting you.

Thus I welcome you as a neighbour and good friend. Mexico and Canada are no longer separated by time and space, living apart in their own labyrinths of solitude, to borrow again from the moving thoughts of Octavio Paz. In dramatic ways, technologies of transportation and communications make it possible now for nations everywhere to draw together. Government leaders in our two countries, and increasingly people in private walks of life, have shown very clearly their strong desire to draw together, to know each other, to co-operate in the arts, science, technology, energy and commerce.

Your visit today is contributing to this growing tradition of community and consultation for we have much in common and much to say to one another. When I became Prime Minister in 1968, the Government decided that Canada must systematically enlarge its relationships with Mexico and other key countries of Latin America. This we have done, with a reciprocal commitment from the Mexican Government. I have had the pleasure of making two official visits to Mexico and of welcoming two of your predecessors to Canada. These visits and the frequent meetings between our Ministers attest to our mutual determination to make our bilateral relationship successful.

[*Translation*]

Mr. President, the links between Canada and Mexico go back for many centuries. In fact, Samuel De Champlain visited a flourishing settlement in Mexico City, nine years before he founded Quebec City and fourteen years before travelling past the site of Ottawa, where we are today, during an expedition on the Ottawa River.

Canadians will recall with pride the constant collaboration with Mexico within United Nations agencies and other institutions during the creative post-war years. At the time, we worked together to prepare for a world order to be founded on a common vision of the need to reinforce gradually international law and to establish effective economic co-operation. In a word, we tried to provide a solid basis for peace.

Unfortunately, since then, man has seemed to take a perverse pleasure in developing military technology, while political institutions designed to safeguard peace crumbled.

As international tensions rose, Canada and Mexico, conscious of their responsibility and of their own resources, have always tried, each in its own way, to persuade the parties concerned to reconcile their differences. The perseverance we have shown in the past is needed even more urgently today, because the dangers that threaten us now are so much greater.

As you know, Mr. President, Canada has, out of a concern for deteriorating relationships between East and West, taken the initiative of trying to bring these essential relationships on

a more constructive level. On that occasion, I found that both sides had a number of points in common, and I urged Eastern and Western heads of State to set aside their differences and concentrate on what draws them together. In fact, we all have the right, in fact we have a duty, to try and reduce the risk of nuclear war.

[*English*]

Mexico and Mexicans have earned international credentials for independent viewpoint, fair mindedness and common sense. That is why I am encouraged that Mexico is currently spokesman for the Group of 77. You no doubt regret, as I do, Mr. President, the present state of North-South dialogue after the strenuous efforts Mexico and Canada made in recent years, especially in Cancun, to stimulate progress. We hope that Mexico's moderation and restraint will help to move the dialogue back on to a constructive path. Success in that endeavour would serve the cause of peace in a very fundamental way.

In the same spirit, I congratulate Mexico and the other Contadora members for their imagination and courage in seeking a regional solution to the potentially explosive situation in Central America. Your approach to this web of most difficult problems is above all realistic in its aim of building a consensus on a set of socio-political security objectives for Central America.

As a consensus develops, Canada will be prepared to help with whatever political or economic support we can effectively offer. We are consulting closely with the three Contadora working commissions. We will also be in close touch with the Action Committee for Socio-Economic Development—CADESCA.

Canada's approach to these problems, as frequently enunciated in Canada and in the region by my colleague, the Deputy Prime Minister and Secretary of State for External Affairs, is to recognize that the basic causes of instability and conflict are economic and social in nature. We look to Governments in the region for advice on how enduring solutions are most likely to come about. We are firmly persuaded that these are problems which must be seen, as they will be solved, in the light of the human needs of the people directly affected, and not in terms of ideological arguments. The imposition by force of external ideologies is seldom motivated by a genuine concern for the needs of the people.

Amid the international tensions and violence of our times, the right to speak becomes a responsibility, the need to hear a duty. That is why we are gathered in this Chamber today to listen to your views firsthand.

Each of our political parties, in its own way, is apprehensive about the dangerous deterioration in the security situation in the neighbouring regions that you know so well. Therefore be assured, Mr. President, that you are now welcomed eagerly by an audience, both here and in Canada at large, who will be heeding your words of counsel with an open mind and sympathetic heart.

[*Translation*]

To speak clearly, to dialogue, and to work together in the quest for viable solutions marked by human values and common sense—these are the urgent tasks of our area. The entire world today is trapped in a prison of dilemma, mainly dominated by the nuclear threat, and yet no less dominated by the tyranny of false and outdated ideologies on how society should evolve. As nations, we all search for the way out of such a prison, while remaining faithful to our own traditions and giving loose rein to our hopes and dreams in order to enjoy the fruits of the amazing human mind. I firmly believe that humanity will find its way; it has no other option.

It is with great pleasure that we welcome today the President of Mexico, Mr. Miguel de la Madrid Hurtado.

[*Translation*]

Senor Miguel de la Madrid (President of the United Mexican States): Mr. Speaker, distinguished Members of the Canadian Parliament, Mr. Prime Minister, Ladies and Gentlemen.

It is a great honour to accept the invitation extended to me by this distinguished body which represents the people of Canada. The Canadian Parliament combines the quest for the democratic perfection of the nation and the desire for its people's active participation in the tasks of the State. This forum confirms the validity of the desires and hopes with which the Founding Fathers of this country viewed its future.

Canada has forged its history and its future in a continuing effort to build a system of life that is firmly sustained by values and principles. The vigour of its political institutions and relations of peaceful coexistence stem from its perseverance in the practice of democracy as their mainstay.

Constitutional balances and counterbalances, the fostering of representative assembly, respect for social diversity and the opinions of the citizenry, and the active support of one's chosen party are constants in public power based on a broad and firm community foundation.

No democratic State can stand on the fragmentation of its society. On the contrary, political legitimacy must be based on the sentiments of the nation, on the co-ordination of action and needs of different sectors and groups; on maintaining a balance between the social distribution of responsibilities and the scope of governmental powers.

In putting its authentic values into practice, each country manifests its unique nature. Canada and Mexico are the result of unique and untransferable experiences. Their histories make it impossible in our times for them to accept that devious attempts be made to impose or force assimilation of foreign systems whom them.

We do not, however, believe in the Utopia of an autarchic system and we assert our identity without shutting ourselves off from enriching contacts with other peoples. We want to join in united efforts, but we refuse to accept any attempt at

uniformity that denies the historical foundation of peoples and cultures, that harms the individual values of each society and closes off genuine channels of co-operation and solidarity.

Canada and Mexico are becoming increasingly associated with each other through initiatives and common viewpoints and through their responsible participation in international affairs. Today there is particularly strong need to make our continent a place of converging ideals and an area privileged with understanding and progress, and to establish new relations that are more dynamic, more productive and more just.

This is so because today the international community is immersed in increasing uncertainty in the face of power politics, hegemonic zeal, political intolerance and profound economic imbalances that are so harmful to developing countries.

The world would seem to be skidding down the slope devised by the promoters of the use of power. Technological development has relentlessly built up a deposit of destruction and terror. Both usable weapons and the leftovers of war are employed in attacks on the survival and dignity of mankind. While innumerable people are afflicted by hunger, unhealthy conditions, ignorance and death, millions are being spent to build an apocalyptic arsenal that is becoming increasingly difficult to control and presents a great risk of thoughtless use. We are witnessing an irrational cult to the capacity for self-destruction and to excessive spending to build power.

Mexico has categorically repudiated the validity of doctrines of deterrence and nuclear balance which have jeopardized the legitimate aspirations of nations to live in peace, to seek economic development, political stability and social progress through just and equitable co-operation.

It is imperative that measures be taken to prevent the destruction of all that represents the cumulative efforts of modern civilization. The aberrational idea that not acting is equivalent to avoiding risk must be abandoned. Eluding responsibilities multiplies the effect of lack of foresight and, sooner or later, the price of remaining passive must be paid.

In this context, Mexico has followed with particular interest the development of the peace initiatives recently undertaken by Prime Minister Trudeau, which led to his interviews with leaders of the superpowers and with those of other countries that possess nuclear weapons and of numerous industrialized and developing nations. We congratulate this outstanding contemporary statesman who, with his political imagination, courage and capacity for leadership, has successfully furthered the cause of peace and development.

Mexico fully supports all action aimed at halting the arms race and reaffirms its commitment to complete and universal disarmament and to dialogue and negotiation as Sole means of achieving understanding.

We do not want a return to the dark days in which the alternative to confrontation was an unstable peace, subject to cycles of dependence on armamentism. On the contrary, we want constructive times of stability and progress through co-operation. The crisis that is now shaking the very foundations of world order makes this an ideal time to re-examine our course and adjust our objectives. The current problems affect us all and also tend, although in varying degree, to increase for us all. In looking toward the future, each country must decide whether it will act in favour of a collective effort or to pursue sterile and egotistical interests in isolation.

Two indivisible imperatives weigh on mankind's aspirations, peace and development. We recognize, with concern, that the instruments for achieving them are becoming more and more fragile. In addition to political tensions, we are faced with economic uncertainty, breakdowns in negotiation and the outright obsolescence of models and systems that have not provided the answers required today. Once again, the burdens of the crisis and of adjustments are being transferred to the developing countries and the lack of equity in the international structure is becoming more serious.

It is not enough to recognize that interdependence has only exceptionally led to the level of understanding and co-operation required. It is also necessary to prevent the lack of dialogue between the North and the South on behalf of world economic recovery from becoming part of the vicious circle of confrontation between hegemonic powers, or of irreducible opposition between East and West based on unilateral and ideologically motivated views, that violates sovereignties and delays or cancels out any real hope of independent progress.

The economic crisis is making inequality more acute, increasing contradictions and undermining the foundations of the international order. Recession and generalized inflation, the contraction in trade and the reappearance of protectionism, monetary and financial chaos, and the foreign debt are all manifestations of a divided world, incapable of achieving cohesion and rationality.

Sustained recovery will not be possible if it does not extend to every member of the international community.

The crisis that is affecting the developing world will not be settled without the concerted action of the international community. The problem of the debt is of a global nature. It affects all of us, and we should all contribute to solving it: industrialized and developing countries, debtors and creditors, and public and private financing institutions. To meet their loan payments, debtor countries need to regenerate their capacity to pay, and that will only be possible if their export products have access to the markets of the industrialized countries. At the same time, such access is the only possibility for strengthening their purchasing power abroad and re-establishing world trade flows. Attempts to do otherwise are not only unfair but also unrealistic. We trust that this point will be fully understood.

If the protectionism of the industrialized countries does not give way to the logic of reality, meeting demands for generating foreign exchange to cover development needs will prove an extremely complex task. Eventually an illogical situation would arise that would lead to undesirable forms of involution as a substitute for progress.

Renewing confidence and resuming the course of progress implies an immediate strengthening of immediately strengthening the specific mechanisms and activities of co-operation among States and thus a return to the original meaning of interdependence.

For both Mexico and Canada, the continental scope of such co-operation is fundamental. Imbalances in the world economy have dealt serious blows to the countries of Latin America. Long decades of growth and growing expectations have been replaced by regressive forms of development that affect not only aspirations for progress, but also employment, consumption and the well-being of extensive groups of the population.

It is thus imperative to establish new continental relations that provide room for production, exports, the distribution of income and the political and social progress of all peoples. It is a question of expanding economic co-operation, and with it, development and stability; of broadening political communication with respect for plurality and, with it, the true security of all nations.

Latin America has revitalized its own endeavours. We have co-ordinated actions under a joint strategy aimed at renovating our approaches, criteria and mechanisms. Our goal is to bring about a system of collective economic security supported by regional integration, the strengthening of our forums and organizations, and the co-ordination of common stands. This is the meaning and the objectives of the Quito Declaration.

To supplement these actions, we Latin American countries have responsibly begun making adjustments in our economies—in a necessary effort to rationalize them—that have a painful social impact.

In Mexico's case, we have organized with determination to overcome the obstacles arising from adverse circumstances. Firmly united, the Mexican people have brought their combined sacrifice, work and trust to bear on the common task of reordering the economy. The National Development Plan we have drawn up is designed to respond to the most pressing problems, such as inflation and the fiscal and foreign economic imbalance. At the same time, the Plan involves a readjustment process designed to make the structural changes essential to improving the production base by guiding it realistically towards feasible priority areas of national development. Despite the great difficulties that Mexico has faced, we have maintained a reasonable level of spending and social investment with a view to fulfilling the binding commitments inherent in the history of our nation's development and to alleviating the suffering of the people.

Distinguished Members of Parliament, Canada has been outstanding among the countries of the industrialized world in its sensitive understanding of international realities and its commitment to dialogue, development and detente.

We have observed its growing interest in Latin America and, particularly, the attention it has been directing toward the Central American crisis. That interest has been effectively demonstrated by this Parliament with satisfaction. The establishment in 1981 of the Subcommittee to study Canada's relations with Latin America and the Caribbean is indicative of its desire to strengthen ties between our countries. Another outstanding example is Canada's decision to double, over a five-year period, the economic assistance it provides to Latin American and Caribbean countries.

Mexico and Canada agree that the major cause of the Central American crisis is the area's lack of economic and social progress. This is why Canada's contribution to the program of the Committee for the Support of Central American Economic and Social Development, created under the auspices of SELA (Latin American Economic System) is so important. Canada's experience in designing and implementing development projects, together with its financial and technological capacity, will unquestionably prove very useful.

Canada's commitment to stability in the region is also reflected in the support the Canadian Government has expressed in different forums for the peacemaking efforts of the Contadora Group. Today, with growing threats to peace in the region, the voice of Canada and its political and moral weight are particularly valuable.

Today, we are reiterating our conviction, that the only path to firm and lasting peace is full respect for law and for the principles and norms of peaceful international coexistence.

It is the unavoidable obligation of Central Americans to staunch their wounds and regain stability by revitalizing the age-old concept of unity and settling differences among brothers, while it is the duty of other countries to respect the free determination of these peoples and to abstain from the use or promotion of force as a means of solution. Fortunately, countries like Canada, and almost all the Latin American nations, have taken specific steps to demonstrate their full support for diplomatic negotiations. This build-up of the international desire for peace strengthens the possibility that law and reason will ultimately triumph over generalized violence and war.

Distinguished Members of Parliament, in today's world, characterized on the one hand by East-West tension—a sterile force that endangers the very existence of mankind—and on the other by the profound imbalance between the North and South and the instability bred by injustice and inequality, Mexico and Canada share the common goal of promoting dialogue, reducing tensions and furthering international co-operation for development.

In practice, Canada's and Mexico's foreign policy, as expressed in different forums, has often been the same and they have both promoted initiatives and striven for solutions to the serious problems that afflict mankind. This is not unusual. We have both always upheld the importance of international organizations for the maintenance of peace, security and co-operation, in the conviction that such organizations represent the values of peaceful coexistence among States and the supremacy of law over might.

I have come to Canada to reaffirm the high priority the Mexican Government confers on its relations with this coun-

try. We know that distortions in the world economy, which are also affecting Mexico and Canada, have slowed the pace of our exchange activities. Nevertheless, experience in recent years has shown the numerous opportunities for co-operation in such diverse areas as agriculture, industry, energy, communications, fishing and transportation.

Economic and political relations between our two countries are not a matter of momentary circumstance, but of interests of a much vaster scope: similarity of political concepts and values, complementary economies and a common willingness to foster dialogue and co-operation on the basis of respect, trust, friendship and mutual benefit. We Mexicans and Canadians want to be increasingly closer friends.

Ladies and Gentlemen, under the threat of grave nuclear escalation, the increasingly acute ideological confrontation and the economic crisis that overshadows the world's atmosphere, there is a ray of light for the peoples of the American continent. Peace, respect for law, justice and co-operation must and will take their proper place as indispensable ideals of our community of countries. Those values are not negotiable, nor can they be fragmented without threatening the stability of all and violating the humanistic sentiment that permeated the enterprise of civilizing the New World.

It is my hope that through the untiring efforts of people and government, of organizations and individuals, future generations on our continent may find a safe, harmonious and just place in which to live together and grow. I trust that Canada and Mexico will be able to meet the challenge of making to-day's dream, a reality.

Thank you very much.

[*Translation*]

Hon. Maurice Riel (Speaker of the Senate): Mr. Speaker of the House of Commons, Mr. President of Mexico, Mr. Prime Minister of Canada, fellow parliamentarians.

Today we have had the great privilege of listening to an eminent statesman in the person of the President of Mexico. It is a great honour for me, as Speaker of the Senate and on behalf of my fellow senators, to thank the President for his wise words and to salute him as the leader of a country with which we maintain numerous cultural ties and ties of friendship, in addition to important trade relations.

Mr. President, you are also particularly welcome as the leader of a nation with which we share the larger part of the North American continent.

[*English*]

We in Canada have been impressed by the skill and the strength with which you, Mr. President, accepted the challenge of these difficult circumstances and have put your nation on the long and arduous path to recovery. In this, Mexico has given us all a praiseworthy example of confidence in the future.

A concern for the future has been evident too, Mr. President, in your commitment to the peace and well-being of the peoples of your region. We in this Parliament, indeed in this country, have followed the efforts of the Contadora Group with an intense interest and a profoundly-felt hope for their success. We realize that, as never before, we are all, literally and figuratively, "a piece of the continent, a part of the main". We ask you today to take back to your colleagues in Venezuela, Panama and Colombia our earnest wishes for the realization of your vision of a Central America in which conditions will permit its peoples to progress towards peace, stability and good neighbourliness.

[*Translation*]

Mr. President, we are all delighted to have you and your ministers visit Canada. Frequent meetings at the highest level, among heads of State, ensure an abiding respect for the best interests of all concerned by consolidating bilateral ties between countries. Therefore, we earnestly hope that the ties that exist between Canada and Mexico will continue to grow for the greater good of both our countries.

Finally, I wish to thank you again, Mr. President, not only for your address, not only for having come to Canada, but also for your efforts to restore peace in our hemisphere. Rest assured that Canadians, like all people of good will, are grateful to you for this and urge you to continue. In this as in all other things, Mr. President, we wish you the best of luck!

[*English*]

Hon. Lloyd Francis (Speaker of the House of Commons): Mr. President of Mexico, Mr. Prime Minister, Members of the Senate and the House of Commons.

It is a great honour for me, on behalf of Members of our Houses of Parliament and guests assembled, to express our appreciation of the Address we have heard from the President of Mexico. We welcome him to Canada as the leader of a friendly nation which shares Canada's commitment to peace and development in the Americas.

[*Translation*]

Continuing with the warm friendship developed between our two countries, we have the honour of welcoming our distinguished visitor to our capital.

[*English*]

Canada and Mexico have enjoyed diplomatic relations for 40 years. Our two nations are linked by many important treaties and agreements in such areas of common interest as energy, culture, industry and agriculture. The past several years in particular have witnessed a very welcome increase in the number and level of official contacts between our Governments.

[*Translation*]

In 1983, a delegation of Canadian parliamentarians visited Mexico to consolidate our friendship, increase our knowledge of each other's country and explore further avenues for co-operation between our two countries. All delegates came back delighted with their visit.

[*English*]

Hundreds of thousands of Canadians visit Mexico every year, and the number of Mexican visitors to Canada continues to increase. The beautiful Spanish language is heard spoken more and more often in the corridors of this building as touring groups follow guides across Parliament Hill. Such exchanges foster better mutual understanding and good will. We hope that they will thrive and expand.

[*Translation*]

Mindful of the cordial relationship between our two countries, we wish to thank His Excellency for his visit and his kind words. Thank you.

[*English*]

This joint meeting of the Senate and House of Commons of Canada is now adjourned.

HOUSE OF COMMONS

Wednesday, May 9, 1984

The House met at 2 p.m.

• (1405)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

METRIC CONVERSION

TORONTO GAS RETAILERS—WITHDRAWAL FROM APPEAL PROCESS

Mr. Gordon Towers (Red Deer): Mr. Speaker, Jack Halpert and Ray Christiansen, two independent gas retailers who have stood up in defence of freedom of choice, can no longer afford to fight the federal Government in the courts. In November, 1983, the pair were awarded $41,000 by a court when they were found innocent of any charges relating to dispensing gas in imperial gallons. To date they have not received a penny of that court ordered settlement. For this reason they are unable to raise the necessary $25,000 for the current appeal before an Ontario County Court, and therefore must default. This appeal was initiated by the federal Government.

We appear to have a double standard alive and well here. If a person owes money to the Government through its agent, Revenue Canada, he or she must pay up immediately, and haggle about the levy or the amount later. Yet the federal Government with its unlimited resources, is able to delay or avoid paying this $41,000 by proceeding through the various appeal stages, including the Supreme Court of Canada. Any ordinary Canadian citizen cannot counter that.

Justice must not only be done, it must be seen to be done. The Canadian Charter of Rights was supposed to accomplish that.

* * *

[*Translation*]

BRAVERY

REQUEST THAT MR. RENÉ JALBERT BE AWARDED DECORATION

Mr. Robert Gourd (Parliamentary Secretary to Minister of State (Multiculturalism)): Mr. Speaker, as the Member for Argenteuil-Papineau, speaking personally as well as on behalf of my constituents, I wish to offer my sincere condolences, after yesterday's tragic events at the Quebec National Assembly, to the families of the victims and to the Government of Quebec that experienced this terrible tragedy. Mr. Speaker, personally and also on behalf of my constituents, I want to ask the House to recommend the Sergeant-At-Arms of the National Assembly, Mr. René Jalbert, to the Governor General of Canada for this country's highest award, for the bravery and presence of mind he showed in the course of these tragic events.

* * *

[*English*]

POLITICAL PARTIES

LIBERAL PARTY LEADERSHIP RACE—CANDIDATE'S PLEDGE TO CUT DEFICIT BY $15 BILLION

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, a headline in *The Globe and Mail* of May 8 reads, "Economists skeptical of pledge to cut deficit by $15 billion", the pledge made by one of the Liberal leadership contenders. Economists say that pledge would require major surgery on government programs, or major tax increases, or both.

The candidate refuses to spell out in detail how he would accomplish his goal, but mere mention of his intention to go after social programs has already had a damaging effect. For while economists may be skeptical about his statement, hundreds of thousands of Canadians who have to get by on the guaranteed income supplement and social assistance, are now worried that their payments will be radically reduced.

William Mackness, vice-president of the Bank of Nova Scotia, said that that proposal would mean major cuts in transfer payments for health care and post-secondary education, an end to the principle of universality for old age pensions, and the imposition of user fees for medical services.

This is the prospect a Liberal leadership candidate puts before Canadians, and the Minister of National Health and Welfare (Miss Bégin) endorses his candidacy. Such hypocrisy from that Minister, in the face of her utterances in the past year, is beyond belief. She is now willing, it appears, to let lower income and elderly Canadians pay the cost of Liberal ambitions. That is shameful, Mr. Speaker.

* * *

[*Translation*]

AIR TRANSPORT

REQUEST FOR FEDERAL GOVERNMENT'S INTERVENTION

Mr. André Maltais (Manicouagan): Mr. Speaker, the federal Minister of Transport has accomplished a great deal on the North Shore in the way of providing airports and docks. I

would like to point out that the Canadian Air Transportation Administration should consider the importance of 3,000-foot landing-strips to small villages on the middle and lower North Shore, to Kegaska, La Romaine, Tête-à-la-Baleine and La Tabatière, to help people out of their isolation.

Mr. Speaker, I may add that Quebec has always refused to build roads in this isolated and distant area but I think that after building major regional airports at Blanc-Sablon, la Chèverie, Natashquan and Havre-Saint-Pierre, we should be able to give these isolated communities an adequate air transportation service. Since Quebec continues to delay construction of proper roads in the area, I think the time has come for the Administration to start immediately on the construction of 3,000-foot gravel air strips so that planes of the Otter, Twin Otter and DC-3 type can serve those communities.

* * *

[*English*]

OLYMPIC GAMES

ANNOUNCED WITHDRAWAL OF SOVIET ATHLETES FROM 1984 GAMES

Mr. Terry Sargeant (Selkirk-Interlake): Mr. Speaker, I would like to comment briefly on the regrettable decision of the Soviet Union to withdraw its team from the Los Angeles Olympics. As in 1980, New Democrats oppose such a boycott. At that time my colleague, the Hon. Member for New Westminster-Coquitlam (Miss Jewett), said:

> We regret also the decision to single out our athletes to bear personally the total burden of our anger. No comparable sacrifice is asked of others. Furthermore, crippling the games in Moscow probably signs the death warrant of future Olympic Games as well.

The same still holds true, Mr. Speaker. Athletes, many of whom have worked for many years for this one chance, will again be the big losers. Whether they be from countries that participate in the boycott or those who do go, they will never know if they competed against the best.

• (1410)

A second consecutive boycott by a major participant would not bode well for the continued well-being of the international Olympic movement. I call upon the Prime Minister (Mr. Trudeau) to act in the interests of the world's Olympic athletes and of the movement itself, by expressing Canada's displeasure with such a politicization of the Games, and I ask him to call upon Chairman Chernenko to reconsider his nation's decision to withdraw, and on President Reagan to give his personal guarantee ensuring the total security of the Soviet team.

[*Translation*]

SHIPBUILDING

REQUEST FOR SUBSIDIES

Mr. Louis Duclos (Montmorency-Orléans): Mr. Speaker, Davie Shipbuilding in Lauzon Quebec City, which formerly employed more than 2,500 workers, now has hardly 1,500 employees and may have only a few hundred left by the end of 1984, if the company fails to get substantial orders in the next few months. However, one wonders how this shipyard will be able to get the contracts it needs, if nothing is done very soon to make it competitive once more. And competitive it must be, otherwise it will never be able to hire back the hundreds of workers it has had to lay off in recent months. However, to become competitive, it must modernize facilities and equipment, at whatever cost. Since the requisite investment cannot be made without Government assistance, I urge the Government, and more specifically the Minister of Regional Industrial Expansion, to approve the application for a subsidy of nearly $9 million submitted not long ago by Davie Shipbuilding, a company whose operations are vital to the economic well-being of the Quebec City area.

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[*English*]

AGRICULTURE

PLIGHT OF MANITOBA FARMERS

Mr. Jack Murta (Lisgar): Mr. Speaker, according to a recent survey by the farm newspaper *Manitoba Co-Operator,* an estimated 200 farmers in my home province have not been able to obtain enough credit to put in a crop for this year. As well, the survey reveals that 350 Manitoba farmers have left farming during the last two to three years for reasons other than retirement. This figure has been given credibility by current Canadian Wheat Board statistics on permit books. According to the Board, permit holders in Manitoba have declined by 490 since 1980. These two revealing statistics are but the tip of the iceberg. Last year Manitoba had a record 62 farm bankruptcies, up 106 per cent over 1982.

Another area of concern which further highlights the severity of economic conditions facing the western farmer is the report by the Farm Credit Corporation which says that arrears on loans owed to the FCC by Manitoba farmers have increased by more than 50 per cent. In fact the increase this year alone amount of $14,660,000, $5 million more than in 1983.

What will it take for the Government to understand the immediate needs of the western farmer? The recent announcement of pay-outs in the fall under the Grain Stabilization Act is much too late. Payments late in the year will not assist those farmers presently faced with a cash flow problem. Interim payments are needed before the end of the summer, and I urge the Government to take action now.

POLITICAL PARTIES

CONDEMNATION OF LIBERAL PARTY'S POLICIES ON WOMEN'S ISSUES

Mr. Neil Young (Beaches): Mr. Speaker, the Canadian embassy in Tokyo is trying to promote Japanese tourism in Canada by running a so-called beauty contest, in which Japanese women are being asked to send photos of themselves, and their physical measurements, to the Canadian embassy. The winner is to be awarded a tour of Canada. While it is a worth-while endeavour to promote tourism, this approach is entirely offensive and hearkens back to the dark ages.

It does, however, point once again to the glaring gap between the platitudes the Liberals pay to women's issues and their policies and actions. For instance, the Government was willing to make companies which had contracts with the federal Government comply with the six and five program when it came to wages, yet it will not bring in contract compliance to promote affirmative action programs within those same companies.

The Liberals are willing to intervene and regulate the broadcasting industry when it comes to ensuring Canadian content. But when it comes to protecting women against sexually abusive broadcasting, the Government says it is the CRTC's responsibility. A warning to all Canadians, but in particular to Canadian women: to be a Conservative is to reveal nothing at all about one's policies; to be a Liberal means to preach one thing and practise another.

* * *

● (1415)

[*Translation*]

AGRICULTURE

REQUEST THAT MINISTER ACCEDE TO DEMAND FOR AID

Hon. Roch La Salle (Joliette): Last April 10, Mr. Speaker, some Government Members were pleased to see that the Minister of Agriculture had met with the association of Quebec producers concerning the huge loss incurred by Quebec farmers as a result of bad weather conditions last summer. The Minister said that financial assistance would be available to Quebec farmers on the condition that the Quebec Minister of Agriculture—or the Quebec Government through its Minister of Agriculture—make direct representations to Agriculture Canada. On April 16 last, the Minister of Agriculture of Quebec did make the necessary representations to explain that Quebec farmers deserved that assistance, considering that the federal Government had been extremely generous for western farmers in 1980. Given those circumstances and the fact that the Canadian Minister of Agriculture has received that very clear and straightforward message, I dare hope that Government Members will make every effort to convince the Minister of Agriculture of Canada to respond favourably, keeping in mind the good faith and good will shown by Quebec's Agriculture Minister in the interest of farmers. Therefore, Mr. Speaker, I urge the Minister of Agriculture to give a positive response to the request of his Quebec colleague, in the interest of Quebec farmers.

Mr. Dubois: Did you read Mr. Garon's letter?

ORAL QUESTION PERIOD

[*English*]

FINANCE

INTERNATIONAL MONETARY FUND REPORT—SIZE OF EXTERNAL DEBT

Hon. John C. Crosbie (St. John's West): Mr. Speaker, my question is for the Minister of Finance. Canada has set another record. We have now been singled out by the International Monetary Fund as one of the industrial nations which has an unwelcome set of options, and whose problems are among the worst of those nations which have a rising government debt.

In 1973 our total external debt was $16.4 billion owed by the Governments and the people of Canada, outside Canada. Today it is $127.4 billion. The IMF says that, in relation to the current value of national output, by far the largest interest payments are those of Italy and Canada. They are equal to 9 per cent and 7 per cent of the gross domestic product.

What steps does the Government plan to take to resolve this fantastic debt problem which we now have in Canada, which originated in 1973 when Mr. John Turner was Minister of Finance, and has continued with every Minister of Finance since? When is the Government going to cease putting this country in hock, and reverse this situation? Is the outrageous debt record of the Government not the basic reason for the weakness of the Canadian dollar today?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I must tell my hon. friend that his slip is showing. Frankly, his fears are appearing rather obviously, in face of the outstanding candidates who are vying for the leadership of the Liberal Party.

Mr. McDermid: Just name one.

Mr. Lalonde: I addressed this issue in my last two budget speeches in particular, and in the economic statement I issued in November of 1982. As I have stated, it is important that we proceed to a gradual reduction of our deficit so as not to find ourselves in a situation where there would be some crowding out, or where a large part of the federal Government's expenditures would be for interest payments. I have indicated a step of a gradual reduction in the deficit.

I can inform my friend, for instance, that we have performed even better than I had anticipated in that regard. Last year, for instance, I had foreseen that the federal Government

would have financial requirements in excess of $26 billion. The most recent figures indicate that we will have achieved an amount that will be $1.7 billion lower than the amount I had anticipated. We have achieved this by careful management, while caring for the unemployed and the people who are in need.

• (1420)

Mr. Crosbie: I am pleased to see that the Minister is concerned about whether he will be in the next Cabinet, and that he is worried about Mr. Turner who has promised to cut the deficit by $15 billion. I can tell him that John Turner would not touch him with a ten-foot pole.

SUGGESTED OPTIONS FOR CANADA

Hon. John C. Crosbie (St. John's West): Mr. Speaker, the International Monetary Fund is concerned about Canada, not just Zambia, and not just about Abyssinia or Ethiopia. It is now worried about Canada and has said that our options are unpalatable. Either we have to raise more tax revenue or we have to cut public spending, or the additional charges will be pyramided into a faster growth of debt in a vicious circle of interaction between interest expenditures and indebtedness. Will the Minister tell the House which of these options he will pursue? Will he continue allowing this vicious circle of interaction to continue so that Canada goes down the tubes? What is he going to do?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the Hon. Member says that the IMF has singled out Canada. I invite him to read the report and, as a matter of fact, I will send him a copy of it. I invite him to read what the IMF has been saying about the situation in the United States. That would be some thoughtful reading for him. Before he makes a statement like the one he has made, he will want to read the document very carefully.

I have said that the issue of the deficit is important, but I also want to point out that this has to be read correctly, contrary to what the Hon. Member is mentioning. For instance, if one takes the gross public debt in Canada and compares it to the GNP, Canada ranks third amongst the seven major industrial countries. If one takes the net public debt—that is after the deduction of the interest payments that the federal Government is receiving—the net public debt ratio to GNP, Canada ranks third out of the seven industrial nations. I am sorry, Mr. Speaker. I mentioned third before. It was fourth with respect to gross public debt to GNP ratio. It is third with respect to net public debt to GNP ratio. Only France and Germany have a lower net public debt to GNP ratio than Canada. We are ahead of the United States, Japan, the United Kingdom, and Italy in that regard. My hon. friend could get those figures as well if he wishes.

Mr. Crosbie: As it is so often, the Minister becomes gross when he is grasping for an answer.

REQUEST FOR GOVERNMENT ACTION

Hon. John C. Crosbie (St. John's West): Mr. Speaker, the fact is that total Canadian external debt at the end of 1973 comprised 13 per cent of our GNP, just $16.4 billion owed abroad. Today it is 33 per cent of our GNP, which is $127 billion. That is the worst record in the OECD except for Italy.

The IMF pointed out that interest payments and past debt are still mounting, and this poses a threat to the ability of Governments to initiate policies that would foster economic growth. It is concerned about Canada. What plan of action does this ruptured, lame duck Government have to reverse this trend, so that we have some ability to initiate policies to foster economic growth? When are you going to show concern and take some action? The world is alarmed about this Government.

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I certainly would not take very great advice from that intellectually bankrupt Party across the aisle. I have indicated what we were planning to do. I have indicated the steps we are taking in my last two Budgets. I have informed the Hon. Member that we have performed even better than had been anticipated in terms of reducing the financial requirements of the Canadian Government, to the tune of $1.7 billion better in 1983 than what we had anticipated. Indeed, I want to continue along the lines because, just as we must be concerned about the size of the deficit, we must also be concerned about the plight of the unemployed and about the necessity of coming to the help of those people in need in this country during the difficult times we are facing. This is the policy that this Government is following, and we intend to continue following it.

• (1425)

SIZE OF GOVERNMENT BORROWING

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, the Government has presided over an increase in the deficit from about $10 billion to $30 billion. Recognizing the clear link that this report, referred to by my colleague, establishes between the burden of heavy government borrowing and our apparent high level of employment, is the Minister prepared to admit now that not only did his Budget completely misjudge the current weakness in the economy today, but it also sidestepped the main issue of excessive government borrowing, which is at the heart of our high unemployment problem and the slow economic growth we are suffering today?

Hon. Marc Lalonde (Minister of Finance): First, Mr. Speaker, this is not at all what the IMF report states. Second, I totally disagree with my friend's analysis.

Mr. Wilson: It is clear, Mr. Speaker, that the Minister does not understand the problems and the responsibilities that he is faced with as Minister of Finance.

Some Hon. Members: Hear, hear!

EFFECT ON UNEMPLOYMENT

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, the IMF report states that the high level of interest servicing charges in Canada is 7 per cent of national income compared to 4.5 per cent for most of the other industrialized countries. That charge is a tremendous burden on the economy and it uses up the spending power of the Government which could be directed at creating jobs, creating economic growth which would create a climate of confidence in this country. Because this practice has led to an unemployment rate in Canada of 11.3 per cent compared to 7.8 per cent in the United States, why have the Minister of Finance and previous Liberal Ministers of Finance always regarded excessive government borrowing as next year's problem, and avoided taking action today when it is necessary?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the Hon. Member is making a very strange assertion indeed. If his statement were right, you would have, for instance in England today, a lower level of unemployment than in Canada.

Miss MacDonald: Higher or lower?

Mr. Lalonde: The level of unemployment in the United Kingdom, as the Hon. Member knows—

Mr. Stevens: Has been coming down.

Mr. Lalonde: —is significantly above the Canadian unemployment numbers. The Hon. Member should know also, if that statement were true, you would have a lower unemployment level in the Netherlands today than in Canada, Mr. Speaker. The unemployment level in the Netherlands today stands at over 18 per cent.

Mr. Crosbie: What about the United States?

Mr. Lalonde: The Hon. Member cannot establish the kind of relationship that he is trying to establish, and he knows it.

INTEREST RATE LEVELS—GOVERNMENT POSITION

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, over the last few days we have been watching interest rates increase. The prime rates for the chartered banks have been established at 12 per cent, and every reputable economist in Canada tells us that if this trend continues for much longer our fragile recovery is about to end. Yet the Minister of Finance stands up daily in the House of Commons and tells us there is nothing he can do, that he is helpless, that Canada must track the interest rates of the United States.

Is the Minister saying to Canadians that he, as Minister of Finance, is indeed helpless and must look to people like Paul Volker, a bureaucrat in the United States, to dictate our policy here that will determine whether or not our recovery is successful?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I have answered this question a number of times. We are in a situation of very close interdependence with the American economy. This applies not only to the Canadian economy but also to those of other industrialized countries, and even developing countries, at this time.

U.S. interest rates are having a very considerable impact on the movement of interest rates in all industrialized countries. European countries are facing the same problems we are at this time, in terms of upward pressures on their own interest rates.

I have pointed out that we were hoping the industrialized countries would be able to agree on measures that could at least arrest, if not diminish, the rise of interest rates. I said that these issues would undoubtedly be discussed sometime next week, at international meetings of Ministers of Finance. Once again, however, I must emphasize that, in the circumstances, we must always consider what is happening in the United States. The Hon. Member is also aware of certain statements made by spokesmen for the U.S. Administration yesterday, and I hope that these statements will be followed by concrete decisions by the U.S. authorities.

[*English*]

AGRI-BOND CONCEPT—REQUEST FOR MINISTER'S SUPPORT

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, it is perfectly clear that the Minister of Finance is attempting to focus our attention on the United States, to launch his crusade for bringing pressure on the United States to lower rates, and while one might applaud that effort, there are things which the Minister could be doing today. One of the concepts that I feel should be introduced in the House of Commons is being considered by the Finance Committee at the moment. It is called agri-bonds. It has been referred to the Finance Committee; it is before that committee. The Government has done nothing with that concept.

• (1430)

Will the Minister of Finance say: "Yes, we can provide assistance to food producers in our country"? Agri-bonds have been proven in other parts of the world. Why does the Minister of Finance not stand up and say that this will be a priority of the Government and that we will see this legislation passed in the House of Commons before the end of June this year?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I have answered this question before by saying that the issue had been referred to a parliamentary committee in order to examine the implications, the advantages, and the draw-backs of that specific measure. Also I have indicated that there were possible alternative measures which might be more effective and more useful. I hope the parliamentary committee will examine those various alternatives. I am awaiting its report to see what would be the best steps. Contrary to my hon. friend's

view, I am not reaching conclusions before matters have been studied.

Mr. Riis: Perhaps one of the reasons the Minister has not given a concept like agri-bonds the appropriate attention is that he would like to introduce legislation to assist the foreign banks in Canada. We in this Party feel that, rather than giving priority to the foreign banks legislation, we should be assisting Canadian farmers and food producers by introducing a concept such as agri-bonds.

REQUEST THAT MINISTER IMPOSE TAX ON CAPITAL OUTFLOWS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my final question refers to a concern which the Minister has raised time and time again, that the necessity of tracking United States interest rates is to keep capital in this country so that there will not be a haemorrhaging or flowing of capital out of Canada seeking better interest rates in the United States or in other countries.

Has the Minister of Finance considered, as an alternative, the lowering of interest rates in this country and, to keep capital in Canada and to stop the movement of capital out of the country, imposing something like a speculator's tax on excessive amounts of money which would be moved out to take advantage of higher interest rates abroad?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I have two things to say to the Hon. Member. First, he knows that the measure I have introduced dealing with foreign banks resulted from a parliamentary committee's unanimous report. It was supported by the New Democratic Party. He knows that I have acted on the basis of the parliamentary report.

On the issue of agri-bonds, I will do the same. I will act when the parliamentary committee has reported. I will examine the alternatives, as I have done in the case of foreign banks. Also the Hon. Member knows that these measures are not to help foreign banks. They are to help Canadian consumers and Canadian businessmen by introducing more competition in the banking field. He knows that, because he studied the issue and recommended that we do away with the ceiling on foreign banks. He knows what the issue is and what needs to be done.

As far as his particular suggestion is concerned, I have also answered this question before by saying that I did not think this was an appropriate step to take in terms of introducing, directly or indirectly, foreign exchange controls at the present time.

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WESTERN GRAIN STABILIZATION ACT

INTRODUCTION OF AMENDING LEGISLATION

Right Hon. Joe Clark (Yellowhead): Mr. Speaker, my question is directed to the Prime Minister. We understand—and I would appreciate confirmation from the Prime Minister—that the Government has finally agreed to introduce in the House of Commons the amendments to the Western Grain Stabilization Act and that those will be coming forward later this week, but that the Government will not permit them to be debated later this week. This is a matter of great urgency in western Canada. I ask the Prime Minister for a clear undertaking now that we can have that measure before us for debate at the beginning of next week.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Hon. Member should remember from the time that he was Prime Minister that House business is discussed between House Leaders of various Parties. There is ongoing discussion on that Bill at this time. Members on this side, and I believe Members on the other side too, would like that Bill to pass into law, but there are other Bills on the Order Paper which are in the interests of Canadians. I would remind the Hon. Member—perhaps he did not know—that we did have a written agreement to pass a certain number of financial Bills, but his Party reneged on that agreement.

Mr. Nielsen: That is not true.

Mr. Hnatyshyn: You know not of what you speak.

Mr. Trudeau: We have it in writing. If the Hon. Member—

Mr. Hnatyshyn: Get your amanuensis to get it right.

Mr. Trudeau: I am not dealing with the Hon. House Leader. I am dealing with the Hon. Member for Yellowhead. I am telling him that, if he wants to see the written agreement, we can show it to him. The Party to which he belongs reneged on that agreement. We want to see the Bill on grain stabilization passed, but we want to see other legislation passed too. That is why the negotiations are going on.

Mr. Clark (Yellowhead): What I remember, and what I wish the Prime Minister would remember, is that it is the Prime Minister of a Government who sets the priorities of a Government. This Government has consistently been giving western Canada second, third, or fourth place. It does not rank among the priorities of this Government—

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): —even though there are Canadian prairie farmers going bankrupt now, and even though the delay in this legislation was caused because the Minister of Agriculture was too busy running for the leadership of the Liberal Party. This delay is cutting off the access of Canadian farmers to their own money.

REQUEST FOR INTERIM PAYMENT PROVISION

Right Hon. Joe Clark (Yellowhead): Mr. Speaker, I ask the Prime Minister two questions. First, could we have a guarantee that his Government will begin to care about western Canada and bring in that legislation for debate next week? Second, could he tell us, if he knows, whether the legislation

that will be tabled on Friday contains a provision for an interim payment right now?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I believe the difference between that Party, as it was led and as it is presently led, and this Party, is that we can deal with several priorities, not only with one. We believe that western grain farmers are one priority. There are other priorities in the country. The ability of a Government is shown in its ability to deal with several priorities, not only with one at a time.

Mr. Gustafson: How about the CPR?

Mr. Clark (Yellowhead): Mr. Speaker, the Prime Minister has clearly indicated that the concerns and bankruptcies of Canadian western farmers are a priority way down his list. It is not way down the list of this Party or of this Parliament, and it should not be way down on his.

REQUEST THAT LEGISLATION BE PASSED BY MAY 18

Right Hon. Joe Clark (Yellowhead): Mr. Speaker, the Prime Minister now has a chance to prove that he cares about western Canada, that he cares about the region he once told me somebody else would have to worry about. He has a chance to prove that now, and he could do it by bringing in that legislation for debate and completion next week. Will he do it? Will he do that for the West?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the House will remember that we have taken four days, lost four days, on the Crown Corporations Bill, which is also one of the priorities of the Government.

Some Hon. Members: Lost!

Mr. Trudeau: The House will know that in Parliaments where they have more civilized Oppositions, they deal with Bills at second reading in one day, and they do not just try to talk those Bills out. That permits Governments in such Parliaments to deal with several priorities at a time.

The Right Hon. Member for Yellowhead seems to think that because we want to deal with other Bills we are downgrading western farmers. That is an example of politics which, in the long run, did not even benefit the Hon. Member. Otherwise he would not be sitting in that seat, he would be sitting in that one.

Some Hon. Members: Oh, oh!

Mr. Speaker: The Hon. Member for Wellington-Dufferin-Simcoe.

Mr. McDermid: You have got to get in the cheap shots.

Mr. Hnatyshyn: It is better than sitting in that art deco house in Montreal.

Mr. Speaker: Order, please. The Hon. Member for Wellington-Dufferin-Simcoe has the floor.

Oral Questions

NATIONAL REVENUE

PROVISION OF SOCIAL INSURANCE NUMBERS TO CREDIT BUREAUX

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Mr. Speaker, my question is for the Minister of National Revenue. Could he confirm that, contrary to Section 241 of the Income Tax Act, his Department has been giving taxpayers' social insurance numbers to private credit bureaux. If so, how extensive has this practice been?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, Hon. Members often ask questions and we often enquire about the use of social insurance numbers on some Departmental documents.

I must admit that I was not aware that taxpayers' social insurance numbers were being passed on to private credit bureaux. I will gladly find out and advise the Hon. Member accordingly.

● (1440)

[*English*]

DEPARTMENT'S DEALINGS WITH CREDIT BUREAUX

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Mr. Speaker, does the Minister not recall the letter that he signed on April 30, 1984, addressed to my colleague from Calgary West, in which he said:

> Further to an investigation into this matter by my officials, it has been determined that, on occasion, officials of my Department have used the services of the credit bureaux in identifying taxpayers by making reference to the social insurance number.

If the Minister does not remember that, will he refresh his memory? Second, will he tell the House how extensive is the giving of confidential information contrary, as he points out, to Section 241 of the Income Tax Act, and precisely what use is being made by his Department of private credit bureaux?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): As I said, Mr. Speaker, there are times when we have to quote social insurance numbers in our communications with private agencies to ensure that bookkeeping data are correctly recorded in our computer system or that debits or credits in the account of a taxpayer are accurately posted. That is why we are using social insurance numbers in our dealings which is not contrary to the specific provisions of the Income Tax Act prohibiting the release of confidential information.

As far as this particular case is concerned, however, or how extensive has the practice been, again I will be glad to find out and to report to the Hon. Member.

Oral Questions

EMPLOYMENT

REQUEST THAT SAWMILLS BE REOPENED

Mr. Cyril Keeper (Winnipeg-St. James): Mr. Speaker, my question is for the Hon. Minister of Employment and Immigration. As the Minister is certainly aware, the economic situation on Quebec's North Shore is critical, especially in the forest industry. For instance, in the village of Sacré-Cœur, the main employer, a lumber mill, closed down 16 months ago, leaving well over 400 workers without jobs. This is a modern plant manned by young and qualified workers. Now that the sales in this sector are going up again, does the Minister intend to meet with the management of this plant and others in similar situations so that operations may resume in that area?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, I congratulate the Hon. Member for asking his question in French and showing such interest in the fate of French-speaking Quebecers on the North Shore of the St. Lawrence River. I can tell him that I would certainly be very anxious to deal with this situation. I wonder whether it would be better for me to meet personally with the people concerned, but I could and would like to have talks with the officials and this could be considered a preliminary step before holding an actual meeting. Indeed, such a gathering may not be necessary if we find another way of solving the problem.

* * *

FORESTRY

AUXILIARY OTTAWA-QUEBEC AGREEMENT

Mr. Cyril Keeper (Winnipeg-St. James): Mr. Speaker, my supplementary is for the Minister responsible for Forestry. Where is the Minister, please? The auxiliary agreement between Quebec and Ottawa—

Mr. Speaker: Order, please! Supplementaries should be directed to the same Minister. Hon. Members are not entitled to direct another question to another Minister.

An Hon. Member: Rightly so!

Mr. Speaker: A supplementary, not another question.

Mr. Keeper: Mr. Speaker, my question is on the same subject and is addressed to the Minister concerned.

The auxiliary Quebec-Ottawa forestry agreement involving an amount of $300 million expired a few weeks ago. Can the Minister tell us—

Mr. Speaker: The Hon. Member is striving to ask another question.

[*English*]

NATIONAL REVENUE

TAX STATUS OF TORONTO SYMPHONY ORCHESTRA'S MUSICIANS

Mr. David Weatherhead (Scarborough West): Mr. Speaker, my question is for the Minister of National Revenue. Musicians of the Toronto Symphony Orchestra have been very concerned about a recent National Revenue ruling stating that these musicians were employees and not self-employed. The Minister undertook to review this matter. Some time has passed. When will this review be completed?

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I congratulate the Hon. Member on his continuing interest in this matter. I am happy to tell Hon. Members that we have completed an in-depth review of the situation. Musicians in the Toronto Symphony Orchestra will maintain their self-employed status.

* * *

AGRICULTURE

DELHI RESEARCH STATION—REQUEST FOR INCREASED FUNDING

Mr. Bud Bradley (Haldimand-Norfolk): Mr. Speaker, my question is for the Minister of Agriculture. It pertains to the problem in the tobacco industry. The Minister knows the problem, and he knows the statistics. I do not have to tell him that there are some 8,000 to 10,000 jobs at stake here. He knows why the problem exists, one of the biggest factors being the taxation by the federal Government. Since the federal Government takes some $1,140 million in taxation from the tobacco industry and returns some $1.6 million to the research station in Delhi, and since most tobacco growers will have to go into some other crop in order to survive as they are pushed out of tobacco by the Government, is the Minister prepared to increase the funding and the manpower at the Delhi Agriculture Station in order that they can do some research into substitute crops for the tobacco industry?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the Hon. Member knows full well that in practically every province the provincial Government receives more revenue from cigarettes than the federal Government. He also knows full well that the Province of Ontario has as much responsibility to the tobacco industry as I do, if he is going to compare. Actually, we spend more on research. We spend more giving assistance through interest-free payments and advance payments on storable crops. The tobacco growers are able to take advantage of that program. We do much more for them than does the Province of Ontario. The Province of Ontario has the main responsibility.

The Hon. Member talked about research. He knows that we have demands, and that I could spend twice as much money on research in all of Canada. I would love to be able to do that. His Party continually tells us to cut back on expenditures,

telling us not to spend, yet at the same time he asks me to spend more money.

TOBACCO GROWERS' DEMANDS

Mr. Bruce Halliday (Oxford): Mr. Speaker, the producers and the people who work in the Delhi research station will be disappointed with that answer by the Minister.

One week ago today, some 2,000 tobacco producers gathered in Delhi and sent two resolutions to the Minister, which will have been received in his office by now. They called on the Government to introduce an amendment to the Farm Products Marketing Agencies Act which would permit the consideration of the establishment of a national marketing agency for tobacco, and, second, would enable the National Farm Products Marketing Council to commence public hearings immediately to investigate the establishment of such an agency. How did the Minister respond to those demands? Can those producers expect to hear something positive prior to the recess of this Parliament?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the Hon. Member will know that I met with the Chairman of the Tobacco Marketing Board of Ontario last week, and also representatives of the industry, to discuss the problems that he is bringing to the attention of the House. I understand that the Chairman of the Ontario Marketing Board is in Prince Edward Island today to discuss this issue with the tobacco producers in that province. I discussed it with the producers in Prince Edward Island when I was there last week.

I am surprised at the noise the other side is making when they maintain that this is such an important issue. Amendments to the National Farm Products legislation are being drafted. We are advised by the legal authorities that, due to the Charter of Rights, we cannot eliminate anyone from that Act. At the present time some of those people can probably lay claim to being discriminated against because it limits certain products that could use supply and management under that Act. The tobacco producers know that, when amendments are made, all groups, whether they are tobacco producers or whatever, will be included. Mrs. Menzies, the Chairman of the National Farm Products Marketing Board, has authority to hold hearings without any direction from me. However, I did talk to her about it, and she is proceeding along those lines.

* * *

● (1450)

INDIAN AFFAIRS

UNEMPLOYMENT ON RESERVES

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. Four years ago the Minister promised a $345 million economic development fund. It was promised again in 1981, and he and his Cabinet colleagues promised it again in 1982 and 1983. As I believe the Indian people across the country know, not one dollar of that $345 million fund was ever put in place.

Would the Minister confirm that the economic development policies of his Department, along with those of his colleague, the Minister of Employment and Immigration, have created a situation where over the last four years, the level of unemployment among native people on reserves has gone up rather than down?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Mr. Speaker, I thought the Hon. Member was aware that there has been a substantial increase in funding by the Government to the Indian people over the course of the last four years. This is not even taking into account the increase in expenditures emanating from my colleague, the Minister of Employment and Immigration. Millions of dollars have gone into housing alone. One year we tripled the budget for housing. Now it is doubled. The Hon. Member can understand the tremendous employment which that generates, and that is just one item.

I would also indicate that there have been great expenditures in the whole land claim area, which lays an economic underpinning for many of the Indian communities. As the Hon. Member knows. That in turn generates employment.

Ms. Jewett: For whom?

Mr. Munro (Hamilton East): Therefore, I cannot agree with the premise of the Hon. Member at all, Mr. Speaker.

Mr. Fulton: Mr. Speaker, I am sure all Members of this House are aware that the level of unemployment among native people is now between five and six times above the national average.

EVALUATION OF MEGAPROJECTS' IMPACT ON NATIVE PEOPLE

Mr. Jim Fulton (Skeena): My supplementary question, Mr. Speaker, is in the same area. The Minister last year terminated megaproject impact funds. I wonder if he would stand up and tell this House why, even though it has gone through Treasury Board, not one dollar has been released in terms of evaluating projects like Kemano-II, B.C. offshore drilling, the damming of the Stikine River, and Klappan coal? The list goes on all across Canada. As the Minister knows, the World Council of Churches describes the kinds of developments which are going on in norhern Alberta as being genocide. Where is the money? What is all this rhetoric which the Minister is peddling across the country?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): I do not know, Mr. Speaker, about the "rhetoric" I am peddling across the country—

Mr. Nielsen: Neither does anyone else.

Mr. Munro (Hamilton East): —but if the Hon. Member is talking about the economic development fund he should be aware by now, after all this time, that the Minister responsible

is not the Minister of Indian Affairs and Northern Development but rather the Minister responsible for small business.

Mr. Crosbie: No one is responsible. Nothing but excuses.

Mr. Munro (Hamilton East): The Hon. Member might be able to access that fund better on behalf of his constituents if he were aware of the right Ministry, to start with.

Mr. Crosbie: Not even Mr. Trudeau is responsible.

Mr. Munro (Hamilton East): As far as what the Hon. Member is talking about is concerned, it is quite true, Mr. Speaker, that the Indian people in northern British Columbia—

Mr. Crosbie: Eugene Whelan should be responsible.

Mr. Munro (Hamilton East): —do have some very serious problems with regard to the social impacts of various projects taking place there. I can tell the Hon. Member that I have talked to the Indian people as recently as two weeks ago, and it is considered a priority in terms of getting them that type of funding. That is one of the key priorities across the whole nation as far as myself and my Department are concerned.

* * *

FINANCE

FUEL TAX PAID BY FARMERS AND FISHERMEN—REQUEST FOR REMOVAL

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, my question is directed to the Minister of Finance. Two days ago in answering my colleague, the Hon. Member for Brandon-Souris, he asked the farmers and fishermen to share in the burden of taxation when paying the fuel tax as it applied to farmers and fishermen. That, as the Minister knows, generates a 100 per cent profit of $250 million for the federal Government, and is a direct cost of food production passed on to the consumers. Only the Government benefits from this. Will the Minister revise his concept of "sharing" and think of sharing the $250 million profit the Government makes, with consumers, and remove that tax from the farmers and fishermen?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the Hon. Member has a strange notion of taxes. He seems to be scandalized by the fact that taxes mean revenue for the Government. That is what they are by definition. Indeed, there are a number of taxes which bring revenues to the Government. However, we are facing a situation where, in spite of our revenues, we still have a large deficit about which the Hon. Member's Party complains all the time, including today.

Mr. Hnatyshyn: And the "Member from Bay Street".

Mr. Lalonde: I would suggest, therefore, that the Hon. Member should talk to his colleagues and get their act together.

Mr. Hnatyshyn: How about the "Member from Bay Street"?

Mr. Lalonde: Do those Hon. Members want to have a larger or a smaller deficit? They do not seem to be able to get their acts together at all. I would also like to tell the Hon. Member that he should mention in his question the large amounts of money which the federal Government is transferring to farmers in the form of grants or support for their activities. I have indicated that these amounts are in excess of a billion dollars this year—and that is not bad—from the federal Government.

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ABORIGINAL RIGHTS

INUVIALUIT AGREEMENT—STATEMENT ATTRIBUTED TO MINISTER OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Mr. John McDermid (Brampton-Georgetown): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development, if I can get his attention. The Inuvialuit agreement which has been negotiated, and which has been cleared through Cabinet, is now going through the ratification procedure with the Inuvialuit in the Northwest Territories. The Minister, I believe, on the weekend said, and I am paraphrasing, "If you do not accept this, you are not going to get anything". Does the Minister not think, Mr. Speaker, that that is a form of blackmail, forcing the Inuvialuit to accept this agreement, because he said if it is not accepted there would be no renegotiation of the agreement?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Mr. Speaker, I do not remember saying—and I see he has a press release from me in his hand—"you are not going to get anything".

Mr. Epp: It is probably someone else.

Mr. Munro (Hamilton East): I am prepared to talk to him about various programs of one kind or another. However, if he is referring to the agreement, I would tell him that this is an agreement which the COPE organization wanted, asking me to go to Cabinet to get it approved in terms of the final agreement. This was after working out many problems with respect to the CYI and the Dene Metis, all the overlapping questions, and everything else. We worked it out and got it approved on the terms they were prepared to accept. They have taken it back to get final approval.

Is the Hon. Member suggesting that we should open up an agreement every time there is some difference of opinion? If that were the case we would never get any comprehensive claims settled in the entire Arctic. Of course, it would weaken its position very drastically if the Government indicated it was prepared to be flexible every time we reached a final agreement with the native people on the terms they wanted. If there was no finality to it, it would undermine the whole comprehensive claims process.

Of course, if the Inuit are not prepared to accept the final agreement that their own political organization negotiated, then that is the end of that agreement. I suppose they may want to make representations to me or to the next Government, on starting up some process again, and that can be judged at that time. However, there is one final agreement which has been approved.

Mr. Crosbie: Come on! Speech! Speech!

Mr. Munro (Hamilton East): They asked that it be approved, and it is out there for approval.

Mr. Crosbie: Order.

Mr. Munro (Hamilton East): Surely the Hon. Member would not be suggesting any other course of conduct.

GOVERNMENT'S POSITION

Mr. John McDermid (Brampton-Georgetown): Mr. Speaker, I have just a short supplementary question. I would like to quote the Minister. He said:

—renegotiation of the claim settlement would not be considered by this Government.

Therefore, when the Minister makes a statement like that, does he not see that that is a form of threat to the Inuvialuit who must now take a look at that agreement and decide whether to ratify it or not? Coach him, Pierre!

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Mr. Speaker, I do not know what the view of the Opposition would be on this but, when there is a final agreement, it is a final agreement we are negotiating. We cannot have negotiation going on indefinitely. It is they who want this agreement. Their negotiators agreed with it. It is final.

Mr. McDermid: Why do you make threats like that?

Mr. Munro (Hamilton East): It is not a threat, Mr. Speaker.

Mr. McDermid: Sure it is.

Mr. Munro (Hamilton East): The problem with the Hon. Member is that he is so lacking in intelligence, he cannot make a distinction—

Some Hon. Members: Oh, oh!

Mr. Crosbie: You are seeing red, John.

Mr. Munro (Hamilton East): —between reality and a threat.

Oral Questions

THE ADMINISTRATION

ATTENDANCE OF MINISTER OF EMPLOYMENT AND IMMIGRATION DURING QUESTION PERIOD

Mr. Jim Hawkes (Calgary West): Mr. Speaker, in the absence of the Minister responsible for manpower and immigration, I would like to ask the Prime Minister if he can tell the House whether or not he considers the fact that the Minister of Employment and Immigration, day after day arrives in this House at 2.30 p.m. and leaves by 2.55 p.m., is a satisfactory performance in terms of—

Mr. Speaker: Order. Order. The presence or absence of Hon. Members in the House is not usually the subject of comment. The Hon. Member for York-Peel.

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POLITICAL PARTIES

LIBERAL PARTY LEADERSHIP CAMPAIGN—DESCRIPTION OF LIBERAL BACKBENCHERS BY MINISTER OF STATE FOR SCIENCE AND TECHNOLOGY

Hon. Sinclair Stevens (York-Peel): Mr. Speaker, my question is directed to the Minister of State for Science and Technology. The Minister will recall that on April 19 he said that Liberal backbench Members of Parliament were voting robots. Would the Minister indicate to the House if that scientific observation meant that he felt that they had some use in the industrial world?

Some Hon. Members: Oh, oh!

Hon. Donald J. Johnston (Minister of State for Economic and Regional Development and Minister of State for Science and Technology): Mr. Speaker, the Hon. Member should have heard what I said about the Members of Parliament on the other side of the House.

* * *

● (1500)

AGRICULTURE

NATIONAL MARKETING BOARDS—APPLICATION OF CHARTER OF RIGHTS AND FREEDOMS

Hon. Jake Epp (Provencher): Mr. Speaker, my supplementary question is directed to the Minister of Agriculture. In an earlier answer today the Minister of Agriculture left the impression that for those farmers who produce products under national marketing boards there is a question relative to the Charter of Rights and Freedoms as to whether they are in violation of the Charter. Is that the interpretation which the Minister places on the Menzies exercise?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, in our discussions regarding amendments to the Act we were speaking about allowing certain products to be in the Act. Our legal adviser said we could not do that, that it would have to be

left wide open so that farmers, producing any product and who wanted to enter into a national scheme, would be able to do so.

* * *

PENITENTIARIES

ROLE OF PAROLEE IN RECAPTURE OF ESCAPED SEX MURDERER

Hon. Allan Lawrence (Durham-Northumberland): Mr. Speaker, my question is directed to the Solicitor General. I believe the allegations made in Montreal today have been brought to his attention regarding Strangler Bill Boden, who was arrested the other night in a bar solely and simply because of information given to the police that Boden was there, by an ex-convict. Earlier, that ex-convict had been approached in the bar to determine whether a gun could be obtained for Boden. That particular ex-convict was out on parole. Apparently, he has now been detained and his parole is in jeopardy.

My question to the Solicitor General is: has he investigated the matter? Does he think it fair that a convicted sex killer can treat his art instructor at an expensive restaurant and almost manage to escape, whereas an ex-convict, who believes in attempting to prevent bloodshed, is now in danger because of his actions in bringing information to the attention of the police?

Hon. Bob Kaplan (Solicitor General of Canada): Mr. Speaker, I regret that the Hon. Member was unable to take the trouble to attend the Justice Committee meeting last night because a lot of the information which he requested was covered at that meeting. I certainly expressed my opposition to Boden being out on an escorted temporary absence, and indicated the steps that would be taken in that regard.

As far as the source of information leading to Boden's apprehension is concerned, according to newspaper articles and the information that I have, it was an anonymous tip. I can assure the Hon. Member that I do not consider it proper to suspend someone's parole solely because they co-operated with the police. If that is his allegation, I agree with him. I have requested a report on it. I would want to know if his parole was suspended, and whether there were valid reasons for doing so, other than the reasons which the Hon. Member has suggested.

* * *

PETITION

MR. BRADLEY—TAXATION OF TOBACCO PRODUCTS

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Haldimand-Norfolk (Mr. Bradley) on Tuesday, May 8, 1984, meets the requirements of the Standing Orders as to form.

POINTS OF ORDER

MR. BLAIKIE—SUPPLEMENTARY QUESTION OF MR. KEEPER

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I rise on a point of order relating to the question asked by the Hon. Member for Winnipeg-St. James (Mr. Keeper) and your ruling that his supplementary question was out of order. As you, Mr. Speaker, know, it has been quite acceptable in the past for Members to ask supplementary questions of a Minister other than the Minister to whom they asked their first question.

Some Hon. Members: Order, order.

Mr. Blaikie: My point of order, Mr. Speaker, is that if you intend to change that practice you owe it to the House to give Members some notice. When Members rise to ask a supplementary question—and they have traditionally done so without any interference by the Chair—they should have some expectation of what your ruling will be. Mr. Speaker, if you have changed the rules with regard to Question Period and now regard it differently from what has been the practice in this House, would you kindly enlighten us as to what you have in mind?

Mr. Speaker: In quoting from Beauchesne's Fifth Edition—

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order.

Mr. Speaker: Order, please. The Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) has raised a point of order on which the Chair will rule. Subsequently, other Members will be recognized.

The point raised by the Hon. Member relates to supplementary questions. In Beauchesne's, Citation 371 reads in part:

> The extent to which supplementary questions may be asked is in the discretion of the Speaker.

That has been established for some time. The Chair is concerned with the growing practice in the House of raising questions which are not supplementary and which are directed to another Minister. In some situations it is very difficult for the Chair to make a decision, especially as the Chair must do so on the spot.

However, as a general rule, a supplementary question should be asked of the Minister to whom the original question was put. There are exceptional circumstances where there is a shared responsibility, or where perhaps the Minister indicates that it is not his responsibility but some other Minister's responsibility. There are circumstances in which the Chair will respect that practice. The Chair is attempting in Question Period to discourage the practice of asking different questions of different Ministers.

In this particular situation the Chair will review *Hansard* carefully. If there are grounds, with respect to the Hon. Member for Winnipeg-St. James, for recognizing that the two Ministers had a shared responsibility, then the Chair will review the situation. It is not the intention of the Chair to discourage supplementary questions, but the Chair will dis-

courage supplementary questions which are not supplementary but additional questions.

Mr. Hnatyshyn: Mr. Speaker, I appreciate very much the opportunity to address this matter briefly. I understand the spirit in which you have addressed your remarks.

Some Hon. Members: Sit down.

Mr. Hnatyshyn: The Speaker has not yet—

Mr. Speaker: Order. The Chair is prepared to accept some brief interventions at this time, but they must be brief. I will certainly hear the House Leader for the Official Opposition on the matter. But the Chair has indicated the views and the procedures that, in the opinion of the Chair, should be observed in the House.

Hon. Ray Hnatyshyn (Saskatoon West): Thank you, Mr. Speaker. The point which I would like to make very briefly is that I appreciate very much that it is within your discretion to allow supplementary questions to be put. There is no question about that. I would like to assist you by saying that in making your assessment of whether a matter is an appropriate supplementary question, it should not be based upon whether it is addressed to one Minister and only one Minister but, rather, it should be based on the subject matter. A supplementary question can indeed affect more than one Minister in dealing with one particular topic.

Accordingly, the citation from Beauchesne's to which you referred states that supplementary questions are within the discretion of the Speaker. But this refers only to the extent to which supplementary questions may be asked. The citation referred to by Your Honour indicates that supplementary questions may be addressed to "a" Minister, not "the" Minister, not the Minister to whom the original question was posed but to a Minister.

I fully understand, Mr. Speaker, that it is your responsibility to ensure that the questions are indeed supplemental. I take no argument or issue with that particular point. However, the concern which I have, and which I think Hon. Members of my Party have, is that you were making a ruling that Members may not ask a supplementary question of a Minister other than the one to whom it was first addressed.

Mr. Speaker: The Chair is perfectly clear. The general rule is that the supplementary question should go to the same Minister. There are circumstances—

Some Hon. Members: No, no.

Mr. Pinard: Mr. Speaker, I rise on a point of order—

Mr. Dick: You are not a dictator yet.

Mr. Speaker: I am sure the Hon. Member for Lanark-Renfrew-Carleton (Mr. Dick) will want to think about that a little bit.

The Chair is indicating a general rule. The Chair is making it quite clear that there are circumstances in which there is a shared responsibility between Ministers, or in which a Minister may indicate that he does not have the responsibility and that the question should be directed to another Minister. There are situations in which supplementary questions can be directed to another Minister, but they should be supplementary—as the Hon. Member for Saskatoon West (Mr. Hnatyshyn) has clearly stated—arising out of the question which was asked. That is the key. As a general rule, it does not give the Hon. Member asking the question licence to go hunting and to ask questions of any Minister who happens to be in the House.

Some Hon. Members: Hear, hear!

Mr. Hnatyshyn: Point of order—

Mr. Speaker: I have heard the Hon. Member for Saskatoon West. There are one or two other Members who would like to speak. The Hon. Member and I do not have much difference of opinion on the subject, if any. The Hon. Member for Simcoe North.

Mr. Doug Lewis (Simcoe North): Thank you very much, Mr. Speaker. Based upon the year and a half in which I organized Question Period, I would like to suggest that we can only agree with your submission that it has to be by subject matter. However, I urge on you the view that there are often occasions when the subject matter is the same but it comes down to what you just said, a shared responsibility among Members. It is our right and duty to ask questions, and often we have to use that tactic. I urge upon you that that tactic continue to be allowed.

• (1510)

Mr. Speaker: If there is an additional point of order, the Chair will recognize the Hon. Member for Winnipeg-St. James.

Mr. Keeper: Mr. Speaker, I think it is important that I be heard on this question.

Mr. Pinard: Why?

Mr. Keeper: Since the ruling directly affects my behaviour in this House.

Mr. Speaker: The Chair has indicated it will review *Hansard* carefully with regard to the Hon. Member. I suggest the Chair will be quite prepared to listen privately or discuss—

Mr. Keeper: Privately?

Mr. Speaker: Order, please. The Chair has made a ruling with respect to the Hon. Member. The Chair is prepared to review *Hansard*. As I have indicated, they are close and difficult situations to call. The Chair does not wish to violate the rights or privileges of any Member of the House, but in the interests of everyone there has to be more discipline in terms of the nature and scope of the supplementary questions which have been asked. The Hon. Member for Regina West (Mr. Benjamin).

Point of Order—Mr. Blaikie

Mr. Keeper: Point of privilege.

Mr. Speaker: The Hon. Member for Regina West has been recognized.

Mr. Keeper: A point of privilege.

Mr. Dick: Privilege is first.

Mr. Les Benjamin (Regina West): Mr. Speaker, I submit that the Chair is perfectly in order to rule Members out of order when they are trying to bootleg a question on a different subject matter. I submit that it is clear that the precedents and practices of this House, and I have been through three Speakers here over 16 consecutive years—

Mr. Blaikie: And you will be through a few more.

Mr. Keeper: You will be through another one, too.

Mr. Benjamin: The established precedent has always been that an Hon. Member may direct supplementary questions to another cabinet Minister on the same subject matter. I submit that it was perfectly clear today that the question submitted by the Hon. Member for Winnipeg-St. James (Mr. Keeper) was on the same subject matter.

Mr. Speaker: The Hon. Member will realize, since he has put in 16 years—and the present occupant of the chair has put in just a little more than that—that he is reflecting on a decision of the Chair, and he cannot do so.

It appears that there is no fundamental difference of opinion. I have tried to indicate the general guidelines I will attempt to observe. I have also said to the Hon. Member for Winnipeg-St. James that I will review *Hansard* and the subject matter. If the Chair has done him an injustice, the Chair will make note of it. But the Hon. Member will at least, I am sure, allow the Chair an opportunity to reflect, as he may himself.

Mr. Keeper: On a point of privilege.

Mr. Speaker: The Hon. Member for Winnipeg-St. James says, "privilege". Privilege is a very special matter. If he wishes to argue privilege, will he argue his point of privilege?

Mr. Cyril Keeper (Winnipeg-St. James): Mr. Speaker, I could just as well argue a point of order if you would allow me to be heard. That is the basis of my point of privilege. You have ruled with regard to the admissibility of my supplementary question without even hearing what I have to say. I consider that to be a derogation of my privileges as a Member of Parliament.

Mr. Speaker: The Hon. Member should realize that he is not establishing a case of privilege. The admission of a supplementary question is within the discretion of the Chair. The Chair made a decision not to allow a supplementary. There is no appeal from that, and it is not a matter of privilege.

The Hon. Member for Athabasca.

MR. SHIELDS—VISITORS BARRED ENTRY TO MEMBERS' GALLERY

Mr. Jack Shields (Athabasca): Mr. Speaker, mine is a different point of order. The Treaty Six Alliance members of the Coalition of First Nations are in Ottawa this week. In fact, they are guests of mine in the Gallery today. They were stopped at the front door and not allowed to proceed to the Gallery area even though each had in his possession a guest pass signed by myself. I am wondering if there has been some change in the rules, or could the Speaker look into this situation for me?

Mr. Speaker: The Chair will certainly give an undertaking to the Hon. Member that the situation will be investigated.

Mr. Blaikie: A point of order, Mr. Speaker.

Mr. Speaker: The Hon. Member for Winnipeg-Birds Hill on a point of order.

MR. BLAIKIE—PRESS CONFERENCE OF MR. BLAIS

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, my point of order relates to the fact that, as I understand, the Minister of National Defence (Mr. Blais) is at this moment having a press conference concerning the incident which occurred in the Quebec Legislature yesterday. I would like to submit that if the Minister had something to say about this very important issue, particularly something which affects Parliament and its security, he ought to have had the decency and procedural integrity to make that statement in the House.

Some Hon. Members: Hear, hear!

Mr. Speaker: The Hon. Member knows he does not have a point of order. We have not yet proceeded to Statements by Ministers, which would be an appropriate time for a Minister to make a statement.

Mr. Blaikie: A point of order, Mr. Speaker.

Mr. Speaker: The Hon. Member did not establish a point of order. Does he have another matter?

Mr. Blaikie: Mr. Speaker, it is very difficult to make a statement in the House in the time allocated for Statements by Ministers when you are down in Room 130-S talking to the press, so let's not kid around.

Mr. Speaker: I suggest the expression "not kidding around" applies two ways. The Hon. Member for Calgary West.

Mr. Hawkes: Mr. Speaker, I have been given some special responsibilities by my Party to hold a particular Minister accountable. That Minister is responsible—

Mr. Speaker: The Hon. Member is not making a point of order.

Mr. Dick: A point of order.

Mr. Speaker: The Hon. Member for Lanark-Renfrew-Carleton.

MR. BLAIKIE—SUPPLEMENTARY QUESTION OF MR. KEEPER

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I was wondering if perhaps the Speaker could assist me in one area of the point of order dealing with supplementary questions. I understand that the criterion for a supplementary is that it be on the same subject matter rather than that it be put to the same Minister. Now that that has been established, I was wondering—

Mr. Speaker: The Hon. Member is raising a matter that we have discussed at some length today. I would be quite prepared to reply privately or in other circumstances to the Hon. Member, but the matter has been dealt with today.

Mr. Benjamin: No, it has not.

Mr. Hnatyshyn: Mr. Speaker, may I rise on a new point of order?

Mr. Speaker: If the Hon. Member has a point of order, will he please state it?

Mr. Dick: Thank you. If you would give me an opportunity to speak, I will, Mr. Speaker.

Some Hon. Members: Oh, oh!

Mr. Dick: I prefaced my remarks by saying what I understood you to say, and I wanted to make sure I was not in error. I was wondering how, in circumstances where you do not even listen to the question, you would know what the subject matter was?

Mr. Speaker: The Hon. Member should know better.

Mr. Dick: It is true.

Mr. Speaker: Presenting Reports from Standing and Special Committees.

ROUTINE PROCEEDINGS

[*English*]

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

PRESENTATION OF FOURTH REPORT OF STANDING JOINT COMMITTEE

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Mr. Speaker, I have the honour to present the fourth report, Statutory Instruments, No. 23, of the Standing Joint Committee on Regulations and Other Statutory Instruments, in both official languages.

Petitions

PETITIONS

MR. ALLMAND—THREAT TO PEACE IN CENTRAL AMERICA—CANADA'S POSITION

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, I have a petition with respect to Central America signed by thousands of Canadians to the honourable the House of Commons in Parliament assembled. The petition of the undersigned residents of Canada, who now avail themselves of their ancient and undoubted right thus to present a grievance common to your petitioners in the certain assurance that your Honourable House will therefore provide a remedy, humbly sheweth that global peace is threatened by the growing conflict in Central America. Central America is being turned into a war zone by the arming of privileged elites against the pressures of social change. Canada, by taking decisive public action, can reinforce the threatened prospects for peace. Peace in Central America must be founded on the basis of non-intervention and self-determination, and that Canada can and must do more than praise the Contadora peace initiative. Militarism, repression and—

Mr. Speaker: The rules regarding petitions do not permit the reading of a lengthy petition. Would the Hon. Member state the purpose of his petition?

• (1520)

Mr. Allmand: Mr. Speaker, I must say that I cleared this beforehand with certain officials and was led to believe that this was proper. However, if you wish, I will get to the conclusion of the petition.

Therefore, your petitioners humbly pray that the House of Commons will recommend that the Prime Minister state publicly and clearly Canada's unequivocal opposition to the United States military intervention in Central America; press publicly for immediate concrete initiatives to demilitarize Central America, including the end to all foreign military aid, the withdrawal of foreign military forces, and an end to the covert war against Nicaragua; urge the United States to open unconditional negotiations with the opposition in El Salvador; suspend Canadian bilateral aid until Honduras renews its neutrality; establish a Canadian embassy in Managua; and initiate immediate and sizeable humanitarian and bilateral aid.

MR. HALLIDAY—MEASURES TO COMBAT PORNOGRAPHY

Mr. Bruce Halliday (Oxford): Mr. Speaker, it is my privilege and duty to present a petition signed by residents of the town of Tillsonburg and the surrounding area who call for stricter laws governing pornography. This petition is signed by over 4,000 men and women, Mr. Speaker. I would urge the House to bear in mind their concerns.

MR. MITGES—COMPENSATION TO JAPANESE CANADIANS INTERNED DURING WORLD WAR II

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, I am pleased to present a petition from the Grey presbytery of the United

Church of Canada, which represents 8,000 members and 36 congregations of the United Church of Canada within Grey County in Ontario. Its members would like the federal Government to apologize formally and to make appropriate compensation to those Japanese Canadians who suffered during Word War II as a result of being uprooted by the federal Government with a loss of their property, lands and many other possessions.

MR. COOPER—CUTBACKS IN FUNDING FOR HANDICAPPED

Mr. Albert Cooper (Peace River): Mr. Speaker, I have the privilege to present a petition to the House on behalf of a number of people from the Peace River country who are particularly concerned that funding has been cut back for a program which was providing job opportunities for mentally and physically handicapped people in that area. Their particular concern is that the Minister responsible, the Minister of Employment and Immigration, has become increasingly invisible and partisan in his handing out of funds. They are wondering why they cannot have funds for this simple project.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Leonard Hopkins (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, the following questions will be answered today: Nos. 384, 409, 410 and 769.

[*Text*]

YOUNG OFFENDERS ACT

Question No. 384—**Mr. Howie:**

What is the estimated cost to (a) Canada (b) the provinces of the adoption of the uniform maximum age of 18 years under Young Offenders Act?

Hon. Bob Kaplan (Solicitor General of Canada): The federal Government is currently involved in detailed negotiations with the provincial governments concerning federal financial assistance to juvenile justice services administered by the provinces. Estimates of the costs to, (a) Canada, (b) the provinces, of the uniform maximum age provision of the Act will not be available until these negotiations are concluded. The initial evaluation by the federal Government of the cost impact of the legislation indicates that the Act will not result in an untoward increase in over-all criminal justice costs for either Canada or the provinces.

STUDIES RELATING TO INCARCERATION OF CRIMINALLY INSANE

Question No. 409—**Mr. Howie:**

Did the Solicitor General undertake any studies relating to the incarceration of criminally insane persons and, if so (a) were these studies conducted by outside consultants (b) in what time frame were the studies to be conducted (c) was any amount allocated to the studies and, if so, what amount?

Hon. Bob Kaplan (Solicitor General of Canada): No. (a) to (c) Not applicable.

Question No. 410—**Mr. Howie:**

Did the Minister of Justice undertake any studies relating to the incarceration of criminally insane persons and, if so (a) were these studies conducted by outside consultants (b) in what time frame were the studies to be conducted (c) was any amount allocated to the studies and, if so, what amount?

Hon. Mark MacGuigan (Minister of Justice): The Ministry of Justice has undertaken several studies dealing with criminally insane persons. The main effort in this area in the mental disorder project which began in the fall of 1982 as part of the Criminal Law Review. This study involves research on both the legal and social science areas relevant to the mentally disordered offender. Following the publication and distribution of a discussion paper last summer, extensive consultations were conducted with provincial governments, with major national and provincial organizations and associations, and with Lieutenant Governors' Advisory Review Boards. At present, officials within the Department of Justice are formulating recommendations based on the information obtained through research and consultations.

In addition to departmental study, outside consultants have been retained. A complete list follows under the heading mental disorder project. In addition to this extensive study a number of smaller projects relating to the mentally disordered offender have been sponsored by this department. This list, entitled "Discretionary Federal Projects—Mental Disorder", follows as well.

Mental Disorder Project

(a) Contractor	(b) Term	(c) Amount	Description
David Weisstub	March-June/84 (inclusive)	$ 4,500.00	To provide policy advice on request on legal/psychiatric questions.
Lionel Béliveau	March-June/84 (inclusive)	$ 1,500.00	To provide practical advice on the problems encountered in the administration of the criminally insane in psychiatric institutions.
Ontario Dept. of Health (secondment of an officer)	Mar. 1/83 to Feb. 29/84 plus extension to May 31/84	$26,377.00	To provide administrative assistance to Mental Disorder Project.

Ontario Dept. of the Attorney General (secondment on part-time basis)	Sept. 1/82 to Aug. 31/83 plus extension to Mar. 31/84 (2 days/wk)	$39,000.00	To assume the responsibilities of Chief of the Mental Disorder Project.
Gilbert Sharpe	Sept. 5/82 to Sept. 4/83 plus extension to Mar. 31/84	$86,565.00	To provide professional advice and services; to cover costs of operating Mental Disorder Project office in Toronto.
Marc Schiffer	Jan. 7/83 to Mar. 1/83 plus extension to Mar. 1/84	$12,794.50	To prepare background and consultation documents for the Mental Disorder Project.
Shari Stein	Nov. 8/82 to Dec. 3/82	$ 8,344.00	To prepare background and consultation documents for the Mental Disorder Project.
Gerry Ferguson	May 15/82 to Sept. 1/83 Jan. 21/83 to Mar. 31/83	$18,870.70	To prepare study papers for the Mental Disorder Project.
Larry Gostin	March 26/83 (one day)	$ 300.00	To provide information on the operation of the English law relating to Mental Disorder.
Georges Levasseur	July 7/82 to July 30/82	$ 4,750.00	To prepare a critique of the federal criminal law policy paper.
	Mar. 18/83 to April 30/83		To prepare critique of the Canadian criminal law as it stands and to summarize French law regarding sentencing and third party intervention in criminal cases.
David Lepofsky	Oct. 4/82 to Nov. 30/82	$ 4,830.00	To prepare background and consultation documents for the Mental Disorder Project.
Norris & Norris	April 18/83 to July 18/83	$15,437.07	To prepare a written summary of and analysis of American research and recent legislative reform relating to Mental Disorder in the Criminal law context.
Michael Phillips	Feb. 18/82 to Feb. 15/83	$21,400.00	To conduct a demographic survey of Ontario's Lieutenant Governors' Warrant patients.
Alan Mewett	Mar. 3/83 to Mar. 3/84	$ 1,060.00	To provide policy advice on request regarding legal aspects of the Mental Disorder Project.

Discretionary Federal Projects—Mental Disorder

(a) Contractor	(b) Term	(c) Amount	Description
Canadian Mental Health Assoc.	Dec. 1/83 to June 30/84	$24,500.00	Research project to develop education materials in relation to the Charter of Rights and Freedoms for psychiatrically disabled persons
Canadian Legal Advocacy, Information and Research Assoc. of the Disabled	Dec. 23/83 to Apr. 30/84	$28,000.00	National Symposium on the Self-Determination and Autonomy of People with Disabilities (includes every form of disability)
Canadian Legal Advocacy, Information and Research Assoc. of the Disabled	Mar. 1/83 to Feb. 15/84	$14,000.00	Research related to s. 15 of the Charter of Rights and Freedoms
National Legal Resources Service of the Canadian Association for the Mentally Handicapped	Nov. 1/83 to Aug. 31/84	$19,500.00	Implications of the Charter for the Mentally Handicapped
Tenth International Congress on Law and Psychiatry	June 14-17 1984	$14,500.00	Deficit funding for the International Congress

DVA—GRANTS OR LOANS TO ROYAL CANADIAN LEGION

Question No. 769—**Mr. Towers:**

1. Is the Government contemplating making grants or low-interest rate loans to those branches of the Royal Canadian Legion wishing to build a facility for veterans?

2. Is any financial assistance now available to branches of the Legion and, if so, what assistance?

3. Does the Department of Veterans Affairs draw on the local insight of Legion branches for information on current national programs and, if so, by what means?

Hon. W. Bennett Campbell (Minister of Veterans Affairs): 1. No.

2. The Department of Veterans Affairs provides an annual grant of $9,000 to the Dominion Command Royal Canadian Legion. The purpose of this grant is to assist the Royal Canadian Legion in the administrative costs associated with the operation of the Legion Service Bureau.

3. Yes. Through departmental participation at zone, provincial and national Royal Canadian Legion conventions and through regular contact between Branch Legion Service Bureau officers and departmental field representatives, considerable insight is gained on local concerns regarding national programs. Department of Veterans Affairs Regional and District offices have a continuing responsibility to maintain good liaison with the Royal Canadian Legion and all veterans organizations in their area.

[*English*]

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

Mr. McKinnon: Mr. Speaker, I rise on a point of order once again to ask when the Parliamentary Secretary will be able to provide a reply to Question No. 368, which deals with the increase in the defence budget for each fiscal year from 1970-71 to 1979-80.

I would like to point out that that question is now three years out of date because it has been over three years since I asked the question. There is no reason in the world that the Department of National Defence cannot produce the answer to that question. A long line of Parliamentary Secretaries have promised they would do something about it. I hope forever that each new one, as he comes along, may indeed fulfil his promise.

Mr. Hopkins: Mr. Speaker, the representation has been noted.

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

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Leonard Hopkins (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

INSOLVENCY ACT

MEASURE TO ESTABLISH

Hon. Judy Erola (Minister of Consumer and Corporate Affairs) moved that Bill C-17, an Act respecting bankruptcy and insolvency, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

She said: Mr. Speaker, the House is now asked to proceed with the second reading of an extremely important piece of legislation and to refer it to committee. As I am sure Hon. Members know, the proposed revamping of our bankruptcy and insolvency legislation has been in the making for quite a number of years, long before I came to the House. In fact, it has been some 18 years, depending upon when one started counting.

Although Bill C-17 is the sixth Bill on bankruptcy presented to Parliament, it is the first time that, as current sponsor of this particular Bill, I have the opportunity to address the House on it. In the previous session of this Parliament, a predecessor Bill, Bill C-12, was well under way. Second reading had taken place in the House, with an extensive explanation of the content of the Bill given by my predecessor, who is now the Minister of Labour (Mr. Ouellet). Good, substantial speeches were made at that time by Hon. Members on both sides of the House.

The Bill was finally referred to the House Standing Committee on Finance, Trade and Economic Affairs late in September, 1983. The Finance Committee was quick to start its study of the Bill. On October 25, I was the first witness. Soon thereafter, departmental officials were heard. The committee was then poised to start hearing from some of the numerous associations which had expressed interest in the Bill. Unfortunately, before it could do so, the first session of the present Parliament came to an end and Bill C-12 died on the Order Paper.

I think it would be a shame, Mr. Speaker, if the unbelievable amount of work done to date were to come to nothing. I am very pleased that I was able to re-introduce the Bill as soon as possible in the present session, on January 31. That is the Bill now before us. Unfortunately, it did not move too quickly because there was no agreement at that time from the New Democratic Party to bring it forward. That agreement has now been reached as a result of some very effective work done in committee the other day, and we now have the Bill before us.

I do not intend to speak at length on the content of the Bill because I stand behind everything my predecessor said in the House on May 19, 1981 when he spoke on second reading of Bill C-12. With the co-operation of Hon. Members on the other side, I am anxious for the Bill to go before the Finance Committee for a good public debate to take place there on the many concepts contained in the Bill. I am told that the steering committee is already poised to move in this direction as soon as the Bill clears the House.

To all intents and purposes, the Bill which is before us today is exactly the same as the last Bill, but with some technical amendments which were approved in the session that was held prior to the Bill dying on the Order Paper. You will also notice, Mr. Speaker, that the French text of the current Bill is quite different from that of its predecessor. It expresses in better French what the first text was saying. I am told that the language is now quite precise and indeed quite eloquent and elegant.

I would like to say a word about some provisions which you will not find in Bill C-17 as it now stands. Additional provisions have been drafted which I propose to table when I appear before the committee. They deal with measures which, in my opinion, will improve the lot of some of our citizens who must be better protected in bankruptcies and insolvencies. Hon. Members know that I am talking of wage earners, suppliers and farmers.

An Hon. Member: What about fishermen?

Mrs. Erola: Yes, fishermen are included as well. Fishers, be careful. I know there is not unanimity in or outside of the House to—

An Hon. Member: Fishers is not a word.

Mrs. Erola: Yes, it is a word which exists. It was indeed a biblical term.

• (1530)

I am asking Hon. Members opposite to make it possible for this Bill to go to committee so that there may be an opportunity to disclose publicly the approach that I want to follow. Of course, Members will be free to agree or disagree with my approach on some of the details of the Bill, but this will advance the debate and eventually enable us to put the best insolvency Act possible on the statutes to respond to the needs of our times.

While Bill C-17 is a good Bill, I welcome proposals for improvements. Many of its numerous provisions represent a reasonable compromise between opposed interests. Indeed, every word of the Bill has been debated at great length in many forums. In fact, at the moment while I am speaking a seminar is being held by the Canadian Insolvency Association of Toronto at which the representatives of, I believe, six organizations that represent thousands of people will be expressing their views on this Bill. Of course, they are anxious to appear before the committee.

I agree that not everyone is pleased with each of its measures, but if one believes that the Bill should not be proceeded with at all for that reason, it would be a great disservice to our society. Therefore, I urge both Opposition Parties to support this Bill and let it proceed to committee without further discussion in the House. Let us get on with the new Act dealing with bankruptcy and insolvency because it is long overdue.

Insolvency Act

Mr. Chris Speyer (Cambridge): Mr. Speaker, the Minister has stated that the new insolvency Bill is a good piece of legislation. By and large I agree with her, and therefore, since it was introduced as Bill C-12, our Party has given the utmost co-operation in seeing that the legislation is passed.

Although there are many areas in the provisions of the Bill with which I disagree, I have received the assurance of the Minister that amendments will be heard after experts have been called. I believe that all sides of the House want to see Parliament draft the best possible Bill.

One of the great reservations that I have with respect to this process and the tremendous amount of work that has gone into this Bill is that for at least 15 years assiduous work has been done in drafting the new legislation, which is of great social and economic importance. The first bankruptcy Bill was drafted in 1919. The only significant amendments were made in 1949. At that time, there was absolutely no departure from the philosophy of the Bill in 1919.

Modern commercial, economic and social policies have changed dramatically since 1919 and 1949. There is a profound need for us to deal with modern commerce as it exists on the streets. Having said that, the concern that I wish to express applies not only to the bankruptcy Bill but to many other Bills for which the Minister is responsible. She has heard my criticism and I believe that it is valid.

In the last eight Speeches from the Throne we have heard of the Government's intention to put forward legislation with respect to competition. Indeed, legislation does come forward, but there is not the political will to ensure that it becomes reality by being passed into law. We have heard promises with respect to copyright legislation. We have seen important proposals with respect to copyright, but nothing seems to get done. There were promises with respect to the Patent Act, but we will not see it. I hope that we will see amendments made to the Interest Act before the end of this session.

The point is that we are now in the month of May discussing second reading of a Bill which is of great social and economic consequence. This Party wants to see the matter get into committee as soon as possible. We understand our obligation to allow individuals and interest groups to tell Members of the House the good and bad aspects of the Bill. We cannot deny people the right to appear before committees. In this case I am talking about the Canadian Bar Association, which has certain concerns and I am talking about trustees and the Canadian Insolvency Association which the Minister has mentioned. It will take time to hear these views. As well, we must advertise for them to come to the committee. Although many briefs have already been submitted under Bill C-12, other briefs are to follow.

I am pleased and I applaud the fact that we are proceeding with this Bill, but the reality is that by the time the committee commences its meeting, in two or three weeks it will be June. I hope that I am wrong, but I do not foresee this good legislation being passed.

As I have said, we have done everything to co-operate in this regard and I want to see this Bill passed with refinements and amendments. I hope that the Minister is receptive to certain changes to particular measures in the Bill. I hope that it is made law because of its social importance.

Let me give an illustration of why it is socially and economically important. Commerce and the means of banking have changed very dramatically. Until the mid-1960s we were regulated by the Bank Act. Bankruptcies had a certain significance which they do not have today.

Insolvency means going broke. There are three ways of going broke: by formally being declared bankrupt or being petitioned into bankruptcy; by receivership by which the creditor, through a floating charge debenture, is able to realize upon the security of the debtor; and, finally, by simply closing the doors of a business.

The fact is that until the change in the Bank Act in the mid-1960s, banks could only take certain action. According to Section 88 with respect to security, banks were only entitled to take accounts receivable and inventory. Unless there was a default, they could not get any other security. However, with the advent of the change in the Bank Act and the new commercial instrument which is now called the floating charge debenture, a debtor in a commercial enterprise is tied up lock, stock and barrel. Unfortunately, the rights of debtors and unsecured creditors are not sufficiently protected.

This is a lengthy Bill which consists of over 300 pages. If I were asked what the most important pages were, I would say that in my view the five pages pertaining to receiverships represent the most significant commercial advancement that we have made. The reality is that all the big insolvencies in Canada today are not bankruptcies. Many people are not petitioned into bankruptcies but go into bankruptcy in order to extinguish their own liability.

What takes place today is that when a bank calls a note, it realizes upon its security, but not by way of the bankruptcy but by way of a floating charge debenture, which is the chief means by which commercial lenders realize upon their security.

People who are in a secured lending role have certain obligations. Some of the important and beneficial measures in this Bill concern the provisions of Clause 355 under receiverships, which make it incumbent for a creditor to act honestly, in good faith and to deal with the property of a debtor in a commercially reasonable manner. We all know of situations where that has not happened.

I am not talking about the large firms but, regrettably, there are receivers who have acted to the detriment not only of the debtor but also of the unsecured creditor. Items have been sold as if at a fire sale, which has caused, quite properly, a tremendous amount of bitterness to the debtor because he did not receive what was commercially worthwhile. In other words, he did not get credit for the amount of money that should have been due if the receiver had acted in an honest and commercially reasonable manner.

I applaud this particular provision with respect to receiverships. However, there are certain matters with respect to receiverships that I very strongly oppose. One of them is not with respect to the powers of the court to intercede under the provisions of Section 356.2, which I think are good, but with respect to the emasculating provision in subsection 4 which, as I see it, limits the courts' jurisdiction. I hope the Minister—and I have brought this point forward on a number of occasions, and Mr. Goldstein who appeared before our committee was a very impressive individual—will take a look at the provisions of Section 356.4(*a*). That is the provision whereby, in order for the court to intercede, the order would have to affect a creditor materially and particularly. That is a very important emasculating feature of some of the good provisions that are in this Act as it affects receivership. I will be saying more about it in committee, but it is one of my prime concerns.

• (1540)

There are certain matters that I find good about the Bill, Mr. Speaker. I want to speak about the Bill in terms of the matters that I think are socially important. I applaud the abolition of Crown priority. The existence of this priority in the present Act has served, in my view, as the worst disincentive to ordinary creditors becoming involved in a bankruptcy. Presently, creditors do not work to maximize the realization on the assets because the fruits of their toil are applied to Crown assets. I think it is a significant advance with respect to this Bill that we see the abolition of Crown priority.

I am very happy to see consumer bankruptcies treated very much differently from commercial bankruptcies. There is a world of difference between them. In consumer bankruptcies there is a social ingredient that is very important. Anyone who has been to Osgoode Hall in Toronto or has gone to Montreal on discharge day and watched the judicial process with respect to consumer bankruptcies knows that it is just a farce. I am glad to see that that is to be stopped. We are still going to protect the creditor. If there is any wrong-doing by the debtor who is looking for a discharge, the creditor will still have a right to intercede. Otherwise, it will be automatic, and that deals with the realities.

I think also that the consumer arrangements are important. What we might find is that the impoverished debtor will retain a certain sense of self-respect. Instead of declaring bankruptcy with the arrangements that can be made, it may very well be that he would pay off a certain portion of the debt and maintain his own respect rather than declare bankruptcy. There is not the social stigma of bankruptcy in 1984 that there was in days gone by.

Probably two of the matters that will cause the most debate when we get the Bill to committee and that have caused the most debate so far is the question of super priority. I can tell you, Mr. Speaker, that to some of the Members of our caucus to whom I spoke with respect to super priority—and I am talking about the time the insolvency of Maislin occurred and the Bank of Commerce bounced workers' cheques of about $12 million—the question was of great significance. There is no

right and there is no wrong when it comes to priorities with respect to who is going to take the assets of an insolvency or a bankruptcy. We have to make a choice. That is the question. How are those assets to be distributed in an equitable and a fair manner? For reasons which I stated in 1981, our Party has supported the whole notion of super priority. I point out to you, Mr. Speaker, and to other Members in the House that the notion of super priority is not new.

Super priority has been in the Bank Act under what was known as Section 88.5 since I can remember. I now believe it is Section 271. When the banks, prior to 1967, wanted to realize upon the securities, they had to pay the workers. That provision is still in the Bank Act. The whole notion of super priority is not something that really concerns me. But there were certain limitations on what the bank could do, as Hon. Members will recall, with respect to accounts receivable and not really with respect to fixed assets or land.

I must tell the Minister that, as a result of representations made to me and to the committee, there are certain problems about which I am very concerned, namely, super priority as it affects real estate. I think there probably should be a pecking order. This was something suggested by Mr. Goldstein when he testified before our committee with respect to current assets, fixed assets, and real estate. Why it is so important with respect to real estate is that people are entitled in the provinces to rely on a registry office system. They are entitled to take a look in the registry office at the books and to make their judgments based upon what is in public documents. I can foresee circumstances where, if real estate is not exempt, we could get ourselves into some serious trouble. But I am not an expert in this particular matter. I am prepared to listen to experts. I want to hear what the Canadian Bar Association has to say with respect to this. I want to hear what the Insolvency Association of Canada has to say. I am sure the Minister will have an open mind so that we can make this particular area, super priority, a workable feature in this Bill.

There is one other area that gives me concern with respect to super priority, and that is, the stipulated amount of $4,000. We have had a great deal of criticism with respect to that, especially concerning labour intensive industries. Again, I am very anxious to hear what witnesses will have to say. I can say that our Party has an open mind with respect to the quantum amount.

There is one other area that gives me some personal concern. It has to do with the right of suppliers to take their goods within ten days of an insolvency. I understand the rationale for that, but I am not sure one can set an arbitrary date. I know that under the law of the provinces title passes under the Sale of Goods Act at a certain point in time, usually at the time the contract is entered into or on other occasions at the time of the delivery of the goods. However, what I am really concerned about is the intermingling of goods. How can you say to a person, who might have sold his goods nine days prior to the insolvency, that he can have those goods back, but say to another person who sold his goods 15 days before that he cannot do so? I want to hear also what experts have to say concerning whether or not this is commercially workable.

There are so many areas in this long and complex Bill that I would like to speak about, but I will not do so today because I do not think it is necessarily appropriate. What I want to tell the House, the Minister and the country is that there is an urgent need, in my view, to pass new insolvency legislation. The Minister will know from our conduct in the past that we as a Party have done absolutely nothing to obstruct this Bill. As a matter of fact, the converse has taken place. We want to see this Bill passed into legislation. We want it to be a reality. The only thing I ask the Minister is to keep a very open mind on many of the amendments which this Party will put forward so that all of us in this House can make a significant contribution on an important piece of economic and social legislation.

My friend and colleague from Bruce-Grey will be speaking today concerning certain important features involved in the amendments which the Minister will present dealing with farmers and fishermen. I just want to say that I want to give the Minister some notice that there are certain provisions on court formulated arrangements as they appear in Section 120, on which we will be asking for certain changes. We note under Section 120 that if an insolvency exceeds $1 million, the state has an interest in it and therefore the court has certain powers which it would not have in a private insolvency. I think quite frankly—and this may sound ludicrous to some people—that $1 million is far too low. It probably should be closer to $5 million. The truth of the matter is that insolvencies of $1 million right now are commonplace. I applaud what the Government is trying to do. For example, if a fishing village is going down as a result of the insolvency of a fish-packing plant and there is more than $5 million involved, there should be some type of public interest in it.

● (1550)

I will make certain representations with respect to the amount or the quantum being increased. I will also put forward some amendments with respect to what should be the power of the court as it affects matters of insolvency in excess of $1 million, $5 million or whatever figure is set. These matters are important because I think the court needs guidance.

I practised in the courts for 15 years. One of the criticisms of judges about legislators was that we never said what we thought. We have a duty to be precise. We have a duty to know our own minds. I do not see in this particular area of insolvency the requisite guidance which ought to be given to the court. I know some people practise civil law, however, I come from a common law jurisdiction and I admire precision. As a legislator I want to ensure that the courts understand what is intended by Parliament.

In conclusion, our Party will co-operate in every way. I hope we are not deluding ourselves. I hope we make new insolvency legislation a reality. I say to people who want to testify before the committee that they are welcome. There are many areas in which legislators have to be educated. If we are doing some-

thing which will hinder commercial practice, I want to know about it. On the other hand, we are giving notice to interest groups that we are serious about this important Bill. With that, I will say no more and reserve my more specific comments for committee.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I am pleased to rise to make a few remarks on behalf of the New Democratic Party in debate on this very important piece of legislation. I agree with the suggestions of both previous speakers that change is certainly long overdue in this important area of the law. Obviously the present legislation, the Insolvency Act, which I believe was last changed in 1949, is seriously flawed in a number of important aspects.

The predecessor legislation, Bill C-12, was introduced some three and a half or almost four years ago in the House. As the Minister pointed out, there was considerable debate at second reading of that legislation. A number of my colleagues spoke in the House, expressing their concerns about a number of aspects of the predecessor Bill. As well, the Standing Committee on Finance, Trade and Economic Affairs heard a number of witnesses in the last session and a number of recommendations were made for improvements to the legislation. In January of this year, the Minister tabled Bill C-17, which is currently before the House.

It was of considerable disappointment to many of us to note that Bill C-17, unfortunately, did not reflect in any material respect the very significant criticisms which had been made of Bill C-12. There were no significant improvements, for example, in the area of the protection of workers' wages. There were no significant improvements with respect to the whole question of the position of farmers and fishers, as the Minister refers to them, in the event of a bankruptcy.

For those reasons it was obviously important, before agreeing to facilitate speedy passage of this important legislation to committee and effectively giving the Minister a *carte blanche*, to ensure that the Minister was prepared to bring forward badly-needed amendments to the legislation which she tabled in January of this year in a number of important respects. It was for that reason that there has been some delay in bringing the Bill before the House for second reading. As a result of the representations which have been made by this Party, the Minister has made commitments to improve and strengthen significantly a number of key sections of the legislation.

I do not intend to speak at great length on this Bill, but certainly I want to make a few remarks to flag our areas of particular concern as the Bill makes its way to committee, hopefully in the very near future, where there will be an opportunity to hear witnesses.

Perhaps the single most important weakness in present bankruptcy law is the extent to which working men and women who are victims of a bankruptcy are too often left out in the cold, as in most cases banks and other secured creditors swoop in and seize any available assets. In many instances this means that workers, whether they are organized or unorganized, fail to receive anything but a small percentage of the wages and other benefits owing to them. Recently we saw the example of the Maislin bankruptcy in which workers received something like 30 cents on the dollar. That was just in the actual wage package; it did not include benefits. For every Maislin, of course there are many other bankruptcies throughout the land which are not reported and in which workers lose literally thousands of dollars to which they are entitled. I could give many examples of instances of bankruptcy across the country. Certainly the statistics are a matter of public record.

In 1983, the last full year for which statistics are available, there were over 10,000 business bankruptcies reported in Canada. Over 1,000 or 1,279 of those bankruptcies were in the Province of British Columbia alone. It is not just the absolute figures which are of grave concern to all Hon. Members of the House, but the dramatic increase in the number of bankruptcies in Canada in recent years. We know that the failures of the Government's economic policies, whether it be its high interest rate policy or the tremendously high level of unemployment, have contributed to the current levels of bankruptcy. For example, again in the province of British Columbia, in 1981 there were 501 business bankruptcies and in 1982 that number more than doubled to 1,042. The total number of consumer bankruptcies in calendar year 1983 was over 26,000 or close to 27,000. In many of these cases we are dealing not just with the harsh financial reality but with the personal tragedy involved in bankruptcy situations.

In terms of the existing legislation, the single biggest area of concern has to be the failure of bankruptcy legislation to protect adequately the position of workers in a firm which goes bankrupt. I could make the point no more eloquently than by reading from a letter sent to me by one of my constituents, a young man who graduated from Burnaby Central Senior High School in 1982. I will quote from this letter because it sets out very clearly the problem which we as parliamentarians must address in looking at revisions to bankruptcy legislation. It reads as follows:

> During the summer months I entered the work force in hopes of obtaining sufficient funds to attend Simon Fraser University this spring semester. I was able to receive employment with Truwall Construction (Alberta) Limited of Calgary. Truwall met with some financial difficulties and was forced into receivership. I obviously felt bad for all those involved, but felt that reimbursement of wages to employees would most definitely be top priority. Today after several months of correspondence with the Alberta Employment Standards Branch I was rudely awakened to the fact that it was not me, the employee, whose concerns were met with first, but those of the Royal Bank of Canada.
>
> ● (1600)
>
> I find this to be a gross injustice to all those employees, including myself, who were affected in this manner.
>
> I ask you, my parliamentary representative, to assist me with this matter and to explain to me why those least able to defend themselves are hardest hit.
>
> My hopes of paying my own way through university, at least for this year, are futile. My only recourse is to burden my more than willing parents with this.
>
> Please consider my complaint.

That letter, signed by Brad Gilmour of Burnaby, repeats a complaint of thousands of workers all across Canada in the event of bankruptcy who, in many instances, lose long accumulated pension and other benefits as well as wages which are owing to them.

In response to the very serious concerns of workers, the Minister has recommended a system of super priority. She suggested that wages should be placed at the top of the pecking order and that this will adequately protect the claims of workers in the event of bankruptcy.

I would like to take a few moments to indicate why we in this Party believe that while super priority is clearly a step in the right direction, it falls far short of the kind of protection which should be accorded to workers' wages. In raising these concerns, we are echoing the concerns not just of the Canadian Labour Congress, which has carefully examined this question, but of virtually every group and individual who has studied the question. They have all come to the conclusion that a clearly formulated system of wage insurance makes far more sense and guarantees far greater protection for workers' rights than does the system of super priority.

Before addressing that specific concern and that debate, I would like to note that the definition of wages in the Government's Bill falls far short of what is acceptable to this Party and to workers across this country. It is unacceptable that the Government is restricting the definition of wages in such a way as to exclude severance pay and as well to exclude significant benefits, in particular the unpaid pension contributions in private pension plans.

I have here a letter signed by the Minister of Consumer and Corporate Affairs (Mrs. Erola) addressed to Mr. Fred Randall, business manager of the International Union of Operating Engineers with headquarters located in Burnaby. It is an astonishing document. I quote from the Minister's letter:

Dear Mr. Randall:

This is further to your letter dated February 21, 1984, requesting that unpaid pension contributions in private pension plans, which are a part of the wage package, be given the same priority as the wages in the traditional sense.

That possibility has been carefully examined by myself, and by officials of my Department in the past few years. The present Bankruptcy Act seems to protect wages on the basis that they are urgently needed to provide the daily necessities of the unpaid employees and their families. That approach ignores the fact that nowadays, more and more employees trade wage dollars for future benefits and I agree that their rights to a decent income in their retirement years should not be jeopardized.

However, with the great expansion of private pension plans in recent years, I believe it would be imposing a heavy burden on other secured and unsecured creditors. In order to achieve a proper balance between the rights of wage earners and those of other creditors, and to preserve the lines of credit of business enterprises, especially the labour-intensive ones, it was found necessary to exclude, for the time being at least, those benefits from the definition of wages in the proposed insolvency legislation (Bill C-17).

That is an incredible document. On the one hand the Minister acknowledges that more and more workers are trading wage increases for improvements in benefits. In the next breath she suggests that she wants to ensure that the banks are properly looked after. So much for the concerns of the working people, so much for the full and adequate protection for workers' wages. I can assure the Minister that we will be proposing amendments in committee to strengthen and broaden the definition of wages to include these benefits of severance pay and the unpaid portion of private pension plans, all of which have been earned by workers and which should be a first claims in the event of bankruptcy.

I referred earlier to the question of the debate between those who are advocates of super priority and those who are advocates of a system of wage insurance. I know that the Minister and the Official Opposition, the Progressive Conservative Party, have taken a position in support of the super priority scheme. I would note that the super priority concept has been rejected by virtually every independent study which has been conducted, including a study by the Senate Committee on Banking, Trade and Commerce which unanimously recommended that the proposal for super priority be rejected in favour of a carefully drafted system of wage insurance. As well, a special committee was established by the Minister's predecessor to look into the whole question of super priorities versus wage insurance. That was a very respected committee, the representatives of which included a chairman who was a former Superintendent of Bankruptcies and Dean of Law at the University of Ottawa, Mr. Ron Lang. He was a member of the staff of the Canadian Labour Congress. It also included Mr. George Hitchman, the Deputy Chairman of the Bank of Nova Scotia, and Raymond Dufour, Vice-President of a major bankruptcy firm. This is a broadly representative committee. Their unanimous conclusion was a clear and unequivocal rejection of the super priority concept. They strongly recommended the establishment of a wage earner's insurance scheme which would be self-sustaining and which would be maintained by minimal monthly contributions from all employers in Canada with more than six employees. It would in fact be a guarantee that in the event of bankruptcy, workers' wages would indeed be paid.

There are two or three fundamental objectives in ensuring that workers' wages are paid in the event of a bankruptcy. They include certainty of payment, promptness of payment to the wage earner, ease and simplicity of administration, and the maintenance of the ability of a borrower to obtain financing for his business operation. I suggest that on each of these counts the super priority concept falls far short.

With respect to the question of certainty of payment to the wage earner, there is no certainty whatsoever that wages owing to a bankrupt will be paid under a super priority concept. In a number of instances, there will be insufficient assets even if the workers' wages take top priority. In a number of instances, as well, there is no doubt that sophisticated lenders might stipulate that their loans will be made to an associated holding company which owns all of the assets of value, which would once again leave workers out in the cold. I am also very concerned that in response to representations from the bank and possibly from the Conservative Party, the Minister might water down the existing proposals for super priority to exclude all assets, specifically real estate.

• (1610)

We could certainly examine the question of the pecking order, but I would suggest that any attempt to water down even the minimal provisions with respect to super priority would be very rigorously resisted by this Party.

The second concern with respect to a super priority scheme is that there is no guarantee whatsoever that payment to the wage earner would be made promptly. In many instances it would mean protracted legal hassles and disputes before such payments were in fact made. When dealing with workers who have to pay bills on an ongoing, day-to-day, week to week basis, obviously promptness of payment is essential.

Another difficulty is the problem with the administration of this proposal, for example, the allocation of the burden of super priority among various secured creditors. The courts would no doubt be clogged with bitter disputes over the relative burden to be shared by the creditors. Also, while those arguments are taking place, workers once again receive nothing whatsoever.

The final and major concern with respect to the super priority concept is that it may very well have the opposite impact from that which is suggested by the Minister, that is, to reduce the credit which is available in labour-intensive industries and to motivate credit-granting institutions, banks in particular, to pull the plug that much earlier on a firm. That would drive the firm into bankruptcy and throw the workers out of work before they might otherwise lose their jobs.

The clear and unequivocal conclusion of the Landry Committee to which I previously referred—and I might say, it is rare indeed when a committee made up of representatives of the CLC and the banking community are able to agree strongly on a proposal—was that a wage insurance scheme would be the most appropriate way to proceed. That does not mean that we would not be prepared to accept some kind of super priority scheme as an interim measure; but certainly the establishment of a wage insurance scheme such as those which have been successful in a number of other countries—France, West Germany and the United Kingdom—is one of the major amendments which we will be proposing to this important legislation.

I would like to deal very briefly with a couple of other important concerns that we have with the legislation. I will not take the full time allotted to me because I know that my colleagues, the Hon. Member for Humboldt-Lake Centre (Mr. Althouse) and the Hon. Member for Prince Albert (Mr. Hovdebo), would like to have some time to deal with the serious concerns that our Party has with respect to the silence of this legislation on the important question of bankruptcies which are facing farmers and fishermen in Canada. There are record levels of bankruptcies facing the farming community, fishermen and women across the country. Both of my hon. colleagues from Humboldt-Lake Centre and from Prince Albert have been outspoken and have worked very hard to urge the Government to take action on this. The Government should have moved a long time ago with respect to this important question.

Of course, what we are proposing, in essence, is that there be some sort of orderly, formal process whereby heavily indebted producers and farmers can obtain some relief from the threat of losing their farms and their livelihoods as a result of their inability to meet their obligations. This process should include the ability of the courts to step in if the producer is not satisfied that his or her position is being adequately addressed on a purely voluntary creditor basis. The Private Members' Bill which has been studied by the Finance Committee for some time certainly went a long way in that direction. I know that my colleagues will be dealing at greater length with these serious concerns. There must be speedy and effective action on this important question regarding the protection of farmers and fishermen in the event of bankruptcy.

One other major area of concern which has arisen since the tabling of Bill C-12 in this House, and indeed since the tabling of the follow-up Bill, Bill C-17, is the possibility that bankruptcy can be used as a mechanism by the business community to scuttle effectively collective agreements which are in effect. I would like to take a moment or two to explain why we believe there must be amendments to Bill C-17 to ensure that this does not become a reality in Canada.

In the United States, a recent Supreme Court decision has been described by representatives of the building trades in particular, as well as other labour representatives, as licence to use bankruptcy laws to destroy collective bargaining agreements. Effectively, what the United States Supreme Court held was that a bankruptcy court could free a company from its union contracts without requiring any proof whatsoever that the contracts threatened the survival of the company. All the company had to do was to show that the contracts constituted a financial burden. I would note, for example, Continental Airlines in the United States which, on the advent of deregulation, cancelled its union contracts after filing bankruptcy petitions. The pilots went on strike. Continental now has strike-breakers flying planes at something like 55 per cent of the original contract wage. There have already been steps taken in the United States Congress to reverse the effect of this very damaging Supreme Court decision.

I intend to propose amendments in committee to this piece of legislation which will make it very clear that bankruptcy laws must not be used as a mechanism to break collective agreements in Canada. We want to ensure that the decision of the United States Supreme Court is not reflected in Canadian legislation. The provisions of Bill C-17, particularly those dealing with commercial arrangements, still leave the possibility open that bankruptcy might be used effectively as a mechanism to avoid collective agreements. That is fundamentally unacceptable to Members of the New Democratic Party.

One of the major areas of concern in the small business community in Canada is the question of receiverships. Certainly there is an improvement in this Bill with respect to the handling of receiverships and the obligation of receivers. But there are only six clauses in the Bill concerning the obligations of receivers. I would suggest that the Bill does not go far enough to ensure the full accountability of receivers for the handling of firms under their custodianship. Again, we will be proposing amendments in committee to strengthen the protection of the assets of a company which has been brought under receivership. For every bankruptcy in Canada, statistics show that there are at least two receiverships.

The biggest concern that small businesses have in the area of receivership is the tendency of receivers, acting on behalf of one secured creditor, to undervalue assets when disposing of them. As long as they get their money out of the transaction, they do not really care too much—if its the Royal Bank or another secured creditor—about other unsecured creditors down the line, many of whom are small businesses struggling to survive in the face of this Government's disastrous economic policies.

Another major concern is the difficulty of stopping people from declaring bankruptcy one day and then opening up the next day across the street another company with another name. These are areas of concern that we will be addressing when the Bill goes to committee. We are prepared to facilitate quick passage of this Bill in committee.

As I have indicated, my colleagues from the farming community have some concerns which they wish to bring to the attention of the Minister and the House at this point. However, we are prepared to put in the necessary time in committee to propose very important amendments in a number of key areas. I have highlighted some of those areas today—amendments with respect to the protection of workers' wages; the expansion of the definition of wages; and provision for a wage insurance scheme. There should be amendments to ensure that the bankruptcy law will not be used as a means of smashing collective agreements, amendments to strengthen the protection of unsecured creditors, small businesses, in the event of receiverships, and, of course, amendments in a number of other areas which will no doubt flow from the representations which will be made by witnesses appearing before the committee.

● (1620)

In conclusion, Mr. Speaker, I look forward to hearing from witnesses on this Bill in the very near future, witnesses from labour, from the farming community, and representatives of the credit granting institutions. I suggest that the time for change is indeed long overdue. However, Mr. Speaker, we must ensure that in making changes in this important area of the law, we fully and properly protect the wages of the people who have contributed to the profits of the company in question. As I say, that is our fundamental objective in examining this legislation from the perspective of those who are left out in the cold. As well, we want to ensure the protection of farmers and fishermen in the event of bankruptcy. I look forward to elaborating on our concerns, Mr. Speaker, when this Bill reaches committee. Hopefully, by the time this House rises for the summer recess, if the Minister has an open mind after hearing witnesses and is prepared to listen to our representations, particularly in the areas I have outlined today, I am confident that we will be able to emerge from this session with bankruptcy legislation which can be supported by all Hon. Members of this House.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I rise for a few moments to speak about Bill C-17. A bankruptcy or insolvency Bill is a Bill which deals with trying to divide up among the various competing interests a pie which is not large enough to cover all of the claims made against that pie. Those claims include the claims of wage earners, those who have been the suppliers to the corporation or business involved, landlords, mortgagees and indeed they include all of the various claims which in any way affect a business or indeed an individual.

It is about time that this House dealt with bankruptcy and insolvency legislation because enormous changes have taken place over many years and the present statute law is not satisfactory to anyone. I would note that predecessors to this Bill have been before this Parliament and were never passed, indeed often, and were never brought forward, for some reason, since 1977. It is absolutely a disgrace that this legislation was not brought forward sooner. It is with that in mind that I hope we have the co-operation of all Parties in the House to expedite this Bill and get it before committee today so we can start hearings as early as tomorrow morning in order to make sure that we get at the details of this legislation quickly.

The legislation before us, Sir, is a good first draft, but that is all it is. It is only a good first draft. The Minister has already circulated amendments half an inch thick. There is another half an inch thick pile of amendments still in the circulation stage in the Department of Justice and here and there, which have to be brought forward. There are a number of concepts with which we are not all agreed, but we are agreed on one thing; that we must have new insolvency legislation in this country and we must have it immediately. Before this House rises on June 30, this legislation must be put through committee, it must be refined, and there will be compromises which will be required. That is the way it is, but we need the legislation.

My friend from the New Democratic Party has indicated that efforts must be made to change the laws with respect to farms and with respect to the fishing industry. Yes, there must be. There must be a way that the result of a seizure, bankruptcy or insolvency does not wind up putting a farm or fishery operation completely out of business. There must be a way that debts can be postponed, reorganized and so on. It was with that in mind that this House directed a Bill to go to the Finance Committee for study, and it was with that in mind that the Minister has suggested that such provisions be in this Bill. Exactly how those provisions will work will again have to be a matter for this committee to work out in detail.

The Minister has suggested that in a whole series of statutes governments can claim a first lien on the assets in a bankruptcy. The Minister has indicated that in her view the government lien should no longer be a first priority, that the Government, when it has a claim for taxes, should rank as ordinary creditors. There is no reason why the Crown should somehow come in and say it is entitled to its sales tax before the company and before the wage earner who supplied the work and effort to make the sale possible gets paid. Surely, the Crown must be an ordinary creditor. The amendments which are contemplated which address that situation are important amendments. Those

Crown priority changes should apply, and must apply, to the priority given by provincial legislatures to the claims for provincial taxes and indeed for municipal tax levies. I am thinking, Sir, of business taxes.

Bill C-17 has a great number of concepts whereby businessmen will be able to organize with the bankruptcy court to rearrange their debts. Those types of arrangements, certified by the court, are important. Yes, it may affect the rights of those who have collective agreements. Yes, it may affect the rights of those who have sold goods. And, yes it may affect the rights of those who have mortgages. However, Sir, surely, in the interests of commercial activity and in the interests of employment and of making our country go, it is important that arrangements be made to satisfy creditor claims in such a fashion as to keep businesses going and people employed.

One of the problems which this Bill deals with are receiverships. In the present Bankruptcy Act there is no mention whatsoever of receiverships. However, today, most insolvencies are the result of a receivership started by a bank, a trust company or a commercial lender who has a floating charge debenture against the assets of a company. Floating charge debentures did not exist when the present Bankruptcy Act was put through. At least, no one used them, if they did exist. Today, floating charge debentures are the way many secured creditors try to protect themselves. Indeed, shareholders in businesses often, in making further advances to their own businesses, secure their own advances by floating charge debentures. Thus, under the current law, they put themselves in priority, even in priority to their own employees.

That brings up the real question, Sir, which as been haunting this Bill for the past year and a half or two years, and that is, the question of super priority. The question is, how do we handle the valid claims by those who work for a business when the business, all of a sudden, without their knowledge, without their even knowing what is happening, is put into receivership? A man goes to his factory and finds the door is locked and there is a sign on the door saying, "In receivership. Call so and so", and he has not been paid. He has worked for two weeks, or he is a truck driver and he even has personal mileage expense which he has paid out. He is entitled to that money and he has not been paid. Somewhere along the line those people who work with their hands, those people who work in business, have to be covered.

The Landry Committee suggested that we go through another fund. Somehow there should be another employment deduction like that of the Canada Pension or unemployment insurance; that business should have another deduction fund. I was told the other evening that it might be managed by the Unemployment Insurance Commission. Well, that is an efficient commission to manage things if there ever was one!

• (1630)

Sir, businesses in this country have too many payroll deduction burdens. That is what is wrong with the whole economy. That is why we cannot get people back to work. Businessmen are asked to make a contribution to this fund, that fund and the next fund. The payroll burdens in this country are far too high. They militate against jobs and, heaven knows, there are 1.5 million Canadians out of work, a great number of whom would not be out of work if we did not have the horrendous payroll burdens demanded by the laws of this Parliament. To add another one would further militate against jobs. Anyone who suggests another payroll burden is saying they do not want jobs for people, they want more burdens on the small businessman, the factory owner and the office employer. A suggestion of this nature could only be made by someone with their head in the clouds. One can only wonder what kind of clouds. Therefore we cannot and will not support a system which adds another payroll burden on the backs of employers and employees and militates against jobs.

How are you going to handle it, Mr. Speaker? The only way we can see is to make the claim of those who work a priority up to a certain amount, we suggest $4,000, against the assets of the bankruptcy. What is wrong with that? Surely when a company goes bankrupt there must be something left. Surely that something can pay the wages of employees. If there is nothing left, then there is nothing for employees either; but that is the nature of bankruptcy. If the company is so bankrupt that there is nothing left of realizable value, then the employee, too, goes without. But after all, the employee at that stage of the game should know that the situation is with the company for whom he works. Sure, he can be hurt, he can be out money. But the concept of super priority would have made sure that Maislin truck drivers would not have had to wait and take part payment of their wages. They would have been paid in full, and early. The Canadian Imperial Bank of Commerce and other secured creditors could not have gone ahead and sold the trucking licences and other assets of that corporation without paying the employees. They would have paid them in a hurry because they would not have been able to operate their receivership without doing so. So much for delay.

If you want to see a delay, Mr. Speaker, look at how the Unemployment Insurance Commission handles people who are sick, have a claim in for 15 weeks and how they get diddled around. If you want to see delay, look at how a person who may have a back injury or something and is making a claim for unemployment insurance is told he is not even sick. They talk about a fund run by the Unemployment Insurance Commission. Look at the delays and how ordinary workmen are pushed around, shoved around and messed around with by bureaucrats in the UIC.

Sir, the private economy can get things done pretty quickly.

Mr. Blaikie: Ever been to a bank lately?

Mr. Blenkarn: Secured creditors in a receivership move as quickly as they can because they know dollars not converted to pay off bills are themselves eaten away by interest costs. Therefore they move as quickly as possible. That is one of the concerns, that receivers move too quickly in selling assets to pay off claims. I can say to you, Sir, that they will pay off the claims outstanding for workmen quickly, efficiently and effec-

tively. That is why we say the super priority route is the way to go.

There has been some concern as to what the super priority would apply to. Clearly we would have difficulty in supporting super priority against real estate and specific charges against specific assets. The concept of super priority refers to the floating charge which trust and insurance companies, the secured creditors, generally take. The charge is against the accounts receivable, stock in trade and work in progress. The small bits and pieces of tools and so on not covered by specific charges, the stuff that makes the business go, are enough. There was enough in the Maislin case. There could not be specific financial charges against the licences. How can you do that? Well, there was enough there to pay the wage earners off in full. They got a settlement but they should have been paid in full.

Maislin is the big case but it happens in all sorts of other cases. You have real estate salesmen who have put deals together and all of a sudden the bank pulls the plug on the whole operation. The bank takes the money because they say, after all, the accounts receivable are ours, they are pledged to secure a loan. The salesmen who put the deal together to make that money in the first place do not get anything and that has to stop. A travelling salesman out on the road is entitled to a claim. That is why, to some extent, we cannot cut back on the amount of $4,000 that easily. Some of the evidence we are going to hear in committee will have to deal with the quantum. We cannot leave people with an intended priority forever; there must be some cap.

We are going to have to hear evidence with respect to consumer bankruptcies because they are covered under this Act for amounts up to $20,000 on goods purchased. There has been some concern about that. We are going to have to hear evidence on how we get at situations where people have obviously organized their affairs to defraud, in a way, their creditors by going bankrupt. These are issues which have to be brought before us. We need a number of committee hearings; we have a lot of work to do. I commend the House adopt this Bill; let's get at it.

The Acting Speaker (Mr. Guilbault): At this stage in our debate, there is a ten-minute period provided for questions and comments. Are there such questions? Then, resuming debate.

Mr. G. M. Gurbin (Bruce-Grey): Mr. Speaker, I am pleased to follow my colleague who has just completed what I would have to say was a very well informed and enthusiastic identification of the Bill and its background, as was indeed the representation made by the Hon. Member for Cambridge (Mr. Speyer) who started the debate for our Party.

There are only four or five points I would like to make and I would like to focus most particularly on the agricultural scene. The first issue, as has been identified by others who have spoken, is that of urgency. I guess I will be excused if my enthusiasm or optimism for the successful completion of this Bill is somewhat constrained. Not for seeing this Bill into committee, Mr. Speaker, which I think can happen very quickly, but in actually seeing a successful conclusion to this matter before the end of this Parliament.

● (1640)

The Minister indicated in her speech that there have been about 18 years of preparation for this Bill. I am not sure if that is exactly correct, but that is the figure she used. All through that time it has been very clear, particularly in the past few years, that there has been a growing need for legislation which is sensitive to the problems which people in Canada are facing today. There is a real need for legislation which is going to respond to identified needs in many specific areas. We can all work very hard toward the goal of seeing it completed and introduced as full legislation before the House adjourns in June. Given the performance and history of both the Bill and the current Government and its activities, I think we must view that with some skepticism.

The economic background which we have in Canada right now makes the urgency of this Bill even more pronounced. I would like to focus on agriculture and establish how agriculture is situated today. In about 1979-80 it became very clear, particularly in some areas of the country, that agriculture was experiencing a very significant cost-price freeze. That could be said to be true particularly of the red meat sector. However, as time has passed it has become clear that that had also been occurring in other sectors of agriculture. In fact, we were, and still are getting a very consistent message across the country today.

At that time Bill C-653 was introducted by a Private Member on the Government benches. That Bill was considered for a long period of time, until it became very clear that the Government itself did not feel that was the method it would like to use to respond to the problem of farm bankruptcies.

We had suggestions for an amendment to what was then Bill C-12, now Bill C-17. I will read that particular amendment into the record in a moment. That amendment was a successful consequence of many months of representations from all sectors of agriculture during the consideration of Bill C-653. It identified many problems in terms of lending institutions and producers as reflected upon by farm organizations and interest groups across the country.

The two other points in this Bill which I think are very important to agriculture have to do with the ten-day extension of time which was mentioned by my colleague, the Hon. Member for Cambridge. Another important point is the different legislative control of receiver actions.

For the record I would like to relate a little of the economic background of the farm situation as it has changed over the past few years. Farm input costs escalated by 115 per cent between 1976 and 1982. Net farm income as a portion of the gross farm income actually decreased by 27.4 per cent from 1965 to 1982. Bankruptcies are really only the tip of the problem. A better reflection may be the statistics of the Farm Credit Corporation in terms of loans and arrears. Of all the money that the Farm Credit Corporation has lent to agricul-

ture across Canada, 13.6 per cent is in arrears. Of those arrears, 45 per cent are on loans made in the last five years.

The first farmers to fail were those who were in the red meat industry and those who had just started a farming operation, had made management errors or did not have the capacity properly to manage a farm operation. At this point, however, Mr. Speaker, it is very clear that bankruptcies do not occur among producers of only one commodity or only with young farmers or farmers who have just begun in the farming industry. Bankruptcies occur right across the board. Farmers who have been farming for generations and have not bought any expensive equipment or changed their farming practices over the past few years are getting into significant trouble now. As we see the future unfolding now, it is indeed a very bleak future for them as well as for the community as a whole.

There have been a lot of changes, Mr. Speaker, in the last few years in terms of world markets, world commodity prices and protective mechanisms in the European Economic Community, Japan and even in the United States. With these measures and the consequent difficulties our producers have in gaining access to world markets, farm commodity prices have remained at low levels. Farmers have had low returns while they have had all these other pressures, including the interest rate factor, coming at them from the other end in terms of input costs.

One of the important factors to consider in the situation of the farm community today, Mr. Speaker, is that of land equity. In many areas the equity of farm land has decreased by as much as 50 per cent. For many farmers, the equity they had in their land provided the basis for additional borrowing to overcome the decrease in net return because of low commodity prices on the one hand and the high input costs on the other hand. The decrease in value of their equity has resulted in their inability to refinance in many cases. It has also put many other farmers in danger who would otherwise perhaps not have been faced with any serious economic pressure. That factor is a variable which no one has much control over. It depends upon interest rates, farm commodity prices and a whole range of factors which in themselves will reflect on farm land prices.

Twenty-five per cent of our farmers produce approximately 75 per cent of our farm produce. These active, enthusiastic producers are really the entrepreneurs of the farm community. They have been producing large amounts of grain and all sorts of farm produce. It is this upper crust which is being most seriously affected. They have had the most economic activity and have probably been contributing in the most major way to our farm production.

The net consequences of all those factors is that in 1979 there were 125 farm bankruptcies across the country and in 1983 there were 488. In the first quarter of 1984 there was another 42 per cent increase. From 1979 until the end of 1983 there was a 350 per cent increase in the number of farm bankruptcies. In the first quarter of 1983, as compared to the first quarter of 1984, there was an additional 42 per cent increase. Those figures clearly indicate that we have a serious problem which should not be addressed with just bankruptcy legislation. We should be working harder on it at the other end. However, it indeed reflects a need for bankruptcy legislation which is sensitive to the needs of agriculture and to the plight experienced by many fishers.

The ten-day period of extension is very significant to farmers who, as an example, take their produce to auction barns for sale. Lending organizations or institutions which might force a secondary agricultural operation, such as a cattle auction barn, into bankruptcy would not be able to recover any profits which were not legitimately theirs. In some instances farmers have taken their cattle to the auction barn and perhaps even after their cattle have been sold they have been forced into receivership or have faced bankruptcy. Those primary producers have experienced very serious losses, sometimes up to hundreds of thousands of dollars, through no fault of their own.

● (1650)

In some cases the institutions could be criticized while in other cases the producers may deserve the blame. However, the fact is that a ten-day extension, if that is what it is, should satisfy situations in many cases when the primary producer will have an opportunity to look after his own best interests. In that period he may be able to recover those moneys which are owed him and not be left exposed and vulnerable.

There were changes to the Bank Act a couple of years ago which would have, at first blush, been seen to give some protection. It is clear that lending institutions have been able to get around that section of the Bank Act through other mechanisms. I suggest that this type of proposal will be valuable to those involved in agriculture.

The second point that we raised concerns receivers. While it would be unfair to suggest that all receivers have acted unreasonably, it would be equally naive to suggest that there was not a serious problem with respect to receivers. It is a difficult situation and, in many cases, an unhappy one particularly for those who are directly affected.

There is much difficulty in justifying the consequences of the action of receivers. These adverse consequences are reflected in certain cases involving small businesses and there are easily identifiable consequences that have occurred in agriculture. For instance, a sale of farm equipment in a receivership situation may occur at precisely the wrong moment in the yearly cycle to get a reasonable return on the investment that has been made by a farmer. If one tries to sell 20 tractors in November, in most parts of the country one can anticipate a minimal recovery compared to the real value of that equipment. This has been the experience of many farmers who are in a bankruptcy situation. There should be a rational and legal requirement for the receiver to justify his actions to ensure that there is at least a commercial consideration given to the value of the goods for which he is responsible when he is called in.

Ultimately, it is not only those who are directly affected who seriously suffer but also the lending institutions that have failed to recover a significant portion of the money owed to them as a result of the actions of the receiver. The receivers

themselves seem to be adequately protected as long as they recover enough to cover their own costs. I suggest that the situation as it exists today is very negative. I believe a specific effort to make receivers act in a commercially responsible way will help to improve that situation.

Let me deal with the basic issue concerning farm bankruptcies. I would like to discuss a draft amendment that is presently being considered which deals with Clause 120 of the current Bill. That clause allows the creation of a court formulated arrangement in circumstances where there is seen to be some social need or effect if a bankruptcy should occur. Presently the Bill limits this to those business operations which have assets in excess of $1 million. My colleague from Cambridge pointed out that that figure is perhaps not representative of the value that should be applied today. While I do not want to go into detail in that respect, I would like to talk about the effect that this amendment might have if it were included in the Bill in its final form.

The effect of the amendment would be to add farmers and fishers, no matter what their debt level, to those businesses with assets of over $1 million. It also takes one further significant step which I suggest represents the sum total of approximately seven months of ongoing meetings that were held prior to the introduction of this amendment and consideration of this Bill. Essentially, it provides for a court-appointed group that would reflect the interests of the debtor and the lender as well as a third party to act as an adjudicator. It would allow this group to consider the bankruptcy situation of a debtor prior to his going before a bankruptcy court judge who would have the legal authority to impose an arrangement. I believe such a procedure would avoid many of the difficulties that might occur if a farm bankruptcy situation was placed before a judge who may have no experience in farming or fishing but who would be expected to treat a farmer or fisher in a fair and reasonable manner.

In closing, I suggest that this proposal is necessary and valuable as an option to those in agriculture and fishing who are experiencing the most severe distress. While it will not stop all bankruptcies since there will still be farmers and fishers who face a real bankruptcy situation, it will provide an additional option for the consideration of those who are put into an untenable economic position, through no fault of their own.

I believe this amendment deserves considerable support. There may be modifications which would allow it to be more effective. We look forward to being able to consider it with the expert witnesses who appear before the committee.

Mr. Deputy Speaker: Before recognizing the next Hon. Member, I possibly should have intervened earlier in the course of the Hon. Member's speech, but let it be known that the Chair should remind Hon. Members that second reading stage is not the time to deal with specific amendments as such, whether they are real or proposed. Second reading stage is reserved for the discussion of the principle of the Bill. Specific amendments should be dealt with properly at the committee stage. I say this for the record.

Mr. Gurbin: Mr. Speaker, I respect your remarks fully. In fact, without reading the direct words, I was trying to deal with the principles that were involved.

Mr. Deputy Speaker: The Chair appreciates the Hon. Member's comments.

Mr. Hovdebo: Mr. Speaker, I have a question for the Hon. Member. Does his Party consider that the idea of a board, the vehicle suggested in Clause 653, is the proper type of vehicle that could be of some value to farmers who are facing bankruptcy? Is that the kind of thing that should be in this Bill?

• (1700)

Mr. Gurbin: Mr. Speaker, absolutely. I am sorry if I did it in so vague a way, but that was exactly the point I was trying to make and it was a potential defect in Bill C-653 as it was originally presented.

Mr. Deputy Speaker: Are there further questions or comments? The House will now proceed to debate.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, we understand there has been a House agreement to deal with some haste, with Bill C-17, the Bill before us now, which deals with bankruptcy and insolvency. We agree it should be completed today. There are a few words I want to say concerning the background of this Bill and its application to farmers specifically.

This Bill before the House is a redrafting and reintroduction of Bill C-12 that was introduced just over four years ago in April, 1980. It was not examined very much at committee stage and it was hung up in the House. Because of the delay and because of the increasing number of bankruptcies that farmers faced, there was some pressure to bring forward special measures to deal with farm bankruptcies. As a result, Private Member's Bill C-653 was introduced into this House about a year and a quarter ago. There was unanimous agreement to deal with it in committee. It was transferred to the Standing Committee on Agriculture and a subcommittee was subsequently set up to deal with it.

Some of the incidents which led up to the House agreement at that stage included year upon year increases in bankruptcies. From 1980 to 1981 bankruptcies increased 50 per cent to 80 per cent in each of the provinces. The number of bankruptcies continued to increase at an even more rapid rate the following year and the numbers continue to accelerate. At present we are looking so far, in 1984, at increases over the previous year as follows: in the Province of Manitoba, 75 per cent; in the Province of Saskatchewan, 100 per cent; in Alberta, 165 per cent; in British Columbia, 159 per cent. You can see the increases in bankruptcies continuing right across the nation and the need for specific bankruptcy legislation that can be of assistance to farmers is vital.

It was an action by the Ontario arm of the Farm Survival Association which helped trigger the response in the House of Commons when we gave all-Party agreement to discuss Bill C-653. Allan Wilford, President of that organization, was

thrown into jail as a result of an action by the Farm Survival Association at a sheriff's sale of one of the members of the Association. There was an attempt to stop the sale to make it possible for the bankrupt farmer to continue to negotiate an accommodation with his bank. Subsequently some of the leaders of that group ended up in jail. What they asked for and what Bill C-653 was asking for was a method of allowing the debtor to be represented and have his side of the case heard.

At the moment, as you are aware, Mr. Speaker, the creditor, the banker in most cases, can move in and seize property. Because of the amount of the assets and the financial situation a farmer might be in, it is very difficult for him to hire adequate legal protection. In fact, it is very difficult to get a fair hearing in this kind of situation. Bill C-653 referred to an old law emanating from the 1930s which had provided some protection to farmers in particular. It empowered them to set up tribunals, which meant that one party would represent the bank and another party would represent the farmer. They would agree on a third party to be the chairman and the case would be dealt with in a reasonable manner. They then decided whether or not to convince the bank to consolidate the debt. The tribunal even had the power in some cases to reduce the debt so that it was possible to keep the individual on his farm.

I understand Bill C-17 does have some recognition of the impact that a bankruptcy will have on the community, as did Bill C-12. It only recognizes that impact on those cases where the bankruptcy involves more than $1 million in assets. There has been some mention of that in the House today. It seems to us and to me, after having gone through the process of hearing witnesses in the subcommittee on agriculture which looked into this problem, that that is really not adequate. When you are dealing with a farming community, the economic base of that community is not all that large. Even one family makes quite a difference to the viability of a community. From the testimony given by witnesses we heard, it was my feeling and I think the feeling of many other people that the powers of the lending institutions, the banks, are being abused. The sheriff is called in, property is seized and assets are taken away. These things are being done under circumstances which one would think should not be allowed in a democratic country like Canada.

One of the first people who appeared before us was from eastern Canada. He had established some 750 acres of woodlot and he had a blueberry business. He was selling maple syrup, hardwood, and harvesting blueberries. He had a relatively small loan at the bank considering the amount of acreage he held. He had run into some difficulty getting equipment in place for the maple syrup part of the operation. He admits he was about eight or nine months behind the schedule he had set for himself at the bank. He was in the process of negotiating to continue the loans through a lawyer, accountants and the bank, only to find when he arrived home at noon that day, the day when the negotiations had been taking place, that the sheriff and five or six large trucks were in the yard loading equipment. They had taken the locks off the buildings and were loading a lot of the equipment which had not even been assembled. In the process of cleaning up all of the equipment, they had taken not only the farmer's equipment and any implements that were lying around, but also about $10,000 worth of his neighbour's equipment that happened to be sitting in the yard. There was no accounting of the equipment taken. There was no inventory of what was seized. There was no accounting after the equipment was sold as to what was available, where the equipment had gone, what the prices were, and how it had been sold.

• (1710)

By his own estimate and by the bank's estimate, the equipment taken was worth somewhere in the neighbourhood of $50,000. By the time the process had been completed, there was approximately $22,300 gross from the sale of the equipment as a result of the method chosen by the receiver, of which $9,100 was considered to be selling costs. In addition to that $9,100, the farmer had to spend in the neighbourhood of $600 in legal fees, time and transportation charges to recover the $10,000 worth of assets which truly belonged to his neighbour.

All this was done under a current section of the Bank Act, Section 128, after the bank had changed the loan. It had begun as a fixed-interest rate loan and was changed at the bank's initiative, without the knowledge of the borrower, to a floating-rate loan which cost in the neighbourhood of $30,000 extra in interest, according to the witness we heard. We received a recommendation from the witness that in all cases there should be an agreement on the part of the borrower and the lender if a loan is to be changed from a fixed rate to a floating rate. I realize that this is not strictly relevant to the Bankruptcy Act, but it does explain how some of these problems come about.

Also he suggested that the bank should not be allowed to debit overdue payments from one account to another account, because this eventually ended up in some cheques being returned NSF. He was as surprised as anyone when that happened. It spoiled his image in the business community with which he has to work. The contract with the bank changed without his knowing it. Most of all, he urged that when dealing with this kind of legislation, the bank should not be able to move unannounced on to a piece of property and seize the assets even though there is the strength of Section 128.

We are hoping for a section of the Bankruptcy Act which would permit farmers and fishermen to have the same options open to them as those of creditors who owe in excess of $1 million, so that some of these extreme situations will be avoided. In the particular case which I mentioned, the bank did not benefit; it did not recover its funds. It put the man virtually out of business. He retained his land, which was under a different lending institution, but the bank continued to send him notices that he owed more money. It continued to charge interest on the amount of money it did not recover from the unfortunate seizure and sale of his assets at a time when the market was bound to be low. It was off-season. Who would be interested in purchasing maple syrup equipment in the

months of May and June after the season had just ended? Who would be interested in buying maple syrup equipment which had been lying in sheds, loaded with front-end loaders, smashed, dented and dumped in a pile as if it were junk rather than new equipment? These are the kinds of things we must remember when changes to the Bank Act are made. The process has to be delayed so that the debtor has an opportunity equal to that of the bank to present his side of the case and to negotiate something in the realm of fairness.

Despite our attempts in the House to improve the Bank Act when it was revamped in 1980 and 1981, we should provide protection to producers supplying products to processors who have already found ways of getting around the protection we thought we were providing. There was an instance concerning an auction market which went into receivership. Farmers who sold livestock through that market did not receive money for their cattle. If farmers are not paid for a shipment of cattle, often it involves the full year's production of livestock, and almost three years of effort and feed have gone into getting the cattle ready for market. It is a tremendous loss to farmers who are not paid. What happened in the case to which I was referring was that cheques were issued but they were no good.

There was a similar case last fall involving a grain elevator company in southern Ontario, the Niagara Feed and Seed case about which you may have read in the newspapers in recent months, Mr. Speaker. Some producers understood that there were problems with the financing of that particular entity and made inquiries at the bank to make certain that if they delivered grain to that elevator, the cheques would be good and indeed they would be paid. The bank assured them that they would be paid, but when the grain was delivered it simply became part of the assets which the receiver used to settle the debt load of the elevator company. This reduced the losses of the bank but left farmers facing large losses. Some of them virtually lost one year's crop, in effect to help a bank to get out of a bad loan situation with an elevator company in which it had become involved with both eyes wide open.

We had hoped to provide assurances for people who produce fruit and vegetables, raise livestock and grow grain regarding those changes to the Bank Act. However, there was another step where assets are held in trust for the bank and moneys are extracted from farmers and producers which are then transferred to the bank to reduce its loss at their expense. We hope Hon. Members of the House will be conscious of those loopholes and will attempt to fill them at committee stage.

Without such amendments there is no hope for improvement in the situation of farmers facing bankruptcy. There is no hope for farmers who are not now facing bankruptcy but have the bad luck to deliver produce to a company or processor on the verge of bankruptcy. They can be caught and go broke just as quickly, simply by having delivered produce to a processing firm or marketing agency which happens to go bankrupt while their produce is in train, on the way through. We hope that farmers and fishermen will be permitted the same rights and privileges as those firms which go bankrupt with a debt load in excess of $1 million. The court should be brought into all these cases because of the effect that the demise of a farmer or fisherman has on his or her very small community. I hope the legislation can be improved to take these matters into account.

• (1720)

Mr. Gordon Taylor (Bow River): Mr. Speaker, I want to deal with certain principles of the Bill and I will base my comments upon happenings in the past. The first point is that there has to be protection for the workers. I notice in the Bill that when a bankruptcy occurs, up to $2,000 in wages is provided. What concerns me is the part that states "for all wages payable at the date of bankruptcy not exceeding $2,000 for each such employee for services performed".

The other principle involved in the Bill is what is called the super priority claim for unpaid wages. That covers up to $4,000 per employee. We have to ensure that those who have been working and who depend on their wages receive their wages. That should be the number one protection. It appears that the Bill provides for the wages owing at the time. When a company gets into financial difficulty, there is the danger of prolonging that period where it does not pay its employees. Sometimes that can involve quite a large sum of money, certainly more than the employee would normally receive every two weeks or every month. Normally it is every two weeks.

A small company with, for example, 100 employees may have to borrow money just to stay alive. It may be the only way it can keep going. Such a company is built on borrowing, providing it has the wherewithal eventually to pay back that debt plus make a profit. This super priority claim does not cause me concern with regard to large companies, but it does for the borrowing capacity of a small company. A lender takes into consideration the liabilities of a company.

Let me use the example of a company that requires $1 million to expand. This would not be a very large company. The capital required is $1 million. The downpayment is generally 20 per cent. That brings the figure down to $800,000. If there are 200 employees and you multiply 200 times $4,000, that comes to $800,000. Thus the ability of the company to borrow is nil. I am afraid of what this might do to the ability of smaller companies to expand or even to stay alive. The number one premise is that wages have to be looked after. Let us not drive smaller companies out of business because then there would be no wages.

Many businesses in Canada today want to expand but will not do so because of government policies. Consequently, they take their money to another country or leave it in the bank. They either export jobs or, by leaving their money in the bank, do not provide more jobs. Government policies with regard to capital gains tax prevent many businesses from expanding. We should carefully consider this clause in committee. We must not do anything that would drive smaller businesses into bankruptcy or receivership, which could easily be done. The amount of money required by the smaller companies is a factor. With this super priority, we may be undoing something

that we do not want undone. We may drive companies out of business by eliminating their ability to borrow.

The second point is the protection of smaller companies. Protection of wages is number one. We have to protect smaller companies so they can stay alive and expand. There is a lot of detail in the Bill. I have not found this provision, but it may state that smaller companies in Canada will receive help to stay alive. We put too much emphasis on those who lend money rather than those who borrow.

When a bank, credit union, caisse populaire, the Farm Credit Corporation, provincial agriculture development boards or other institution lends money, it requires certain collateral. There must be some equity. I know of a case where the Royal Bank is foreclosing on a loan made just over a year ago. They say the farmer has no equity, that he has used up all his collateral. He had these other loans before the Royal Bank made its loan. If the bank was going to make the loan on the collateral produced at that time, it should not impose receivership before the farmer has had a chance to produce and repay the loan. This situation has to be looked at very carefully.

This is not a fictitious case, this is actually happening. The families involved are frightened. They do not know whether they will lose everything they have worked for. They had a loan from the provincial Agriculture Development Board and a loan from the FCC. When they needed additional capital, they went to the bank. The bank knew all of this.

This business I refer to is partly a greenhouse operation. It takes three years to confirm your customers and the market and start bringing in money rather than only paying out. A lot of capital must be expended to build the necessary sun houses and purchase equipment. The bank is foreclosing. There is no recourse, no way the farmer can protect himself. The bank says he must pay up by a certain date, such as the end of the month, or it will start proceedings. When one lender starts to do that, the others become very concerned.

We must provide protection in this Bill for the small operator. When they take a loan, they must have a chance to make use of that money long enough to produce and pay back. The very operation for which they borrowed the money will bear fruit and they can then start producing and make a profit.

● (1730)

Another important principle is that there must be a provision in the Bill which gives some consideration to the borrower in regard to the amount of the loan, the amount he has paid back and the amount he still owes. I am aware of a case in which an insurance company in Canada foreclosed on a farmer who had taken out a loan when wheat was at a high price. When the price of wheat dropped, he had difficulty making payments on the loan. However, he kept up the payments to the best of his ability, but the insurance company took over his farm. He had paid the principal of the loan two and one half times but he still owed as much as he had borrowed in the first place.

That type of situation should not be permitted in this country. There must be some consideration given to those who borrow money. If there is no protection provided to them, there is something radically wrong with the system.

The case which I referred to happened during the Depression years. It happened in a district where I was teaching school. I felt very sorry for that man as he had paid back two and one half times what he had borrowed. Then the price of wheat dropped to practically nothing—approximately 19 cents a bushel. Wheat was $2 a bushel when that man borrowed the money. However, the insurance company told him to clear off the land and gave him a number of days to get off the land. What did he do? He pulled a granary on skids to some adjoining land which belonged to a land owner who felt sorry for him. The land owner felt he was a good farmer and that it was not his fault. He asked the farmer to farm his land. So the farmer pulled the granary over in order that he, his wife and his kids could have a place to live. What happened then? He not only lost the farm that he had spent a lifetime building up, but the insurance company threatened him with court action if the granary was not returned. Many of us, including myself, went to the insurance company and told them that this was inhuman. As a consequence, the insurance company did not lay charges regarding the granary, but they took his farm. The farm went into other hands. How much the insurance company was paid, I do not know, but they were certainly paid plenty. The insurance company did not lose one cent; they made a lot of money on the deal. The original capital was paid more then twice, yet the farmer still lost his farm.

That is no way for a civilized country to treat its primary producers. I hope that members of the committee will ensure that there is some protection for farmers. They are not trying to get out of paying their debt, but they have no control over the conditions.

Later on, the late Right Hon. R. B. Bennett and the late William Aberhart in Alberta brought in debt legislation which established a debt legislation board. If that had happened two years earlier, that man would not have lost his farm because the Alberta Government declared a moratorium on debts. Between the federal legislation introduced by the late Right Hon. R. B. Bennett and the twin legislation introduced by the late William Aberhart in Alberta, a board was set up which had the power to say to the lenders; "You have already collected heavily on this deal; we are going to cut down the amount this man still owes".

Unless we have authority such as that, our producers will not get a fair deal. The lenders will want their pound of flesh and every ounce of blood that goes with it. I have seen it happen several times before legislation was introduced giving a government-appointed board the authority to say to the lenders; "You have been paid once or twice. You have got double your capital back. Now you have to cut it down to something sensible and reasonable that the man can pay". Under the other system borrowers could not pay off the debt in a lifetime.

We must protect wages. We must ensure that workers receive their wages. We must ensure that we do not drive our businesses out of business by telling them that they do not have the authority to borrow. They have to borrow. We need

authority for some group or board to look over the situation before farmers are kicked off their land.

I had a few Ontario farmers visit my office a short time ago. One of those farmers told me that he had recently been kicked off his land. He had paid more than the total principal. He told me that he was prepared to pay but that he did not have the wherewithal to pay because his land was taken away from him. We need legislation to ensure that our farmers and small businessmen who want to pay have the wherewithal to pay. It should not be like the Shakespearean play, because when the lenders take their pound of flesh, they also take the life savings of individuals and those individuals cannot continue in business.

I would like to make a point regarding collateral. I know of a case where a bank took the tractor and the cattle of a farmer. What was the farmer to do? He had no wherewithal to pay off his debt. It is tantamount to saying: "We want your farm". They took away his means of ever meeting the payments on the loans to which he had agreed. He required the equipment to put in the seed and to thresh and harvest that seed. He required his cattle to reproduce in order to sell them. But the bank took away the very means he had of paying the debt. I say that is not right. There must be power in this Bill to ensure that we can protect our farmers and small businessmen against the financiers. All financiers who lend money are not that tight-fisted, but there are some around who want their pound of flesh and every ounce of blood that goes with it. We must ensure that our farmers, businessmen and people trying to produce in Canada are not crippled by giving the financiers the right to do anything they want to do; whether it is right or wrong. We need protection for those who are honestly trying and who, through no fault of their own, are unable to meet the obligations which they want to meet as early as possible.

I will not say anything more because the Hon. Member from Bruce-Grey (Mr. Gurbin) dealt very well with bankruptcies, and other Members have dealt with other points. In conclusion I would like to say that this Bill should give us a chance to protect wage earners, farmers, small businessmen and other people against the financiers who want to take every ounce of blood and reduce a borrower's ability ever to pay back a loan.

• (1740)

Mr. Deputy Speaker: Questions or comments? Debate.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, it is a pleasure to be able to spend a few moments speaking in this debate on Bill C-17, an Act respecting bankruptcy and insolvency. I will spend my time, Mr. Speaker, mainly on the needs of the agricultural industry in bankruptcy legislation, although I would far rather be speaking about how we could keep them in business.

When a business or a farm is ailing, there are really only four alternatives put before them; receivership, liquidation, some form of proposal which would keep them in business, or bankruptcy. Unfortunately, Mr. Speaker, only one of those options is really an attempt to keep the farm or business going. Perhaps we should spend more time in this House attempting to provide ways of keeping farms and businesses going rather than worrying about bankruptcy. However, what we have here today is a Bill which is intended to put down rules in the battlefield between the financial institutions and the rest of Canada.

I am speaking only about farming because there is probably no area of the economy which is more affected by the vagaries of the market than the agricultural industry. It has to deal with circumstances outside of its own ability to establish what it will get back for its efforts. Only for agriculture, and a few of the other primary producer industries, is the free market still expected to work. The theory of supply and demand is expected to dictate the returns which a farmer receives from his operation. Since the farmer has no control over the marketing of most of his products, he accepts what he can get. The market, therefore, dictates whether or not he will survive. The farmer can plan as well as possible and look to the future as much as possible, but the market, the weather and other conditions may make the difference in whether he survives or not. Survival, therefore, is what Bill C-17 is all about.

If one cannot survive in farming, one goes bankrupt or one quits. Most farmers are too proud to go bankrupt so they move over and make room for someone else. They sell their land and what is left and let someone else have the farm. They stay as long as possible, living on their equity, until their debts become more than their equity; then they sell out saying, "I guess I will go to town and work."

How does a farmer get into the position where he finds it necessary to go bankrupt or to sell out? Farmers are probably the largest users of credit for their operations of almost any industry. They use credit for their operations as well as for financing their capital costs. I remember in a speech not too long ago the Hon. Member for Sarnia-Lambton (Mr. Cullen) said that we spend our lives establishing a credit rating. I believe possibly there are some people who have gone bankrupt in the last few years who would think that if their credit rating had not been quite so good perhaps they would not have had quite so much money and not now be bankrupt.

However, in establishing a credit rating, a farmer must prove his ability to continue to operate. He goes out in the spring and borrows money to buy feed and fertilizer and in many cases the fuel, and he waits for the land to produce the crop so he can harvest it in the fall. It seems simple. However, if you are a new farmer going into business, first of all you must have the land. These days land costs anywhere from $150 to $1,000 an acre. The absolute minimum for a viable farm in my area, Mr. Speaker, is a section or a section and a half. You can purchase that for possibly something better than half a million dollars. If you were going to borrow the money to buy that land and make payments on it, you would be paying $120,000 in interest. And at present prices for wheat, you are not going to make that much from the land you own. Therefore, it is much better if you own the land ahead of time. No sane individual would go out and pay $600,000 for land and

expect that land even to pay the interest. You must, therefore, have some other source of funding to get to where you want to be as a farmer.

If you do make this investment and the price of wheat does stay where it is, you are well on your way to bankruptcy and you have not even planted your crop yet. These last few years we have had a lot of farmers on the Prairies go bankrupt and for a good many reasons. Sometimes it is because the weather has been bad. Sometimes it is because interest rates have been too high, or they have gone up during the period of time the farmers had hoped to pay off their particular investment.

The agriculture industry has to be one of the businesses which has the longest wait between the time of the original investment and the return on that investment. First of all, a farmer buys the fertilizer and the seed, he sows the grain, he spends money on spraying during the summer, he harvests in the fall, puts the crop in the bin and, if he is lucky, he might sell it next August, a good year and a half later. So two full years have passed from the time the farmer invested in that particular crop before he receives money to repay his investment. The full cow-calf cycle, Mr. Speaker, is about ten years. It is the same with apples. Ten years is the length of time for apple growers to receive a return on their investment.

How are we going to protect farmers who get themselves into the position where they have to go bankrupt? Farmers are usually eternal optimists. That is part of the reason, I suppose, why they keep sowing and hoping to harvest. They are probably the only group of businessmen who continually lose money and still stay in business. Farmers have a tendency to live on their equity and, of course, they feed themselves off the farm.

• (1750)

This Bill should do something to protect the people who are important to this country, the primary producers. They produce a large portion of the food we eat. The worker, the farmer and the fishermen should be protected. If someone is going to be punished in this operation, it should be the finance company or the fiscal institution which has in mosts cases, as the Hon. Member for Bow River (Mr. Taylor) said, gotten all the money invested plus that much more. Instead of a Bankruptcy Act, Mr. Speaker, maybe we should be looking at an interest control Act. Maybe by the time a financial corporation has doubled its money on loans for which they take very little risk, there should be no more interest charged.

We need to do something about what happens to a farmer or small businessman if they do go bankrupt. In the last 20 years something has happened to the basic economic structure in Canada, something which is bad for Canada. There was a time when everyone considered production the most important thing to the economy. We paid for production and if you produced well, you did well. Production was the key to survival and getting ahead. Today we have changed the definition of what is important in the economy. In farming and most small businesses what you produce and how much you produce, even how efficiently you produce it, does not have as much impact on your success as the price you pay for the money you borrow. These days in farming and small business the only person guaranteed a return is the person who lends the money. That seems wrong to me. I think it is our responsibility as Members of Parliament to put in place rules which do not allow those financial institutions to take advantage of the situation in such a way that the farmer who has worked hard and should have been successful just cannot quite make it.

If we look back, Mr. Speaker, Christ went to the Temple and tipped over the tables of the money lenders. He abhorred the money lenders. Our morality has changed somewhat in the last number of years and the money lender is now an accepted and respected part of the economy. I think it is the Government's responsibility to put rules in place which do not allow money lenders to take advantage beyond what seems respectable, I suppose.

We therefore have a responsibility to put into this Act some kind of a structure which allows the farmer or the fisherman or small businessman to know that if he has made a good strong effort he will not be taken over, he will not be forced into the position where he is unable to survive. If that is what this Bill does, then it is a good Bill. If it allows people to be taken advantage of by financial institutions, then we should change the rules so those institutions allow the majority of Canadians to make a living rather than just the bankers.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is as follows: Mrs. Erola moves that Bill C-17, an Act respecting bankruptcy and insolvency, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

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

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Motion agreed to, Bill read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Deputy Speaker: Is it the pleasure of the House to call it six o'clock?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: Order. It being six o'clock p.m., this House stands adjourned until eleven o'clock tomorrow morning.

At 5.55 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, May 10, 1984

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—RETIREMENT INCOME

Hon. Flora MacDonald (Kingston and the Islands) moved:

That this House profoundly regrets the two-year delay of the Government in bringing in promised legislation to improve guaranteed income supplements for low-income single elderly Canadians, and condemns the Government for its failure to respond to the innovative proposals of the all-party Parliamentary Task Force on Pension Reform to expand opportunities for Canadians under age 65 to make adequate provision for income in their retirement years.

She said: Mr. Speaker, I am very pleased that the Opposition is able to raise this question of pension reform once again for debate in this House of Commons. We do so in the hope and expectation that somehow it will move the Government forward, if only slightly, to the very real changes which are needed in the pension system in Canada; to make sure that those who are now in greatest need will have their wants addressed; and that there will be changes so that the poverty we see now all too often among our elderly citizens is not perpetuated into the future.

Back in March of 1983, Mr. Speaker, at a meeting of the Standing Committee on Health, Welfare and Social Affairs, I posed a question to the Minister of National Health and Welfare (Miss Bégin) concerning the tragic plight in which so many of our elderly citizens find themselves as a result of inadequate income. I asked her when there might be an increase in the guaranteed income supplement so as to relieve their poverty. The Minister responded in this way. Mind you, this was back in March of 1983. She said that "the cost of bringing the single pensioners over the poverty line ... has been approved by the Government as their first social spending—whenever we can afford it".

• (1110)

When I posed that question one year ago, Mr. Speaker, it was not the first time it was asked. It was not the last time that it was posed to the Minister, to the Minister of Finance (Mr. Lalonde) and to the Prime Minister (Mr. Trudeau). Each time they were asked about Canada's elderly poor, the Ministers replied that the needs of this group were their top priority and that legislation to improve their lot would be the first piece of social legislation which would be brought before the House.

Since then the Minister of National Health and Welfare has seen fit to bring in the Canada Health Act. The Government has introduced measures to put restrictions on transfers for post-secondary education. There have been these Bills and others dealing with social issues, but there is still no sign of legislation to address the pressing needs of Canada's 600,000 elderly poor, the group which the Government has said time and again is their top priority.

The fact that we have 600,000 elderly Canadians living in poverty in a country as rich and bountiful as Canada, in a society supposedly as compassionate and humane as ours, is a national disgrace. The fact that this has been allowed to continue month after month, year after year, is a telling indictment of the Government. The Government is bereft of ideas, drained of decency, and unable to recognize the priorities which must be dealt with in this society. I know the Government has its priorities: bail-outs of de Havilland, Canadair and Maislin; bonuses for executive officers in de Havilland and the Canada Development Investment Corporation; and the purchase of Petrofina gas stations. We know what the priorities of the Government are. For the people who have, throughout their lifetimes, worked for and contributed to the development of this great country, there is only a promise trotted out time and time again that some day, some time, they too will become a priority.

Is it any wonder, Sir, that today we condemn the Government? We condemn it not only for its failure to introduce legislation that would meet the current needs of today's elderly poor, but also for its failure to bring about long overdue pension reform of the whole system so that we can ensure that the poverty of today will not be meted out to those who will be senior citizens in 10, 20 or 30 years' time. We must begin to come to grips with this issue and reverse what is happening.

Studies, conferences and task forces on pension reform have been going on for years, Mr. Speaker. It would take the rest of my allotted time today to even name all of the conferences and commissions which have taken place, let alone comment on the recommendations which they have put forward. It was the concern about the difficulties encountered by many of today's elderly, and the prospect of even greater numbers being in straitened circumstances in the not too distant future unless corrective measures are taken quickly, that precipitated most of the studies which have taken place. It was the same concern which precipitated the establishment of the all-Party parliamentary task force on pension reform. I want to pay credit to the work of that task force because it worked long and hard

and studied the issues. I believe it came up with some very positive and innovative proposals.

• (1115)

First, I want to examine the current situation in this country. Presently there are some 2.5 million Canadians who are over the age of 65. Of those, 600,000 live below the poverty line. What is critical to note is that most of those 600,000 are single and four-fifths of them, or 80 per cent, are women. They are women who, for the most part, worked full time in the home when they were younger and had little or no opportunity to prepare financially for what we so euphemistically term their "golden years". Even if they receive the full Old Age Security and guaranteed income supplement, it is a total of $534 a month or $18 a day. That amount is $2,000 below the poverty line for people living in medium-sized cities across this country, such as Kingston, Sudbury, Sydney, Kelowna and Sherbrooke. People who live in cities like those, where they receive only the Old Age Security and guaranteed income supplement payment, live $2,000 below the poverty line.

The all-Party task force on pension reform recommended that the income for single persons over the age of 65 should be set at two-thirds of the income of married couples. For those most in need, that would mean a maximum increase of $102 a month of the guaranteed income supplement. However, that increase would be based on a sliding scale downward, depending on other additional income that the pensioners might have. It meant that those most in need would receive the largest increase.

The Government chose not to accept that recommendation. Instead, the Minister of Finance in his February Budget proposed to raise the guaranteed income supplement by $25 a month on July 1 and by a further $25 a month in December. That is the proposal that the Government has brought forward and the proposal that I hope will go through Parliament. But I must ask Government Members today, where is the legislation to implement even that increase? It is less than two months before the first half of that $50 increase is supposed to take effect, yet there is no sign of any such Bill on the Order Paper. Surely the Government, with all its bureaucrats and advisers, cannot be having that much difficulty drafting such a simple piece of legislation. Surely that is not difficult. Perhaps we should ask whether it is the will to find a way that is holding the Government back.

Three years ago, the Minister of National Health and Welfare made this statement in the House of Commons, as reported at pages 8609 and 8610 of *Hansard* on March 25, 1981:

—we have often repeated the commitment of this Government to bring all the senior citizens who now receive the supplement over the poverty line.

Of course, she did not say when. Therein lies the deception. When statements like that are made by a Minister of the Crown, expectations are raised. The elderly poor anticipate that their burdens will be lessened, but nothing happens except that the limited income that they receive gets stretched thinner and thinner as the costs of the bare essentials of life get higher and higher. Surely if there is any sense of decency and awareness of priorities left in the Government benches at all, it will bring in the legislation that was promised in the February Budget to increase the guaranteed income supplement.

• (1120)

I do not understand what the holdup is. The Government since that time has seen fit to introduce any number of other measures. Why not this one? Why has the Government not felt that this one was as necessary as any other piece of legislation that could be considered by this House? If this Opposition Day motion does nothing else but provoke the Government into taking action in this regard, we will have achieved something really worth while.

Some Hon. Members: Hear, hear!

Miss MacDonald: I would like to ask what are the prospects for those under the age of 65 who are still in the paid labour force or who are working full-time in the home? That subject was addressed by the all-Party task force on pension reform. The task force had two very real concerns in this regard, Mr. Speaker. One was coverage and the other was cost. It came up time and time again.

First with regard to coverage was how to reform the pension system so as to encourage and make it possible for those who are not now in retirement income plans to be able to participate in them. That was the one question we dealt with. The second was the cost of such reform, not only at the outset but the escalating cost to the public purse if these critical measures are not taken to bring all of these people who are not presently in retirement income plans into them. What would be the cost to the public purse down the road if this issue is not dealt with? We looked at the immediate costs and we looked at the long-term costs to the people of Canada. We did so, Mr. Speaker, because the problem is there before us. Old Age Security payments, public expenditure, this year amount to some $12 billion. That is a lot of money, Sir, but that amount will increase rapidly with an aging society. However, if those presently below the age of 65 are encouraged to prepare now for their retirement years, the public expenditure could be reduced.

Let me elaborate on coverage. At present, there are some 2.7 million people who work full-time in the home who have no access to the Canada Pension Plan, let alone any other pension plan. That group was of great interest to us—almost three million people who work full-time in the home. There are as well some five million people in the paid labour force who have no supplemental benefits. They pay into the Canada Pension Plan and that is it. These five million people in the paid labour force are primarily in the $10,000 to $28,000 income bracket. They work for the most part in businesses and firms which do not have pension plans, and they see RRSPs as a vehicle for higher income earners, not for themselves. Both groups that I have mentioned, those who work full-time in the home and the five million in the paid labour force who have no supplemental benefits at the present time, account for a total eight million

Canadians who are without adequate pension coverage at the moment.

The Minister of National Health and Welfare has recognized the problem. She did so when she came before the parliamentary task force on March 17, 1983, and said:

> I believe coverage is the key issue of pension reform. I really mean extension of coverage to all workers, and that is on a universal basis... You see, the majority of working Canadians do not belong to private pension plans. Only 54 per cent of men and 38 per cent of women in paid employment are protected by private pension plans. These are cold, hard facts.

● (1125)

Those were the cold, hard facts 14 months ago when the Minister said that, and they remain the same cold, hard facts today. The Minister of Finance failed to address this critical issue in his February Budget. He promised to discuss the concept of a homemaker's pension with the provinces, but he did not indicate that the federal Government was committed to bringing homemakers into the Canada Pension Plan in their own right. The Leader of my Party has made that a personal commitment.

The all-Party task force laid out in detail the way in which homemakers could be brought into the Canada Pension Plan. The Minister and his officials certainly had adequate time to study the details of the task force proposal. He must know that the recommendations stipulated that contributions for homemakers' pensions would be from family income and, where this was not possible, would be subsidized by a 0.3 per cent increase in over-all Canada Pension Plan contributions, bringing them from 3.6 per cent to 3.9 per cent of payroll. None of the cost for this would come from the public purse, but the Minister of Finance did not even react to the task force proposal in his Budget or at any time since.

Would he prefer to have the majority of those 2.7 million people who work full-time in the home being put in the position where they have to rely solely on the guaranteed income supplement when they reach the age of 65? What would that do to the public expenditure? What about the five million people in the paid labour force who have no supplemental pension plans? What encouragement was given to them to seek additional coverage? None whatsoever. Unbelievably, the changes proposed to money purchase plans by the Minister in his February Budget, which will mean a reduction in federal revenues of some $300 million annually when they come into effect, will be of greatest benefit to those earning in the upper income brackets, $55,000 or more. The changes may help those who can afford to put $10,000 per year away into such plans, but for people earning only $12,000, $15,000 or even $20,000, that idea does not particularly grab them. They simply cannot indulge in such fantasies.

Instead, the task force proposed establishing a flexible, portable, registered pension account which would have the benefit of a 40 per cent tax credit rather than a tax deduction. This incentive was aimed at encouraging lower to middle income earners, particularly women, to contribute to their own retirement income. Again, there was no response from the Minister of Finance.

In closing my remarks today, I say to the House that the parliamentary task force recognized the pressing need for real pension reform. So too did the Leader of my Party and Hon. Members on this side of the House. We realize that we cannot go on forever piling burdens of debt upon the shoulders of the next generation and the next, not if we expect the intergenerational contract to be honoured. We have to look after our elderly poor today. We have to be prepared to do more to look after ourselves tomorrow. That will only take place if those presently outside the pension system are given the opportunity and the incentive to participate. That the Government has not allowed.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: A ten-minute period is now provided for questions and comments.

● (1130)

Mr. Frith: Mr. Speaker, there is much I agree with in what the Hon. Member for Kingston and the Islands (Miss MacDonald) said this morning. I will have the opportunity later this afternoon to make a speech on the same topic. In my hand I have the Budget presented on December 11, 1979 by the Hon. Member for St. John's West (Mr. Crosbie) when he was Minister of Finance in the Conservative Government. I admit that the poverty level among our elderly is a problem that exists today. It existed five years ago and it existed ten years ago. When the Hon. Member's Government was in power there was only one Budget we can judge by, and on reading through it I see there was no money to increase the guaranteed income supplement in that 1979 Budget. The question is, why not?

Miss MacDonald: Mr. Speaker, one of the great comments I hear across the country about the Liberal Party and the Liberal Government is that it is forever living for yesterday. The concern of today's elderly poor is what is of pressing need. That is what the Government should be addressing at the present time.

The Hon. Member for Sudbury (Mr. Frith) can go back to 1979. I can go back to the 1940s when Mr. Harris, the then Minister of Finance, became known as the "six-buck boy". It was Mr. Diefenbaker who addressed that issue. We can go back over the history of pensions from the time they began, but that is not the issue before us today. The issue today is that there are 600,000 people over the age of 65 who are living in need. The urgency is to get on with doing something about it. I say to the Hon. Member for Sudbury, who I know is concerned about this issue, that he should be pressing his Ministers to bring in this Bill and not be reminiscing about 1979, 1970, 1950 or any other year in the past. It is today that we are concerned about.

Mr. Frith: Mr. Speaker, the point I am making is that since 1980 the Liberal Government instituted a Bill that gave an immediate $35 per month increase and is now proposing a $50 per month increase. Under one Government, by the end of

December, 1984, the elderly in our country will be $85 per month better off than they were in 1980. That was the point I was making.

If the Hon. Member for Kingston and the Islands is serious in terms of her commitment for pension reform and for the guaranteed income supplement Bill to be passed in this House—and the Opposition House Leader was here just a few moments ago—she well knows that other pieces of legislation are being tied up at the present time. She knows how this goes. The Opposition want to have the Western Grain Stabilization Act introduced and passed as quickly as possible. We on the Government side have several pieces of legislation emanating from the February Budget that we would like to have passed, including the guaranteed income supplement increase and some measures that involve elements of pension reform that were in the February Budget.

Why do we not make a deal? The Opposition wants to have that Bill passed and we have pieces of legislation we would like to have passed. Why do they not instruct their House Leader to meet with ours? We would get these pieces of legislation through as quickly as possible. There are pieces of legislation that we deem to be a priority. That will have to be part and parcel of the deal.

Miss MacDonald: Mr. Speaker, the Hon. Member asks why we do not deal with other pieces of legislation. That was very much the tone and temper of my speech. I think this Bill should have a greater priority. If the Government had any sense of priority, it would have at least put this Bill on the Order Paper. It would have introduced it. It would have drafted it and brought it into the House so that we would know it is there in the whole bargaining process. It is not even in the process where we can debate it.

Mr. Cullen: Mr. Speaker, I do not have the statistics in front of me, but I do know the concern that all of us have. I share with the Hon. Member for Sudbury (Mr. Frith) and the Hon. Member for Kingston and the Islands (Miss MacDonald) concern for people who will be retiring and are apprehensive about their retirement income. I like the idea of a universal old age pension. Those who worked and tried to get a pension were entitled to see something across the board. There were others who tried and were not able to do it. CN pensioners received small pensions. Therefore, it made good sense to have an across-the-board pension. It helped those who were not in a position to do it to have a guaranteed income supplement. We piled one more on top of that and required people to contribute to the Canada Pension Plan.

The information I have is that the Canada Pension Plan funding is in some difficulty. There is some apprehension that in order to make it actuarially sound, we will have to increase premiums or face increased costs. Figures I have seen indicate that the time frame is not that far in the future when there will be some difficulty with the Canada Pension Plan.

I listened to the Hon. Member talk about the 0.3 per cent increase and the fact that it would not cost the Government anything. All of the items suggested by the task force involve some cost. I am concerned that we might push something like the Canada Pension Plan costs too high by bringing in too much at once. We have the old age pension, the guaranteed income supplement and the Canada Pension Plan, which has been improved. There are more people who have access to it today. A small point is in a divorce situation, where the wife now gets half the benefits of the Canada Pension Plan, which should have been the case all along. It is there, or will be, and voluntarily some of us have to do that. The fact that I am 57 and getting closer to 65 may mean that I have a vested interest in this.

I am worried about the costs that we may be imposing on the Canada Pension Plan, all of the people who pay into it, in order to meet all the commitments that both the Hon. Member and I would eventually like to see. I am afraid that if we try to bite off more now, it may have the impact of overloading the system with costs and we will not be able to meet the benefits that should be met today.

Miss MacDonald: Mr. Speaker, the concern that was expressed by the Hon. Member was expressed to the task force on many occasions. There is a perception in the public that there is something drastically wrong or inadequate about the funding of the Canada Pension Plan. Our studies did not bear that out, but they did show that the percentage of payroll that would have to be contributed to the Canada Pension Plan over the years would have to be increased. By the year 2000, we anticipated it would go up to 8 per cent of payroll. That was why we said that the proposal we put forward with regard to the inclusion of homemakers in the Canada Pension Plan would be a contributory one, as with anybody else. If they contribute in the same way, they would not be asking any more or any less from the Canada Pension Plan than you or I. Nor would they contribute any less.

The question is, why should these people in Canada be treated as second-class citizens? That is what is happening at the present time with regard to the Canada Pension Plan and those who can participate in it. What we did was to make sure that this was actuarially possible. In all of the studies that we did and in everything we looked at, we were satisfied that this could be accomplished, but it would have to be on a contributory basis.

Mr. Bloomfield: Mr. Speaker, I have a question for the Hon. Member regarding her proposal. All of us in this House want to see our elderly taken care of in fine fashion. Can she give examples of other countries with better support programs for the elderly than Canada?

Miss MacDonald: Mr. Speaker, I do not look at the needs of the elderly poor in this country in comparison with any other country. I really do not. If they are in genuine need, we have to do something about it. Whether there are better or worse situations in other countries should not be our major concern. Our major concern is, what are we going to do about our problems in Canada? That is the approach which the task force and people on this side of the House have taken.

• (1140)

I do not think it is enough to go about saying that people are worse off in the United Kingdom, Europe, Asia or Africa, because we are not able to change the pension plans in those countries. However, we can do something here and we have a responsibility and an obligation to get on with it.

Mr. Deputy Speaker: Order. Debate.

Mr. Bloomfield: Mr. Speaker—

Mr. Deputy Speaker: The Chair is sorry but the time for questions and comments has expired.

Hon. W. Bennett Campbell (Minister of Veterans Affairs): Mr. Speaker, I welcome the opportunity to participate in the debate in the House today. To begin with, I believe that one should first examine the point which has been raised by the Hon. Member opposite with respect to her contention that the Government has delayed the introduction of legislation to fulfil its promise to alleviate the difficulties experienced by Canada's single elderly pensioners.

I hear the word "delay" being used quite often. I think we should begin by examining the accomplishments of the Government with respect to pension reform and I think one could then conclude that it is simply not the case that there has been a delay. Contrary to what has been indicated, when examining the events of the past couple of years it becomes very clear that not only has action been taken but it has been consistent with the fulfilment of the Government's 1980 promise of pension reform.

In order to look at the history of the pension reform process, one must go back to the early part of 1981 when, shortly after the election, the National Pension Conference was convened. That conference brought together all of the players in the pension system including business, labour, government and women's groups. These players came together for the first time to look at the real problems of our pension system and to begin moving toward a national consensus on reform.

The Government followed up on the momentum established by this conference with the 1982 publication of the green paper entitled *Better Pensions for Canadians*. It should be noted that the proposals contained in that paper included the Government's position *vis-à-vis* income for the single elderly pensioner. I quote from the statement of that position:

—the situation of these single pensioners will be improved as soon as resources permit.

That same paper included a proposal to establish a parliamentary committee to undertake widespread public consultation on the issues surrounding pension reform. As the Hon. Member opposite knows, having served on that committee, that special committee on pension reform was formed on March 1, 1983. In other words, the promise to establish the committee was made in December, 1982 and fulfilled in March, 1983.

As Hon. Members know, the committee members undertook an amazing responsibility. They undertook a study of all of the proposals contained in the Government's paper on pension reform. These not only included suggestions for changes to the public pension system of Old Age Security and Canada Pension but also included suggestions for changes to the private pension sector and changes to reflect inflation protection, the special situation of women and pensions and the financial issues associated with those proposals.

The committee heard hundreds of witnesses and scrutinized briefs from all sectors of Canadian society. All areas of vital concern to Canadians were covered thoroughly in its final report. Recommendations concerning each issue were submitted to the Government of Canada in December, 1983, and I might note that under its terms of reference the committee had an assigned reporting date of December 31, 1983. There was certainly no delay on the part of the parliamentary committee.

The Government gave its response to the parliamentary task force only two months later. This response was contained in the Budget Speech of February 15, 1984, made by the Minister of Finance (Mr. Lalonde). In other words, within two months the Government announced its intentions to introduce legislation to improve the financial situation of single low-income pensioners. This announcement did not contain generalized promises. It contained specific proposals to increase the guaranteed income supplement for single pensioners by $25 a month in July of 1984 and another $25 a month in December of 1984.

The same Budget also specified that the guaranteed income supplement program would be further amended to guarantee recipients of partial Old Age Security pensions the same minimum income guaranteed under the GIS program for other Canadians. I might point out to Hon. Members that the parliamentary task force had recommended further study of ways to assist these partial pensioners. The Government chose, however, not to study this issue further but instead to announce its intentions to introduce this proposal at the same time as it introduced the two-stage $50 increase in the supplement for single pensioners.

Let us examine in more detail the $50 increase in the guaranteed income supplement single rate. This increase will benefit current low-income single pensioners, widowed pensioners receiving the spouse's allowance and one-pensioner couples, about 750,000 pensioners in all. As well, some 25,000 persons whose incomes were just slightly too high to qualify for the supplement will now be entitled to receive part of the increase.

This proposed increase is by no means the first step taken to ensure income adequacy for low-income Old Age Security pensioners. In 1979, the guaranteed income supplement was increased by $20 per pensioner household. In 1980, a further increase of $35 was provided to each pensioner household. However, even though single pensioners received the full benefit of the $20 and $35 increases, for those pensioners it was not enough. Single GIS recipients, three-quarters of whom are women, were still not guaranteed an income sufficient to meet their basic needs.

Various groups and organizations, including the Royal Commission on the Status of Pensions in Ontario, the Canadian Council on Social Development and the Senate Committee on Poverty, have studied the question of benefit adequacy for singles. They all agree that a single individual needs at least 60 per cent of the income required by a couple. Given that two-pensioner couples are already guaranteed an adequate level of retirement income under the OAS-GIS program, it was decided that the guaranteed income level for single pensioners must be at least 60 per cent of the amount provided to couples. The $50 monthly increase in the guaranteed income supplement single rate will do just that. In fact, by December, 1984 this increase, along with the regular quarterly cost-of-living increases, will guarantee single low-income pensioners 62 per cent of the income guaranteed to a two-pensioner couple.

Some Hon. Members will undoubtedly question why the Government did not accept the proposal put forward by the parliamentary task force on pension reform. The task force recommended that a special top-up benefit of $102 per month, taxed back at a rate of 100 per cent, be provided only to single GIS pensioners at the lowest income levels. Unfortunately, Mr. Speaker, analysis showed that the Government could not accept this proposal exactly as it was put forward. The fact was that low-income Old Age Security pensioners could have been worse off than they currently are.

For instance, several provincial governments already provide top-ups to the guaranteed income supplement. These top-ups generally operate with a 50 per cent tax-back structure. This in combination with the 50 per cent tax-back rate used under the guaranteed income supplement program means that low-income pensioners already lose $1 of benefit for every $1 of other income they have. Unless the provinces agreed to fully exempt the first $102 of income a pensioner has, something which would be quite expensive to do, the pensioners with the lowest incomes would effectively lose $1.50 of benefits for every $1 of other income they have.

In view of this situation, it proved to be better to make a straightforward increase of $50 per month for every pensioner receiving GIS at the single rate. The wisdom of this course of action has already been proven by the announcement made by the Ontario Government that it will not only pass on this $50 to Ontario pensioners receiving the GAINS supplement but will actually add to the increase to ensure that low-income single Ontario pensioners will be guaranteed 60 per cent of the income of marrieds. That action was possible only because of the way in which the $50 increase has been designed.

● (1150)

I would now like to turn to the second major proposed amendment which will guarantee partial pensioners the same minimum income as provided to the full pensioner under the OAS/GIS program. Whether they have lived in Canada for 40 years or as little as 10 years, all Old Age Security pensioners will be guaranteed an adequate level of retirement income. About 3,000 persons, primarily immigrants, receiving partial OAS pensions will benefit from the proposed amendment in the first year. This number will rise rapidly over the next ten years as more partial OAS pensioners become eligible. For example, by 1990-1991 it is estimated that as many as 25,000 persons will benefit from this amendment.

As Hon. Members know, Mr. Speaker, the Old Age Security residency rules were changed in 1977. For persons coming to Canada since that date, the old age pension is earned at the rate of one-fortieth of the full amount for each year of residency in Canada after age 18. Partial pensions were introduced to simplify the previous complex rules which not only determined entitlement on an all or nothing basis, but under which some period of residency carried more significance for eligibility purposes than others, depending on when in a person's lifetime they occurred.

The introduction of the partial benefits earned in accordance with the years of residency in Canada enables the federal Government to enter into international social security agreements. These agreements allow new Canadians to bring to Canada the pension rights they have earned in other countries. Such rights can then be combined with the rights earned here to meet eligibility rules for Canadian benefits, such as the ten-year requirement for an OAS. Right now we have agreements in force with five countries; Italy, France, Portugal, Greece and Jamaica. We anticipate an agreement with the United States will become effective this year. In fact, Mr. Speaker, just at this moment the Minister of National Health and Welfare (Miss Bégin) is in Belgium to sign a similar agreement with that country.

As well, we have negotiations under way with a number of other countries. However, despite progress in this regard, it remains that some pensioners do not have access to foreign pension income, nor income from any other source. As a result, they have nothing to fill the gap between the partial old age pension they receive and the amount of the full pension which lifelong Canadian residents receive.

Significantly, Old Age Security pensioners receiving a partial benefit can receive maximum GIS benefits. However, because they do not receive full basic pensions, partial pensioners are guaranteed less total income than is guaranteed to persons who have lived in Canada all of their lives. The proposed amendment will mean that low-income pensioners receiving partial OAS benefits will qualify for whatever additional guaranteed income supplement benefits are necessary to give them the same minimum income level as other pensioners. This change will eliminate any adverse consequences which could have arisen as a result of the amendments to the OAS Act in 1977. As well, it is consistent with the goals of the guaranteed income supplement program, namely, ensuring income adequacy to all pensioners in Canada.

There is no doubt that every Hon. Member of this House would have been happy to see this legislation introduced earlier. The needs of the low-income elderly have been known to all of us. However, the economic circumstances of a worldwide recession made it necessary for the Government to wait until it could responsibly make the commitment implied by the $50 increase in the GIS single rate. This increase is going to

take place beginning this July. That is an undertaking which was given in the February Budget and is one which was not given lightly.

Hon. Members know that thousands of pensioners are now counting on this increase. They also know that the Government will bring the legislation forward shortly, Why, then, is there now this suggestion of delay? What can be accomplished, Mr. Speaker, by this suggestion except to create needless anxiety among our pensioners? Pensioners, Mr. Speaker, have enough to contend with in making ends meet without worrying that somehow the promised increase will be denied to them. I know that Hon. Members from the benches opposite will want to reassure pensioners that when this legislation is brought forward, it will be given speedy consideration.

For our part, Mr. Speaker, I can assure Hon. Members of this House, and all Canadians, that the Government of Canada remains committed to these promises and that the introduction of the proposed legislation is imminent. With the co-operation of all Hon. Members, the legislation can be passed quickly, and since Opposition Members have expressed their support for these proposals, I have no hesitation in assuring low-income single pensioners that they will see the $25 increase in their GIS pension cheques in July.

Mr. Deputy Speaker: Questions and comments.

Miss MacDonald: Mr. Speaker, I would like to ask the Minister of Veterans Affairs (Mr. Campbell) when the Government will bring in the Bill to increase the guaranteed income supplement. He has said it is going to be done. What a great many people across this country are asking is, when? Give us a date. Government has been saying it since February. Can the Minister very straightforwardly just give us a date?

Mr. Campbell (Cardigan): Mr. Speaker, I am not in the position to give a specific date. However, I can give the Hon. Member assurance that if Hon. Members opposite are prepared to give priority to consideration of this legislation, I am sure a date can be identified very quickly between the House Leader of the Opposition and our House Leader so that the legislation can be introduced and considered just as quickly as possible.

Miss MacDonald: Mr. Speaker, we take that as a commitment on the part of the Minister of Veterans Affairs. We have had greater difficulty dealing with the Government House Leader than we have with the Minister who has just spoken. Therefore, I hold my breath, not fully understanding that the Government House Leader will be as forthcoming as the Minister has just been.

However, I would like to ask the Minister whether or not it is the intention of the Government to bring forward at the same time the legislation which will change the regulations with regard to registered retirement savings plans to benefit those income earners in the country who presently receive an income in excess of $55,000 a year. It will cost the Government something in the way of $300 million in lost revenues in order to benefit that select group of people. I do not consider that to be a priority or even necessary. However, I am wondering if the Minister can tell us whether or not that proposal which was put forward by the Minister of Finance in the February Budget will be introduced also.

Mr. Campbell (Cardigan): Mr. Speaker, may I begin my comments on the secondary question, I suppose, by commenting on the first. I believe we are all aware, Mr. Speaker, that there are a number of initiatives and financial Bills which are presently before the House to which we had understood priority consideration would be given, and to which Hon. Members of the Opposition would lend their full support, in order that those particular issues could be dealt with quickly. Thus the amendments to provide for the $25 July increase in guaranteed income supplement might be placed before the House at the earliest time. I hope that that co-operative attitude which seemed to have prevailed at that time could also prevail for this particular piece of legislation.

With respect to the Hon. Member's secondary question, I am sorry, Mr. Speaker, I do not have any information on that so I really cannot provide her with an answer.

• (1200)

Mr. Miller: Mr. Speaker, I would like to ask the Minister how it is that the Province of Ontario could agree to pass on the $50 to pensioners without a tax-back through the GIS, but we cannot get the same agreement on the $102 increase. Is the Minister aware whether the Government has consulted other provincial governments to see that they will not tax back any increases through the GIS which may accrue from this House of Commons?

Mr. Campbell (Cardigan): Mr. Speaker, it is my understanding that yes, the Minister of National Health and Welfare, through her officials, has been consulting with the different provincial governments to ensure that the $50 increase in the GIS will be passed through to the individual pensioner. In fact, I think the Minister has commented in this House that it would be a priority of hers to ensure through consultation and monitoring that the $50 increase was passed through to the pensioner rather than reflecting increased charges, for example, in the provinces.

My understanding is that there is a general agreement. I guess Ontario is the best example. They have already demonstrated publicly that they will not only pass through the $50 increase but will in fact enrich that particular increase, so as to ensure that the benefits received by the single pensioner will be guaranteed at a level equivalent to 60 per cent of the benefits received by married couples.

As far as the question of why the $102 would not have been acceptable, I would suspect that the reason for that was simply due to the cost.

Mr. Taylor: Mr. Speaker, I would like to make a comment and then ask the Minister a question. The Hon. Member for Sudbury (Mr. Frith) left the impression that this side of the House was holding up the legislation. He asked us why we did

not pass the legislation. Mr. Speaker, there is a false impression going out to the people of this country that for some reason we will not let the Government pass the Bill. The real truth is, of course, that the Government has not brought the Bill in. How can we hold it up when it has not even been brought in?

The other point raised by the Minister concerned other Bills they wanted passed. If the Government is going to put its emphasis on Bills dealing with corporations instead of bread and butter issues affecting our senior citizens and farmers, of course there is going to be difficulty. That was not our doing. That is the Government's doing. It decides what to bring in and when. It has not yet brought in the Bill relating to the $25 increase for single senior citizens in July and December under the GIS. It has not brought in the Bill which might save scores of farmers from going into bankruptcy. But it brings in a corporations Bill and leaves it here day after day.

I ask the Minister if the Government can start getting its legislative priorities in order and deal with the bread and butter issues which affect the daily lives of our people, instead of dealing with these corporation Bills?

Mr. Campbell (Cardigan): Mr. Speaker, I think the comment is just a little bit unfair. There is no question that there are financial Bills and initiatives which benefit all Canadians, including the proposed change to the GIS, and the proposal brought forward for consideration by the House to provide some assistance to the western grain farmer. There are a number of initiatives proposed which require priority consideration. It is a matter of the two House Leaders getting together and agreeing on some timetable which would see the legislative package, including the GIS increase, expedited as quickly as possible.

Mr. Deputy Speaker: Debate.

Mr. Ted Miller (Nanaimo-Alberni): Mr. Speaker, I want to thank the Hon. Member for Kingston and the Islands (Miss MacDonald) for moving a motion allowing the House to look at the Liberal record on pension issues and the most recent inappropriate response to the serious poverty experience of many elderly women, and the totally inadequate response to the demonstrated need for pension reform.

One in four elderly Canadians live in poverty. Some 60 per cent of single elderly women, 80 per cent of them widows, are poor with little opportunity, other than through increases to the OAS or GIS, to see any improvement in their standard of living. They look forward to a long life of poverty, as do many women working today inside and outside the home, unless real pension reform is implemented. The NDP concurs with the motion regretting the delay in recognizing the needs of hundreds of thousands of single elderly poor by failing to implement increases to the GIS or increasing the universal OAS to its former level of importance in income replacement.

However, just like the Conservatives, we also recognize that electoral considerations mean more to the governing Liberal Party than the needs of pensioners. It did not require a parliamentary task force on pension reform to show the Government the serious shortcomings of our public and private system in providing adequate pensions for women who statistically outlive their husbands and who have little opportunity to contribute to their own private plans or earn enough to achieve full CPP or even to share a working spouse's pension on divorce or death. When the Government does respond on the eve of an election, the response denies the seriousness of the conditions many Canadians find themselves in. By rejecting the task force report recommendation of a $102 permanent increase in the GIS for the single elderly, and only promising a $50 per month increase by year end, the Government fails to understand the report itself and the witnesses who appeared before the task force. Failure to introduce the changes to the House compounds the uncertainty many Canadians feel.

While the NDP can also sympathize with the second part of the motion condemning the Government on its response to the task force report on pension reform, we cannot share the Hon. Member's surprise at the pension reform offered by the February, 1984 Budget. The response of the Minister of Finance (Mr. Lalonde) is consistent with the philosophy of the majority report of the Liberals and the Conservatives providing more incentives and another chance for the private sector to respond to a shameful record. Increases in tax incentives to wealthy Canadians to encourage greater participation should not surprise the Hon. Member, nor should the feeble response to a greater pension coverage for low-income and part-time workers through a registered pension account. The Member and her Conservative colleagues join the majority of Liberal Members in seeking any and all methods to protect private pensions from meaningful expansion of the Canada Pension Plan or Old Age Security. Instead of meaningful reform, the Liberals have responded with a token GIS increase amounting to $1.61 per day by the end of 1984, while providing massive tax deductions to high-income earners which could amount in the most extreme cases to an equivalent of $20 per day to wealthy individuals.

Unlike the Liberals or Conservatives, the NDP would implement a pension system to reduce the dependence on the GIS, as was the original intent when the GIS was established on a temporary basis in 1966 while the Government waited for the Canada Pension Plan, Quebec Pension Plan and private plans to mature in order to reduce dependency on the GIS. Some 18 years later, in 1984, over 50 per cent of retired Canadians depend on full or partial guaranteed income supplement. This is evidence of the failure of the private and public sector pension systems in the past two decades.

Pension reform should indeed be reform. The proposals in the Budget insist on another decade or two of dependence on private plans to meet the needs of Canadians. It will not happen. We need to reaffirm the universality of the Old Age Security pension and return it towards its 1964 level of income replacement of 20 per cent of the average industrial wage, thereby beginning to reduce the dependence on GIS and the disincentives to saving for retirement which the 50 per cent tax-back on additional income attached to the GIS causes.

Liberal leadership candidates and Conservative leaders and former leadership candidates leave many doubts about their intentions towards universal pension arrangements. People wonder how deficits are going to be slashed while politicians advocate billions of dollars of additional expenditures to appease every special interest group on the economic side. The social development envelope of the Cabinet accounts for 40 per cent of the federal expenditures with another 20 per cent used to pay off the debt incurred by successive Liberal Governments.

• (1210)

The Hon. Member for Kingston and the Islands, in whose name the motion stands today, made an appropriate statement to the House yesterday with regard to the comments of leadership candidate Mr. John Turner about slashing the deficit by $15 billion over the next three to seven years. She said:

> The candidate refuses to spell out in detail how he would accomplish his goal, but mere mention of his intention to go after social programs has already had a damaging effect. For while economists may be skeptical about his statement, hundreds of thousands of Canadians who have to get by on the guaranteed income supplement and social assistance, are now worried that their payments will be radically reduced.

I think that is a valid comment, Mr. Speaker. The Member for Kingston and the Islands is also aware, as is the public, that many members of her own Party feel social expenditures are too high. They are itching to get into power to switch Government priorities to the corporate sector. Her Party worries the very people she is concerned about in her statement. It is possible that a John Turner-led Liberal Party would be undistinguishable from a Brian Mulroney-led Conservative Party.

In fact, some of the comments of the former Finance Minister give a lot of people concern and doubt about what the policies really are. On November 25, 1983 Mr. Crosbie said, "We're not giving anything away. If you want to find out what our policies are, elect us". On July 12, 1983 the same individual is quoted in *Maclean's* as saying: "If I told you what I would do we would never get elected". Mr. Speaker, those comments do not engender any confidence in people who are living on public pensions or even private pensions.

The NDP issued a dissenting view in the parliamentary task force report on pension reform outlining both areas of support for the majority view, but disagreeing fundamentally on the majority faith in giving private plans yet another chance to apply their pensions to the two-thirds of women not presently covered, to offer inflation protection, to provide mobility to workers moving into new jobs, and to securing employer contributions to workers' pensions before 10 years of service.

We called for a 25 per cent increase in the Old Age Security pension to 17.5 per cent of the average industrial wage, indexed to wages to protect its universality and its earlier significance in replacing pre-retirement earnings. We also called for an expansion of the Canada Pension Plan to 50 per cent of the average industrial wage. The recommendation to expand the Canada Pension Plan and the Quebec Pension Plan conformed to the request of women's groups, labour groups, social policy groups and some pensioner organizations fed up with the promises of private pensions and aware of the experiences under reliance on those same private pensions.

In its presentation the National Action Committee on the Status of Women told the task force:

> For the future elderly women, the most important reform would be the expansion of the Canada Pension Plan, so that those who are in the labour force can have adequate benefits when they get to the age of 65.

Many other women's groups advocated increases in the Canada Pension Plan to 50 per cent of the average industrial wage.

In rejecting any expansion of the Canada Pension Plan, Liberal and Conservative Members ignored the experience of labour, women and pensioners toward a system that has failed to respond voluntarily to the demands of Canadians. Instead, we now have proposals in a Budget document which threaten further government action if voluntary compliance with increased participation in private plans is not evident over some uncertain period of time. Failure to take on the powerful pension lobby will mean continuing dependence on government assistance through GIS and tax assistance.

The only carrot for women, those most in need of pension reform, is the promise to discuss the principle of homemakers' pensions with provincial governments. Even the promise of a homemaker pension advocated by some, but by no means all, women's groups is flawed. It is flawed not only because it favours one-earner couples, but is flawed in the majority report because it fails to recommend increasing the CPP/QPP beyond the present 25 per cent of the average industrial wage. The Government has accepted this recommendation and denied the most important reforms for women in the pension field. This particularly affects women in part-time work or women in jobs with no private pension plans. At this time only one-third of women are in private plans despite the growing number of women attached to the work force.

I would like to spend some time discussing part-time workers because once again the Budget proposals calling for pension reform offer nothing to the vast majority of the 2.7 million part-time workers in Canada, 72 per cent of whom are women. The inclusion of part-time workers in pension plans, where offered to full-time employees, and the provision of a locked-in registered pension account will not significantly benefit the one in five Canadians expected to comprise the part-time work force in Canada by the end of the century. These workers earning less than 80 per cent of full-time worker wages are not likely to respond to the lucrative tax deductions of the new and improved RRSPs, or to be very interested in locking in pension funds to a registered pension account.

In publishing their report on part-time work, the Commission of Inquiry on Part-time Work recommended the following:

> In view of the lack of Pension coverage in industries where most part-time workers are found, the above recommendations cannot be guaranteed to provide all part-time workers with adequate retirement income. Therefore, the federal Government should work towards expanding the public earnings-related pension

system (CPP/QPP) to replace a higher percentage of pre-retirement earnings, preferably, 40 to 50 per cent of the Average Industrial Wage. At the same time, a method should be found to offset to higher contribution rates for low income workers, many of whom are part-time workers.

The recommendation referred to in that quote applies to changes in the Labour Code requiring part-time workers to be included in fringe benefits and pension plans on a pro-rated basis. The problem, of course, is that few employees in the community, business and personal services sector are pension plan members.

Workers in the home or outside the home will not be well served by Liberal promises of pension reform, or for that matter by Conservative Party proposals dependent upon the accumulation of 25 to 30 years of pension contributions before any reasonable amount of inflation protection can be expected.

By rejecting retroactive inflation protection, the 60 per cent CPI inflation protection recommended in the Budget will only apply on contributions made after the implementation of reform discussion, both federally and provincially. Pensioners will continue to see serious erosion of their retirement income earned from private plans for the next 30 to 40 years while once again we wait for private plans to mature, this time through registered pension accounts, inflation protection and earlier vesting.

Instead of improving pensions by increasing contributions and benefits to the Canada and Quebec Pension Plans which provide immediate inflation protection, complete mobility, immediate vesting and application to part-time as well as full-time workers, the Government is willing to risk more years of inadequate post-retirement income for pensioners.

I would like to deal now with the financing of the Quebec and Canada Pension Plans because the detractors of public pensions, such as the National Citizens' Coalition and many Liberal and Conservative Members of Parliament, would have Canadians believe the plan is bankrupt.

Canadians contribute 3.6 per cent of their incomes up to the average industrial wage into the CPP/QPP to provide themselves with a pension of 25 per cent up to the maximum of the AIW which is currently $20,000. These contributions, which are then loaned to provincial governments, have accumulated over $23 billion as of 1983. This accumulation of assets is based on a relatively low contribution rate, one of which was anticipated to increase as early as 1976 but has not done so because current contributions to the plan are adequate to pay benefits to retired plan members. Provinces in fact, up until this time, have not been required to pay interest on the loans from CPP/QPP although they may soon have to. Currrent contributions are adequate for the next 20 years without the fund being bankrupted, as some people would have us believe.

● (1220)

The conclusion of the parliamentary task force was to reject the suggestion that the Canada Pension Plan was bankrupt or suspect because the assets securing its promises are not carried on the books of private corporations. The task force recognized that the capacity of the Canadian economy to meet pension commitments decades from now depends more on our ability to move grain along rail lines, goods through seaways and data via satellites, than does it depend on paper gains that make pension fund managers look good in the short run.

If there are fears about the willingness of provinces to pay back the accumulated loans from the Canada Pension Plan, these fears should be directed at the provinces and not at the Canada Pension Plan, which is functioning as originally intended through a transfer of pension benefits from one generation to the other on a basically pay-as-you-go basis, with no intention to accumulate massive funds through full funding of the plan. In fact, the business sector is adamantly opposed to full funding of the CPP for fear of impact on their own capital markets and government control of huge amounts of pension funds. The CPP/QPP funding mechanism is in fact designed to satisfy the business community and the federal and provincial governments.

Canada's pension system should be expected to meet certain objectives. I believe most expect that we should be able to ensure that Canadians are able to avoid serious disruptions in their standard of living upon retirement or upon the death of a retired spouse. Elderly Canadians should also be provided with a reasonable guaranteed minimum income and with pension opportunities and arrangements that are fair.

By expanding the Canada Pension Plan to meet a greater replacement rate, these criteria can be met without the delay and inadequacies inherent in private sector reform alone. When combined with an Old Age Security increase, Canada Pension Plan expansion and credit splitting, homemakers and part-time workers will be guaranteed better pensions. At page 150 of the minority report I have outlined certain things that will accrue to single elderly people and women in general if in fact the NDP recommendations for increasing Old Age Security and the Canada Pension Plan do in fact accrue. Full-time homemakers will be guaranteed an indexed income above the poverty line. If their spouse was a middle or low-income earner, they will be guaranteed that their standard of living will be maintained when their spouse moves from work to retirement.

Third, homemakers will be guaranteed that their standard of living will be maintained when their spouse dies. They will be provided with the Canada Pension Plan retirement benefits in their own names at age 65. Finally, they will be guaranteed equal treatment with their spouses no matter which one dies first.

We are also anxious to see legislation brought before the House which will at least deal with the most critical problem that elderly Canadians face right now. They are the 600,000 people who live below the poverty line, four-fifths of whom are women, as mentioned by the Hon. Member for Kingston and the Islands. We are skeptical about the time frame for introducing this Bill before Parliament. We certainly have much to say about pension reform and we will be doing so when changes are brought before Parliament.

Specifically, we will be very concerned and will want to know in detail why the Government can find massive amounts

of money to increase the tax deductions for high-income earners when it can only find $50 per month for single elderly pensioners and cannot even pass that measure without great delay in the House of Commons.

Once again I thank the Hon. Member for Kingston and the Islands for providing the House of Commons with what I believe is probably the most important issue facing Canadians today, not only elderly Canadians living in poverty but the entire population which must decide on reforming a pension system that has been woefully inadequate over the last 20 years.

Mr. Deputy Speaker: Questions or comments? Debate.

Mr. Dantzer: Mr. Speaker, it is with pleasure that I speak to the motion before the House—

Mr. Deputy Speaker: Order. I seek the indulgence of the Hon. Member. The Chair did not see the Hon. Member for Winnipeg North (Mr. Orlikow) rising presumably to put a question.

Mr. Orlikow: Mr. Speaker, I wish to direct a question to the previous speaker. In the last couple of weeks, Mr. Peterson, the Liberal Leader of the Opposition in the Ontario Legislature, joined in the chorus of cries of gloom and doom from those who are predicting that the Canada Pension Plan will soon go bankrupt if it has not done so already. That cry was joined a couple of days ago in an editorial in *The Globe and Mail*. Would the Hon. Member expand on the views of the Parliamentary task force to which he referred which rejected that contention?

Mr. Miller: Mr. Speaker, I thank the Hon. Member for that question because I think it is important. Members on the task force had certain concerns themselves about the Canada Pension Plan, its mechanism for funding and its loans to provincial governments. However, in discussing the fears that had been expressed by some individuals to the task force and publicly, provincial governments indicated to us that they had every intention of paying back the contributions that they had received from the Canada Pension Plan and that those funds would be available.

I should also advise the Hon. Member that the Canada Pension Plan fund is essentially a pay-as-you-go fund. This generation of workers is paying for the pensions of those who are retired. There is a recognition that in the future contributions from working Canadians will have to increase because there will be more people on pensions. It is fundamentally a transfer from one generation to the retired generation. As long as the Canadian public has faith in that mechanism, the Canada Pension Plan and Quebec Pension Plan are basically sound. As I say, the CPP has accumulated some $23 billion and we are not even using the interest on that fund yet to pay Canadians their pensions in retirement.

Mr. Deputy Speaker: Further questions or comments? Debate. The Chair wishes to apologize to the Hon. Member for Okanagan North (Mr. Dantzer) for having aborted his take-off attempt.

Mr. Vince Dantzer (Okanagan North): Thank you, Mr. Speaker. You have not aborted my take-off; I am quite prepared to take off at this time.

It is with a great deal of pleasure that I speak to the motion presented by the Hon. Member for Kingston and the Islands (Miss MacDonald) because it is a pertinent topic. I would like to illustrate to the House and the people of Canada how the Liberal Party's use of the words "pension reform" is really a question of mirrors, illusion and smokescreens. The Government has absolutely no intention of bringing in pension reform.

Let us review the history of what the Liberal Government has done in this regard. It is a very brief history. Shortly after it was elected in February of 1980, the Minister of National Health and Welfare (Miss Bégin), with much fanfare through newspaper advertisements and so on, said that the Government would hold a National Pension Conference. This conference took place a year later, in the spring of 1981. The Prime Minister (Mr. Trudeau), the then Minister of Finance as well as the Minister of National Health and Welfare appeared at that conference and assured all of the delegates that pension reform was a subject that the Liberal Party would urgently address.

In fact, the Liberal Party made two promises. First, it promised that there would be a conference of first ministers held immediately in order to discuss pension reform. That was in 1981, yet when did that first ministers' conference take place? We are still waiting for it. So much for that particular promise. Second, it promised that it would publish a green paper on pensions within three months. We waited for the entire year of 1981 and much of 1982. I believe we received the green paper toward the end of 1982. This report is contained in a nice glossy booklet. All that we see from the Liberals about pension reform are glossy booklets in both official languages. There is nothing essentially wrong with what is in the book. It was just a repeat of what occurred at the National Pension Conference. There are some things that are wrong, however, but what it did in all of its glossy paper, small books and big books, was to set out what those of us who are involved in pensions already know, that reform was needed.

• (1230)

In the index we find the following comments. Elderly Canadians should be guaranteed a reasonable minimum income; everyone can agree with that. Here is another phrase: "Opportunities and arrangements available to Canadians should be fair to provide for their income". Canadians should be able to avoid serious disruption of their pre-retirement living standards on retirement.

Here is the booklet, Mr. Speaker, and here is the information. This is a very political Party that we have across the way. Its members were not sure who supported this proposal and who supported that proposal. There is at the end of this book a proposal about which they were concerned. The Minister of

National Health and Welfare said: "There is a large question of coverage and I think it should be handled one of two ways. One is to increase the CPP and the other is to make mandatory private pensions". That was the real issue behind the green paper and it was the real issue behind the proposal to set up the parliamentary task force. I am sure the Minister of National Health and Welfare did not expect the task force to come up with anything new, but she did expect it to come up with an endorsement of one of those two proposals.

The task force was set up. It reported within a year after a lot of hard work. What happened? It came up with another glossy piece of paper, this time light blue in colour. The social reporters commented that it was a Conservative report. I do not know whether they were talking about the content of the report or the blue label. In any event, the report was well received. The task force did a lot of good work. It set up a very comprehensive scheme for Canadians but it did not do what the Minister of National Health and Welfare wanted it to do. The task force did not endorse mandatory pensions in the private sector, nor did it endorse an increase to 50 per cent of the average industrial wage in the Canada Pension Plan. I can get into that later but I can tell you very good reasons why it did not do that, Mr. Speaker.

The Minister received the report. Her comment was that it did not speak to coverage. But it did speak to coverage in a very efficient way. As so well pointed out by the Hon. Member for Kingston and the Islands (Miss MacDonald), it had some very imaginative proposals for dealing with low-income people.

We waited. Then we had the Budget of the Minister of Finance (Mr. Lalonde). We have some more glossy paper. This time it is brown glossy paper. The books have all sorts of nice brown colours on them. There is a very happy couple in the springtime of their retirement shown on the front cover of one. The document again goes all through the lip service and illusions and everything else about which we have heard so much, but the document does not get to the meat of the problem. The proposals do not provide a decent minimum coverage for elderly people. They do not come near that. The proposal of $50 a month over a year still leaves, as the Hon. Member for Kingston and the Islands said, 600,000 elderly people about $2,000 under the poverty line.

This Government has created illusions and given us smokescreens. It is not really serious. I could ask the question that Mondale asked Senator Hart: "Where is the beef in your program?" Where is the legislation? Surely the Government can bring it forward, Mr. Speaker. We have heard silly excuses from the Minister of Veterans Affairs (Mr. Campbell), whom I respect and who was ill at ease when he gave the kind of excuses such as: "The Opposition is not finishing the work with the other legislation and we cannot bring this essential legislation forward". I cannot buy that explanation at all.

Let me come back to why the task force did not follow the Minister's hope and provide an increase in the Canada Pension Plan to 50 per cent of the average industrial wage that was in the minority report. The simple reason, which should be clear to all Canadians, is that at the moment the Canada Pension Plan costs the average person 3.6 per cent of his income; 1.8 per cent is usually paid by the individual employee and 1.8 per cent is usually paid by the employer. A self-employed person pays the whole premium. But that is not a true cost. If the Canada Pension Plan were properly funded, it would cost the average worker 10 per cent of his or her income. Someone may ask from where is that money coming. At the moment we are transferring it to future generations. We are not really covering, with the 3.6 per cent contribution to the CPP, the real cost. I can tell you, Mr. Speaker, it is the best bargain anybody ever had in this country.

The New Democratic Party's proposal, which was really the proposal of the Canadian Labour Congress written by a Canadian Labour Congress official, is for an increase to 50 per cent of the average industrial wage. That works out to 20 per cent of a true funded cost. We in the task force were not prepared to have a young taxpayer with a mortgage on his house and raising a family pay 20 per cent of his income, to be transferred to the same generation. There was a consensus throughout the land. The only people who wanted it were those who did not concern themselves about the cost. I remember bringing this point forward in Calgary to a union group. The answer given was: "I am not worried about the cost; where the money comes from is your problem". That is the kind of attitude which the task force could not quite buy.

What about the other proposal which the Minister would have us accept for coverage, namely mandate to the private sector regarding the necessity of providing pensions. In Canada the majority of small businesses do not have pension plans. It is also a fact that the small business community at this time is going through a very difficult period. Small business in Canada provides 80 per cent of the new jobs. I think that figure is fairly accurate. The task force was not prepared to impose additional costs on that segment of the business sector because we felt small businesses were having enough difficulty with the taxes and the paperwork for StatsCanada and so on. It was not the time, if it ever is. Small business should be given an opportunity through the proposals put forth in the task force report to provide those pensions.

Certainly the majority of the members felt that the philosophy behind pensions was that people should be encouraged to provide their own. It should be made easy for them to do so. One should not impose stringent regulations and high costs on one generation to be passed to another.

That is why the task force did not do what the Minister hoped. It is my understanding that there are presently discussions taking place between the federal Government and the provinces. It is also my understanding that when they reach an agreement they will propose some changes in the Canada Pension Plan, perhaps somewhat like those proposed by the task force which were taken up in the Budget papers of the last Budget. But I want to warn Members of this House and Canadians that if that happens they can expect an increase in the cost of their monthly payments, an increase of that 3.6 per cent contribution.

I contend—some people do not agree with me—that the Canada Pension Plan in its present form is really a fraud on Canadians. It is not a pension plan at all. It is merely a system of taxation to get money into the general revenue fund of each province and then there is an obligation by the Government to say: "Fine, we will pay out these funds".

The Hon. Member for Nanaimo-Alberni (Mr. Miller) tried to say that the Canada Pension Plan is not in trouble and that payments should be increased. But what are the facts, Mr. Speaker? Most people in Canada think there is a fund available somewhere as a result of the 3.6 per cent they pay toward the CPP. However, they are very shocked and surprised to learn there is no fund and that any moneys which have proportionately gone to the provinces have been used by the provinces in their general revenue funds. What have they done with that money? They have built roads, they have hired bureaucrats, perhaps they have built schools, and they have lent money to their Crown corporations. Only one province has kept an accurate accounting of where the money has gone. Only one province has made plans to pay it back. Other provinces have said that they are quite capable of paying back the money any time they want, but others have said that they will not pay it back. Of course, some provinces have said that they need that money coming in or they would be not able to survive, so they are the ones who are very interested in seeing it continue.

● (1240)

We do not have a fully-funded plan. The reason for this is that if we had such a plan, it would cost 10 per cent instead of 3.6 per cent. By now $75 billion would have been built up in the fund and it would be in the hands of government. Indeed that would be very dangerous. Who wants government spending $75 billion? They would control all private companies in Canada with that amount of money.

That is the type of situation which exists in Sweden where almost 50 per cent of new capital belongs to the government because of pension funds. Political parties vie to obtain control of that fund. This is why I think no reasonable person would want a fully-funded pension plan.

The task force recommended a pay-as-you-go plan with a cushion of two or three years. That is not what we have in Canada, as the Hon. Member for Nanaimo-Alberni said. We have a partially-funded plan. In fact, it is overfunded to the extent of $25 billion right now. I suggest it would be very difficult to get that money back. It is almost impossible for any provincial government to start raising that amount of money and paying it back. They simply will not do it because it is much easier to say that they will improve benefits and increase contribution rates. I guarantee that is what will happen very quickly; we will probably see that in June. The rate they propose will probably be more than that of a pay-as-you-go plan.

At the moment the plan is taking in as much as it is paying out. As I understand it, if the contribution rate is not increased, next year we will be asking the provinces to pay their interest into the plan. So far they have paid interest into the plan and have borrowed it back out again, without it ever reaching the people who should receive the benefits. If the provinces pay back the interest, the plan would not need to be subsidized nor would the contributions need to be increased until about 1991, at which stage they would have to start paying back the $25 billion to keep the plan solvent. I believe that would be gone by the year 2001. In point of fact, if we said that there were to be no further contributions and that the provinces had to pay back the interest and what they owed, the plan would continue without any increase until the year 2001.

The task force did not feel that was a good idea because it would involve a large increase. It felt that the increase in contributions should be gradual, and that is why the major recommendation was that the plan should be phased in over a 25-year period. It was felt that the Government and the provinces should set the rate over the 25 years and review it every five years to ensure that their calculations are correct and that people do not face a sudden increase. Unfortunately, that particular plan will not be accepted because of the difficulties in which the provinces find themselves.

There are those who argue that the provinces should have the money just as much as the private sector, that social capital is just as effective at creating wealth as private capital. That may well be true. I do not think I am prepared to argue that, but the fact of the matter is that a lot of that money was not used as social capital in the sense of building roads, schools, hospitals and dams. Much of it went into the hiring of bureaucrats. Perhaps, with access to easily available money, governments spent more than they would have normally and became involved in spending patterns which we are now trying to avoid.

In negotiations with the provinces, Parliament and the Government have to be very careful. If the Government were so impressed with pension reform, it would have indicated what kind of stance it was taking in its negotiations with the provinces. When this plan was first started—and I will give it credit—the federal Government wanted contributions to be around 1 per cent or 1.5 per cent. It felt that that percentage would be sufficient to fund the plan on a pay-as-you-go basis. However, it gave in to the provinces in order to get its hands on pensions, which are a provincial responsibility. Of course the provinces, God bless them, took as much as they could. This is why the rate was set at 3.6 per cent. They had good statisticians. They knew there would be a large build-up in the fund and that they would have money to spend.

This is why I say that it is a fraud on taxpayers. It is a regressive tax. Those things that they would normally build with social capital, such as schools and churches—perhaps they do not build churches; perhaps in Newfoundland they build churches—are paid for by people with $20,000 incomes. A person with a $20,000 income pays 3.6 per cent of his income to provide such things, whereas a person with a $40,000 income pays 1.8 per cent. Is that fair or reasonable? Yet the Hon. Member for Nanaimo-Alberni says that he wants this figure increased to 50 per cent of the average

income. That is even more regressive. It is just ridiculous. If we want to go that route, it would be much better to call it a tax and make everyone pay it. It could be a 3.6 per cent or 4 per cent tax against everyone's income, but that is too honest. Governments do not like to be honest. It is too direct. People might understand what is being done to them and would become very unhappy.

I see my time is almost up. Like the Hon. Member for Nanaimo-Alberni, I commend the Hon. Member for Kingston and the Islands (Miss MacDonald). I think this Parliament and the people of Canada know that if this Government brings in any pension reforms, particularly with respect to women, it will have been due to the efforts of the Hon. Member for Kingston and the Islands. I hope she continues the fight.

Mr. Deputy Speaker: Questions or comments?

Mr. Miller: Mr. Speaker, it is always interesting to hear the comments of my friend from the task force. However, in rejecting any increase in the Canada Pension Plan and any mandating in the private sector, the Hon. Member did not refer to the additional 50 per cent of the people who at the present time are not covered by private pension plans. In terms of the suggestions either in the Government's budget proposals or in the task force report, how can the Hon. Member see more reliance on the private sector as more opportunity for people to save for retirement if there is no increase in the public pension system or some mandating in the private system?

Mr. Dantzer: Mr. Speaker, in response to that question, I really do not see anything in the Budget proposals of the Government to solve that problem. There was a considerable number of proposals in the report of the task force. One was RPAs and another was to provide tax credits for people investing in RRSPs. In other words, it would attract the lower income group and make it worth while for them to be involved in a self-help program. In fact, most small businesses today want to become involved in pension schemes, but they want them to be flexible. They do not want them to be mandated. They want people to go into them as they can afford to do so.

• (1250)

You will find, Mr. Speaker, that the response to the registered pension account is very large. In fact, I give the green paper credit for that proposal. The Government brought that proposal forward as an afterthought. It was not very serious, but it was grabbed. Everywhere you went, people were enthusiastic about this. It was made a much more important part of the process than one would have thought. That is why the task force felt there was a real potential here. That is where the coverage for those people will exist. The task force proposal for married people would bring a large number of people into the pension scheme.

Mr. Miller: Mr. Speaker, one of the problems is the locked-in aspect of a registered pension account. Once that contribution has been made by the employer and the employee, that is locked in until retirement. That will be a massive disincentive to people on the low-income scale.

The RRSP is already available to individuals and could have been used by employers to give a pension over the last few years. Why does the Hon. Member feel there will be any greater take-up of an RPA than there has been initiatives by private employers to initiate RRSPs for their employees?

Mr. Dantzer: Mr. Speaker, that is why the Government proposal in the Budget will not work. I agree there is some incentive because it is a locked-in program. That is why the task force suggested the RRSP be frozen and only RPAs be allowed in the future.

Let us examine what we are doing here. We are giving tax credits to people who save for retirement. Once a pension, always a pension. There have been too many examples in the past of people using their RRSPs when they take a leave of absence for a year. They spend the money without having to pay the high taxes. The state may have to support them anyway. If we give them tax breaks for pension accounts, it should be kept in a pension. That is basic.

That is why I am so upset about the Government proposal to increase pensions for those receiving over $50,000. It is the tax dollars of someone earning $20,000 that will pay for the privilege these people will get. That is ridiculous. I might say while I have the opportunity that it is a bureaucrat's proposal. The only reason it is there is because most bureaucrats earn more than $50,000 a year and they want bigger and fatter pensions. That is obviously why they did it.

Mr. Taylor: Mr. Speaker, I was interested in the very informative and excellent address of the Hon. Member for Okanagan North (Mr. Dantzer). I cannot help but remember the days when he was Mayor of the City of Edmonton and I was one of his constituents. He showed great concern for the rank and file, and he still has that concern. That is why I will ask this question.

There is quite a body of people who will never qualify for a pension because they are not able to contribute, such as housewives and women who stay home to look after a crippled brother, an aged father or a sick mother. They have paid nothing into the Canada Pension Plan.

Several years ago there was a federal disability pension and a provincial one. One almost had to be cold before he got the federal pension. The provincial pension filled in the gap for those who could not work. Today there are people who reach the age where they cannot work, they have no pension and do not know what to do. All they get is welfare.

Did the task force give consideration to this group of people who have never had the opportunity to pay into the Canada Pension Plan and consequently cannot expect to get anything out of it? Will this group always be left high and dry, or do we have something in mind to help them in the years when they need help?

Mr. Dantzer: Mr. Speaker, I thank the Hon. Member for his kind words. The task force did in fact deal with this. As the

Hon. Member for Kingston and the Islands suggested, the proposal to put married people, men and women, into the pension scheme would include a large portion of those people. We made several proposals to push back the age of eligibility for spouse's allowance, dependant's allowance and survivor's allowance to age 60 in order to fill that gap. We made proposals on disability pensions. We made many proposals which this Government has not taken up.

There is no doubt that the area the Hon. Member mentions is a very serious one. To a large degree it may not be a pension problem but a social welfare problem. Whatever name you call it, a reasonable government has a responsibility to look after these people. We cannot spend all kinds of time and money on corporations and on looking after executives of air companies and then ignore these people.

May I call it one o'clock, Mr. Speaker?

Mr. Deputy Speaker: The Chair should first inquire if there are further questions and comments because there is time remaining. If not, is it agreed that we call it one o'clock?

Some Hon. Members: Agreed.

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

HUMAN RIGHTS

PLEA FOR RELEASE OF MART NIKLUS BY SOVIET AUTHORITIES

Hon. Steven E. Paproski (Edmonton North): Mr. Speaker, in February of this year we were informed of the desperate situation of Estonian dissident Mart Niklus, who had been imprisoned by Soviet authorities for his human rights activities. My plea today is probably a last effort to obtain this man's release. Already in poor health from his previous prison terms for human rights activities, he was again imprisoned in 1981 for another 10 years of hard labour and five years of internal exile. After engaging in a hunger strike in October of last year, he has now begun another hunger strike.

I ask the House can a free nation such as Canada stand by helplessly while the Soviet Union persecutes with impunity those who stand up for their rights, rights which we often seem to take for granted, and rights for which people living under Soviet oppression are willing to die? Mart Niklus has already been granted an entrance visa into Canada. On behalf of all

Canadians of Estonian heritage, and indeed on behalf of all people of the free world who believe in the freedoms of the individual, I urge the House to do all in its power to obtain Mart Niklus' release and allow him to emigrate to Canada.

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STATISTICS CANADA

RELEASE OF ONTARIO DEMOGRAPHIC PROFILE

Mr. Jesse P. Flis (Parkdale-High Park): Mr. Speaker, Statistics Canada has recently released, in 10 different languages its demographic profile of Ontario entitled "Ontario Highlights from the 1981 Census". The 1981 census contains a huge array of information on the social, cultural, and economic characteristics of Canadians. The majority of highlights in the demographic profile of Ontario were compiled from the longer form which one-fifth of Canadian householders were asked to complete. The census gives Canadians an in-depth and accurate profile of themselves, as well as detailing how political representation is to be distributed in the House of Commons.

"Ontario Highlights from the 1981 Census" has been printed in the following 10 languages: English, French, German, Ukrainian, Polish, Chinese, Spanish, Portuguese, Italian, and Greek. I feel that Statistics Canada should be commended for making its census data available in so many different languages. An achievement such as this underscores the federal Government's commitment to continuing a practical and progressive implementation of multiculturalism into the fabric of daily Canadian life.

Some Hon. Members: Oh, oh!

Mr. Flis: Mr. Speaker, every time I raise the topic of multiculturalism I get nothing but hoots, howls, and derision from members of the Progressive Conservative Party. In the next election the people of Canada will show their disrespect for that kind of attitude toward a policy of multiculturalism.

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FORESTRY

CALL FOR MEASURES TO ENSURE INDUSTRY'S SURVIVAL

Mr. G. M. Gurbin (Bruce-Grey): Mr. Speaker, as a Canadian of Ukrainian descent I am very pleased to speak on behalf of my Party on a very important national topic. As this is National Forest Week, it is a good time for Canadians to face up to the reality that we are destroying our forests and the jobs that go with the vital forestry industry.

The Canadian Forestry Service was once a proud world leader in forestry research and management techniques. This golden age of the federal Forestry Service was encouraged and supported by the Diefenbaker Government in 1960. Since the advent of the Liberal Government in the mid-1960s, there has been an inverse relationship between the length of time the

Liberals have been in power and the amount of real support that has been given to the forestry sector. In most respects the treatment of our forests over the past two decades has been an ignoble sham.

Increased public awareness, and solid representation and support from members of the Progressive Conservative Party of Canada, have brought forestry issues to the fore. The Government must respond to these issues. It must take significant steps to secure the survival of a $24 billion Canadian industry that supports one million Canadian jobs.

The Government of Canada must take the lead. It must commit itself to acting to restore forestry to departmental rank, and to working co-operatively with the provinces, territories and industries to secure this vital component of Canada's future. Without this commitment, National Forest Week will become a week of national mourning.

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[*Translation*]

AIR TRANSPORT

EXPRESSION OF THANKS TO MINISTER FOR NEW POLICY

Mrs. Éva Côté (Parliamentary Secretary to Minister of Transport): Mr. Speaker, this morning we were honoured to receive the Hon. Minister before the Standing Committee on Transport. The Minister came to table his new policy, Canada's policy on air transportation. Mr. Speaker, on behalf of all my constituents in the Lower St. Lawrence and Gaspé area, I must say I am delighted with the proposals that were made and that are being submitted to the Canadian people.

Basically, this policy demonstrates the Government's confidence in the ability of Canada's air transportation industry to sustain increased competition. With the Minister, I would say that the airlines will now have an opportunity to be more productive and more competitive. Consumers will thus benefit from a wider range of prices and services.

I would also like to draw the attention of my fellow Canadians to the fact that deregulation of air fares and air routes does not apply to safety regulations, which must be observed at all times in air transportation. The Canadian Transport Commission and the Department of Transport will continue to give special attention to safety precautions. As for the policy we are discussing today, it concerns deregulation of air fares and airlines, so that airline companies will be able to compete with each other, for the greater benefit of all air travellers.

Mr. Speaker: Order. The time of the Hon. Parliamentary Secretary has now expired.

[*English*]

WESTERN GRAIN STABILIZATION ACT

DEMAND FOR INTRODUCTION OF AMENDING LEGISLATION

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, for several months the Minister of Agriculture (Mr. Whelan) and the Minister in charge of the Canadian Wheat Board have been promising prairie farmers the return of some of their contributions to the Western Grain Stabilization Fund. Both opposition Parties have indicated that there is agreement to assist in making speedy changes to the Act to make it more responsive to the income needs of farmers.

More than two weeks ago the two Ministers issued a nine-page press release outlining the effect of their proposed legislation on farmers. They indicated how the per unit trigger mechanism would be more sensitive to price declines, how a full change to a crop year basis would more accurately reflect costs and speed up pay-outs, and how the five-year crop averaging period would yield larger pay-outs of up to $300 million. For a farmer who has contributed the maximum levy, that would amount to a pay-out of about $5,000.

That is what the Ministers have said, Mr. Speaker, but they have done nothing since. There has been no Bill placed before the House, and no concrete action has been taken to show that the Ministers really mean to make a pay-out now when farmers need it.

Why has the Bill not been presented to the House? Why must farmers wait to get their own money back? Why does the Minister continue to delay the pay-out? Does he intend for the pay-out to be seen only as an election campaign goody rather than as an entitlement for which pre-payment was made by western farmers in good faith?

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[*Translation*]

THE MEDIA

CORRECTION OF STORY BY *TORONTO STAR*

Mr. Marcel Dionne (Chicoutimi): Mr. Speaker, on April 4 and April 15, I mentioned in the House that *The Toronto Star* had written a very disparaging article about the city of Chicoutimi. Since then, after I had spoken personally to the reporter, Mr. David Miller, and to one of the newspaper's officials, Mr. Gerry Hall, *The Toronto Star* sent another team to meet the authorities of the city of Chicoutimi.

After criticizing this newspaper, which I consider very respected and reputable, I must inform the House that the reporter retracted what he wrote about Chicoutimi and the Saguenay. I might add that I appreciate the very professional attitude of the reporters, in the circumstances, and I also wish to congratulate *The Toronto Star* on its integrity. Mr. Speaker, I hope that other reporters will take *The Toronto Star* as an example and, when they make a mistake, take the trouble to correct their story.

Finally, Mr. Speaker, I wish the same team would come back to the Saguenay and do another article on the region's economy, to let Canadians know about the advantages offered by this region to future investors in the industrial sector.

* * *

● (1410)

[*English*]

POLITICAL PARTIES

CANDIDATES IN LIBERAL PARTY LEADERSHIP CAMPAIGN

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, as a casual and somewhat disinterested observer of the Liberal leadership race to choose an interim Prime Minister, I can give you an objective assessment of what is looked upon by the majority of Canadians as an exercise in futility. Neglecting also-rans such as "the Boss Hogg of Canadian politics", and "the bath-tub mangler from Hamilton", the impoverished Grits are left with only two real contestants.

The Minister of Energy, Mines and Resources (Mr. Chrétien) is running as an apologist for the status quo. He has everything that the current Prime Minister of Canada has, except, of course, intelligence. Our corporate lawyer friend from Bay Street, however, is busily condemning every single Liberal policy, including those such as deficit financing which he himself started. Yesterday he said: "I joined the Liberal Party two decades ago because I believed in helping those Canadians who need help". Is that why he spent most of those two decades as a director of Canadian Pacific Railway?

At the Turner lunch yesterday—

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

Some Hon. Members: More!

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EXTERNAL AFFAIRS

CENTRAL AMERICA—CRITICISM OF UNITED STATES PRESIDENT'S POSITION

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, last night we were treated to another outrageous statement by the President of the United States with respect to Central America. Once again the President has asked Congress for massive military aid to help what he calls "the vulnerable democracies of Central America against communist enslavement". Does the American President really believe that Americans and their allies are so blind or so stupid as to believe that the system which he supports in Central America, in Guatemala, El Salvador, Honduras, and formerly in Nicaragua, are by any stretch of the imagination true democracies which honour justice and freedom?

S.O. 21

For generations these poor countries in Central America have been run by cruel military oligarchies which have oppressed, exploited, and killed thousands of their citizens and the United States has benignly supported them. If there is any Government in Central America which is a vulnerable democracy, it is the revolutionary Government of Nicaragua which, unfortunately the Reagan Government is trying to destroy by assisting ex-Somosans and other reactionaries.

This week in this House the President of Mexico warned us that the problems of Central America could not be solved by military means or by foreign intervention. Let us ask our American friends to refuse the President's wild demands and to truly—

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

* * *

METRIC CONVERSION

CALL FOR RESTORATION OF FREEDOM OF CHOICE

Mr. Gordon Taylor (Bow River): Mr. Speaker, western Canada was surveyed in square miles, our roads are built and measured in miles, our farms are measured in acres and sections, and our agricultural products are bought and sold in gallons and pounds and tons. Where it was necessary, for example, in the sale of wheat to metric countries, for years the conversion was made at the time of sale by the Wheat Board. Everyone was happy, that is, except for this totalitarian oriented Liberal Government which brought in compulsory metric. The provincial Governments were duped into accepting it, and farmers then received their wheat cheques based on tonnes and, in spite of the utter confusion that resulted, acres were replaced with fractional hectares, and miles with kilometres.

"I am a stranger in my own country", a farmer said to me. "The Government suddenly changed the measurements that I learned in school and used all my life. Now I don't know what I'm selling or what I am getting for a bushel".

Well one provincial Government has now come to its senses and at least has made a start in reflecting the thinking of its people. This year the Alberta Government ordered that all publications and material printed by government Departments be in acres as well as hectares when referring to land measurements.

Sir John A. Macdonald in 1871 gave Canadians freedom of choice to use imperial or metric. Will this Liberal Government now disband the Metric Commission which has provided loyal Liberals with high paying jobs, costing Canadians more than $50 million, and restore the freedom of choice provided by Sir John?

Oral Questions

ORAL QUESTION PERIOD

[*English*]

FINANCE

INTEREST RATE LEVELS—IMPACT ON UNEMPLOYMENT

Hon. Sinclair Stevens (York-Peel): Mr. Speaker, in the absence of the Minister of Finance I direct my question to the Minister of State for Finance. Would the Minister of State indicate if he feels it is inconsistent government policy, on the one hand to attempt to create employment and, on the other hand, follow a high interest pattern, bearing in mind that for every 1 per cent increase in our prime rate 25,000 Canadian jobs are ended? It is like putting out of work all of those working for British Columbia Packers Limited, the Campbell Soup Company Ltd., Canadian Tire Corp., Coca-Cola Ltd., Dome Petroleum, McCain Foods Limited, and McDonnell Douglas Canada Ltd., all in one fell swoop. How can the Minister justify that kind of interest rate structure?

Hon. Roy MacLaren (Minister of State (Finance)): Mr. Speaker, no one rejoices at higher interest rates. We do not on this side of the House. I am sure that the Hon. Member does not either. No one can be happy with increases in interest rates, but the Hon. Member opposite should understand that interest rates in Canada are a direct reflection of interest rates in the United States.

The Hon. Member knows full well that in the United States interest rates over the past months have been increasing as a result of two factors; high government deficit and hence high government borrowing combined with economic recovery. That has placed pressures on the price of money, which has driven up interest rates in the United States. In those circumstances, operating in a free money market between Canada and the United States or between Europe and the United States, money flows from Canada or from western Europe into the United States, seeking higher returns. In those circumstances, Canada or, indeed, Germany this past week, has one of two options. It can either let interest rates move upward in response to the situation in the United States, or allow the value of the Canadian dollar to reduce.

The Bank of Canada has been acting to moderate fluctuations, but the principal challenge—

Mr. Nielsen: Enough!

Mr. MacLaren: —facing Canadian economic management and the management of European economies or, indeed, of any industrialized countries, is the situation in the United States where interest rates have been increasing.

STATEMENT ATTRIBUTED TO MINISTER OF JUSTICE—CANADA AND UNITED STATES UNEMPLOYMENT RATES

Hon. Sinclair Stevens (York-Peel): Mr. Speaker, again I direct my question to the Minister of State for Finance. The Minister undoubtedly has witnessed Iona and the Seven Dwarfs proceeding to their leadership convention. He has undoubtedly noted that certain of the dwarfs have made statements. For example, the Minister of Justice, sometimes referred to as "Sleepy" has stated, and I quote:

> We all know, basically, how to stimulate the economy to create employment.

Would the Minister indicate to the House if he has consulted with the Minister of Justice, who apparently has the answers?

Second, would he indicate to the House, in relation to the American reference which he has just made, why its unemployment rate is at 7.8 per cent while ours is at a level which results in 442,000 more Canadians being out of work in this country compared to the number which would be out of work if we had the same rate of unemployment as there is in the United States?

Hon. Roy MacLaren (Minister of State (Finance)): Mr. Speaker, the answer to the Hon. Member's first question is no. The answer to the second question is that we have been creating jobs in Canada at a rate faster than in the United States.

Mr. Oberle: You mean, recycling jobs faster.

• (1420)

Mr. MacLaren: The fact is, as the Member should know, during the past year we have created jobs at a record level. Equally we have seen a growth in our labour force which has exceeded that of almost any other industrialized country. In other words, as fast as we have been creating additional jobs more people have joined the work force. The basic fact is that government policies, whether direct government support for job creation or policies intended to encourage private sector job creation, have been successful in creating jobs at record rates.

COMPARISON OF INTEREST RATES

Hon. Sinclair Stevens (York-Peel): Mr. Speaker, would the Minister indicate why Germany, Japan, the United Kingdom and Switzerland have an interest rate structure no higher than 8 per cent at a time when we have to live with 12 per cent and rising? In addition, if he has not consulted with the Minister of Justice, would he indicate whether he has consulted one of the other dwarfs, Bashful, sometimes referred to as John Turner, to find out why he seeded the mess in the period from 1972 to 1976, which the Government has now inherited?

Hon. Roy MacLaren (Minister of State (Finance)): Mr. Speaker, the Hon. Member should recognize that the prime rate in Canada has been running at one half a percentage point

below that of the United States. We have maintained in past months a substantial difference in the prime rate between our two countries. The Hon. Member refers to Germany. If he looked at the facts he would see that the German Central Bank in recent weeks has recognized that interest rates in Germany will probably have to increase in response to the situation in the U.S.

There is a broadly based concern throughout the OECD member countries about U.S. interest rate policies. But that concern is not limited only to those member states; it also exists in the United States itself. The chairman of the Federal Reserve system has expressed serious concern about the Government's deficit management and the fact that interest rates are going up. That situation affects all countries in the world. The Hon. Member should recognize that.

PROPOSED MORTGAGE RATE PROTECTION PROGRAM

Mr. Gerry St. Germain (Mission-Port Moody): Mr. Speaker, my question is also directed to the Minister of State for Finance and relates to the effect escalating interest rates are having on the housing industry and jobs. I have 20 years' experience in this industry and I know that every housing start represents 2.5 jobs. Starts are down drastically in 1984. Builders, big or small, have lost most of their equity in the last two and a half years of depression, as it was described by the Minister of Finance, and are now merely working on revolving loans. Therefore, will the Minister tell the House why the interest stabilization program, or the mortgage rate protection program, proposed three months ago, is taking so long to implement? Why has the Government waited when it knows, with its deficit-spending policies, that the interest rate was bound to spiral upwards?

Hon. Roy MacLaren (Minister of State (Finance)): Mr. Speaker, the Hon. Member may recall that the Minister of Finance on several occasions has indicated to the House that the mortgage interest rate protection plan will be introduced in the House shortly. The Member may also recall that in the budget speech of February the Minister stated that this innovative program required consultation with the private sector. Given our tradition of budget secrecy it was not impossible, of course, to carry out those consultations prior to the tabling of the Budget. However, he said, it would be necessary to consult with the construction industry, the mortgage money industry, consumers, and a range of interested institutions about the details of the program. Those consultations have been going forward. I am pleased to say that they have been constructive and positive. It is my expectation they will be concluded in a brief time. As I said, the Minister of Finance indicated on several occasions that we shall introduce the necessary legislation shortly.

Mr. St. Germain: Mr. Speaker, consultations with those industries will lead to their annihilation because there will be no private sector left. With 15 per cent and 16 per cent mortgage rates, Mr. Speaker, they cannot sell homes, and there will be no industry.

INCREASE IN MORTGAGE RATES

Mr. Gerry St. Germain (Mission-Port Moody): Mr. Speaker, housing starts in 1983 were 179,000, and the projected rate for 1984, seasonally adjusted, is 126,000. In light of that, has the Government any proposals or contingency plans to deal with these 15 per cent and 16 per cent mortgage interest rates? I understand the rate has gone up approximately one half per cent today.

Hon. Roy MacLaren (Minister of State (Finance)): Mr. Speaker, the Hon. Member seems to have overlooked the fact that the mortgage rate protection plan will be retroactive to March 1 for new and renewed mortgages. He should realize that when the legislation is brought to the House he and other Members will have a full opportunity to make their contributions. But he should understand that the legislation is effective as of March 1 this year.

INCREASE IN BANK OF CANADA RATE

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, in the absence of the Minister of Finance I would like to direct my question to the Right Hon. Prime Minister. He will have become aware in the last few minutes that the central bank rate has gone up more than half a percentage point and is now in excess of 11.5 per cent. Six month T-Bills are up to 12.5 per cent, which means that the prime rate in Canada will be going up in the next few days for home owners, farmers, small businessmen and the like.

This trend line has been demonstrated for the last number of weeks, yet the Minister of Finance keeps telling us that there is nothing he can really do, that he is basically a financial eunuch and he has to look to Paul Volker in the United States for guidance. Will the Prime Minister of Canada tell us today whether he agrees that there is nothing the Minister of Finance of the Government of Canada can do to keep interest rates from continuing to increase?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I certainly do not agree with the phraseology of the Hon. Member. He refers to changes in interest rates today and yesterday. If he referred to the answers just given by the Minister of State for Finance he would see that the question was dealt with very competently. What Hon. Members opposite seem to forget is that, in order to borrow money at a reasonably low interest rate, you have to find lenders who are prepared to lend their money at a low interest rate. That means Canadian savers who want to lend money at a rate substantially less than they can get across the border in New York. I do not know many lenders who will, out of a spirit of nationalism, lend their money to Canadians at a rate lower than they can get in the United States. This is not blaming our plight on the United States. It is just stating an obvious economic fact of international financial marketing.

Currencies from all over the world have been flowing to the U.S., including Canadian currency, for the past few years since the Americans have had very high interest rates. That is

why the Canadian dollar, the Deutschemark, the yen, all currencies, including the very strong ones, have fallen against the American dollar. Incidentally, the Canadian dollar has fallen less than all those other currencies. That is not too complicated, Mr. Speaker.

From the point of view of the borrowers, everyone would like to borrow at a lower interest rate, but you have to find lenders who are prepared to lend at a lower interest rate. Until the NDP or the Tory Party can give us a pool of such lenders who are prepared to lend at rates below the market, then we will sort of be bound by market rates.

• (1430)

REQUEST FOR AMENDMENT OF BANK ACT TO PROVIDE LOWER INTEREST RATE SPREAD

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, reports which we have received over the last number of months have indicated one of the reasons interest rates are high to the consumers of Canada, whether one is seeking a mortgage, a small business loan or a farm loan from the chartered banks particularly is that the differential between what the banks are charging and what they are giving their depositors is larger than it has ever been in Canadian history. That is because the Bank Act provides for that.

The Government has indicated a real interest in opening up the Bank Act to assist the foreign banks. This would be a breaking of precedent of its 10 year rule. If the Government is going to ask us to open the Bank Act to assist foreign banks operating in Canada, does the Prime Minister not feel it would be appropriate to amend the Bank Act to provide a lower interest rate spread so that Canadian consumers would receive some benefit?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Hon. Member conveniently neglected to remind the House that the Bank Act was opened to make the banks more competitive. This was done in order to benefit the consumers and borrowers. The Hon. Member can comment on whether it has that effect or not. However, that is why we opened the Bank Act.

With regard to the Hon. Member's question, I would suggest it is a different one. It has to do with banking profits and so on. The Minister discussed those, and I am sure he would be prepared to discuss them again. He has indicated that profits were high but had been very low, and so on.

I take it from the Hon. Member's line of attack that he and his Party are now prepared to concede that when the basic rate in the United States goes up, it is impossible for Canadian rates not to go up. I am not talking about excess profits. I am seeking an admission from him that we cannot divorce ourselves from the American money markets.

SPECULATOR TAX SUGGESTED

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, it is very clear from the Prime Minister's answer that he is seeking our position on interest rates. I would like to inform the Prime Minister of Canada that we feel it is now time to take an independent position. It is now time for Canadians to say that we are not going to let Paul Volker in the United States dictate what happens to our recovery here in this country. We would like to see the Governor of the Bank of Canada, as directed by Parliament, take steps to reduce those—

Mr. Speaker: Order. I invite the Hon. Member to ask his supplementary question. Within the framework and time allowed, a debate can be very difficult for the Chair to regulate. According to the rules, this is supposed to be a Question Period. Would the Hon. Member ask his supplementary question?

Mr. Riis: Thank you, Mr. Speaker. I was just responding to the question of the Prime Minister. Considering that if Canada takes an independent position there may be a tendency for speculative money to flow out of the country, would the Prime Minister be willing to consider the imposition of a speculators' tax to remove the possibility of speculators moving out of the country? A ceiling of $100,000 or even $500,000 could be provided so that 99.9 per cent of Canadians would not be adversely impacted.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Hon. Member can vent his spleen as much as he wants against Paul Volker. I carry no brief for Mr. Volker's monetary policies or, for that matter, for those of the administration. In point of fact the Minister of Finance, the Secretary of State for External Affairs, and myself have taken issue with the United States on their high interest rates. We have indicated that they have various consequences, not only on Canada but on investments throughout the developing world.

We can always criticize Mr. Volker, but I notice that the Hon. Member conveniently side-stepped my earlier point that until he has supplied us with a pool of Canadian savers who are prepared to lend at a rate lower than the American rate, we cannot force them to lend their savings at a lower rate.

* * *

SMALL BUSINESS

EFFECT OF HIGH INTEREST RATES

Mr. Otto Jelinek (Halton): Mr. Speaker, my question is for the Minister responsible for small business. The highest level of potential job creation exists within the small business sector. Likewise, the largest number of jobs are lost in small business when high interest rates are allowed to continue to rise as they have risen again today. Can the Minister responsible for small business tell us what specific representations he has made to Cabinet or to the Minister of Finance which would protect this vital sector from high interest rates? More important, how successful have those representations been?

Hon. David Smith (Minister of State (Small Businesses and Tourism)): Mr. Speaker, the Government believes very strong-

ly in the role of small business in pulling the country into a period of economic recovery. That was the main emphasis of the February 15 Budget. The Minister included a number of items in that Budget specifically designed to assist small business. Through the Small Business Loans Act over 25,000 small businesses in Canada got loans last year which they otherwise probably would not have received. I think that is a pretty clear indication of a commitment to the small business sector.

Mr. Jelinek: Mr. Speaker, the Minister should clean his ears out. I asked him about high interest rates and representations he has made to the Minister of Finance. He did not respond to that question.

TOURIST INDUSTRY

Mr. Otto Jelinek (Halton): My supplementary question will be on the same basis, but in respect to the area of tourism, for which the Minister is also responsible. That is also a very high intensive labour area. As a result of the Government's continued policy of high interest rates and over taxation, potential job creation in that area is being seriously threatened.

I hope the Minister is listening carefully. As the Minister responsible for tourism can he tell us what specific representations he has made to Cabinet or the Minister of Finance which would ease the burden of high interest rates and over taxation within this vital sector? How successful have those representations been? Will the Minister please direct his answer to my question?

Hon. David Smith (Minister of State (Small Businesses and Tourism)): Mr. Speaker, it is very interesting to hear the approach of the Hon. Member. He is a well known believer in the free enterprise system, in market forces, in the law of supply and demand, and one who does not believe in intervention. The Government, however, does believe in intervention in certain areas. With regard to tourism, we have literally doubled our advertising budget in the United States this year to get more customers to come to Canada, to help the tourist industry.

* * *

AUTOMOTIVE INDUSTRY

EFFECT OF INTEREST RATES

Mr. Scott Fennell (Ontario): Mr. Speaker, my question is for the Minister of Regional Industrial Expansion, if I can get his attention. We are experiencing a rapid rise in interest rates similar to the 1980-82 period. During that time auto and truck sales slumped from 1,400,000 vehicles to 920,000 vehicles, a 34 per cent reduction. The auto industry was the key factor in the recent recovery. What is the Government planning to do to protect jobs in this important sector when, according to the Conference Board of Canada, the Canadian consumer has lost confidence in spending money?

Hon. Ed Lumley (Minister of Regional Industrial Expansion): Mr. Speaker, first of all interest rates are not climbing like they did in the period the Hon. Member mentioned. Second, I am glad to see that the Hon. Member finally recognizes the fact that the resurgence of the auto industry in Canada is due in large part to what the Government of Canada has done to assist the industry in the last couple of years. Third, Mr. Speaker, if the Hon. Member reads the speech I gave a couple of weeks ago he will see that we probably have more potential investments in the auto industry sitting on our desk right now than we have had at any time in the last five years put together.

TASK FORCE REPORT—REQUEST FOR PROTECTION OF EMPLOYMENT

Mr. Scott Fennell (Ontario): Mr. Speaker, those jobs are great sitting on the Minister's desk. I would like to point out to the Minister that he has also had the auto task force report sitting on his desk for one year. He has made no comment, taken no action, and will not deal with the industry on this.

What is the Government going to do to protect the jobs of the employees of the automotive manufacturers other than talking about $2 billion sitting on his desk? What is he going to do to protect the jobs which are there now?

Hon. Ed Lumley (Minister of Regional Industrial Expansion): Mr. Speaker, I know the Hon. Member is a very busy Member of Parliament. Therefore I will send him all the documentation of responses we have made to the auto task force report.

First, it was through the efforts of my predecessor and the Members of Parliament on our side from the Windsor area that the Chrysler Corporation, and about 11,000 permanent jobs, were saved in this country. Second, there has been a recall of over 25,000 workers in the auto industry alone, almost back to pre-recession levels in the auto industry.

• (1440)

I think the Hon. Member saw an article in the paper the other day which indicated that the price gap between North American automobiles and foreign cars is closing. Much of that has come as a result of actions taken by Ministers of the Crown on this side of the House.

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AIR TRANSPORT

MINISTER'S POLICY ANNOUNCEMENT

Mr. Les Benjamin (Regina West): Mr. Speaker, my question is directed to the Minister of Transport who is proceeding into a jungle. I do not know if he is the new Tarzan. He says that Canadians can have lower airfares. He knows that I submitted a brief to the CTC supporting lower air fares for Canadians without the madness of deregulation with which he is proceeding. Can he guarantee that all Canadians, not just

those who happen to live in our six largest cities, will be eligible for lower and discount fares, and guaranteed service of any kind?

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, I am tempted to say that I am not Tarzan, and I do not think that the Hon. Member looks like Bo Derek either.

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: With that sense of humour you could have been leader.

Mr. Axworthy: I am just trying to match the standard of my colleagues. With respect to the serious point of the question raised by the Hon. Member, the fact of the matter is that we are moving toward a liberalization of the air industry which is a word that I hope is most compatible and harmonious to all Members in the Chamber.

We are attempting to free up that industry for it to begin making decisions to allow the consumers more choices in both frequency of service and in the kind of prices from which they can choose in order to get greater opportunities to fly and travel. We are trying to move away from a system which is dictated by government decision, and to put the onus on people in the industry and allow the consumer to be able to elicit the kind of choices and opportunities that we believe exist.

I know that that is not a philosophy that is adopted by the New Democratic Party, but this Party happens to believe in the system of growth that is based upon initiatives of private people given the freedom to exercise that initiative.

Some Hon. Members: Hear, hear!

Mr. Benjamin: While Jungle Jim mouths those phrases, the jungle that is already in place has meant that places like Regina, Saskatoon, and Halifax have become deserted by CP Air. There are people who had to drive from Saskatoon to Calgary and then fly to Toronto, to get to Mexico on discount fares. He had no guarantees in his announcement today.

Mr. Speaker: Will the Hon. Member asks his question?

SERVICE TO SMALL COMMUNITIES

Mr. Les Benjamin (Regina West): Mr. Speaker, since the Minister knows very well that most of the markets in Canada are not large enough to sustain more than one or two airlines, can he guarantee under his jungle policy that he can prevent carriers on these routes into the smaller centres from charging fares as high as they like, or prevent them from not flying at all—

Mr. Speaker: The Hon. Member should really ask a supplementary question. Will the Hon. Member bear in mind that a supplementary question should be precise?

Mr. Benjamin: Mr. Speaker, I have already put two questions in 30 seconds.

Mr. Speaker: If the Hon. Member has put two supplementaries, maybe the Minister could answer one of them.

Mr. Benjamin: Will he prevent carriers from charging all they like on routes for which they do not provide discount fares?

Mr. Friesen: Take your time, Les.

Mr. Benjamin: Will he protect smaller communities from not having any service at all from major or regional carriers? What protection is he providing for all those other communities and people who do not happen to live in Montreal, Toronto, or Vancouver?

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, as I pointed out to the Hon. Member and members of the committee this morning when I appeared before them and tabled the document, it would be worth while for members to read that document and therefore get the answer to those very questions which the Member has posed.

What we are quite clearly setting out is an opportunity for many smaller communities to have a much broader range and frequency of service compared to what they have now. We believe that there is a strong pent-up energy in the airline industry that is waiting to be liberated to provide those kinds of services, while at the same time still using the auspices of the Canadian Transport Commission to follow through on the application of licences as they have in the past. That is what we followed very clearly in phase one of the approach, and we will be providing a reference that we hope to bring to the House that will take a longer look at further avenues of liberalization that we can follow.

I think that all the Hon. Member is engaging in is a series of scare tactics. Those are not the conditions which we are applying. We are attempting to apply an objective and purpose for a healthy and vital airline industry so that we can get some growth back into that industry, just like we want to have growth in the entire Canadian economy.

AIR FARES

Hon. Don Mazankowski (Vegreville): Mr. Speaker, in January the Minister of Transport promised that Canadian air travellers would have lower fares by this spring. On the basis of the policy that has been announced this morning, may I ask the Minister when he expects these low fares to take effect? Can he assure the House that he will be able to live up to his commitment wherein he stated that fares would be reduced by 20 per cent to 30 per cent as a result of his deregulation policy?

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, to answer the Hon. Member, what we said in January was that we intended to have a new policy in place this spring that would provide the framework within which the private sector and the airline industry could begin making the kinds of management decisions and choices that would lead to lower air

fares. The Hon. Member himself is the author of a letter that he sent to me recommending that we go on a phased approach, which is what we are following. The Hon. Member obviously does not want to follow his own advice. I am always available and open to the advice of Hon. Members opposite, when it makes sense. That was one of the few times that the Hon. Member's advice did make some sense. That is what we are prepared to follow.

Mr. Speaker: A final supplementary.

Mr. Mazankowski: Mr. Speaker, what is at issue here is not the Hon. Member for Vegreville but the credibility of the Minister of Transport and whether or not one can believe him.

MINISTER'S POSITION

Hon. Don Mazankowski (Vegreville): Mr. Speaker, the Government vowed to reduce air fares by spring. Is the Minister going to provide reduced air fares by spring and, if so, by how much?

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, I suppose that credibility depends on how much one is prepared to live up to the commitments. We made a commitment for a new policy. You have a new policy today, unlike the Hon. Member, when he was Minister of Transport, who promised new policies and they were never seen.

Mr. Mazankowski: You cannot have it both ways.

Mr. Axworthy: The fact of the matter is that since January there has been an entire series of announcements by all the airlines in Canada about a whole series of discount fares for senior citizens, young people, and across the board fares to every point in Canada.

Mr. Mazankowski: You cannot have it both ways.

Mr. Axworthy: The fact of the matter is that we are now providing a new policy that will allow airlines to apply for new licences, new routes, and to have a much wider flexibility in setting their own prices without having to go to the CTC for approval.

We happen to believe that by putting our trust and confidence in the major partners in the airline industry to use those new freedoms to make those choices, they will bring the kind of service and choices to the consumer that will enable low prices to be brought in. We are proving that we have faith and confidence in the private sector, not like the Hon. Member who obviously wants us to dictate prices again.

Some Hon. Members: Hear, hear!

• (1450)

UNEMPLOYMENT INSURANCE

REQUEST FOR EXTENSION OF BENEFITS FOR ATLANTIC FISHERMEN

Mr. George Baker (Gander-Twillingate): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Two days ago I asked the Minister what he was going to do for the thousands of fishermen in the four Atlantic provinces and in a portion of Quebec where the ice is packed on shore. Fishermen are unable to get out and fish, and unemployment insurance benefits will be cut off next week. I would like to ask the Minister again—he has had 48 hours—what is the decision?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, I promised the Hon. Member a couple of days ago I would discuss this matter with my colleagues in Cabinet, and I promised to try to obtain an answer in response to his representation as quickly as I could. He has not given me much time to do that. But I should tell the Hon. Member that I was successful today in convincing my Cabinet colleagues that we should respond to this very real and pressing situation as a matter of urgency, that we should follow the pattern we had previously followed in 1974, I think it was, and make special arrangements to ensure that the fishermen who have been so adversely affected by the high degree of ice infestation in the area are supported, supported in effect with what are the equivalent of unemployment insurance payments, though not technically so, since they are *ex gratia* payments, as long as this situation exists as one of difficulty.

Some Hon. Members: Hear, hear!

Mr. Roberts: The Hon. Member asked me to show leadership, Mr. Speaker. I believe I have confirmed his expectations.

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: Now if the rest of you would get off your seats, we would get something done.

Some Hon. Members: Oh, oh!

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AGRICULTURE

EFFECT OF INTEREST RATES ON FARMERS

Mr. Lee Clark (Brandon-Souris): Mr. Speaker, my question is for the Minister of Agriculture. The Minister is aware that high interest rates, more than any other single factor, are forcing Canadian farmers off the land in near record numbers. As a direct result small businesses are being forced to close, and a countless number of jobs have been lost. Now that interest rates are rising once more, will the Minister tell us, according to his estimation, how many more Canadian farmers will be forced off the land this year, and what solution does he have to offer to the problem of high interest rates?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the Hon. Member uses one economic factor as being the reason for farmers going bankrupt. He knows that is wrong. In his own province the farmers in need of funding, loans, and moneys to operate this year need funding because they have had bad crops and low commodity prices. Those are the main reasons, not the interest rates. The interest rates were not a factor for the last two years. Farmers have received special subsidy loans to the tune of 4 per cent and 5 per cent, and in some instances they have had loans with interest rates as low as 8.75 per cent. But that did not save them. They had bad crops at the same time and no product with which to pay their bills, regardless of the interest rate. Yes, we are concerned about interest rates Mr. Speaker. The Hon. Member has just made statements about what we should do but he has not said how we should do it.

Mr. Clark (Brandon-Souris): One of the reasons we have a Government with a responsibility to govern, Mr. Speaker, is that we expect it to provide the answers. This Government has a few more months in which to do that.

Mr. Cook: Weeks.

MINISTER'S ADVICE

Mr. Lee Clark (Brandon-Souris): Mr. Speaker, I have a supplementary question for the Minister of Agriculture. Bearing in mind that there are two million unemployed Canadians at this point, what recommendations does the Minister have to offer to those young farmers who are being forced off the land in terms of where they should go to seek employment?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the retraining programs available through the Department of Employment and Immigration, of course, are there. He says many young farmers are being forced off the land. I would like the Hon. Member to be more precise. We have had more young farmers enter agriculture in the last 10 years than in the previous 20 years. The average age for farmers has gone down from 54 years of age to 49 years of age. There are more young people engaged in agriculture now than there have been for the last 30 years, and they are not all into bankruptcy either. If they follow Whelan's philosophy and organize themselves into marketing boards and have some say about prices, those young farmers will not go bankrupt.

Some Hon. Members: Oh, oh!

Mr. Whelan: They listened to the Conservative philosophy that the great free market system was going to take care of them, and it did not take care of them.

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

Mr. Kristiansen: Mr. Speaker, the Minister of Labour was in the House just a moment ago, and my question is for him. Perhaps I can wait until he returns.

EMPLOYMENT

ASSISTANCE SOUGHT FOR REFUGEE PHYSICIANS

Mr. Jesse P. Flis (Parkdale-High Park): Mr. Speaker, my question is for the Minister of Employment and Immigration. The Canadian Medical Association recommended to the Minister that a program of economic support be established for refugee physicians who can find unfunded internship programs in teaching hospitals to meet Canadian licensing standards.

In a recent letter to me the Minister mentioned he would consider the possibility of providing financial assistance to refugee doctors, and I stress refugee doctors, who obtain unpaid positions. Now that his colleague, the Minister of National Health and Welfare, has convinced the provinces to convince the teaching hospitals to provide more unfunded positions, would the Minister show leadership, as he did in my colleague's case, and provide this financial assistance under the post-secondary job creation programs, to these refugee physicians so they can become qualified in Canada and practise the profession they are trained to follow?

Hon. John Roberts (Minister of Employment and Immigration): Yes, Mr. Speaker, I think that in my letter to the Hon. Member I said that I would be pleased to do that provided I had the accord of the provincial Governments in taking such an approach. I promised to place the matter on the agenda for discussion with the provinces. I have done that. It will be discussed at the federal-provincial advisory committee on health and manpower resources sometime in June.

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CANADA LABOUR CODE

REQUEST FOR INTRODUCTION OF AMENDING LEGISLATION

Mr. Lyle S. Kristiansen (Kootenay West): Mr. Speaker, my question is for the Minister of Labour. Some 4,500 Canadian workers have died and 60,000 have been disabled on the job in Canada in the three years, and under three Labour Ministers, which have passed since the former Minister of Labour, now the Minister for International Trade, said in a speech in the spring of 1981 that the Government would be introducing into the House its long awaited amendments to Parts III, IV, and V of the Canada Labour Code "in the near future".

Almost four months have passed, another 500 workers have died and another 6,500 have been disabled, since the beginning of this Session, the time by which the present Minister last September promised me introduction of the Bill.

The Minister referred to earlier had also promised my Party's labour critic that the NDP task force on occupational health and safety, in recognition of its acquired knowledge, would be fully briefed and consulted prior to introduction of the Bill. Will the Minister now inform us exactly on which date he will introduce this legislation? Second, will he keep his predecessor's and his Cabinet colleague's promise to consult fully with the NDP task force representatives before introduction? Finally, and most important—

Mr. Speaker: Order, please. One question at a time. The Hon. Minister of Labour.

[*Translation*]

Hon. André Ouellet (Minister of Labour): Mr. Speaker, first I would like to give the Hon. Member the assurance that the Bill will be tabled in the House next week. Second, if the Official Critic for the New Democratic Party is available, I or one of my departmental officials will be happy to brief him on this Bill. Unfortunately, it is hard to tell who the Official Critic for labour is in this Party. They seem to change every month!

[*English*]

Mr. Speaker: I will recognize the Hon. Member for Kootenay West on a short supplementary question. If the Hon. Member is going to ask a series of detailed questions, let me just point out to him that they should be placed on the Order Paper.

Mr. Kristiansen: Yes, Mr. Speaker. But I should say in answer to the Minister that the NDP has had only one labour critic since the beginning of 1980. They have had three Ministers of Labour and four years of unkept promises. That is enough of that.

Some Hon. Members: Oh, oh!

CONSIDERATION OF LEGISLATION

Mr. Lyle S. Kristiansen (Kootenay West): Mr. Speaker, after this four year delay, will the Minister now guarantee full and adequate House and committee time for consideration of this most important Bill before any summer recess or prorogation? If not, does the Minister think that Mr. McDermott's phrase of "sleazy Liberals" is justified?

[*Translation*]

Hon. André Ouellet (Minister of Labour): Mr. Speaker, as soon as the Bill is tabled in the House, I intend to ask my colleagues on both sides of the House to arrange to expedite it as quickly as possible. I am sure the Hon. Member will be giving his full co-operation.

As for who the Official Critic is for the New Democratic Party, the Hon. Member, who has a very loud voice, could perhaps let me know after oral question period whether he is the critic or his colleague from Kootenay-East-Revelstoke, because for several weeks I have been dealing with the latter Member.

• (1500)

[*English*]

VETERANS AFFAIRS

NUCLEAR RADIATION EXPOSURE—DEMAND FOR EXPERT MEDICAL EVIDENCE

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, my question is directed to the Minister of Veterans Affairs. He must be aware of the high rate of cancer found in servicemen who have been exposed to nuclear radiation. Why is his Department still insisting that each of these individuals produce expert medical evidence before he can qualify for a pension and for treatment?

Hon. W. Bennett Campbell (Minister of Veterans Affairs): Mr. Speaker, this group of veterans, the same as any others, are entitled to make application to the Pension Commission for consideration of their cases. The Hon. Member should be aware that we have commissioned a study by the University of Ottawa of this particular group of veterans. We expect to receive a total analysis of their case, and a recommendation arising from the study, later this fall.

Mr. McKinnon: Surely the Minister is aware that the Department of National Defence has also been conducting a study of this matter for two years.

CASE LAW—REQUEST FOR ACCEPTANCE OF PRECEDENT

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, the Pension Act is supposed to operate on the case law principle. The Department has accepted in some cases, such as that of the late Lieutenant-Colonel Owen Browne, that cancer was caused by exposure to radiation. Why is the Minister not willing to accept that case as a precedent for all servicemen who were exposed to nuclear radiation and subsequently developed cancer?

Hon. W. Bennett Campbell (Minister of Veterans Affairs): Mr. Speaker, that particular matter within the medical profession is an issue on which there are varied opinions. As a result of these varied opinions we have initiated a study of those who were actually involved in radiation exposure, whether it be the Chalk River clean-ups or the Nevada testings. Hopefully the conclusion of the study will throw some light on the acceptable principles which should apply to consideration of those cases before the Pension Commission.

* * *

PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Wednesday, May 9, 1984, meet the requirements of the Standing Orders as to form.

Business of the House

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Hnatyshyn: Mr. Speaker, could the Government House Leader outline for the House the anticipated business for tomorrow and into next week?

Mr. Pinard: Yes, it would be a pleasure, Mr. Speaker. We had a meeting of House Leaders this morning at which we agreed to the following motion. If there is unanimous consent, and I was told there would be, I would suggest that the question be put. Therefore I move:

That when the House adjourns on Thursday, June 14, 1984, it shall stand adjourned until Monday, June 18, 1984.

An Hon. Member: Why?

Mr. Pinard: Because of a very important event in Ottawa.

Mr. Speaker: Is there unanimous consent for the Hon. President of the Privy Council to present the motion?

Mr. Hnatyshyn: Mr. Speaker, in the usual non-partisan spirit around here and since the Liberal Party needs all the help it can get, we are quite prepared to give unanimous consent.

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

Some Hon. Members: Agreed.

Motion agreed to.

[*Translation*]

Mr. Pinard: Mr. Speaker, as far as the business of the House is concerned, I wish to thank the Hon. Members Opposite for returning the favour we did them a few months ago.

Tomorrow, we shall resume consideration of Bill C-32, an Act to establish the Canadian Institute for International Peace and Security. Should the debate on this subject be completed before the end of the day, we shall proceed with second reading of Bill C-10, to amend the Divorce Act. Monday and Tuesday, if we have finished consideration of Bill C-32, we shall resume consideration of the second reading stage of Bill C-24, an Act to amend the Financial Administration Act in relation to Crown corporations and to amend other Acts in consequence thereof. However, if we have not finished consideration of Bill C-32, we shall be considering this Bill as well as Bill C-24, being the second Bill pending.

As far as next Tuesday and Thursday are concerned, both will be Opposition Days. I therefore officially designate next week Tuesday and Thursday as Opposition Days. All of this, of course, is subject to change.

Mr. Speaker, I might add that there have been discussions about several Bills that are now on the Order Paper and about other legislation that soon will be. These negotiations are taking place at the Parliamentary House Leaders' level, and I am confident that within the next few days, we can make Parliament far more productive than it has been in the last two weeks.

[*English*]

Mr. Hnatyshyn: Mr. Speaker, I just want to make the matter quite clear so that there is no misunderstanding. Would the Government House Leader confirm that for tomorrow Bill C-32, with back-up Bill C-10, will be the business of the House, but that on Monday, depending upon the disposition of Bill C-32, it will be Bill C-32 with the back-up of Bill C-24? If consideration of Bill C-32 is finished on either Friday or Monday, will he confirm that on Monday we will proceed with Bill C-24? Could the Government House Leader indicate whether he has any other back-up Bill for Bill C-24 in the event that we finish that particular debate sooner than expected?

[*Translation*]

Mr. Pinard: Yes, Mr. Speaker. I wish to thank the Hon. Member for the implications in his question. I feel we are going to make considerable progress and will do so very quickly. Consequently, Bill C-25 will be the other piece of legislation, followed by Bill C-29 and Bill C-6, in that order.

[*English*]

Mr. Benjamin: Mr. Speaker, could the Government House Leader advise us now when the Bill to amend the Western Grain Stabilization Act will be brought forward for first and second reading?

Mr. Pinard: As I just indicated to the House Leader of the Official Opposition, we had a meeting of House Leaders this morning, including the NDP House Leader, and this matter was discussed.

Mr. Friesen: Mr. Speaker, as the Government House Leader knows, the Standing Committee on Fisheries and Forestry passed a unanimous resolution over two months ago asking that members of the Committee be empowered to travel to the West Coast and meet with fishermen who are in as much distress as those on the East Coast. When does the Government House Leader intend to ask the Chairman of the Committee to bring that recommendation forward to the House in order to provide the resources for that Committee to travel and meet with fishermen on the West Coast?

Mr. Pinard: Mr. Speaker, it has not been my policy nor my attitude to twist the arms of chairmen of committees.

ROUTINE PROCEEDINGS

[*English*]

INCOME TAX ACT

TABLING OF DRAFT AMENDMENTS

Hon. Roy MacLaren (Minister of State (Finance)): Mr. Speaker, I ask that the document entitled "Draft Amendments to the Income Tax Act" tabled this day be referred to the Standing Committee on Finance, Trade and Economic Affairs.

Following consultation with spokesmen for the other two Parties, I ask leave to move that the Committee make its final report thereon no later than May 31, and I propose that this be made an order.

Mr. Speaker: Is there unanimous consent for the Minister to introduce his motion?

Mr. Hnatyshyn: Mr. Speaker, I would prefer, before we have this motion, to have an opportunity of consulting again with my colleague and maybe we will then be able to get back to the Minister.

Mr. Speaker: There is not unanimous consent, and in the circumstances the Minister would have to give notice of his motion.

* * *

PETITION

MR. MITGES—COMPENSATION TO JAPANESE CANADIANS INTERNED DURING WORLD WAR II

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, I am pleased to present a petition from a number of students at Georgian Bay Secondary School in Meaford, Ontario. The students petition the federal Government and the Prime Minister (Mr. Trudeau) to apologize formally to Japanese Canadians who suffered during the Second World War as a result of being uprooted by the federal Government for the loss of their property, lands and many other possessions.

* * *

● (1510)

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 350, 478, 506, 722 and 764.

Order Paper Questions

[*Text*]

CANADA'S FOOD GUIDE

Question No. 350—**Mr. St. Germain:**

Did the Department of National Health and Welfare publish "Canada's Food Guide—Handbook", and, if so at what cost for (a) concept and research (b) production (c) printing (d) distribution and what was the total cost of the publication?

Mr. Russell MacLellan (Parliamentary Secretary to Minister of National Health and Welfare): Yes the Department of National Health and Welfare published "Canada's Food Guide—Handbook (Revised)":

(a)	Cost for concept and research	$ 7,000
(b)	Cost for production in English and French	3,700
(c)	Cost of printing 272,000 English and 78,300 French	158,600
(d)	Cost of distribution	4,500
	Total cost	$173,800

STUDIES ON DETERRENT EFFECT OF CAPITAL PUNISHMENT

Question No. 478—**Mr. Howie:**

Did the Government undertake, or has it initiated in the current fiscal year, any studies relating to the deterrent effect of capital punishment and, if so (a) were these studies carried out by outside consultants (b) in what time frame were the studies to be conducted (c) was any amount allocated to the studies and, if so, what amount?

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of Justice and the Ministry of the Solicitor General as follows: No.

EXEMPT STAFF OF MINISTER OF NATIONAL HEALTH AND WELFARE

Question No. 506—**Mr. Hnatyshyn:**

1. Are any exempt staff employed by the Department of National Health and Welfare and, if so, what are their (a) titles (b) positions (c) names?

2. Do any of the staff mentioned in part I receive income, financial assistance or other benefits related to their employment from sources other than the ministerial budget and, if so (a) which members (b) what are the details of the income, financial assistance or other benefits?

Hon. Monique Bégin (Minister of National Health and Welfare): No. The Minister of National Health and Welfare employs exempt staff as follows:

1.	(a) and (b)	(c)
	Executive Assistant	Christiane Beaulieu
	Special Assistant	Laura Erola
	Legislative Assistant	Rose Boyko-Wuerscher
	Administrative Assistant	Gisèle Gaudet
	Special Assistant	Gérald Merckel
	Driver	Randall Gasparini

2. No.

Order Paper Questions

● (0000)

"SUMMER CANADA 84" ADVERTISEMENTS

Question No. 722—**Mr. Nickerson:**

Did the Department of Employment and Immigration direct that "Summer Canada 84" advertisements not be placed in local newspapers with a paid circulation of less than 2,000 and, if so, was consideration given to the fact that all the community newspapers in the Northwest Territories, except those based in Yellowknife, have a paid circulation of less than 2,000 and that as a consequence, the message will not reach its intended audience in other northern communities?

2. Did the Department relax the directive mentioned in part I for the Northwest Territories in previous years and, if so, will it do so again this year?

Mr. Jean-Guy Dubois (Parliamentary Secretary to Minister of Employment and Immigration): 1. Yes, the Department of Employment and Immigration did direct that "Summer Canada 84" advertisements not be placed in newspapers with paid circulation of less than 2,000. This policy was necessary due to budget restriction limiting the number of newspapers in which we could advertise. However, we do make every effort to use smaller local newspapers where budgets and advertising objectives allow.

The "Summer Canada 84" advertising campaign utilized weekly newspapers as the primary media. This resulted in CEIC placing advertisements in 500 community newspapers, including four papers serving the North, the Whitehorse *Star* and the Yukon *News,* both based in Whitehorse, and the *Yellowknifer* and the N.W.T. *News/North,* based in Yellowknife.

2. No, it is not necessary to relax the directive. It applies only to national advertising placed from CEIC Ottawa. Each local CEIC for students in the N.W.T. and the Yukon is provided with a budget for placement of advertisements in their community newspapers.

NUMBER OF CHEQUES STOLEN

Question No. 764—**Mr. Riis:**

In the fiscal year (a) 1980-81 (b) 1981-82 (c) 1982-83 were any government cheques stolen and, if so, what was the cost of replacing and reimbursing the amounts to recipients?

Hon. Charles Lapointe (Minister of Supply and Services): The number of government cheques stolen by fiscal year is as follows: 1980-81: Records on stolen cheques were not kept prior to April, 1981. 1981-82: 622, 1982-83: 466, 1983-84: 234.

For the total 1,322 stolen cheques, the cost of replacing and reimbursing the amounts to recipients is approximated at $6,500.

[*English*]

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

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—RETIREMENT INCOME

The House resumed consideration of the motion of Miss MacDonald:

That this House profoundly regrets the two-year delay of the Government in bringing in promised legislation to improve guaranteed income supplements for low-income single elderly Canadians, and condemns the Government for its failure to respond to the innovative proposals of the all-party Parliamentary Task Force on Pension Reform to expand opportunities for Canadians under age 65 to make adequate provision for income in their retirement years.

Mr. Russell MacLellan (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, it gives me more than a little pleasure to rise today to discuss the motion proposed by the Hon. Member for Kingston and the Islands (Miss MacDonald). I must confess that I wondered if the Hon. Member was truly being serious in making this proposal. It seems that the Hon. Member is concerned with the Government's failure to respond to the innovative proposals of the all-Party task force on pension reform.

Hon. Members are aware of, and applaud, the work of the task force of which the Hon. Member was a part. We must go back and look at the contents of this report. Either the Hon. Member has forgotten what was proposed by the task force she belonged to or she was not around when the Budget was brought down on February 15. The Government has listened very closely to the task force and has indicated in no uncertain terms that it is its intention to act as expeditiously as possible to bring the wide range of much needed pension reforms into existence.

Mr. Dantzer: Where's the beef?

Mr. MacLellan: Hon. Members will recall that the parliamentary task force was appointed to do some very serious and difficult things within a limited time frame. They were called upon to report on the proposal made by the Government in its green paper *Better Pensions for Canadians* and particularly to look at inflation protection under private plans, proposals for the Quebec and Canada Pension Plans, survivor benefits, expansion of mandatory pension arrangements by public or private plans, Canada Pension Plan financing and the special pension problems facing women. They were given until the end of 1983 to make their report and they did so well within that time period.

The Government brought forward a detailed and positive response in the February Budget. The Hon. Member for Kingston and the Islands is concerned that this is not going to be brought into legislation. To say her concern is not well founded is an understatement. The GIS is due to increase by $25 on July 1 and by another $25 on December 1. To say that this will be done without legislation being presented is quite improbable, to say the least.

Miss MacDonald: It can't be.

Mr. MacLellan: That is right, so the legislation will be brought in. That is exactly what we are saying. It is a finance Bill.

Yesterday the Prime Minister (Mr. Trudeau) said that the Government has finance Bills that it wants to bring forward. The Leader of the Opposition (Mr. Mulroney) says we have to pass the Western Grain Stabilization Act, that we have to help farmers. I do not find any fault with that. That is quite commendable. In fact, it is a priority item.

The Right Hon. Member for Yellowhead (Mr. Clark) brought up the same question. He was told by the Prime Minister that we on this side of the House have many priorities on what we have to put forward, some of which are finance Bills, one of which is the increase in the GIS.

The Opposition has to make up its mind. It cannot have it both ways. It cannot come down 100 per cent in wanting to help the prairie farmers on the one hand, and then the next day say that we immediately have to throw the concerns of the prairie farmers aside and now present to the House the concerns of our elderly and poor. Either one-half of the Conservative Party is not talking to the other half, or they have the shortest memories that this House has ever witnessed.

This morning we heard from the Hon. Member for Okanagan North (Mr. Dantzer). He says that what is being done with the Bills, certainly the green paper *Better Pensions for Canadians* and the task force report, does not reflect the Minister's ideas. If Members opposite had not held this Opposition Day when the Minister was out of the country, she would be able to present her ideas and clarify them.

The Minister's ideas certainly do not need any clarification. The Minister and the Government have been very supportive of what was brought down by the task force on pension reform. This debate is completely unnecessary. It is pure schizophrenia on the part of the Opposition. It indicates that they do not know what their priorities are, not only from year to year, month to month, week to week, but from day to day.

What was it that the task force proposed? It made 65 separate recommendations. I do not intend to go into all 65—there is a sigh of relief and that is in order—but let us look at some of them in terms of the original mandate.

First, on inflation problems, under employer-sponsored plans the task force proposed to drop the excess interest approach and instead proposed that all future pension accruals be updated on the Consumer Price Index less 2.5 per cent, subject to two limits. One was based on a portfolio of investment return and the other was based on an economic indicator which the Chief Statistician proposes eventually to develop.

The Government has responded positively to this proposal. The February 15 Budget indicated that the Government agreed to move from the excess earnings approach and instead would propose inflation protection based on 60 per cent of the Consumer Price Index. This is very similar to the task force proposal, although it is simpler and at current inflation rates would be somewhat more generous.

Second, on survivor benefits in the Canada and Quebec Pension Plans, the task force recommended that survivor benefits not be terminated on remarriage, that survivor benefits after 65 be set at 30 per cent rather than 60 per cent of the deceased spouse's pension, and that the divorced spouses be given the survivor's pension. Again, the Government has indicated its intention to act.

The Budget stated that legislation will be brought forward providing there is sufficient provincial consent to ensure that survivor benefits will be continued on remarriage. I certainly hope that the provinces will give their consent to such a provision, and I would urge all Members to use their good offices with provincial governments to support this proposal.

On the other proposals that are of a more controversial nature, I am sure that the task force members were aware of the federal-provincial nature of the Canada Pension Plan. Major CPP benefits can only be made with provincial consent. Accordingly, the Government has proposed to place further changes to CPP survivor benefits on the agenda for federal-provincial discussion.

• (1520)

Third, the task force recommended that no immediate action be taken on mandatory pension arrangements. The federal Government has gone along with this recommendation for now but has announced through the Budget broad measures to encourage expansion of voluntary pension coverage for full-time and part-time workers. As well, the federal Government will continue to monitor these coverage items.

Dealing with the other specific topics of CPP funding and homemakers' pensions, which again are matters requiring provincial agreement, the federal Government has agreed to enter into federal-provincial discussions and is sure that the task force's ideas will be given serious consideration by the provinces. Of course, this by no means covers the full extent of the task force recommendations nor does it cover the extent of the actions proposed by the federal Government, far from it. Indeed, even the immediate steps that the federal Government has taken have gone beyond those recommended by the task force.

For example, dealing with pension vesting and portability, the undertaking contained in the Budget for the vesting of pensions after two years of plan membership and for the portability of pensions through the transfer of built-up credits is almost identical to the task force proposal. The Budget undertaking regarding sexual equality and the provision of annuities is again virtually the same as that proposed by the task force. There should be equal pensions for male and female employees retiring under equal circumstances.

The Government has also agreed with the task force on the need to move forward with protection for spouses through the provision of pension rights for survivors of private plan contributions. It also agreed to the need for access, on marriage breakdown, to the private pension credits which have been built up through the efforts of both spouses during the marriage.

Dealing with plan termination insurance, the Budget agrees with the indication of the task force that this is not required at this time.

Dealing with tax assistance for retirement saving, the Budget announced what amounts to the most sweeping changes ever made in this area which will give equivalent access to tax assistance regardless of the vehicle used. It will also set comprehensive lifetime limits on contributions and index the limits on contributions and pensions annually. That was definitely the thrust of the task force report.

I must say, Mr. Speaker, that although I applaud the Government for having taken this kind of action so soon after the task force report, I applaud even more the Government's generous approach which will encourage Canadians to put more money toward retirement, and indeed to put even more money toward retirement than the task force recommended. I also applaud the Government for its decision to increase spending on the guaranteed income supplement to which I referred earlier.

The increase of $460 million a year that the Government is giving to single pensioners and couples composed of only one pensioner is greater than the increase of $350 million that the task force recommended. Although the increase of $50 per month is not as large as the increase of $102 per month that some pensioners would have received under the task force's proposal, the coverage of the Government's increase is much broader. I am sure that all Members will agree that pensioners need and deserve this help at this time.

I am also pleased that the Government decided to act immediately to help immigrant pensioners who are in need by guaranteeing them the same pension as is now guaranteed to lifelong residents of Canada through Old Age Security and the guaranteed income supplement, rather than undertaking the further study which was proposed by the task force.

The actions to be taken that were announced in the federal Budget cannot all take place at one time and cannot cure all of the problems of the public and private pension systems. For one thing, the broad provincial jurisdiction in this area must be acknowledged. It is the provinces which must set the pension standards for 90 per cent of Canadians, which must approve the Canada Pension Plan changes and which provide extra top-ups to the federal guaranteed income supplement. These things must be taken into consideration. Nevertheless, even if we consider only the immediate steps to be taken by the federal Government, we must see that the consensus of the task force has been translated into action.

We will be seeing legislative action to amend the Old Age Security Act to provide needed help for low-income singles, for families struggling to get by on a single pension and for immigrants who come to Canada late in life. We will see amendments to the Canada Pension Plan to extend the credit-sharing provisions so that spouses of CPP contributors will be able to claim a personal CPP pension as a right either on marriage breakdown or at age 65. We will be seeing federal pension benefit standards for inflation protection, portable pensions, vesting, disclosure, survivor benefits and a sharing of pension rights by spouses. We will be seeing fairer tax rules and the creation of new tax vehicles so that small business employers can have their own pension fund. All this is clearly in keeping with the principles underlying the task force proposals and indeed in most cases is practically indentical in detail to those principles.

It is certain that not all of those 65 recommendations will be implemented in the first phase. We hope to see even more accomplished in the second phase, with the co-operation of course of both levels of government. However, to suggest that the federal Government has not acted, and acted boldly, to implement these innovative ideas is to both misunderstand the Budget and to belittle some of the important recommendations of the parliamentary task force. I would say to the Hon. Member for Kingston and the Islands that I do not understand her motion and that I feel the Government has acted very directly in this very important field.

Miss MacDonald: Mr. Speaker, I never thought that I would see the day when a Parliamentary Secretary to the Minister of National Health and Welfare would stand in the House and say, as the Hon. Member did, that to date the concerns of the elderly poor in the country were, in his words, completely unnecessary. Not only did I think that I would never hear a Parliamentary Secretary to the Minister say that but I thought I would never hear a Member from Cape Breton-The Sydneys say that. The predecessor of the Hon. Member for Cape Breton-The Sydneys made it a point on his own to raise in the House the concerns of the elderly time after time. I know many people from Cape Breton-The Sydneys who are over the age of 65, who are in need and who are waiting to hear when this legislation which was promised last February will be brought forward.

The Hon. Member has said that today's debate is completely unnecessary. Since he thinks that the debate as to when this legislation is coming forward is completely unnecessary, I would like to ask him if he would tell us the date on which this legislation will be introduced into the House of Commons.

Mr. MacLellan: Mr. Speaker, with all due respect to the Hon. Member for Kingston and the Islands, there may be a question as to whether or not she heard me correctly. I do not know whether she has a need for remedial hearing techniques or not. However, Mr. Speaker, I certainly did not say that the concerns of the aged are unnecessary and I certainly did not say that all of their problems have been corrected. I did say that I do not feel, as seems to be suggested by the Hon. Member for Kingston and the Islands, that the Government has done nothing with respect to the task force report and that the Government is insensitive to the needs of pensioners. In fact, I said that the Budget addressed a great many of the concerns of the aged.

● (1530)

The Hon. Member refers to my constituency of Cape Breton-The Sydneys. I would remind the former Member from this constituency of the unemployment which exists in this

area of approximately 35 per cent in real terms. There are young couples of whom neither of the spouses has a job and who are without the funds necessary to meet the needs of their children. There are young people who cannot get their first job. The Hon. Member for Kingston and the Islands (Miss MacDonald) was on this task force, Mr. Speaker. I am sure she realizes that one of the criteria we considered was that not all of the money which the Government had available to help Canadians would be used for the benefit of people over the age of 65. There are other needs which have to be considered. While there are real needs of people over the age of 65, these needs must be weighed in conjunction with the needs generally in this country.

Mr. Epp: Mr. Speaker, I would like to ask a question of the Parliamentary Secretary of the Minister of National Health and Welfare. He spent a fair bit of time showing that the Government in fact had responded positively to the recommendations of the pension reform task force. Could he indicate to us which one of those proposals, which he highlighted as being proposals on which the Government is moving, will see legislative form before the next federal election?

Mr. MacLellan: Mr. Speaker, I thank the Hon. Member for Provencher (Mr. Epp) for his question. As the Government House Leader said today, this is a question being negotiated by the House Leaders and as such is part of their discussions. I must say, however, that there is a great deal of concern on this side of the House with the plight of those over the age of 65 who are living below the poverty level. I do not doubt the sincerity of the Hon. Member for Provencher and of the Hon. Member for Kingston and the Islands when they speak about the plight of these people. This question certainly should be addressed as soon as possible. With that I agree. However, I do feel that the Parties have to get together. Hon. Members on the other side must determine how they want it to go. We hear on one day that we have to deal immediately with the plight of the farmers in the west, and we hear on another day that we must deal immediately with those people over the age of 65. Those questions are very important, but unless we get the proper consensus of all Parties working together, these questions are not going to be resolved as soon as we would like.

Mr. Miller: Mr. Speaker, I have a short question. Obviously, one of the things with which the task force was concerned was fairness and pension reform. In view of the fact that the $50 per month increase in the GIS amounts to $1.61 a day for most pensioners on full GIS, and in view of the fact that in the budget papers there was a proposal to permit those workers making up to $86,000 to deduct up to $15,000 a year in pension contributions—which was against the recommendations of the task force, as the Hon. Member knows—would the Hon. Member indicate whether he feels that that is fair? A single pensioner on GIS would receive $50 a month, and an individual making up to $86,000 may claim up to $7,500 off his taxes. Is that fair?

Mr. MacLellan: Mr. Speaker, I would like to say to the Hon. Member for Nanaimo-Alberni (Mr. Miller) that the priority is with those who are living under the poverty level. Regardless of what the Budget says, the priority will be given to that group of people.

Mr. Dingwall: Mr. Speaker, I have a brief question for the Parliamentary Secretary. The motion put forward by the Hon. Member for Kingston and the Islands (Miss MacDonald) talks about pension reform. However, I believe all Hon. Members should be aware that when Parliament passed Bill C-139, the effect of that particular Bill was that workmen's compensation would now be included for the purposes of calculating the guaranteed income supplement. I have a number of constituents, Mr. Speaker, who have received substantial reductions in the incomes which they were previously receiving.

I wonder if the Parliamentary Secretary has received representations from various people across the country and whether he has received representations from Hon. Members opposite as well as from those in our own Party to try to have this particular piece of legislation changed so that it can go back to the way it was, which is, that workmen's compensation would not be included for the purposes of the guaranteed income supplement.

If I may, Mr. Speaker, I would like to make one further point. Those who receive guaranteed income supplements in my province are entitled to other benefits, for instance, in terms of medical care, drugs, and property taxes. Now that workmen's compensation has been added to their total income, that has been wiped out. In addition, they have received a reduction in their over-all income, so instead of having a 20 per cent reduction, it amounts to approximately 40 per cent. I wonder if the Parliamentary Secretary, who I know has been working very diligently on pension reform for the last number of years, has had that type of representation in the last number of months?

Mr. MacLellan: Mr. Speaker, in answer to the question of the Hon. Member for Cape Breton-East Richmond, (Mr. Dingwall), I would tell him that I have, like he has himself, received representations regarding this question. It comes down to a matter of dealing with funds which are available. Certainly, it is not an easy task when you consider that people over the age of 65 are not receiving the amount of funding which they should receive and which we would like them to receive.

The question is how best to utilize the funds which can be made available. I, like the Hon. Member, have made representations requesting that perhaps people over the age of 65 should not have their compensation payments included for tax purposes. The rationale which has been explained is that when people are under the age of 65, certainly they are at a disadvantage. Over the age of 65 it is difficult for most people to do the things they once did. That is not to say that we would not want to see that funding remain with those over the age of 65, and the matter is being reviewed and possibly will be changed. However, it relates to a question of funding needs in this country and how these needs generally must be met, not

taking one need in isolation but taking all the needs of this country together.

Mr. Deputy Speaker: Order. The House will now proceed to debate.

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, coming from my constituency, I need not tell the House what an interest my constituents have in the old age supplement and in Bills such as those projected by the Government. I am sorry that the Minister of National Health and Welfare (Miss Bégin) is not in her place today. I understand that she is in Belgium attempting to come to an agreement with that country over an exchange of pensions. I would be much comforted if I thought she might bring back the same attitude which that government has toward payment of pensions to women at age 60. The Belgian Government does it in a very simple way, whereas the Canadian Government prefers to put in place the most disorderly hodge-podge of regulations which anyone could imagine determining how much money it will disburse to senior citizens who are female.

Today's debate is brought about because of the Budget which came down on February 15. At that time, as reported on page 1430 of *Hansard*, the Minister of Finance (Mr. Lalonde) had this to say in his Budget speech:

> In the Throne Speech, the Government made a commitment to introduce legislation to increase the GIS for single pensioners. My colleague, the Minister of National Health and Welfare, will soon be introducing legislation to increase the maximum payment to this group of pensioners by $50 a month.

● (1540)

Of course, it was going to come in two phases some five months apart, if it was to come at all. The Minister also stated:

> Provision will also be made to see that persons receiving partial old age pension, most of whom are Canadian immigrants, have Guaranteed Income Supplement benefits sufficient to give them the same minimum income as other pensioners.

The legislation which is now due comes about because of the parliamentary task force which recommended pension reform. Its recommendations were quite progressive and comprehensive. I felt rather sorry for the Parliamentary Secretary to the Minister of National Health and Welfare (Mr. MacLellan) who had to stand up and claim that the Budget declaration of the Minister of Finance represented the wishes of the task force. There is a kind of Tiny Tim and Ebenezer Scrooge comparison which can be made between the Parliamentary Secretary and the Minister of Finance in this dialogue which may or may not be going on.

It is not that we are quarrelling with the Bills we think are going to come about, but it is a real possibility that these Bills will not be passed before the summer break. Parliamentary Secretaries and the Government House Leader all tell us that, yes, they are urgent, yet we never see the Bills. Surely it is misleading the House to have Government representatives talk about early passage of these Bills when they have not yet been put on the Order Paper. There are 34 days left to us, including several Opposition Days. We granted another day today to the Liberals to take that rag-tag bunch of candidates they have, sort out the six worst of them and keep the other one. I would just as soon see them draw lots; we might end up with a better candidate.

Mr. Beatty: There is one of them here right now.

Mr. McKinnon: I am sure he feels the same way. That would give him an increased chance.

If the Government was to bring the GIS Bill forward, I am sure there would be no prolonged debate. Then we can get to the Bill, which this Government seems to consider so very important, respecting the Crown corporations which the Liberals have fostered throughout their period in office. They can then guarantee that certain people will be appointed to these positions before they indulge in the deluge of an election we are going to have.

One of the problems we have in trying to discuss this Bill is that we are very short on details and we have not yet seen the Bill. When we speak to Ministers who will be responsible for this legislation, we find that they do not seem to know what is going to be in the Bill. The Minister of Veterans Affairs (Mr. Campbell) answered the many questions put to him concerning war veterans's allowances, but he is not able to tell us what he is going to do.

All our problems in this area started with the 1977 amendment to the Old Age Security Act. It established stricter qualifications for old age security and it established the provision of partial pensions for immigrants. I opposed that measure at the time, pointing out that it was going to be an administrative nightmare, and now I am not happy that my forecast came true. The amendment was predicated on the idea that all other nations were going to have reciprocal agreements with Canada, but they have not done so. That was the underlying assumption when the Government decided that a partial pension would be feasible. The result has been a kind of guaranteed poverty class. We allow people into Canada who are too old to get in sufficient pension time before they reach 65 so as to have a decent living from the OAS and GIS.

I would like to speak for a moment now about the British pensioners, of whom there are 40,000 resident in Canada at the present time. They have been waiting for years for reciprocal pensions. In 1978, in the Standing Committee on Health, Welfare and Social Affairs, the Minister of National Health and Welfare said that pension reciprocity with Britain was her number one priority. Well, last October, the Minister answered a question in the House in part by saying that the dossier of the reciprocal agreement for pensions and other social programs between Great Britain and Canada is an active one. This March she put out a statement in which she said that she regrets to advise that, in spite of Canada's efforts, the British Government has decided not to proceed at this time with the social security agreement. This is devastating news, and I think we should have an opportunity to ask how it came about. Is it simply that the Minister is unable to get along with the British, or is it that the British really do not want to pay these pensions? It seems only just that a person who paid into

a pension fund should be able to get money out. This situation has left a great number of British pensioners in the lurch.

Another group of people who are suffering badly are the immigrants from Third World countries. It is impossible to have reciprocal agreements with some of those countries because they do not have a pension system in effect. We bring people in on the assumption that we will give them a partial pension and they are supposed to get a pension from their home country. Consequently, these people end up at pensionable age with about a quarter of a pension, if they have been here for ten years, out of the possible 40 year period for building up pension credits.

This problem was brought to the attention of the task force by a variety of witnesses. The main point they made was that these people were not only unable to get a partial pension from their homeland, but they are frequently not employed in an occupation in Canada which has either a private pension plan or a Canada Pension Plan. This of course leaves them destitute at a time when most Canadians expect to retire at the age of 65 and live on their OAS and GIS.

In 1977, the then Minister of National Health and Welfare, now the Minister of Finance, stated that those unable to qualify for adequate OAS and GIS pensions had the option of going on welfare. That surely is not a satisfactory answer with regard to what we are going to do with the people who came into this country in good faith and now find they will not be like other Canadians when they reach 65 and receive the OAS and the GIS. Instead, according to the present Minister of Finance, they will be expected to go on welfare.

We now find that the same Minister has introduced a Budget which promised to increase the GIS to those receiving partial OAS in order to ensure that they have the same minimum income as other pensioners. This will require an increase to the GIS so that that portion will be over 100 per cent. As everyone is aware, the old age security is paid at a basic rate without any means test. The guaranteed income supplement is also paid up to a certain rate given in dollars. If you only have a quarter of half the rate of the old age security, plus a full guaranteed income supplement, you are still at a lower level than what is thought to be the poverty level, or indeed the sustenance level for Canadians. As is typical of the Liberal Government, it is now going to bring in more legislation which will attempt to address the grievous fault caused by its last amendment to the Old Age Security Act.

• (1550)

It would be much simpler, Mr. Speaker, to abolish the system of partial entitlement to the old age security and allow immigrants to qualify for full old age security after 10 years, as they did before the amendment was brought in. We should provide them with the same guaranteed income supplement as is received by all Canadian pensioners, subject to the same requirement of an income test. I do not see the value in going around a three-sided triangle by changing perfectly good old age security provisions, making room for partial pensions, and then devising another piece of legislation to cater to some of the people who cannot get the sustenance level which would be caused by the first piece of legislation. Surely it would have been simpler to cancel the amendment to the legislation which was introduced in 1977. I am rather proud of having opposed that amendment at the time.

Let us look at the war veterans allowance. Possibly to the surprise of many, and apparently to the surprise of the Minister of Veterans Affairs, the war veterans allowance is correlated with the guaranteed income supplement. When the guaranteed income supplement increases, the war veterans allowance increases. There is a small Department of Veterans Affairs top-up procedure which takes place. The war veterans allowance is added to, so that the person drawing this allowance will always be a little better off than those who are not veterans.

On March 14 I asked the Minister a question in the House of Commons. I was seeking clarification as to whether veterans under 65 who receive war veterans allowance would benefit from the announced increase in the guaranteed income supplement. I was trying to determine whether this would apply to those recipients who are considered to be single for the purposes of WVA or to all recipients of WVA, married and single. In response to my question, the Minister stated:

> I can assure the Hon. Member that the provisions which were included in the Budget to provide for a $25 increase in the GIS as of July 1, and a further $25 increase as of December 1, will be passed through to all veterans simply by increasing the ceiling.

This was obviously nonsense. The Minister did not understand what the Minister of Finance had said in his Budget and did not realize the complexity of it. Therefore, he was unable to make clear which veterans would benefit from the increase. I gave him an opportunity to clarify this, but he did not seem to be able to do so.

These matters have been brought up in the Standing Committee on Veterans Affairs on four separate occasions. In a statement to the committee on March 20, the Minister indicated that the increase in GIS to single recipients would be reflected in an increase in war veterans allowance for single recipients. This, of course, would ignore the married recipients who are over 65. They would find themselves falling back to the same level as the single recipients. Since then, the deputy minister has been unable to explain precisely how the increase will be put into effect. He has further confused the issue and then promised members of the committee that the Minister would clarify matters shortly. As yet we have had no statement from the Minister on this subject. When he was speaking to the House this morning in this Opposition Day debate, I noticed that he did not clarify the subject.

Obviously, some very technical changes will have to be made to the war veterans allowance. If the Bills come before Parliament and are passed, the Minister of Veterans Affairs will be expected to decree by how much each category of the war veterans allowance will go up. I suspect that the Minister still does not know what is going to be in these Bills when they are presented. This is part of the difficulty we are having. It seems only reasonable to me that the Minister should at least have the notification before the Bills are produced. He had better be

ready for them because he should be writing the regulations at the present time to ensure that the War Veterans Allowance Act is amended or changed by regulation, which he is entitled to do, to comply with these forthcoming Bills.

I have listened to Members on both sides of the House saying whose fault it is that these Bills have not been presented. Clearly, this side wants to have the Bill on the guaranteed income supplement as early as possible. We want the grain stabilization Bill as well. The Government has promised to deliver both these Bills. We want them. I expect they will pass fairly quickly. Then the Government can debate, as long as it wants, the Bill on how to handle its Crown corporations. I see no reason to continue with this procrastination. A large segment of the population of Canada is liable to be hurt if the Bill I referred to is not brought in in time to be passed before the end of the session at the end of June. It is outrageous that on February 15 they should have made statements in the Budget which have not as yet been acted upon. I am reluctantly coming to the conclusion that the Government is planning not to pass those Bills and to try to fight an election campaign saying that it is someone else's fault that the Bills have not been passed. I expect that trick would easily be seen through. I look forward to hearing someone who has some responsibility on the Government side tell us when the Government proposes not only to put these Bills on the Order Paper but to table them for first reading.

Mr. Dingwall: Mr. Speaker, I would like to speak, if I may, for a few moments with regard to the motion which is before us in terms of the reform of pensions. Earlier in my comments I mentioned workmen's compensation being calculated in for the purpose of the guaranteed income supplement. The effect of Bill C-139 is—

Mr. Deputy Speaker: Order please. The Hon. Member's comments must relate to the speech made by the Hon. Member for Victoria (Mr. McKinnon). He cannot introduce extraneous matters. They must relate to the Hon. Member's speech.

Mr. Dingwall: Mr. Speaker, as any good solicitor or advocate would realize, I am attempting to build my case, which would then tie in with what the Hon. Member has said. Before I come to that conclusion, which will be obvious to everyone in the House, I am sure you will see that it is on the point.

Mr. Deputy Speaker: The Hon. Member has but a brief moment to do just that. Both questions and comments must be brief and to the point.

Mr. Dingwall: Would the Hon. Member not concur with me that when workmen's compensation is calculated into GIS and war veterans allowance is excluded for the purposes of GIS, that is somewhat unfair and discriminatory? We can probably find all sorts of cases in which veterans are certainly more deserving than those receiving workmen's compensation. Alternatively, would the Member not concur with me that there are perhaps very many situations where individuals who are in receipt of workmen's compensation are perhaps, in some instances, more deserving of that income than some veterans? I would not advocate that as a general principle. However, with regard to pension reform, various sections of the Income Tax Act have been amended. They have indiscriminately inflicted a dire consequence on senior citizens.

On many occasions the Hon. Member has stood in his place and advocated better pension reform not only for veterans but for the elderly. I would like the Hon. Member to concur with me in order that we could take joint action, not in a partisan, political way, but in an effective way, to have the Minister for National Health and Welfare, the Minister of Finance, and the Minister of State for Finance (Mr. MacLaren) address this very important issue.

• (1600)

As I have heard the Hon. Member himself say on several occasions, we do not want to act indiscriminately against those in need. I believe that by calculating workmen's compensation into the guaranteed income supplement we are not only reducing the incomes of numerous constituents on the list I have before me, we are in fact penalizing them twice. I would hope that the Hon. Member, whom I have respected since my entry into this Chamber, would concur with my desire to right a wrong which I believe to be in Bill C-139. However, I need his help and I am wondering if he is prepared to give it.

Mr. McKinnon: Mr. Speaker, I want to thank the Hon. Member for his complimentary remarks. The Government frequently introduces legislation apparently with no idea as to its side effects. Perhaps it is because there are not enough Members from Cape Breton who understand the lives that the working people lead and the misfortunes they suffer. Having said that, I do not see the possibility of my ever saying that veterans are being treated too generously, particularly by that Government.

I agree with the Hon. Member's point about workmen's compensation. I suggest that it is outrageous and typical of the Government to want to reduce their guaranteed income supplement, because they are being paid for an injury they suffered in the work place under a program for which they pay normal taxes. Everyone else pays workmen's compensation fees. I commend the Hon. Member for his attitude. I am sorry that it is not shared by Members on the front benches.

Mr. Dingwall: I have one further comment. I concur with the substance of the Hon. Member's remarks, but I want the record to be clear that the effects of Bill C-139 were not seen in this Chamber when it was introduced. It took several months not only for the bureaucracy but for those affected by the legislation to comprehend it fully. I do not think there was any desire, politically or otherwise, to affect those in greatest need. I believe there must be a consensus among Members of Parliament, who, on the one hand, stand in the Chamber to say that they are concerned about the elderly and, on the other hand, pass a law that is very unjust.

I need the assistance both of Members opposite and of Members on this side of the House to bring this matter to the

attention of the Minister of National Health and Welfare (Miss Bégin) as well as of the Minister of Finance (Mr. Lalonde) and the Minister of State for Finance (Mr. MacLaren).

The sections of the Income Tax Act that are involved are Section 81, Section 56 and Section 110. They must be repealed before this wrong can be corrected. I need the assistance of Members opposite, and I hope that at the end of the day, when the debate has been concluded, no one will interpret my suggestion as being in any way partisan, because I think we are all concerned about those senior citizens who are in the greatest of need. Some of them have had a substantial reduction, ranging from $50 to in excess of $200 a month.

I want to thank the Hon. Member, whom I have respected and admired since my entry into this Chamber, for his assistance in this matter.

Mr. McKinnon: Mr. Speaker, I suppose that the Hon. Member and I are members from different committees. My interest is in the Department of Veterans Affairs and in senior citizens. The problem he is raising concerns the work place and workmen's compensation.

I do not know how much pressure he can exert on the Minister of National Health and Welfare, but certainly we on this side are forever lining up to try to put questions to the Hon. Minister. I find it difficult on many days to find her in the House early in Question Period. I do not like to say that, but it seems to be the case.

Certainly we will try our best, as far as I am concerned, to assist the Hon. Member, who I think has brought to light a very good point. It indicates a reform in the pension system that is needed and one that was pointed out so clearly in the task force report. With the exception of a couple of measures that we are still waiting to see in print in the House, it has been totally ignored by the Government.

Mr. Dingwall: Mr. Speaker, with your indulgence I would like to give one example of the dire straits in which some people in this country find themselves. I refer to a 70-year old gentleman by the name of Malcolm Woodland who lives in the town of New Waterford. Prior to Bill C-139, his income was $336.38.

Mr. Epp: Per month?

Mr. Dingwall: Per month. However, the effect of the legislation is to reduce that income to $266.28. It does not allow him to take advantage of the social programs that the Government of Nova Scotia has put into place in terms of his property taxes and moneys that are made available for drugs.

It is inconceivable that senior bureaucrats, of whatever politi- cal affiliation, should have put that provision into the legislation. As politicians, we are allowing that wrong to continue. I want to give the House judicial notice that it has not heard the end of this. I have petitions coming from the towns of Glace Bay, New Waterford and Sydney Mines. I will place them before the Chamber and I will speak to those petitions. I hope that by your concurrence, Mr. Speaker, you might want to lend your very substantial support to my suggestion.

Mr. Deputy Speaker: The Chair does not dispute the vigour with which the Hon. Member puts forth his particular grievances. However, I do have some misgivings about the relationship of the Hon. Member's comments to the speech made by the Hon. Member for Victoria. They are in some sense related, but I had the impression throughout his comments that the Hon. Member was making a pitch on a very specific matter which had not been raised by the Hon. Member for Victoria.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order. It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Provencher (Mr. Epp)—Pools—Sports pool—Provision of funding for medical research. (b) Request for five-year funding plan; the Hon. Member for Portage-Marquette (Mr. Mayer)—Agriculture—Red beef stabilization program. (b) Status of discussions; the Hon. Member for Spadina (Mr. Heap)—External Affairs—Guyana—Increase in racial and political violence. (b) Visa requirement for Guyanese immigrants.

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—RETIREMENT INCOME

The House resumed consideration of the motion of Miss MacDonald (Kingston and the Islands):

That this House profoundly regrets the two-year delay of the Government in bringing in promised legislation to improve Guaranteed Income Supplements for low-income single elderly Canadians, and condemns the Government for its failure to respond to the innovative proposals of the all-party Parliamentary Task Force on Pension Reform to expand opportunities for Canadians under age 65 to make adequate provision for income in their retirement years.

Mrs. Thérèse Killens (Saint-Michel-Ahuntsic): Mr. Speaker, I have mixed feelings about rising in the House. I say this because I took part in the work of the Parliamentary Task Force on Pension Reform and I find it somewhat ludicrous to be speaking to the motion without the Member who moved the motion being present. Mr. Speaker, I think Hon. Members are not taking their duties seriously. The Hon. Member for

Kingston and the Islands (Miss MacDonald) is not in her seat, and she moved the motion. She is taking advantage of the absence of the Minister of National Health and Welfare (Miss Bégin), who would be able to correct some of the glaring mistakes that have been perpetrated since this morning.

[*English*]

Mr. Epp: Mr. Speaker, I rise on a point of order. I regret to interrupt the Hon. Member but I just want to inform her, after the comments she has made, that the Member for Kingston and the Islands is attending the Committee on National Health and Welfare where the Minister of State for Social Development is appearing. That is why she is not in the House at the present time.

[*Translation*]

Mrs. Killens: Mr. Speaker, I nevertheless wish to take this opportunity to reassure senior citizens across the country, because they know very well that the Minister of National Health and Welfare (Miss Bégin) has never made idle promises. Everyone knows that the $25 increase due on July 1st will be given retroactively to senior citizens, if necessary, and that they will also have the increase scheduled for January 1984.

That being said, I still think the day is wasted, but I shall go on just the same. I want to quote today's Opposition motion and correct a mistake in what it says:

> That this House profoundly regrets the two-year delay of the Government in bringing in promised legislation to improve Guaranteed Income Supplements for low-income single elderly Canadians—

It is not two years but two months. Let me explain the obvious: In 1981 we held the National Conference; in 1982 we tabled the Green Paper, and in December 1983 we tabled the Report of the Parliamentary Task Force on Pension Reform.

Well, if I count from December 1983 to—and if I take the date on which the Budget was brought down by the Minister of Finance (Mr. Lalonde), that is only two months. I think the Government did very well to engage in consultations. We are responsible people, and we therefore had to consult with the other parties concerned. Once again, I want to give senior citizens in this country the assurance that the Minister of National Health and Welfare will keep her word, as always.

Mr. Speaker, the House will recall that in his Budget speech, the Minister of Finance announced that the Government intended to pursue pension reform in two stages. During the first stage, the Government proposes to increase the guaranteed income supplement, to improve minimum standards for private pension plans, to strengthen the Canada Pension Plan and improve the benefits to women, and also to improve tax assistance for retirement saving. These measures, set forth in the February Budget of this year, were meant to improve substantially the pension situation of both today's pensioners and of Canadians who will retire in the future. However, the Government realizes that although the measures are very important, further steps must be taken. That is why a second stage is planned which will start this summer and will include discussions and especially negotiations with the provinces on a series of further proposals.

After the consultation process, we shall now proceed with the second stage, namely, negotiations. I think that if the Members Opposite were sitting on this side of the House, they would do the same.

I was favourably impressed with the spirit of co-operation shown by Ontario in this respect. The proposals for reform by the Government of Ontario augur well for federal-provincial discussions of pension reform.

Of the major issues that will be on the agenda during federal-provincial discussions, I would like to mention four: first, the homemaker pension; second, improving disability benefits; third, greater flexibility in the age of entitlement; and fourth, financing of the Canada and Quebec Pension Plans. All of this depends on federal-provincial negotiations, Mr. Speaker.

All proposals were the subject of studies and recommendations by the Parliamentary Task Force on Pension Reform. The Government realizes, however, that the issues are complex and require further study and further discussion with the provinces.

• (1610)

Take, for instance, the issue of homemaker pensions. It is a complex issue and a number of solutions have been suggested. The pension proposal was made for various reasons: to recognize the value of work done by women in the home; to meet the need for adequate retirement income; to provide for greater financial autonomy and to recognize the contribution of each individual to the marriage union. All of these reasons are entirely valid, and I cannot agree more. Proposals for changes made during the first stage of pension reform also support this initiative. In addition, it was suggested that an additional pension based on wage equivalent as well as compulsory contributions be made a part of the Canada Pension Plan. A proposal like this one raises a number of questions, however.

First, what price is set on the work of women in the home? Is half the average industrial wage a valid and fair assessment? If so, how can we justify this? Who is going to pay for the pension? Will this be the full responsibility of the family breadwinner? Should low-wage earners be subsidized by all working Canadians? If the family breadwinner is to pay, does that settle the problem of women's financial dependence? And are we to differentiate between women who work full time in the home and those who combine a job outside the home with housework? Does work done in the home by certain individuals make them eligible for a pension, while women who have a job outside the home are not eligible?

I am raising these questions, not because I am against pensions for women, on the contrary! I simply wish to draw your attention to the complex issues that must be resolved before we can reach a consensus on the subject.

Changes to the Canada Pension Plan require the approval of two-thirds of the provinces having two-thirds of the population. Because of the many aspects of this question, the Government has decided to postpone the question of including a pension for housewives in the Canada Pension Plan until the second stage of consultations with the provinces. I may add that the Canada and Quebec Pension Plans are very similar, and that the federal Government and the provinces, including Quebec, are very anxious to maintain the parallels between the two plans. It would be unthinkable to make important changes in the Canada Pension Plan without prior consultation with Quebec and without ensuring that the parallels between the two plans are maintained.

The second major issue on the agenda for discussion with the provinces is the ban on more flexible rules on eligibility for benefits, especially the Old Age Security benefits and retirement benefits under the Canada Pension Plan. The Parliamentary Task Force on Pension Reform had to admit that lowering the age of entitlement for the Old Age Security pension should be examined more closely.

The financial implications are quite considerable. For instance, there is the impact on the labour force participation rate. Many programs already exist for this age group, such as provincial social assistance programs, and disability benefits under the Canada and Quebec Pension Plans. We must consider the implications for all these programs.

The Government of Ontario has already announced it would support the addition of an early retirement plan to the Canada Pension Plan which would be similar to the one introduced under the Quebec Pension Plan. Mr. Speaker, as of January 1984, all senior citizens in Quebec are eligible for pension benefits under the Quebec Pension Plan when they are 60 years old. Considering that the Government of Ontario looks favourably on this measure, the outlook for reaching an agreement with the other provinces is promising. However, we must have a comprehensive policy for all pre-retirement measures, and to achieve this, further study and consultation at the federal and provincial levels will be necessary.

• (1620)

A third important item on the agenda for our discussions with the Provinces is the question of disability benefits. The Hon. Monique Bégin has already embarked on a major consultation process with the Provinces in this regard. She has made proposals to improve disability benefits under the Canada Pension Plan. Improving these benefits would mean bringing them up to the level of the benefits paid to a pensioner aged 65 or over who receives the old age security pension as well as retirement benefits under the Canada Pension Plan. The maximum disability pension now represents only about 57 per cent of this amount. I remember, Mr. Speaker, how important this question of disability pensions was when I sat on the Special Committee on the Disabled and the Handicapped and I realize that the Minister of National Health and Welfare has been negotiating ever since. She has been negotiating with the Provinces for the past two years. I note that this is the third item on the agenda for federal-provincial discussions. Work is going on, but everything cannot be done overnight. I was impatientmyself when I saw that nothing much was being done to follow-up on the recommendations of the Special Committee on the Disabled and the Handicapped. I can now realize that some progress is being made.

Most Provinces have indicated their agreement in principle with this proposal, on the understanding that some arrangement can be reached on the funding of the Canada Pension Plan. This question is also on the agenda for the second stage of the pension reform. On the other hand, the Hon. Monique Bégin and her colleagues have embarked on a major federal-provincial study to examine the possibility of introducing a comprehensive disability insurance plan designed to solve the problems of those who are not protected by existing federal and provincial programs or whose coverage is inadequate.

This study is now under way and should continue for some time yet, unfortunately. However, before it can be introduced, such a plan calls for comprehensive studies, and the federal and provincial ministers have agreed to continue to improve existing plans until they receive the recommendations to be made by this federal-provincial committee, which has not submitted its report yet. In view of the general agreement in principle on this issue, we can expect the second stage of pension reform to be successful in this regard.

The question of funding the Canada Pension Plan will however be one of the major issues to be settled. Indeed, contributions to the CPP should increase from 3.6 per cent of insurable earnings to about 6 per cent by the end of this century. They should then increase from 8 to 10 per cent of insurable earnings within about 40 years. Mr. Speaker, I hope I misunderstood what the Hon. Member for Okanagan North (Mr. Dantzer) said this morning. I hope I did not hear him correctly. I hope the Canadian people did not understand that the system was jeopardized because it is not. We could carry on as we are doing now for another 20 years without increasing the 3.6 per cent rate of contributions by a single cent. I will go on, but I want to reassure the public by saying that there is nothing to fear, as did the NDP Member who worked with us on this matter, the Hon. Member for Nanaimo-Alberni (Mr. Miller) who also reassured the public this morning by saying that there was no need to worry about it. As I was saying, Mr. Speaker, contributions to the Canada Pension Plan should increase from 3.6 per cent to 6 per cent by the year 2000 and to 8 per cent within the next 40 years. There are now several options for funding the Canada Pension Plan. In principle,

contributions could remain unchanged for the next 20 years if the federal and provincial governments deemed it necessary to draw from the present reserves to pay benefits. However, Mr. Lalonde indicated in his Budget that an increase would be desirable before then, even though it is not required for the financing of present benefits, simply to reduce the effect of an increase which could be rather significant if we were to wait until the year 2000. This would be transferring too much of a burden to a future generation.

Mr. Lalonde added that he planned—

Mr. Deputy Speaker: Order. I should like to remind the Hon. Member that she has to refer to her colleagues by their portfolio or constituency and not by their own name in accordance with Standing Orders.

Mrs. Killens: Thank you, Mr. Speaker. The Minister of Finance said that he planned to co-operate with the provinces in order to set a proper schedule of contributions, with special attention being paid to the proposal of the task force which suggested a pay-as-you-go formula taking into account any improvement in allowances. It is clear that the government is taking its responsibilities not only as far as the financing of the Canada Pension Plan is concerned but also with respect to the proposals made by the parliamentary task force. However, it is quite obvious that one of the basic questions to be solved is the lack of protection made available to Canadians. Less than half of all Canadians have an adequate pension plan. Should governments extend the scope of compulsory pension plans to solve the problem? It is important to give the private sector as many opportunities as possible to show that it can provide an adequate pension to retired Canadians.

All the steps taken should encourage the private sector and provide the necessary tools to perform that task. The government intends to monitor the response of parties concerned. Our committee suggested a three-year period to enable the private sector to take charge. We also suggested that after that period, if the private sector has not taken its responsibilities and borne its own share of the employees' pension plan, the government should perhaps double the Canada Pension Plan or find other alternatives.

I think that the government has shown that it was ready to move quickly in the area of pension reform. It has also shown some responsibility and caution concerning the more complex issues to be dealt with in the second phase of pension reform. The provincial governments have also a capital role to play. The extent and quality of pension reform will very much depend on the outcome of negotiations. Nevertheless, I am confident that we will succeed in thoroughly altering the pension system in the shortest possible time in the interests and for the welfare of all Canadian men and women.

Mr. Deputy Speaker: Questions or comments?

[*English*]

Mr. Deputy Speaker: Questions or comments?

Mr. Miller: Mr. Speaker, I have just one question for my colleague who was on the task force. The Hon. Member indicated that the Quebec Pension Plan permits voluntary pension eligibility at age 60. In view of the fact that the pension task force heard about the severe plight of many people between the ages of 60 and 64 who were ineligible for pensions anywhere in Canada, and in view of the high unemployment rate and the need for young people to obtain employment, would the Hon. Member press her Government to consider, in the discussions between the Government and the provincial governments, lowering the age of eligibility for the Canada Pension Plan to 60 years on a voluntary basis, particularly because of the urgency with which the provincial and federal Governments view discussions on the CPP in terms of increased contributions? This would be the time to raise with the provinces changes in the Canada Pension Plan provisions as they refer to eligibility.

Mrs. Killens: Mr. Speaker, that is a very good idea in view of the fact that it takes so long to negotiate and that this matter is not on the agenda. I was made aware only today of the fact that it is not on the agenda, but certainly I will bring it to the attention of the Minister of National Health and Welfare (Miss Bégin). I thank the Hon. Member very much for his suggestion.

• (1630)

Hon. Jake Epp (Provencher): Mr. Speaker, I looked forward to this debate to discuss pension reform in Canada, especially in view of the fact that this subject matter has been a focus of very extensive study by the special task force on pension reform. It has received much attention in various provinces, specifically the Province of Ontario. It is also an ongoing consideration for the private insurance sector. I intend today to concentrate on two areas, first the short-term, which I believe the motion addresses, and, second, pension reform as a comprehensive policy.

A number of Members on the Government side have indicated today that this debate is not necessary or that the motion does not clearly reflect the work that the Government is doing. Their position has been that the Government is moving on pension reform and that the Budget proposals which the Minister of Finance (Mr. Lalonde) brought in on February 15 were a direct response to the need for pension reform and were a plan of action.

I can understand why Members of the Government would say that, because the booklet accompanying the pension paper which the Minister of Finance tabled at that time is entitled *Action plan for pension reform*. I can understand why Government Members would be defensive on the basis that the Government has moved on pension reform. The question must be asked whether this is the case. In the Budget, the Minister of Finance rejected the $102 per month GIS top-up which the task force on pension reform had suggested. Instead, he came

in with a proposal that the GIS for single elderly be increased by $25 per month on July 1, 1984, and by an additional $25 on December 1, 1984. Government Members today have been defending that proposal. We in the Opposition have been saying that we want to see the legislation. We would like to see that legislation passed very quickly.

A number of things have happened in the debate on that very point since the Hon. Member for Sudbury (Mr. Frith) asked that question of the Hon. Member for Kingston and the Islands (Miss MacDonald). I intend to raise those issues here.

Members of the Opposition have been arguing and putting forward the proposition that we wanted the western grain stabilization amendments brought forward in the House. A number of government Members have been saying that we want that proposition and that the next day we want pension reform or the $25 per month which will be effective from July 1. All of us have been in the House long enough to know that the House could deal with the Western Grain Stabilization Act tomorrow and that it could deal with the $25 increase in the GIS as well. Obviously we would like to see that legislation.

Mr. Frith: What about the other legislation?

Mr. Epp: The Hon. Member for Sudbury asks about the other legislation. I find that interesting. I will deal with one piece of legislation. The Government, the committees and the House have spent an inordinate amount of time on Crown corporations. The Government has spent an inordinate amount of money on Crown corporations.

Mr. Turner: Let it go then.

Mr. Epp: I will finish, Mr. Whip, if you will give me a minute. It is absolutely important, if we are not going to have that debacle again, that the legislation be changed.

How do we change legislation? I know of only one method of changing the legislation of an obtuse Government, that is, to keep hitting it over the head with what is wrong. Sometimes they listen. It is like the old farmer with the Missouri mule. Before he went out farming, he hit it over the head with a two-by-four so that he could get its attention. The Government needs its attention directed to the priorities that Canadians have. The priority of Canadians, at least in my part of the country, is the Western Grain Stabilization Act and pension reform for the elderly. Also, they do not want to see a Crown corporation Bill passed which will allow the perpetuation of the waste of money which we have seen in this House and in the country.

If I had the time today, and I do not, I would elaborate on the fact that when we talk about pension reform, we should look at the amount of money it would require. Members on both sides of the House agree it is needed. Let us compare that to the losses that have become evident through Crown corporations in the last few weeks. We could have had various pension reforms if the Government had brought forward a financial plan which would have forced the Crown corporations to be competitive. They should not be able, every time they are in trouble, to come back to the public sector and ask for more, and say that if we do not give them more, they will close their doors and jobs will be lost. That is a constant blackmail and a vicious circle in which we seem to find ourselves when it comes to Crown corporations.

Coming back to the $25 supplement, Members on this side of the House have told the Government to bring in the legislation and we will pass it. The Government is on somewhat thin ice when it tells us to pass the legislation when it has not even introduced it.

Mr. Frith: We are ready.

Mr. Epp: Here is a revelation. The Hon. Member for Sudbury says it is ready. Good. Wonderful. Let us have it presented for first reading tomorrow. In fact, I will make an offer which I am sure will be accepted by Members of this House. If they want to move back to introduction of Government Bills now, we will give consent to do it now.

Mr. Frith: You are not reneging on your commitment made by Don Blenkarn?

Mr. Deputy Speaker: Order. The Hon. Member for Provencher has the floor.

Mr. Epp: I can understand. There is no Cabinet Minister in the House. They would have difficulty presenting any Bill at any time, even with unanimous consent. I leave it at that. I simply say, bring in the legislation and we will pass it.

The Member for Sudbury says that the legislation is ready. His colleague, who just finished speaking, indicated that if the legislation is not passed by July, it will be retroactive. I understand the Hon. Member for Sudbury will speak later today. Maybe he can square the circle for all of us as to whether the legislation is ready, why it has not been introduced and, if it is not passed, whether it will be retroactive. I am sure a Liberal mind could always find its way around three points of view.

What is important in the longer term is this. I recognize this cannot be done overnight. When the Minister of Finance came in with pension reform, the public, especially those trying to meet their financial obligation on a day-to-day basis, saw the Government pamphlet entitled *Action plan for pension reform*. In the Budget speech, of approximately three-quarters of an hour's duration, the Minister of Finance said that these are the changes that will be brought in. Taxpayers know that at midnight that night tax provisions in the Budget became effective. They cannot understand why other aspects have to take months, and sometimes years. Is it the reality today that all of us in this House face in 1984, that it is good to have promises in the Budget? The Government might even have been sincere in bringing forth an action plan. Knowing full well that a federal election will intervene, it sees the political advantage of presenting it in this form. That might be greater than the actual benefits that the individual Canadian might receive from those proposals.

It is that kind of action which I believe debases people's respect for the parliamentary process and for the word of politicians. I ask Government Members to consider that seriously. When I look at the short-term and the second $25 which will become effective on December 1, 1984, will the legislation include that increase, or will subsequent legislation be needed? Again, taking into account the reality of a federal election sometime in 1984, one could very quickly see why pensioners are raising some serious questions as to the sincerity of the proposals themselves.

● (1640)

What about the longer term, Mr. Speaker? There is no question in my mind that pension reform is needed. Hon. Members opposite may not be surprised to hear this coming from me because they know me, but they may be surprised to hear this coming from an Opposition Member. I commend the chairman of the task force on pension reform and the task force itself, and I agree that we must address the questions of accountability, affordability, portability and private responsibility when dealing with pension reform. I recognize, and I think anyone who is realistic must recognize, that a government, regardless of its political stripe, cannot simply say that it will provide more and more to Canadians, when in fact it must be asking how it can get Canadians, through education or tax incentives, to take greater responsibility for their own future pension needs and future welfare.

Frankly I believe that we have done a disservice to many Canadians. Throughout the 1960s and the 1970s we left the impression that if governments at all levels would use a larger and larger proportion of the GNP, then somehow all Canadians would benefit or would benefit more than if they looked after themselves. Do not get me wrong. I am not saying that there is no role for government to play. I am simply saying that we cannot create an imbalance by telling Canadians to trust governments, because governments come and go. Lord knows that this Government must go. However, governments come and go and needs are modified. No one can adjust more quickly to one's individual needs than the individual himself or herself. That should be the criterion to be used when dealing with pension reform.

Having said that, I support the increase in the GIS because it addresses directly the problems of those who are most in need. My colleague, the Hon. Member for Kingston and the Islands, mentioned various statistics. I do not have time to address those statistics today.

There is one group that is composed of people who do not have the ability, or have only a limited ability, to provide for themselves because of the circumstances in which they find themselves, and those are widows between the ages of 60 and 65. I am sure that every Member of the House has dealt with a case of a widow whose spouse was 65 years of age or older and received old age pension and GIS at the time of his death. Therefore, when the surviving spouse, who is generally the wife, reaches her sixtieth birthday, she would need to receive, at the very least, the spouse's allowance. However, if she has not yet reached the age of 60, not only does she lose the pension of her deceased spouse but she does not even receive the spouse's allowance. At the same time, those spouses who are between the ages of 60 and 65 receive the old age pension as well as the spouse's allowance and continue to receive at least a portion of the spouse's allowance. I do not believe that there is any private pension system which can address that question. It must be addressed by public initiative.

I have looked at the statistics which deal with the situation to which I have referred. I have seen the number of people who fall into that category. I have looked at what the costs of the implementation of such a program would be. I simply say to Hon. Members that the cost, annualized over the next year, of giving that group of people the basic spouse's allowance, which I know would not be adequate but would at least be a recognition of their special circumstances, would amount to but a small portion of the amount of money that either of the aeronautics industries that have been referred to in the House in the past two weeks have requested for next year. That is what I mean by priorities.

I know that my time is limited, Mr. Speaker, but I would like to spend a few moments dealing with the longer term. As I said earlier, pension reform can only be accomplished through a twinning of the private and the public sectors. I have no doubt that most of the proposals made by the task force have merit. This is not only because, as Hon. Members know, I deal with these questions within a fairly conservative fiscal framework. As well, I made the task force report available to a number of my colleagues who work in the life insurance business and who have actuarial training. You must know as well, Mr. Speaker, that these people are very cautious about any general pension plan expansion in the public sector. I would like to tell Hon. Members what they said. I believe that there will need to be some discussions regarding questions of mortality tables, for example, because, on average, females live longer than males do, but those are technical questions. Generally speaking, this is what my actuarial colleagues said of the task force generally, and I quote from their critique of the report:

> On the matter of financing, it takes a stance that should be supported by a political party which believes in fiscal responsibility, honest accounting and disclosure, and minimal interference with individual initiative.

I could not have said that better myself, Mr. Speaker. I recognize that the dilemma of the Government is that pension reform takes a great deal of discussion and negotiation. It must be built upon the pillars to which I referred earlier and to which I believe the task force referred as well.

Having said that, Mr. Speaker, I do not believe that the fact that these matters are either complex or time consuming should mean that the process should not continue. Nor do I believe that, now that this Parliament is hopefully in its twilight days, this initiative should end simply because a federal election will intervene. If we do not continue the process, there is no question in my mind that we will continue with the same old programs.

Though such programs as the Canada Pension Plan, Old Age Security, the GIS and the Canada Assistance Plan are valid individually, we must put together a comprehensive pension reform. If we do not do so, I see, as I look at an aging population, as I look at my colleagues in the House who are getting older and as I look at society as a whole, that there is no way that we can be honest to society by saying that the public purse will provide an adequate standard of income for the aged. This cannot be done without requiring that people make provision today for their future. That is not to say that there will not always be a certain component of society that will need public help. I am not arguing that point at all, nor am I trying in any way to be mean-spirited about the issue. I am simply saying that if the pension system is to survive, that is the question we must address and that is how we must address it.

It has been mentioned that the CPP is not actuarially broke but that it is sound. That depends upon which side of the CPP one looks. One can look at it in terms of its obligations today, should those obligations be called, as against the pay-outs that are being made at the present time. When looking at the pay-outs that are being made at the present time, the plan is generally sound, although I have heard mentioned that it will be sound only until about the year 2005.

We have all heard our constituents say to us that they hope there will still be a pension plan when they retire. The point that surely must be made is that we must take the initiative today, because there is a mood in the country for pension reform based upon the principles we have enunciated. I am saying to the Liberal Government or, should we have the responsibility after the next election, to the Conservative Government, that regardless of our partisan positions, that goal is surely one which is valid for all Canadians.

• (1650)

The Acting Speaker (Mr. Guilbault): A ten-minute period is now provided for questions and answers. Are there any questions?

Mr. Frith: Mr. Speaker, I would like to ask a question of the Hon. Member for Provencher (Mr. Epp). I was slightly confused this morning when the Hon. Member for Kingston and the Islands (Miss MacDonald) made her speech. She talked about the one section of our report in which we had recommended going from a tax deduction system on the tax treatment area of the pension funds to a tax credit in order to attract a lot more of our lower and middle-income group people to go into a pension plan of their own volition. Am I to take it from the remarks of the Hon. Member for Kingston and the Islands this morning that the policy of the Conservative Party in this area is to recommend going to a tax credit system from a tax deduction? Could I have some clarification?

Mr. Epp: Mr. Speaker, that is a valid question. My personal bias has always been toward the tax credit. If one looks at the registered pension accounts, one sees that they work better under that kind of system. The task force also recommended, for example, that RSPs could not be rolled over for other uses other than for pension purposes. I believe that when one takes a look at the RSPs, the RPAs and the tax credit, one sees that those three have to be combined.

The question I would have, and it needs some discussion, is whether the 40 per cent limit on the tax credit which the task force recommended, while it might meet the objective of the lower income group, would not cut out—and that is one of the criticisms in the task force report—the managerial classes or those with higher incomes. And is there any purpose or point in doing so? While that is not a complete answer, I believe that is the area of discussion we must have in terms of any agreement we can come to on tax credits.

The Acting Speaker (Mr. Guilbault): Are there any more questions? Debate.

Mr. Doug Frith (Sudbury): Mr. Speaker, before I begin my remarks, I would just like to thank the Hon. Member for Provencher (Mr. Epp) because I feel he shows a good grasp of the issues considering that he was not a member of the all-party task force. I believe he has added a great deal to the debate here this afternoon.

I would also like to thank my colleagues on both sides of the House for the work they put into the preparation of our report on pension reform. I found the process itself was very creative and I feel most of us would have to agree, having seen the results of our recommendations put into effect so quickly in the Budget documents, that it makes us, I suppose, thankful that the work we put in in 1983 was worth the effort.

I would like to begin by saying that I could not agree with the Hon. Member for Provencher more when he stated that it is imperative that we, as Canadians, teach the present generation who are in the work force today to put aside more money from current consumption and plan for their own retirement years. I believe that this is the message we will have to give loud and clear, regardless of political stripe. We will have to teach ourselves to save money.

There were three premises, which meant a great deal in terms of the recommendations which emanated from the task force. First and foremost, we believe very strongly that the tripod, which was developed until now in terms of delivering the retirement income system which we all take for granted, was sound, and it was based on the need for the private individual to save some money on his own, to have access to a private pension plan, to have his own personal savings and, in addition, to rely on the public pension plan itself. In other words, we were very much aware, when we made our recommendations, that we would not disturb that tripod which has served Canadians relatively well in their retirement years until now. As a result of that, we did not recommend a significant expansion of the Canada Pension Plan.

There were many groups of people, largely labour and some women's groups, who came before our committee and asked for a doubling of the Canada Pension Plan. One of the major reasons why we rejected the call for a doubling of the Canada Pension Plan was that we had a great deal of concern about

the burden we would have to place on the next generation of Canadians who would pay for that pension system. I believe very few Canadians are aware that it costs now 3.6 per cent of their income to pay for existing levels of the Canada Pension Plan. It will have to rise to 8 per cent to 10 per cent of their income just to pay for the existing levels by somewhere around the year 2015.

Had we made a recommendation to double the Canada Pension Plan, it would have meant that my children would have to pay roughly 16 per cent to 18 per cent of their income just to pay for that kind of Canada Pension Plan. My feeling was—and I believe it was shared by eight of the nine members on the task force—that if we were to place that kind of burden on the next generation of Canadians, we would have a reneging of that intergenerational transfer burden. Hence, we did not recommend a doubling of the Canada Pension Plan.

That was one of the first things that we accepted as a given in the whole pension debate. The second point, which played a great part in terms of our recommendations, was the new emerging work pattern we have witnessed until now. We recognize that young Canadians who enter the work force today are, more than likely, going to have to work in two or three different provinces during their lifetime. They are going to have to be much more mobile in their quest for employment. Perhaps they will be in a place where they will only be working part time. Certainly, the whole concept of work sharing may, in fact, be an emerging work pattern, and the pension plan will have to be flexible enough to accommodate that kind of emerging work pattern.

Those work patterns led us to make an awful lot of recommendations about creating a much more flexible pension system in the country. I am not talking now of the public pension system but, rather, of the private pension system. That led to our recommendation that the vesting period be only two years rather than the current ten years.

We recommended the creation of registered pension accounts so that, as the worker moved from one work place to another, he could transfer his pension assets into that registered pension account. That addressed the portability issue. It led us to make recommendations for a minimum degree of inflation protection for the workers' assets, although we have had differences of opinion on whether the formula we recommended or the one which was presented in the Budget is the correct one. I believe all Parties now agree that some degree of minimum inflation protection is necessary in the workers' interest. Therefore, the emerging work patterns had a lot to do with our recommendations.

Last, but not least, the emerging family pattern had a lot to do with many of the recommendations we made. These are largely, I suppose, women's issues. Certainly, the emerging family pattern where we witnessed some 40 per cent of today's marriages ending in divorce led us to make recommendations on improvements to the division of assets upon marriage breakdown between the spouses. It led us to make recommendations under the Canada Pension Plan so that upon remarriage, as an example, one does not lose one's pension assets which have been accrued. It made for a number of recommendations with respect to the inclusion of home makers in the Canada Pension Plan.

The Hon. Member for Provencher did not mention this in his speech, but the Hon. Member for Kingston and the Islands (Miss MacDonald) stated that the Conservative Party's position on that is to favour the inclusion of home makers in the Canada Pension Plan. I would like the Hon. Member for Provencher to know that the Minister of Finance (Mr. Lalonde) has agreed to that position before the National Action Committee on the Status of Women. However, with respect to the inclusion of home makers in the Canada Pension Plan, although it would appear that we have agreement on both sides of the House, the fact of the matter is that any changes to the Canada Pension Plan require the approval of two-thirds of the provinces representing two-thirds of the population. Hence, that kind of formula means that the Province of Ontario has in effect a veto power. As recently as a month ago, the Treasurer of the Province of Ontario, Mr. Allan Grossman, stated that in his plans for pension reform he does not favour the inclusion of home makers in the Canada Pension Plan. Therefore, I would say to the Hon. Member for Provencher and the Hon. Member for Kingston and the Islands that evidently there will have to be some political pressures placed upon the Treasurer of Ontario if we wish to see the inclusion of home makers in the Canada Pension Plan.

• (1700)

I want to deal now with the motion itself, Mr. Speaker. The legislation for the increase in the GIS planned to take effect on July 1 of this year and on January 1, 1985, is in the formative stage and the Government House Leader plans to introduce it shortly. The Hon. Member for Provencher well knows that those Bills are negotiated between the Government House Leader and his counterparts in the Conservative and NDP Parties. I have no doubt that the GIS provisions in the February Budget will be implemented on time.

Other areas which would reflect on the need for legislative changes regarding pension form are much more complex than what has been indicated by the Hon. Member for Provencher and the Hon. Member for Kingston and the Islands. The federal Government has jurisdiction only over some 14 per cent of the pension plans in the country. In other words, 86 per cent of private pension plans fall under provincial jurisdiction. In the area in which we have complete jurisdiction, that is the banking sector and companies involved in transportation between the provinces, we put forward a background document in the Budget to bring forward legislation which would make significant changes to the Pension Benefits Standards Act. Because of the complexity of the changes, we need to have a lot more discussion between the employers and employees affected and the federal Government. As a result, we have a technical team at the present time going across the country soliciting responses to the paper we presented in the Budget.

Last but not the least, Mr. Speaker, we have some concern concerning the tax treatment of pension funds. I am glad to

report that the Minister of Finance and the Government accepted the basic thrust of the recommendations in my report to have a more equitable tax treatment of funds set aside for pension purposes. It was recognized by all members of the task force that people who belong to defined benefit pension plans have a significant tax advantage over those who do not. Those people, who are largely self-employed or who are professionals or small business persons, who were limited to the $5,500/$3,-500 rule were adversely treated as compared to those who had access to a defined benefit plan. As a result, the federal Government accepted the concept of a lifetime limit of tax assisted moneys, which resulted in a significant increase in the upper limits. The Budget proposal is to raise the limit from $5,500 in 1984 to $10,000 in 1985, and then, in incremental steps, to $15,500 by the year 1988. There will then be significant changes for those who belong to defined benefit plans. Phase two of pension reform, beginning in 1988, is to place a value on the defined benefit plan so that if a worker is entitled to more tax room it would be deducted from those new upper limits. Hopefully, between now and the end of June the Budget papers, which we hope will be adopted by the House, will reflect those new limits and put them into effect. But there are technical difficulties in getting the system to accommodate those new upper limits. As a result, legislation which would reflect those complexities will have to be introduced in the fall. It was well known, even at the time of the Budget, that we would require a technical group to meet with representatives of the industry in order to adjust the system to accommodate this new concept of lifetime limits for tax purposes.

Having said that, Mr. Speaker, I anticipate that the GIS legislation will be introduced in the House between now and the end of June. I think it will take at least until the fall to introduce the changes to the Pension Benefits Standards Act because of the complexities I mentioned. I do not think any Member of the House would advocate creating a degree of uncertainty in financial markets by not agreeing to those new upper limits between now and December of this year.

I wanted to point out as well, Mr. Speaker, that the task force made a number of recommendations with respect to changes in the Canada Pension Plan. They are significant. Because the Province of Ontario has the power of veto, it is going to require extensive negotiations between the provinces and the federal Government. I am hopeful that the legislative agenda for pension reform will largely reflect this over the next 12 months. A meeting is to be convened by the Treasurer of Ontario, Mr. Grossman, of the Ministers responsible for this legislation on June 5. He is hopeful that there will be consensus concerning the legislative agenda for pension reform. I assume that this will in turn create consensus on the need for changes to the CPP. This Government has long recommended significant changes in the CPP disability payments. Two years ago, the Minister put a proposal before her provincial counterparts which would have doubled those payments. At that time, the Treasurer of Ontario, Mr. Frank Miller, rejected the doubling of disability payments. I am pleased to report that in a speech just three weeks ago the current Treasurer of the Province of Ontario has agreed to the doubling of these payments. This will mean an awful lot to our constituents.

As the Hon. Member for Provencher mentioned, and I happen to agree with him, many of our problems have to do with people between the ages of 60 and 64, a lot of whom are widows. I think it is fair to say, as I look around the House at other Members, that we have a great deal of difficulty with people who have to rely on CPP disability payments to survive. We all recognize that those levels are far too low, so I am pleased that Mr. Grossman has finally removed the veto and we can get on with the changes to the CPP to allow people to live in a minimum of comfort and security.

Also, Mr. Speaker, it seems that we have agreement on improvements to survivors' benefits as recommended by our task force and consequent to the changes in the CPP. It appears that we have unanimity concerning the division of CPP assets upon marriage breakdown. Clearly I think we are on the path to pension reform. I anticipate that changes in the public pension system will occur much more quickly than changes in the private pensions, but I am also hopeful, provided we can get some degree of consensus from the June 5 meeting, that we can have private pension plan legislation introduced both federally and provincially over the next 12 to 18 months. Regardless of the timetable, it is clear that once the legislation is in effect for the public and private systems, it will reflect much better the needs of workers and women in the area of pensions.

Mr. Miller: Mr. Speaker, I wish I shared the same optimism as my colleague. However, I have one or two questions which I think are of importance. As Chairman of the task force, the Member knows how important are these negotiations with the provinces regarding changes to the Canada Pension Plan. The provinces are not all that anxious to change the Canada Pension Plan.

• (1710)

The Member has heard concerns voiced by the task force with regard to people out of work between the ages of 60 and 65, particularly now with the high unemployment in the manufacturing areas. In his capacity as former Chairman of the task force, would the Member encourage his Government to make strong representations to provincial governments in renegotiations on the CPP to have some serious discussions about lowering the age of eligibility for CPP on a voluntary basis to age 60? This would provide adequate income to people between the ages of 60 and 65. It would also allow young people back into the work force who have been unable to obtain work in the last few years.

Mr. Frith: Mr. Speaker, I would agree with the Member opposite. That is a course of action which I would hope we could convince our provincial counterparts to take. I agree that an actuarially reduced Canada and Quebec Pension Plan would be of some benefit to youth who are seeking employment. I have also thought on numerous occasions that we could probably use much more innovative private pension

funds to entice older workers who have a better pension to retire and leave their jobs to the younger workers. Hopefully that could be done.

I would like to point out to the Member opposite that one of the recommendations which we did make on the Canada Pension Plan, which deals in a peripheral way with his question, was agreed to by the Minister of Finance. Until now, the Canada Pension Plan has operated on the theory that a person entering the work force at the age of 18 will stay there until the age of 65. In other words, his maximum benefits are calculated on the basis of 47 years in the work force. I do not think that anyone in this room would suggest that the emerging work pattern means that people are going to stay in the work force for some 47 years. As a result of that, we made recommendations to change the requirements under the Canada Pension Plan from the maximum of 47 years to 35 years. This would better reflect the public pension plan and the situation which exists in private pension plans. More important, it would give more Canadians maximum payments under the Canada Pension Plan. Only 18 per cent of Canadians who retired in 1983 qualify for the maximum payment under Canada Pension Plan. That position has been accepted by the Minister of Finance. Hopefully, it will be adopted by our provincial counterparts as well.

Mr. Taylor: Mr. Speaker, the Hon. Member for Sudbury was speaking about the GIS increases. I would like to mention a case in which a person, who is allegedly going to get a $25 increase, is actually going to have a decreased income. That is because the workmen's compensation contribution is going to be considered, which was never done before.

There are three payments under compensation. One is regular compensation. If I am working in a mine and a lump of coal hits my shoulder and dislocates my shoulder bone, I will receive regular compensation until that is healed and I can go back to work. That payment is not likely to affect people who are 65 or older. The second payment is called temporary partial disability. If my shoulder does not heal in the regular length of time and I have therapy for it, I am put on a temporary partial disability pension. That will not likely affect most older people either. The payment which is going to affect most people over 65 is the third one; the permanent partial disability. An example of that is a person who loses his hand or foot. After it is healed, he still does not have his hand or foot. He must go through life without it. That is a contribution he has made to industry. That payment is not wages. The regular compensation is in lieu of wages. Permanent partial disability has nothing to do with wages because he has lost part of his body in industry. That should not be considered as income under any circumstances.

I raised this point with the Minister of Consumer and Corporate Affairs (Mrs. Erola) a few weeks ago. She was going to discuss it with the Minister. I have not heard from her or from the Minister as yet. I would like to raise this matter with the Hon. Member for Sudbury. It is a real injustice for someone who has a permanent partial disability to have a reduction in income because he lost a hand or foot and is now being paid for that loss. Would the Hon. Member comment on that?

Mr. Frith: Mr. Speaker, the Member opposite raises a valid point, which perhaps an all-Party committee of the House could investigate. It is not only the area of workmen's compensation which confuses the Canadian public. For the purpose of testing, veterans' allowance does not qualify for purposes of the guaranteed income supplement. Yet we do that now for workmen's compensation and not in the case of veterans allowances. If our system is going to require some kind of income testing, the rationale should be the same for all. We have now created a sort of hodge-podge of regulations. This matter must be reviewed by an all-Party committee which can hold hearings across the country. It certainly needs clarification. The Hon. Member has pointed out a glaring example of an inequity which should be addressed.

I would like to give you an example, Mr. Speaker, of a sentiment which was expressed before our task force by a number of people who are now pensioned. They were pensioned on plans which did not have any indexation factor. As an example, the CN pensioners made a very compassionate case for retroactive lump sum payments from their funds to pensioners. The committee agreed that this should be done. We felt that if there is one glaring example of an injustice in this country, it is what has occured to pensioners under the CN plan.

The difficulty which we have under the guaranteed income supplement system is that if we were to convince CN to give a lump sum payment, or at least to increase the monthly payments to their pensioners, almost half of it would be lost because they would be losing their qualification for the guaranteed income supplement. Our recommendation was that it should lie outside for purposes of income testing. That is another example of something which must be rationalized in the system. I think it would be a worthwhile pursuit for all three political parties.

The Acting Speaker (Mr. Guilbault): Are there any more questions?

Mr. Miller: Mr. Speaker, I have only one more question. The point which the Hon. Member made with regard to the guaranteed income supplement is a good reason why we should reduce dependence on the GIS. My Party and I were surprised by the generous provision of up to $15,000 in tax assistance for upper income individuals. This means that an individual making $86,000 could deduct $7,500 from income tax, if he were at a 50 per cent tax rate. I know that the Member shared the concern of the task force about how much assistance should legitimately be given to higher income individuals. Is the Member aware of any cost estimates which this limit of $15,000 is going to put on the tax system when fully operational in 1988?

Mr. Frith: Mr. Speaker, my understanding is that when it is fully operational from 1988 onward, government estimates would be somewhere in the area of $250 million. It is fair to

state that the recommendation of our task force was to have tax assistance at a significantly lower amount than that which was reflected in the February Budget. To be fair, it was also stated that if we implemented the recommendation of my own task force, we would be affecting not just upper income level Canadians; we would be hitting very hard as well at the average International Nickel Company worker.

Therefore, we did in effect what the Minister of Finance did in his February Budget. We accepted the principle of lifetime tax assistance. At the same time, we maintained the levels as they are at the present time under the present legislation, which is up to $60,000 of pension per year.

The Acting Speaker (Mr. Guilbault): Resuming debate, the Hon. Member for Kootenay West.

● (1720)

Mr. Lyle S. Kristiansen (Kootenay West): Mr. Speaker, I am glad to have an opportunity to participate in the Opposition motion that is before us today. Let me begin by quoting the motion:

> That this House profoundly regrets the two-year delay of the Government in bringing in promised legislation to improve Guaranteed Income Supplements for low income single elderly Canadians, and condemns the Government for its failure to respond to the innovative proposals of the all-party Parliamentary Task Force on Pension Reform to expand opportunities for Canadians under age 65 to make adequate provision for income in their retirement years.

When I first heard the motion that was placed before the House, I remembered a time before my adult active involvement in the labour movement or the political process in this country in 1947 to 1949 when the United Autoworkers in the United States and later in Canada began their campaign for a pension plan in the auto industry. Since then much progress has been made with respect to industrially negotiated pension plans and public pension plans on both sides of the border, particularly on the Canadian side of the border. At that time there was a short song "too old to work and too young to die" which became a symbol for the people at that time. That expression is still singularly appropriate to the conditions in which many of our citizens, particularly those who work in heavy industry, still find themselves. The song, which was sung by Joe Glazer, the educational director of the United Rubber Workers at that time, who often travelled among various groups of workers in industry, is as follows:

They put horses to pasture, they feed them on hay,
Even machines get retired some day.
The bosses get pensions when their days are through,
Fat pensions for them, brother, nothing for you.
. . . Who will take care of you,
How'll you get by
When you're too old to work and too young to die?

Those who have not worked as life-termers in heavy industry may think that that day has passed. However, anyone who is familiar with the mining and smelting industry knows that the number of people who take early retirement in that industry due to union negotiated pension plans often die before the age of 58 or 60, or very soon after they go on pensions. This is largely due to health hazards that still exist not only in the mining and smelting industry but the chemical and other industries as well. Furthermore, it is the hazards from those industries that affect the surrounding communities. These hazards exist partly because we have not conducted the necessary industrial clean-up, both in and out of those installations, that should have been carried out.

Hopefully the Government and the Official Opposition are seriously considering reducing the retirement age to 60. Certainly the NDP has discussed and advocated this step for a long time. But at a time when we are all collectively considering reducing the retirement age to 60, we should seriously consider the fact that there are thousands of Canadians who retire at age 58 or 60 but who do not live long enough to collect pensions for more than a few months. It is still a serious situation and one to which this song still applies. They may still ask how we will get by when we are too old to work and too young to die.

I listened to the Hon. Member for Sudbury (Mr. Frith) a moment ago. I believe he said that the Government would soon introduce legislation to provide for the increase in the guaranteed income supplement. The word he used was "shortly". I trust that he will forgive those of us in this Party for not exactly being excited by the use of his word "shortly". We saw an example of this in Question Period today in reference to the former Minister of Labour who stated on June 1, 1981, that an even then long awaited and still awaited important piece of legislation affecting life and death in the work place would be introduced "in the near future". I do not know how the word "shortly" relates to the words "in the near future", but I think the Hon. Member would forgive us for being suspicious and preferring to have the legislation in hand before showing great excitement. However, the statement is welcomed and I hope it will be followed through.

Canada must have the most studies conducted of any country on earth. With respect to the question of pensions, there has been a task force, a couple of Throne Speeches as well as a Budget. That Budget mentions studies which followed the studies of the task force, which in turn followed previous studies which have lasted for years. We have seen green papers, and I suppose there will be white papers. Perhaps there will be a whole rainbow of papers before we begin to seriously accomplish even some of the extremely limited recommendations made by the recent task force on pension reform.

The last Budget had a section entitled "Building Pensions for Canadians". Stage one is to be implemented on January 1, 1985. They are rather limited recommendations. Stage two is to commence on January 1, 1988. This will take place in three or four years, and in the words of the former Minister of Labour, I suppose that is in the near future. However, it still puts off to a future time any meaningful suggestions in the Budget. For instance, there is "the annual dollar ceiling on deductible contributions to all types of pension plans which rises to $15,500. Second, "the carry-forward provision for deduction entitlements for both money purchase and defined benefit plans comes into force. Entitlements from 1985 onward can be claimed". Third, "the two types of plan are integrated into one comprehensive system of tax assistance limits".

Fourth, "maximum pension and contribution limits will be indexed by changes in the average industrial wage starting in 1989". It is stated "that the changes will not be retroactive". That is at least one definite statement, that "the changes will not be retroactive".

The same Budget has another booklet entitled *Action plan for pension reform*. Building better pensions for Canadians. At page 13 there appears, in big black headlines, "A Time to Act". It states that "the Government is determined to ensure that pension benefits and coverage are sufficiently improved so that all Canadians have an adequate retirement income. Accordingly, it states, "the Government undertakes to monitor closely the reaction of provinces and the private sector to the proposals for pension reform presented in the Budget, and it will be ready to discuss with them whatever additional steps may be required". This was stated under the heading "A Time to Act". The Government states that it will "monitor" the attitudes of the private sector and of the provinces.

The Government says that it will be monitoring, over a period of who knows how long, to see what the attitude of the provinces will be before moving on its budget proposals contained in the section entitled "A Time to Act", under an "action plan for pension reform". I will help the Government monitor more quickly by bringing a certain situation to its attention. This situation is taking place in a number of provinces. I know that the Minister of National Health and Welfare (Miss Bégin) is all too familiar with it. Approximately a week ago, one of my constituents brought me his and his wife's cheque stubs. Mr. Raymond Rhodes of Site 18, Comp. 31, RR 2, Castlegar, had a cheque from the Government of Canada which represented a monthly increase from $440.64 to $441.39. Of course, that was to accompany the indexed section of his pension. It is an increase of 75 cents. That cheque came in April, 1984. On April 26, 1984, a cheque was issued from the Province of British Columbia in which he received a supplement from that province which, as all Members know, is as a result of a federal and provincial agreement on how pensions work or do not work in this country. His income from the Province of British Columbia was reduced from a March payment of $21.83 to a payment of $18.83, a reduction of $3. As a result of the "very well co-ordinated" system in this country, and the attitudes of the provinces—which I do not think need to be monitored—at least the attitude of the Province of B.C. does not have to be "monitored" any longer—and this generous system, he lost $2.25 in April, 1984 over March. The figures are very comparable. In fact the amounts are exactly the same for his wife, Mrs. Ruby Z. Rhodes of the same address. Together, they have lost $4.50 per month as a result of this indexation and as a result of the attitude of at least one of the three provinces at least it used to be a have province. It is questionable nowadays. But as a result of the attitude of B.C. and the Conservative-Social Credit coalition, the Liberal-Conservative-Social Credit coalition—it incudes them all—government of that province, the Rhodes lost this money.

• (1730)

Whose other attitudes are we going to monitor? We know that British Columbia has not been alone in their attitude. Have we really changed our attitudes very much, even looking back all the way? Certainly we have made some social progress. But have we really changed that much since that day in 1926 when J. S. Woodsworth and A. A. Heaps, one "the leader" and one "the group", the independent Labour Members of this House at that time, held the balance of power between Mackenzie King's Liberals and the Conservative Party? They were able to wring a concession from the Government. I keep a copy of the letter in my office. I have had it since I was a kid. It is one of the things of which anyone in the Social Democratic movement in this country would be very proud. A balance of power held by two members was able to wring out of Mr. King at that time a concession that he would introduce the beginning of an old age pension—albeit with a means test—and would consider an unemployment insurance system. The Prime Minister at that time made the commitment. We got old age pensions of $20 a month, I believe with a means test. We also got a promise to consider unemployment insurance. That consideration was for the "near future". But we had to wait from 1926 until the Second World War in order to get that concession that was being placed under "active consideration."

I and my colleagues in the New Democratic Party and in our predecessor Party the CCF, a Party in which I also had the opportunity to be active while I was still a young adult, have felt proud of the contribution that we have made, not only then but on a number of times and in many situations ever since.

I could go on and list a number of those occasions but I think I will relate to just one instance having to do with the late Judy LaMarsh. I believe Ms. LaMarsh, the then Minister of National Health and Welfare, was hosting a party in her office to celebrate the passage of the Canada Pension Plan. The hon. lady had the grace, courtesy and knowledge to propose a toast. Her toast was to another one of our colleagues. He is currently a colleague, the House Leader of this Party, the Hon. Stanley Knowles. As all Canadians know, the Hon. Member for Winnipeg North Centre (Mr. Knowles) has played an important role in the development and improvement over the years of the Canada pension system. Most notably he and his colleagues at that time fought the good fight in order that we could begin to build a Canada Pension Plan that would work then and in the future to provide a more generous pension regime for at least all working Canadians. We have continued to add to that and will continue to add to it in the future in some ways along the lines of the report of the task force, hopefully more along the lines of the minority report filed by my colleague, the Hon. Member for Nanaimo-Alberni (Mr. Miller), in order to provide better pensions and more secure pensions that keep in line with the cost of living and allow people to collect pensions before they die.

In his report my colleague began with a quote from the House of Commons Debates for November 9, 1964. It was

from a speech made by the Hon. Member for Winnipeg North Centre, who said:

> What I like most of all about the Canada pension plan—about the two stage plan which we are now developing for Canadians in their years of retirement—is that we are trying to reach a position where we are providing pensions that are adequate. I do not suggest that the levels which will be achieved by combining the Canada pension plan, at its best, with old age security, at its present level, are really the last words in adequacy, but at least we are talking about pensions of quite a different order from that which seemed to be accepted a few years or decades ago. I hope that, having accepted the principle that retirement security should be on the basis of adequacy, we will go on improving that basis, finding ways and means of raising the levels of our pensions so that all Canadians can look forward to a retirement in decency and dignity.

I hope that all Members of the House can say Amen to that.

I have sat in this House and observed the Government on the other side for four years. Its Members have sat on their seats for four years, only to come up in the last few months with a paper which says, it is "A Time to Act". But that action is still off in a never-never land. The Government has waited a full four years before it has even begun to talk like a Liberal Government. Its members have been acting like Conservatives for four years and the Government has become increasingly unpopular. Members of the Liberal Government are still acting like Conservatives, but now that an election is approaching they are going to talk like Liberals. The last Budget was a classic example. It was Conservative economics and Liberals politics, the worst of both worlds.

We look to the Opposition for something different. But what do we have? We have the Hon. Member for St. John's West (Mr. Crosbie), the finance critic for the Conservative Party, who talks about having to be "mean and nasty" and having to do all kinds of things to people. He goes rambling off in long interviews with reporters from *The Globe and Mail* and from elsewhere. He says that he would like to think about introducing means tests for baby bonuses, family allowances, and maybe some of the other social measures but that this is not the time. That is what he said. The finance critic for the Conservative Party said this is not the time to introduce a means test for all those social programs.

I wish he were here because I would like to ask him, when is the time? Is it after an election, when we might be unfortunate enough to see a Conservative government acting like Conservatives instead of a Liberal government acting like Conservatives? Is that the appropriate time? My God, Mr. Speaker, we already have a Government in British Columbia composed of Liberals and Conservatives and some old Socreds who do not know the difference anymore. We have had lots of experience with them. They are the people who issued the cheques in April, 1984 who took away in spades the pitiful amount that was just passed on to those same pensioners by this federal Government in the last few weeks.

I want to address briefly in discussing this motion the whole question of a means test versus universality. I will conclude quickly. I am afraid, for all of the economic arguments—and there are some good ones although I think some short-sighted economic arguments may prevail, that we could introduce more means tests to a number of our social programs, including more of our pension systems. But if we do that, we will in effect cut off virtually everyone who is approaching the average industrial wage from receiving benefits. I would caution some of the more progressive Members on that side of the House that if we ever adopt such a regime, many of the workers in Canada, especially organized workers, for whom those of us who have had a chance to take some positions of leadership in the labour movement, who have been able to help keep on side in terms of social progress all the time, even sometimes at a cost to themselves, may well say, "We are paying a lion's share of taxes. How come we do not get any of the benefits? If you look at eligibility for the whole range of income related social program, federally and provincially, it is just below the average industrial wage where those cut-off lines always come into play either totally or in part. It would be the greatest disservice to social progress if we were ever to follow the very poor and poorly thought out advice for means tests rather than universality.

Mr. Deputy Speaker: Any questions or comments relating to the Hon. Member's remarks?

• (1740)

Miss Aideen Nicholson (Trinity): Mr. Speaker, I am pleased to join in this debate. Adequate pension benefits are important for all citizens, particularly women who until now have been the losers in many pension plans for reasons we all know.

In 1979, when the Prime Minister (Mr. Trudeau) first started applying the federal Government's commitment to pension reform, a special emphasis was placed upon the particular problems facing women under the current pension system in Canada. Following the National Pensions Conference in 1981, a number of seminars were conducted by various women's groups across the country. The overwhelming participation of women in these seminars was a clear indication of their concern about the inadequacies of the pension system and their personal commitment to reform.

In December, 1982, with the release of the federal green paper on pension reform, an accompanying document called *Focus on Women* was released. Later, the parliamentary Special Committee on Pension Reform was requested by the Government to consult the public on those issues of specific concern to women. The Government's consistent commitment to today's elderly women and to future generations of women is a matter of public record since 1979. The extensive periods of study are now over. The February Budget of the Minister of Finance (Mr. Lalonde) left no doubt that improving the pension system for women is a priority of the Government in 1984.

Today, I would like to outline how and why the Government is intending to bring about much-needed pension reform, with particular emphasis upon those initiatives which will be of benefit to women. Let me begin with the public pension system, namely the old age security program and the Canada Pension Plan. These, of course, are the areas where the federal Government has the greatest authority. Under the old age

security program, every Canadian citizen or legal resident of Canada who has lived in Canada for at least 10 years is eligible to receive a basic monthly pension at age 65. The amount is raised every three months to reflect increases in the cost of living. The residence rules under the old age security program were changed in 1977, so that persons who immigrated to Canada after that date with no prior residence, will receive an old age security pension at the rate of one-fortieth of the full amount for each year they have lived in Canada.

Receipt of this basic monthly pension depends solely upon age and upon the number of years a person has lived in Canada. It is not necessary for a person to have been a member of the paid labour force. In addition, for those pensioners who have little or no other income, the old age security program provides the income-tested guaranteed income supplement. This is determined in proportion to the other income of pensioners. Also, for the 60 to 64-year-old spouse of a lower-income pensioner, the OAS program provides a spouse's allowance which, like the guaranteed income supplement, is determined in relation to the couple's other income.

The purpose of the old age security program is to provide elderly persons with a level of income sufficient to meet basic living needs. For couples where both spouses are pensioners, the program is considered to meet that objective. However, the guarantee for single pensioners is not adequate. On that basis, the Government has promised to introduce legislation to increase the guaranteed income supplement single rate by $25 in July of this year and by a further $25 in December 1984. As well, those persons who receive only a partial old age security benefit, many of whom are immigrant women, will be provided with the same income guarantees as persons who receive the full pension. These changes will certainly help today's elderly, but what about tomorrow's pensioners?

The Canada Pension Plan was introduced in 1966. It is a social insurance program designed to provide a measure of income protection to members of the paid labour force and their families in the event of the earner's retirement, disability or death. Virtually all employees in Canada, be they full-time or part-time workers, contribute to the plan at the rate of 1.8 per cent of their salaries or wages up to a prescribed ceiling, with the employer making an equal contribution. Self-employed persons contribute at the combined rate of 3.6 per cent. Of the 8.2 million contributors to the Canada Pension Plan, 3.2 million are women.

The benefit under the Canada Pension Plan is indexed every January in accordance with increases in the Consumer Price Index. All Canada Pension Plan benefits are fully portable. No matter how many times a worker changes jobs, he or she still receives a pension.

In recent years there have been a number of significant steps to improve pension protection for women under the Canada Pension Plan. For instance, beginning with the 1980 taxation year, women working with their husbands in small unincorporated family businesses can make contributions to the Canada Pension Plan if their salaries are deducted for tax purposes from the revenues of those businesses. Thus, many women who were previously unable to have access to the plan are now able to build up pension credits in their own right.

Another important measure for women under the Canada Pension Plan, the child-rearing drop-out provision, was approved by the Parliament of Canada in 1977, and finally came into force last year following approval by the Government of Ontario. Now Canada Pension Plan contributors who leave the paid work force to raise children under age seven can drop those years of low or no earnings from the calculation of their final pension if it is to their advantage. The Economic Council of Canada estimated that using the drop-out provision may increase a woman's pension by as much as 22 per cent.

Another amendment to the CPP which was made in 1977 allows a spouse whose divorce became final after January 1978, to receive a split of the Canada Pension Plan credits earned by both spouses during the marriage. This provision treats accumulated pension credits as joint family assets. Given that one in three marriages now end in divorce, this is a significant feature for income protection of older divorced women.

I now want to mention briefly those areas where the Government is seeking further improvement. Amendments to the Canada Pension Plan can only be implemented with the approval of the Parliament of Canada, plus the approval of two-thirds of the provinces having two-thirds of the Canadian population. For this reason, the Government of Canada will be seeking provincial co-operation this year to bring about changes outlined in the February Budget. These included the continuation of the survivor's benefit on remarriage and the extension of the credit-splitting provision to include marriage separation, as well as permitting credit splitting on application when the younger spouse reaches age 65.

While these immediate changes will improve pension protection afforded to women under the Canada Pension Plan, there are other areas of reform which will be included in the discussions with the provinces, including improved survivor and disability benefits.

Of the two public plans, the old age security program ensures that every person in Canada, whether or not he or she worked in the paid labour force, will have some level of income at age 65. Undoubtedly, the Canada Pension Plan as an employment-related plan provides better protection. It already provides coverage to most women in the paid labour force. It protects against low income years due to child rearing. It recognizes that pension credits are a joint family asset. It provides survivor benefits as well as fully portable and indexed benefits.

• (1750)

In contrast, when one looks at the third level of the retirement income system, the private plans, one sees very great failings there. This tier of the pension system was expected to provide employees with a retirement pension which reflected their pre-retirement earnings. Unfortunately, it is the exception rather than the rule when that happens.

In 1980, less than 50 per cent of employed paid workers belonged to a private plan. This situation is particularly serious for working women. Only 37.6 per cent were covered by a private pension plan. Apart from inadequate coverage, a woman who changes jobs a number of times or leaves the labour force to raise children may lose all her pension entitlements in private plans.

All of these factors, known in pension jargon as inadequacies in the portability, vesting and locking-in provisions of private plans, result in generally low and sometimes non-existent pension benefits for retired workers. In 1980, for example, only 24 per cent of old age security recipients received any private pension, and those pensions comprised only 11 per cent of the total income of all pensioners.

The odds against a woman receiving a decent company pension are high. Many will retire with what they think is a reasonable benefit, only to find that within a few years its purchasing power has been eroded due to inflation. While the benefits provided by the private pension plans provide cost of living adjustments, this is very rare with employer-sponsored plans. This creates particular problems for women who, on average, live ten years longer than men.

The federal Government has very little authority over employers' sponsored pension plans. There is a federal Pension Benefits Standards Act, but it covers only about 10 per cent of the work force. Authority for the remaining 90 per cent of plans members rests with the ten provincial governments, only seven of which have pension benefits standards legislation. This being the case, what can the Government of Canada do to shore up the weaknesses in the private pension system? It could set a good example with its own pension plan for its own public servants. Indeed, major changes were announced in this way in February which will be implemented by January 1, 1987. These changes will be of real benefit to those women who work for an employer who falls under federal jurisdiction and who has a contributory plan.

What about women who work for employers who do not offer a pension plan? This group is of special concern in particular because it involves so many women. One of the main reasons why many employed women do not have private pension coverage is that they work for small employers who do not feel they can afford the cost of setting up and administering their own plan.

A new tax-assisted retirement savings vehicle will be introduced, the registered pension account, which will accept contributions by both employees and employers which cannot be withdrawn until retirement. It is hoped that some of the smaller firms may find this to be an answer.

What I have outlined today is a package of reforms that represents a significant step toward providing improved financial protection for Canadians, especially for women when they reach retirement age. The process is far from complete. Consultation and co-operation with the provinces is critical to the implementation of the Government's proposals. I am pleased to see that the recent report published by the Government of Ontario endorses the federal Government's proposals for 1984 changes in the public pension system. I hope that this is the beginning of action by other provinces as well.

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

Mr. Lee Clark (Brandon-Souris): Mr. Speaker, in the few minutes remaining I would like to make some general remarks on this very important issue. I will begin by complimenting the Hon. Member for Kingston and the Islands (Miss MacDonald) on bringing the motion before the House today. By doing so, she has clearly demonstrated the concern that she and other Members of the Progressive Conservative Party feel, and the distress felt, that the Government has moved with inadequate dispatch in attempting to address the problems of the elderly, particularly the elderly poor.

I reject completely any suggestion made by Members to my left. I refer specifically to the speech of the Hon. Member for Kootenay West (Mr. Kristiansen) who suggested, as members of his Party are sometimes prone to do, that somehow the members of the New Democratic Party have the exclusive right to care for the poor and the elderly.

The record of this Party stands for itself. Concern has been expressed many times in this House and elsewhere by the Hon. Member for Kingston and the Islands and the Hon. Member for Provencher (Mr. Epp). The record of the Clark administration makes it very clear that we are extremely concerned about the well-being of the elderly and the poor. I suggest that a Progressive Conservative Government, as a result of re-established priorities, would be in a better position to care for the needy than is the case now. The needy of Canada have nothing to fear from the prospects of a Progressive Conservative Government. In fact, I suspect they look forward to that opportunity.

This is a very important motion for two or three reasons. First, it addresses the problems of those who are often forgotten by the public at large and by Parliament. In this case, they have clearly been forgotten by this Government. I speak of the elderly and the poor. A short while ago, *Maclean's* Magazine addressed this subject in an article entitled "Canada's Forgotten Poor". Unfortunately, the measures which the Budget referred to and have not been brought to us with any kind of dispatch suggest that the problems of the elderly and the poor remain low in the priority of this Government. This issue is very important because, as others have said, very often it is women who fall into the category of the elderly poor. Because of the nature of the political system, women tend to be underrepresented in this House. Therefore, it is important that Parliament pay careful attention to their plight.

It is important in times of economic recession that we not forget the importance of social issues. There are many things which are of concern today, including the size of the national deficit. We are concerned about international crises. It is very easy for social issues to fall between the cracks in times like this.

This motion clearly points out how this Government has failed. It has failed to follow the recommendations of the

parliamentary task force on pension reform. It has not brought in the recommended $102 per month increase in the guaranteed income supplement which was suggested. Instead, there will be a $25 increase, on July 1, we hope, and another $25, we hope, on December 1. We have, belatedly, half of what that all-Party task force recommended. By providing only half of what is necessary, this administration is failing to provide for the needs of those who fall into this category. We have also failed to address the problem of the near elderly, those between the ages of 60 and 65. In many ways, they are the most unfortunate of all. They, in particular, have fallen between the cracks.

There is no provision for those who were receiving spousal allowances and whose spouse died before the age of 65. All widowers and widows should be eligible for this kind of supplement between the ages of 60 and 65. I personally would favour the reduction of the qualifying age to 55.

Finally, in the last few moments left to me, I want to make a plea for the introduction of homemakers' pensions. Women who have remained in the home have made a substantial contribution to Canada throughout its history. Perhaps it is even more necessary now in times of economic restraint that we have such support within the home. Such women have earned the right to their own independent pensions and this is something which the House must address with great dispatch. Therefore, I strongly support the motion which calls upon the Government to change its priorities and to make the entire question of pension reform a matter of great urgency.

[*Translation*]

The Acting Speaker (Mr. Guilbault): Order, please! It being six o'clock, it is my duty, pursuant to Standing Order 62(11), to advise the House that the proceedings on the motion have expired.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

POOLS—SPORTS POOL—PROVISION OF FUNDING FOR MEDICAL RESEARCH. (B) REQUEST FOR FIVE-YEAR FUNDING PLAN

Hon. Jake Epp (Provencher): Mr. Speaker, on May 8, as recorded at pages 3503 and 3504 of *Hansard*, I asked the Minister of State for Fitness and Amateur Sport (Mr. Olivier) to indicate how much money medical research would be receiving from the sports pool.

When Bill C-95, the Bill which established the sports pool, came before the House, the Government knew it had a very sticky wicket because it was trying to get back into the lottery business, the gaming business and the gambling business. At that time, the Government decided that it needed to put some moral ribbon around the issue. It decided it needed some justification for returning to the gambling business. In typical Liberal style, it came up with something which at the moment looked good, but which upon second thought was as empty as the promises that were made. The Government said that any profits from the sports pool would first go toward the federal Government's obligations to the Calgary Olympics which are to be held in 1988. It is interesting to note that when the Calgary Olympics committee made application to host those Winter games, the federal Government committed itself to an expenditure of $200 million, but at no time did it say that that $200 million was conditional upon a sports pool being established.

That was not a good enough reason to get into the gambling business once again so the Government came up with two other reasons which it thought were foolproof. It indicated that money from the sports pool would go to arts and culture groups, such as symphonies, which are always strapped for money. As well, the Government became even more moralistic and said that it would put money from the sports pool into medical research. That, Mr. Speaker, was the moral element of an immoral Act.

There has been much controversy raging over the sports pool in the last few weeks. As you know, Mr. Speaker, the provincial Governments have taken the federal Government to court. In some cases, provincial Governments have been unplugging computer terminals in stores which sell Loto 6/49 and the sports pool. A counter-action has been taken by the courts which in some cases have asked the provincial Governments to restore those terminals. Suffice it to say that the Government has always put forward the sports pool concept as being one which would make good things like medical research happen.

This week the President of the Medical Research Council appeared before the Standing Committee on Health, Welfare and Social Affairs. At that time I asked him how much money the MRC had been promised by the Government for 1984-85 from profits from the sports pool. The answer was one which I expected, Mr. Speaker. He said that they had been promised nothing. Additionally, the MRC has a five-year plan, because in the field of medical research one needs forward planning. I then asked the President of the MRC how much money he will be getting from the sports pool for his next five-year plan. Again, the answer was interesting. He said that he is not counting on getting any money.

I thought that answer was valid until I asked the Minister of State for Fitness and Amateur Sport how much money would go to medical research. After all, Bill C-95 was passed by the Government, against the opposition of the other two Parties. I asked the Minister how much money would go to medical research for 1984-85 and for the five-year plan. The answer was very interesting. The Minister did not say none because he did not have the courage to say none. He might as well have said none because that is what his words meant. He said: "Oh,

Mr. Speaker, we are going to fund the Calgary Olympics. That's our first priority. Yes, Mr. Speaker, we are interested in medical research and yes, Mr. Speaker, we are going to fund medical research." However, what he failed to say, Mr. Speaker, was by how much and when.

• (1805)

That is the point which was made early in the debate on establishing that sports pool. Some of us said there will be no money forthcoming for medical research, it is only window dressing. The first committee I ever sat on in this House, Mr. Speaker, was the Standing Committee on Miscellaneous Estimates, at which time we had the stamps and the lotteries for the Montreal Olympics. I remember the then mayor, who still is the Mayor of Montreal, said if we give him the Montreal Olympics deal it could no more have a deficit than he could have a baby. Well, Mr. Speaker, I am still waiting for that genetic wonder to take place because the Montreal Olympics not only has a deficit, we are still paying and paying.

That will also be the case, Mr. Speaker, with this deal, and I say to the Parliamentary Secretary that I am not interested in promises. I want to know today, and the medical research community wants to know today, how much money will it receive from the sports pool in 1984-1985? Second, how much money from the sports pool will go to MRC over the next five years?

Mr. W. Kenneth Robinson (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, I welcome the opportunity to respond to the Hon. Member for Provencher (Mr. Epp). I support his concerns for medical research, as I am sure everyone in the House of Commons does. However, it is not really a question of where the money comes from which is so important. He talks about morals. I do not believe it is a question of morals, it is a question of money—money for medical research. It is not a question of where you get it from.

First, I would like to remind Hon. Members of the reasons for the federal Government getting involved in the so-called gaming business. In 1979, the short lived Clark Government made a deal with the provinces to get out of the lottery market in exchange for a given sum. This year that sum will amount to about $35 million. I should point out that this year the provinces expect to make a profit of about $500 million. So you can see that this was not a very good deal for the federal Government. But then what can you expect from a government which in 1979 could not count?

In keeping with the Clark decision to vacate the lottery market, the Liberals upon their return to power introduced legislation to enable the federal Government to enter the sports pool business. Contrary to claims made by the Opposition, this does not violate the 1979 agreement with the provinces, so I have been advised. The beneficiaries of the revenue from this new and exciting sports pool game are spelled out in the legislation.

In March of this year, the Minister of Fitness and Amateur Sport (Mr. Olivier) signed an agreement with the 1988 Winter Olympics Organizing Committee for $200 million. This amount represents the largest single direct funding commitment by the federal Government for a sporting event. Commitments were also made in the areas of fitness and amateur sport, arts and culture, and health and medical research.

The Hon. Member for Provencher has raised the issue of funding for medical research. Through you, Mr. Speaker, I would like to advise the Hon. Member that this year the federal Government will provide $170 million for medical research—

Mr. Epp: $157 million, according to the chairman.

Mr. Robinson (Etobicoke-Lakeshore): Well, I have $170 million, of which $152 million will go to the Medical Research Council. As regards a five-year research funding plan, I am sure the Hon. Member will take this as notice and ask questions in this regard of the Minister of National Health and Welfare (Miss Bégin) when she appears before committee to discuss her departmental estimates.

AGRICULTURE—RED BEEF STABILIZATION PROGRAM. (B) STATUS OF DISCUSSIONS

Mr. Charles Mayer (Portage-Marquette): Mr. Speaker, I rise this evening to see if I can prod the Government. I know well the Hon. Member for Etobicoke-Lakeshore (Mr. Robinson), whom I respect, and I believe it fair to say that we are quite good friends. However, it is difficult to prod the Government through a Parliamentary Secretary who gets up and reads something which is prepared by the Department. Nevertheless, let me try, Mr. Speaker.

First of all, this side has been asking for a red meat stabilization program for Canadian producers of red meat for a considerable length of time. There is agreement among at least four of the provinces; Ontario, Manitoba, Saskatchewan and Alberta, to have something like this created. There is an agreement in principle that a red meat stabilization program be put into effect. In fact, I have a press release from October 31, 1983, indicating agreement in principle on the red meat stabilization plan. The Government mentioned it in the Throne Speech in December. Both opposition Parties are in favour of this, and we have supported the Government, yet nothing happens. I suggest that if something does not happen very quickly, nothing will be done until we have a new session of Parliament or a new Government is elected.

• (1810)

There are financial problems in the industry, and one of the ways to rectify some of those problems is to have a so-called tri-partite red meat stabilization plan. The three parties involved would be the federal and provincial Government and the producers. The Minister is in favour, four of the provinces who represent a majority of the red meat industry are in favour, yet nothing happens.

The Minister is on record as of October 9, 1982, as saying that he would resign if something were not done concerning

the marketing system of beef in this country. That is over a year ago and nothing has happened. He told us about a year and a half ago in committee that he has a plan in his back pocket but nothing has happened.

What I find very discouraging, Mr. Speaker, is that there has been no legislation of any kind in this session concerning this industry. All we have had is the tabling of a Bill to increase cash advances. We on this side would support that, but the Minister does not appear to have enough influence with his House Leader to have the legislation brought forward for debate. In fact, the only initiative taken by this Government in agriculture was about two weeks ago when the Farm Credit Corporation increased interest rates on loans. However, there have been a couple of initiatives from this side.

The Hon. Member for Vegreville (Mr. Mazankowski) moved a motion concerning the reduction of tax on farm fuels. That motion was referred to the committee. The Hon. Member for Bruce-Grey (Mr. Gurbin) moved a motion concerning the agri-bond concept, and that as well went to committee. So we have an opposition which has taken the initiative to try and reduce some of the problems in agriculture in this country, yet the Government has done nothing.

It seems to me, Mr. Speaker, that if a Minister is in favour of doing something and the Opposition supports him and he still cannot get it done, one must wonder what kind of support the Minister has in his own caucus for the things he wants to do. I refer to support, but the Government does not appear to make up its mind on what it is prepared to do.

Let me say again that we are prepared to support legislation establishing a red meat stabilization program on the basis of the press release issued by the Government in October, 1983, but we have to see the legislation. We have to get it through second reading, into committee, and then back to the House for third reading. There are only a limited number of days available until the end of June, I think something over 30 days. If we do not have that legislation fairly quickly nothing is going to happen. It is true that there are some concerns about it in the industry, but there has never been a better time to move in so far as prices are concerned. This is the time to do some of these things, not when you get into a crisis situation as we did in 1974 and 1975 with very low prices. This is the time to make some decisions and have the people who are affected come forward with some recommendations on what they want to see in this legislation. We cannot support phantom legislation. We must have legislation introduced as far as the House is concerned.

● (1815)

In closing, I suggest that anything the Government can do to bring forward this legislation to give us a chance to debate it before the end of June will be looked upon very favourably by our side. If we do not see this legislation, we will have to question whether the Government is at all sincere in addressing any of the concerns which Canadian agriculture presently has.

[*Translation*]

Mr. André Bachand (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I am pleased to reply to the question which the Hon. Member for Portage-Marquette (Mr. Mayer) has raised concerning the establishment of the so-called tripartite red beef stabilization program. For nearly a decade the Minister of Agriculture (Mr. Whelan) and his provincial counterparts have been trying to set up such a program.

First of all, Mr. Speaker, let me advise Hon. Members of the events which have taken place since the federal and provincial ministers of Agriculture met last summer in Prince Edward Island.

In Prince Edward Island, the provinces which are the larger red meat producers, namely, Ontario, Manitoba, Saskatchewan and Alberta, had agreed to examine together with the federal government a new program based on certain principles. On this basis, stabilization plans were developed and submitted last October to ministers and officials at a meeting held right here in Ottawa. Then, a series of meetings were organized with associations of producers and provincial governments to try and improve these plans. At a federal-provincial meeting which took place in Ottawa on February 9, further improvements were made. Thanks to these consultations, we now have an interim program which is being supported by the larger red meat producing provinces, by four provincial hog marketing boards, and by the Canadian Cattlemen's Association. This program has been discussed by the Minister of Agriculture and his Cabinet colleagues who have approved the main provisions of the bill that they want to introduce in the House to set up a voluntary tripartite red beef stabilization program.

We hope that the bill now being drafted will receive the approval of the House and will be passed before we adjourn for the summer.

The Minister of Agriculture could then reach an agreement with his provincial counterparts when they meet in Winnipeg next July. Thereby, Canadian red meat producers could have a much needed program before the end of the year. This program will not merely be helping individual farmers, but it will also help put an end to the proliferation of stabilization programs which has resulted in a balkanization of the industry.

To summarize, Mr. Speaker, we have gained the approval of Cabinet on the bill now being drafted and we would like these amendments to the Agricultural Stabilization Act to be accepted before Parliament adjourns for the summer so that firm agreements may be signed with the Provinces as early as next July.

[*English*]

EXTERNAL AFFAIRS—GUYANA—INCREASE IN RACIAL AND POLITICAL VIOLENCE. (B) VISA REQUIREMENT FOR GUYANESE IMMIGRANTS

Mr. Dan Heap (Spadina): Mr. Speaker, on March 14 I raised the question of Guyana, our sister commonwealth country, and the Guyanese people in Guyana and in Canada. I asked the Secretary of State for External Affairs (Mr. MacEachen) whether Canada will condemn the systematic violence inflicted by the Burnham Government of Guyana on many of its people. I asked the Minister of Employment and Immigration (Mr. Roberts) whether he will institute a special program for the Guyanese whom he is now shutting out by his visa requirement. Neither of them gave a serious answer. Therefore I now wish to return to the question.

Guyana is experiencing a very serious crisis. This tiny country of 500,000 people, smaller than many Canadian cities, sent over 400 people as immigrants to Canada in 1982 and over 500 in 1983. In 1983 alone 48 people were recognized by Canada as refugees. These were people with a well founded fear of persecution if they returned home to this so-called democratic country.

Guyana has a very serious food crisis. By present laws and police practices a person may be jailed and fined thousands of dollars for the possession of wheat flour. Whereas, of course, the fine for possession of marijuana is only a few hundred dollars. That illustrates the bizarre crisis and the cause of very severe malnutrition in Guyana. However, the attempts of Guyanese people to correct that by producing what they need are seriously hindered by a very violent and repressive government.

● (1820)

The government systematically encourages racial conflict, especially between people of East Indian origin and African origin, and also between people of African and European origin. It seems to rule by the principle of divide and conquer.

The police and the army are often involved in crimes. There is little or no recourse available through the courts, and, in fact, the government appears to be allowing crime to run free since the enforcers of the law are, themselves, taking part in it.

The Guyanese government in this respect is different from some other South American governments that may be repressive, but at least do not condone ordinary crime and violence except when they commit it themselves.

The violence appears to be directed against particular communities in Guyana, including the East Indians, Portuguese, the Chinese and the whites. This is the term used in Guyana that applies mostly to British or Dutch. Of course, there are also many mixtures.

Part of the reason for such attacks may be that some of these smaller groups have the position of merchants. Part of the reason is simply that the government, which is controlled almost entirely by people of African origin, chooses to allow violence to occur against those other groups.

Furthermore, there is violence quite apparently directed against people who are perceived by the government of Guyana to be in opposition to it. The ruling party of Burnham, whose elections have been rigged and completely corrupt in the judgment of British and other international observors, is based on violent intimidation by black people who are primarily of African origin against other black persons, that is people of East Indian origin. In some cases, the support by an East Indian Guyanese of the opposition party, the Peoples' Progressive Party, is apparently enough to have him beaten and robbed of his land.

Another party in opposition, the Workers' Progressive Alliance, has attempted to bring people of different races together and, therefore, it is even more furiously attacked by the government of Burnham. Apparently they consider that racial unity among the people of Guyana would be a threat to their rule.

There is much evidence there of well founded fear of persecution on return, because it is almost impossible for a person who is blacklisted by the government in this small population to find another job. The government has taken over most of the enterprises and controls most of the jobs. Without a membership card in the People's National Congress, it is extremely difficult to find employment, especially for a person of East Indian origin.

Therefore, I am asking, in line with the letter written by the Leader of the NDP (Mr. Broadbent) to both the Minister of Employment and Immigration and the Secretary of State for External Affairs, that the government institute a special program, particularly a stay of deportation for up to a year, for Guyanese nationals in Canada who are claiming refugee status and whose cases need further examination because of the conditions in Guyana as yet unrecognized by our Government. I am asking that this Government monitor aid going to Guyana to see that it is going to the people who need it rather than to Government officials. I also ask that the Government publicly demand, within commonwealth channels, or in any other way, that the Government of Mr. Burnham in Guyana restore the practice of the protection of human rights and restore the practice of democratic elections, such as obtained there at the time of independence and for about ten years afterwards until the Burnham government took power about 20 years ago.

● (1825)

I hope the Government will respond to these points and not divert from them to other points.

[*Translation*]

Mrs. Suzanne Beauchamp-Niquet (Parliamentary Secretary to Deputy Prime Minister and Secretary of State for External Affairs): Mr. Speaker, I am pleased with this opportunity to answer the question put by the Member for Spadina (Mr. Heap) about human rights in Guyana and development assistance provided to that country.

Regarding that part of the question which concerns visas and recognition of the Guyanese who are in this country, I will let the Parliamentary Secretary to the Minister of Employment and Immigration (Mr. Dubois) provide the answer, since I think it more directly concerns his Department.

Mr. Speaker, I may point out to my hon. friend that a substantial reduction in the development aid being offered to Guyana would penalize the entire population of one of the poorest countries in the region. It would be contrary to our policy, which is to assist poor countries, irrespective of whether we feel they are being properly governed or not. Guyana does not have a good reputation in Canada, Mr. Speaker, especially as a result of allegations of electoral fraud. My hon. friend referred to racial violence, and there is also some talk of harassment of groups or individuals opposed to the regime, restrictions on freedom of the press, police brutality and the rest. However, even if this country's human rights record is not exactly spotless, I still feel the situation is not as serious as it is often described. For instance, there are no political prisoners in Guyana, the rule of *habeas corpus* is observed, a fair trial is the norm, and unions have the right to organize, to negotiate and to call strikes. Furthermore, withdrawing aid from Guyana would bring about a breakdown of a vital part of our policy towards Caribbean Commonwealth countries, and would have serious consequences for its integrity.

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

At 6.27 p.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, May 11, 1984

The House met at 11 a.m.

• (1105)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

LABOUR CONDITIONS

APRIL UNEMPLOYMENT STATISTICS

Mr. Dave Nickerson (Western Arctic): Mr. Speaker the appalling performance of the Liberal Government is not without its root causes. Those Canadians desperately seeking non existent jobs know what to blame. It is the Liberal zero growth policy. It is the Liberal high interest rate policy. It is the Liberal anti-investment policy, and the Liberal lack of concern for economic and job related issues.

Today's Statistics Canada figures speak for themselves. Our unemployment rate remains at 11.4 per cent, in comparison with only 7.8 per cent in the United States. Last month youth unemployment increased from 18.2 per cent to 18.5 per cent. The number of long-term unemployed is now double what it was three years ago.

Canadians have a right to expect a better deal from their Government. They know that neither the Liberals nor the NDP can deliver jobs. Therefore, let us bring on an election and change to a Conservative Government dedicated to high rates of permanent employment right across the nation.

* * *

EMPLOYMENT

SUMMER CAREER ACCESS PROGRAM—CHANGE IN FUNDING

Mr. Stanley Hudecki (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, last autumn the Government of Canada consolidated its 12 existing job-creation programs into four. This was a welcome move in that it made it much easier to keep track of the programs and to advise constituents. However, one aspect of this consolidation has led to complaints from a number of my constituents at McMaster University. This is in relation to the change in rules between last summer and this summer in what was called the Summer Canada Student Internship Program. The corresponding program this year is called Summer Career Access.

The problem has occurred with those programs which were approved in principle last summer for three years funding with the understanding that the same students would be hired for three consecutive summers, allowing training at a higher level each year. However, with the program change, instead of the Government paying the students' full wage, only 50 per cent of the wages will be paid up to a maximum of $3 per hour for a 40-hour week. In addition, for charitable or non-profit employers, another $80 per week will be allocated per student for additional costs such as OHIP, et cetera.

For projects which were approved in principle for three years, the rules have been changed. This has jeopardized a number of student jobs because the universities were not able to budget for the difference in the wage subsidies. I would therefore recommend that the Government provide a special supplement to these projects which were approved in principle for three years' funding last year so that 100 per cent of the students' wages will be covered until the end of those three-year projects.

* * *

HOUSING

DECLINE IN NUMBER OF STARTS

Mr. Scott Fennell (Ontario): Mr. Speaker, according to the Canada Mortgage and Housing Corporation, housing starts in most Canadian cities posted a significant slow-down during the first third of this year. On a national basis, housing starts fell for the second straight month in April. According to the director of statistics for CMHC, many housing experts have trimmed a few thousands starts from their housing forecasts for 1984.

With the bank rate the highest it has been in two years, and going up, and mortgage rates following, the situation in the housing industry is becoming critical. The proposed increase in the federal sales tax on building materials scheduled for October is only going to exacerbate the problem and cause more lost jobs.

Economists are predicting another recession by the end of this year, or at least by the beginning of 1985. If we go into another recession with 1.5 million people unemployed, it will have a traumatic effect on the average Canadian household. We need to help the people of Canada by keeping mortgage rates at an affordable level. This in turn will help those people in the construction industry because they will have jobs and will be able to go to work every morning.

S.O. 21

PENITENTIARIES

ESCAPE OF DANGEROUS INMATES WHILE RELEASED ON DAY PASSES

Mr. Jim Fulton (Skeena): Mr. Speaker, the Canadian public has become the unwilling participant in penal therapy experiments that allow axe murderers and sex killers to roam the streets on so-called day passes. For the second time this week a dangerous inmate has escaped custody. This time Giovanni Fasciano walked away from an unarmed social therapist while strolling down a Montreal street. Fasciano has a history of attempted escapes. In fact three years ago, following his first escape, hospital officials described him as a dangerous schizophrenic.

The questions which must be answered by the House are simple. One, why was the inmate allowed outside the hospital without wearing manacles or other restraining devices? Two, why was his attendant not armed? Three, why bother providing extensive security in a jail or hospital for the criminally insane if prisoners are to be turned loose on the streets?

• (1110)

These two incidents have given all Canadians reason to question the fundamental ability of our prison security system to do its job. It is hard to imagine any justification for allowing day passes to such violent and escape-prone inmates.

It is sheer lunacy to allow such prisoners on the street without security measures that are at least comparable to those of the institutions housing the inmates.

* * *

EDUCATION

NATIONAL ACADEMIC COMPETITION WON BY MANITOBA HIGH SCHOOL

Mr. Lee Clark (Brandon-Souris): Mr. Speaker, all too often in recent years Canadians, as a result of increasing urbanization, have come to assume that the good life was to be found only in the larger cities. One of the unfortunate results of this pro big city attitude was the development of a prevailing philosophy that excellence too was synonymous with such large urban centres and, as a result, many young people, often with their parents' encouragement, have migrated from our smaller western communities in order to secure what they believe to be a superior education.

Many of us who were educated primarily in the smaller western communities, many of us who taught in the educational institutions located in such centres, and many of us who, as parents, have encouraged our own children to remain at home for their education, have always denied that bigger necessarily means better. Those of us of that mind are particularly delighted to hear that a national academic competition, the "Reach for the Top" program, has been won by a high school which has an enrolment of only 212 students in its Grade 7 to Grade 12 program, and which is located in a smaller Manitoba community with a population of approximately 1,100 residents.

The students of Deloraine Collegiate have proven without doubt that educational institutions need not be large nor need they be located in large urban centres in order to be of a superior quality.

* * *

HUMAN RIGHTS

ARMENIAN MASSACRE—SUGGESTED DECLARATION OF DAY OF REMEMBRANCE

Hon. Sinclair Stevens (York-Peel): Mr. Speaker, it is time that this House reconsider the Armenian question. You will recall that on March 27, 1980, the Legislature of Ontario unanimously adopted a resolution that said in part that, on behalf of the people of Ontario, that Legislature "requests the Government of Canada to officially recognize and condemn the atrocities committed by the Government of Turkey upon the Armenian people who were victims of persecution and genocide during World War I."

The Legislature of Ontario also stated, on behalf of the people of Ontario, that it urged the Government of Canada "to make appropriate representations to the General Assembly of the United Nations to recognize and condemn the Armenian genocide and to express abhorrence of such actions as being in violation of the basic standards of human rights and decency now embodied in the United Nations Declaration of Human Rights."

The Ontario Legislature, on behalf of the people of Ontario, also recommended to the Government of Canada "that it designate April 24 in every year hereafter throughout Canada as a day of remembrance for the Armenian community, as it has been by the Armenian people for many years in memory of fellow Armenians who suffered such crimes."

A similar resolution was passed on April 10 in the National Assembly in Quebec.

We should act.

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

* * *

IMMIGRATION

GUIDELINES AFFECTING REUNIFICATION OF FAMILIES

Mr. Dan Heap (Spadina): Mr. Speaker, Canada's immigration policy is losing some of its humanitarian principles through administrative decisions that erode the intent of our immigration law and regulations.

On June 29, 1983, the former Minister of Employment and Immigration promised to have a review and report by the fall on the concept of the family as used by his Department. It had been found that our rules were often being so interpreted as to exclude people whose close family ties are all here in Canada.

In particular, there are cases of one family member remaining in the old country who wishes to be reunited with the family here. The guidelines were intended to authorize and encourage immigration officers to give favourable treatment to such a last remaining family member who is financially or emotionally dependent on the rest of the family in Canada.

While we wait for the report, which was promised almost a year ago, the immigration officials continue to tighten the restrictions that they apply when interpreting these guidelines. They are causing severe personal hardship in a number of cases that have come to my attention, and they are departing from the humanitarian principles of our immigration legislation and policy.

I understand that officials of the Department have indeed been studying this issue and have in fact prepared a draft for the Minister, with recommendations which would improve the situation for these immigrants. Therefore I call upon the Minister to expedite this report, the report promised nearly a year ago—

• (1115)

Mr. Speaker: The Hon. Member's time has expired. The Hon. Member for Red Deer.

* * *

THE ECONOMY

CONDEMNATION OF GOVERNMENT'S RECORD

Mr. Gordon Towers (Red Deer): Mr. Speaker, in 1968 the Canadian unemployment total was 351,000, or 4.5 per cent. Now it is 1,399,000, or 11.4 per cent. The unemployment rate for youth was 7.4 per cent and is now 18.2 per cent, up a whopping 10.8 percentage points, Mr. Speaker. In 1968 unemployment insurance costs were $438 million. Now they are $10,169 million, up 2,222 per cent. Since 1968 the purchasing power of the dollar has dropped to 31 cents, a minus 69 per cent. Interest rates have soared, and five-year mortgages have increased from 9.25 per cent to 13.25 per cent, and now will go higher.

In the past 16 years the Prime Minister (Mr. Trudeau), the Hon. John Turner, the Hon. Don MacDonald, the Minister of Energy, Mines and Resources (Mr. Chrétien), and the Minister of Finance (Mr. Lalonde), have all been Finance Minister, in charge of the economy and the public purse. In that time the Government sector has mushroomed and unemployment has quadrupled. Prices have increased several times. If the Hon. John Turner had so many good ideas, why did he let the Liberals get into such a mess? He was the start of it all.

The Prime Minister also did the Canadian public a great disservice by delaying his departure until such time as an election could not be held before July 1, the Queen's visit and Pope John Paul's visit. With a June election, the economic mess could have at least—

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

ORAL QUESTION PERIOD

[*English*]

FINANCE

REQUEST THAT NEW BUDGET BE INTRODUCED

Hon. James A. McGrath (St. John's East): Mr. Speaker, in the absence of the Minister of Finance I would like to direct my question to the Minister of State for Finance. The unemployment figures were released today by Statistics Canada. The news is bad. Interest rates continue to climb, the dollar continues to fall, and unemployment shows no sign of improving. Indeed, the youth unemployment rate is up. In light of these economic indicators, which show virtually no growth in employment over the past quarter, and with interest rates continuing to rise, cutting into consumer demand, we can only anticipate that the situation will get worse.

Does the Minister of State for Finance, on behalf of the Minister of Finance, intend to indicate to the House that it is his intention, since the Budget of the Minister is no longer relevant, to bring in a new economic statement?

Hon. Roy MacLaren (Minister of State (Finance)): Mr. Speaker, the unemployment numbers that were released indicate some progress in creating new jobs in Canada. Essentially we have seen the situation continue of the creation of new jobs being matched by additional people coming into the work force. The reported 0.2 per cent increase in jobs was matched by the increase in new entrants to the work force. But the creation of new jobs in Canada is in part, indeed as the Hon. Member suggests, the result of government stimulus, government action, to help create jobs.

The Member will know that we have acted in two broad ways to provide more job opportunities in our economy by direct government spending, through the special recovery and other programs in which there is direct federal funding. On the other hand there is the whole range of programs which the federal Government introduced in the April and February Budgets to stimulate more job creation in the private sector.

We have begun to see some of the benefits of the changes we have made, including those in investment tax credits. We have seen the special share purchase tax credit as an incentive to private investors—

Some Hon. Members: Order.

Mr. MacLaren: —to expand Canadian jobs.

Mr. Mazankowski: Order.

Mr. MacLaren: And we have also, of course, seen other initiatives that we have taken.

Mr. Speaker: Order, please. The Chair is concerned about the length of answers to questions. The Hon. Member for St. John's East.

Oral Questions

EMPLOYMENT

JOB CREATION—COMPARISON WITH UNITED STATES

Hon. James A. McGrath (St. John's East): Mr. Speaker, I wish the Minister would tell the House where he is finding these new jobs. The figures we have indicate to us that there has been zero growth in employment. There has been virtually no change in employment in Canada in the last three months, indeed since last September, unless a thousand new jobs constitute growth in the Minister's estimation. In the U.S. over the same period employment increased by 1.4 per cent, or 1,461,000 new jobs. The fact is that our job rate is now growing. Indeed, in terms of the recession, we continue to fall behind, whereas the position in the United States is a net increase.

• (1120)

Does the Minister still stand behind the ridiculous statement he made in the House yesterday wherein he said that Canada has been creating jobs faster than the United States? The facts do not support that statement.

Hon. Roy MacLaren (Minister of State (Finance)): Mr. Speaker, on that last point, it depends of course on which period the Hon. Member opposite wants to discuss. I indicated the period I was talking about. He may want to indicate what period he is talking about.

Mr. McGrath: I am talking about the last quarter.

Mr. MacLaren: With regard to job creation in Canada, I am surprised the Hon. Member opposite does not realize that employment grew 0.2 per cent in April. That represents an increase of 25,000 jobs. Is the Hon. Member opposite suggesting that 25,000 jobs are 1,000 jobs? If so, his arithmetic seems a little at variance with the facts. We have created additional jobs in Canada. For example, adult male employment increased .5 per cent, or 27,000 new jobs.

The Hon. Member opposite should get his statistics right before he makes his usual doom and gloom allegations, which seem to be the stock-in-trade of his Party every time it discusses the economy. The fact is that we have created a lot of new jobs in Canada. We have also given the opportunity to new people to join the work force through our training programs, and through direct stimulus in public works projects, in conservation projects, and in a whole range of other directly funded programs. We have also done much to stimulate—

Some Hon. Members: Order.

Mr. Speaker: Again the Chair is concerned about the length of answers.

Mr. McGrath: The Minister does not live in the real world because there are still 300,000 jobs less in the country today than when the recession started. That is the fact. They are ahead in the United States.

REQUEST FOR NEW MEASURES

Hon. James A. McGrath (St. John's East): Mr. Speaker, I will direct my question to the Minister of Employment and Immigration. Given the very serious economic indicators, for example escalating interest rates which will have an impact upon consumer demand, and given the unemployment figures today showing virtually no change in the unemployment situation—indeed, in terms of youth unemployment the situation is getting worse—what new steps does the Government intend to take in terms of direct job creation, and in terms of stimulation of the private sector, to offset the disastrous consequences of a Budget which seems to be blind to the facts?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, the hon. gentleman's real world is the world in his mind, which is often not very related to the facts of the situation other than those he has selectively chosen. Just to refer to his previous comments, in fact there has been an increase of 260,000 jobs in Canada over the past year, April to April, and that amounts to an increase in employment of 2.5 per cent. Those are the facts.

The Hon. Member may not have realized that earlier this week we indeed announced another $130 million worth of projects which were forecast by my colleague, the Minister of Finance—

Mr. McGrath: It took you three months to do it.

Mr. Roberts: —in a variety of projects directly related to creating jobs for young people. As he knows, or should know, this is one of the key areas of concern. The Government has been acting in a general way by creating a context which enables the private sector to create economic growth and jobs. As my colleague, the Minister of State for Finance indicated, there are a variety of special programs, such as the Youth Employment Programs and the Special Recovery Capital Projects Programs which are assisting in the creation of jobs over the short term.

NUMBER OF PEOPLE EMPLOYED

Hon. Sinclair Stevens (York-Peel): Mr. Speaker, my question is also directed to the Minister of Employment and Immigration, who has turned to statistics. Would he indicate to the House whether it is correct that there are fewer Canadians working today than there were in June, 1981? Level with the House.

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, I will level with the House. I can understand why the hon. gentleman does not want to use statistics. The reason is that the statistics do not bear out the case which he is trying to present falsely. I just gave him the facts. If he had been listening to the previous answer, he would know that there has been an increase in jobs of 260,000 over the past year.

Mr. Stevens: What about June, 1981?

Mr. Roberts: Instead of Hon. Members opposite seeming to show great lamentation, and weeping and crying about the situation, one would have thought that they would be a bit reassured and slightly more cheerful over the fact that there has not been any increase in unemployment over the past month.

EFFECT OF INTEREST RATES

Hon. Sinclair Stevens (York-Peel): Mr. Speaker, again I direct my question to the Minister of Employment and Immigration, who is sometimes referred to as "Doc", one of Iona's dwarfs. Is it not true that if interest rates were not rising in Canada as quickly as they have been rising, his job in lowering the unemployed list in Canada would be much easier?

• (1125)

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, I do not think that the hon. gentleman opposite is of such stature that he should criticize anyone else about being a dwarf.

I have already outlined, as we on this side of the House have done, again and again, the general approach we have been taking to the creation of employment. That general approach is to provide a context of support for private sector activity. That has been happening. Jobs have been created in this economy over the last year. The other approach we are taking is to focus on short-term problems, particularly the creation of youth employment and the support of entry of women into the labour force for the first time. We are doing that in a variety of programs, the most important of which may be that of Career Access, and in terms of short-term stimulation of the economy, construction through the Special Recovery Capital Projects Program.

* * *

FINANCE

INTEREST RATES—REQUEST THAT GOVERNMENT TAKE ACTION

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, in the absence of the Minister of Finance I will direct my question to the Prime Minister. He will know that again this morning the tragic unemployment levels are continuing in this country. At a time of the year when the situation ought to be improving, today's statistics indicate that there is no real improvement occurring in the country when it comes to jobs. Is it not time that the Prime Minister and his Government rethought the high interest rate monetary policy that is presently in place, and brought in an interest rate policy that would result in jobs being created, as opposed to simply creating profits for financial speculators? Is it not time to reserve this interest rate policy?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Hon. Member persists in calling it a high interest rate policy. I notice he does not take issue with what I pointed out to him yesterday. He goes on to try to spread the myth that it is a policy that wants high interest rates in Canada. That is not only a myth, it is an outright falsification. Yesterday I challenged the Hon. Member to indicate how the Government, or anybody in a free society, could force lenders of money in Canada—the savers, those in ordinary walks of life who save money—to lend money to other Canadians at a rate lower than the rate they can get by putting their money in the New York market. The Hon. Member has not suggested an answer to that.

He should be saying there is a policy in Canada to permit lenders in Canada to seek the best return they can get for their hard-earned and hard-saved dollars. Maybe that is the policy of his Party. If so, he should say no clearly. Does he suggest that the Canadian Government, under its constitutional right, should force savers in Canada to lend their money at a lower rate than they can get by crossing the border? If he is suggesting that, he is proposing that we impose controls on Canadians which are not compatible with the normal operation of a free society.

REQUEST FOR CAPITAL OUTFLOW TAX

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, the Government has not been hesitant in the past to impose penalties on people and corporations which pollute our environment. It has not been hesitant to impose penalties on Canadians who drink and drive and endanger the lives of their fellow citizens. Why are the Prime Minister and the Government of Canada hesitant to impose penalties on those people who would move money out of the country to take advantage, on a speculative money market, of an interest rate in the United States? As an historian the Prime Minister will be aware that other countries, on a temporary basis, have imposed a speculators' tax on the outflow of money. Why does Canada not do the same and allow interest rates to come down?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Hon. Member is making an extraordinary analogy. He is saying that savers, Canadians who save money, which is not an unvirtuous occupation, should be treated as we would treat people who pollute our environment or who drive when drunk. The Hon. Member shakes his head, but that is exactly what he said. He said that if we control drunken drivers, why should we not control poor Canadian savers—

• (1130)

Mr. Riis: Speculators.

Mr. Trudeau: Speculators? It is not only speculators who move their money across the border, Mr. Speaker; it is every Canadian who is looking for the best return on his buck. How would the Hon. Member propose to control those Canadians and not the drunken drivers?

Mr. Riis: Mr. Speaker, I do not know how to respond to that.

Oral Questions

CANADIAN AND UNITED STATES MORTGAGE INTEREST RATES

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I will try to ask a supplementary question of the Prime Minister and have him explain something to me. Because of the banking system in Canada, there is very little competition. Can the Prime Minister explain why one can obtain a long-term mortgage at an interest rate of 7 per cent or 8 per cent in the United States today? How is it that the Americans, with the competition that exists in the United States, can obtain those kinds of mortgages for their mortgage holders but, because of our restrictive banking system in Canada, with its minimum of competition, we must pay twice that amount? Can he explain why mortgage holders in the United States can obtain mortgages with interest rates of 7 per cent or 8 per cent in a number of States?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, there are two answers to that question. Yes, I can explain it. The one reason is that interest rates are deductible for income tax purposes in the United States. Mortgage rates are deductible in the United States but they are not in Canada. If the Hon. Member is suggesting that—

Mr. Riis: The banks.

Mr. Trudeau: I am talking about the mortgage holder, Mr. Speaker. That is the question the Hon. Member asked. In so far as making the banking system more competitive, there is a Bill before the House that is intended to do that.

Mr. Riis: The foreign banks?

Mr. Trudeau: Yes, foreign banks which would compete with Canadian banks and therefore force Canadian banks to be more competitive.

REQUEST FOR NEW BUDGET

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, my question is also directed to the Prime Minister who, in his heart of hearts, I am sure, will understand that the employment policies of his Government have been an abysmal failure as shown by today's statement of the unemployment level. We are now faced with the prospect of school graduates entering the work force and the prospect of an increasing unemployment rate during the course of this summer. We are faced with escalating interest rates. We are faced with the dollar being at its lowest level in years.

Does the Prime Minister not think that one of his last gestures as the leader of the country should be to arrange with the Minister of Finance to bring forward a new economic or budgetary statement before the end of June, so that we may adjust in terms of legislation and initiatives to these appalling economic prospects?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Opposition is preventing the Government from moving forward by agreement on the Budget Bills of last year. I am not referring to this year's Budget but to last year's Budget. Now opposition Members are suggesting yet another Budget for which they would obviously refuse to move the Budget Bills forward. What does the Hon. Member want? He wants a new Budget, but he has not even begun to deal with the last one or the one before that.

Mr. Hnatyshyn: Mr. Speaker, if the Prime Minister and his band of colleagues would bring these measures before the House, he would be sure that they would receive reasonable and appropriate attention.

REQUEST THAT MINISTER OF FINANCE TAKE ACTION

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, I would like to ask a supplementary question of the Prime Minister. The majority of economic forecasts and indicators now indicate that there are storm clouds on the horizon and we face the real prospect of serious financial collapse in our country. The Prime Minister can talk about the legislation that is before the House, but he knows that the Government is simply spinning its wheels and is preoccupied with the Liberal leadership convention. It cares not one whit for the people of Canada and the problems they are facing. Will the Prime Minister not tell the Minister of Finance to come forward and deal with the changing economic circumstances so that the people of Canada may be served, rather than the Liberal Party?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Hon. Member began his question by saying "if the Government would bring the Bills forward". We brought the Bills forward last Wednesday, I believe, and the Opposition filibustered the Bills. We brought the Crown's—

Mr. Dick: Bills? How many Bills?

Mr. Trudeau: Yes, Mr. Speaker.

Mr. McKenzie: Your legislation is no good.

Mr. Trudeau: Oh, yes, Mr. Speaker, Hon. Members would like to say that it is no good. Will the Hon. Member do me the courtesy of hearing my answer? I will then hear any supplementary question he wants to ask.

Some Hon. Members: Oh, oh!

Mr. Trudeau: They are not interested in having any questions answered, Mr. Speaker. The loud-mouths over there just want to shout about the leadership contest, and they are shouting about the leadership contest because they are beginning to be shaky in their boots.

LABOUR CONDITIONS

UNEMPLOYMENT STATISTICS

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. I would like to compare some statistics with him. If the Government has created almost 400,000 jobs every year for the last two or three years, how can the Minister reconcile that with the fact that, while the labour force has increased by 449,000 in the period from June, 1981, to April, 1984, actual jobs have decreased by 145,000? How does he reconcile that fact with the statistics that he is quoting? In fact the number of full-time jobs has decreased by 338,000 in the period of time to which I have referred. Incredibly, there are 348,000 fewer jobs for young people today than there were in June, 1971. How does the Minister reconcile his statistics with the actual facts?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, no one denies that the country has gone through a recession, and no one denies that we would still like to make further progress in coming out of it. The figures which I cited to the Hon. Member are accurate. Over the past year the level of job creation has been at 2.5 per cent. There have been 260,000 new jobs created. Over the past year, April to April, the actual unemployment rate in Canada has declined from 13.2 per cent to 12.1 per cent.

I am not suggesting that we should be smug, or that we should step back our efforts to do better. The fact is that the figures show very clearly that, over the past year, we have been making progress, and making successful progress. It seems to me that that should be welcomed and applauded rather than attacked by using another statistical base, which is what the Hon. Member seems to want to do.

DURATION OF JOBS CREATED

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, the Minister can use whatever statistical base he wants. I have asked him to relate what he is saying, and what he has been saying for the last three years, with the facts. He has claimed that the Government is creating 400,000 jobs each year, and I have asked him to reconcile his statistics with the actual facts of the past three years.

Would the Minister not agree that the jobs that have been created are of a temporary nature, that they are being recycled every year, and that some jobs are being recycled twice a year? In other words, would he not agree that the jobs that are being created are of a three-month duration, and that every time someone takes a three-month job it is reflected by the statistics? Those jobs are being recycled and cranked through the statistics. Is that not what the Minister is saying? Is he not saying that there has been no creation of full-time employment? In fact, as I have said, will he not agree that there has been a net loss of 145,000 jobs in that three-year period even though the work force has increased by 449,000? That is the truth of the unemployment statistics. How can the Minister stand in the House and play with figures?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, I think it is the hon. gentleman who is playing with the figures. The answer to the specific question contained within the rhetoric of his larger question is no, those 260,000 increased jobs to which I have referred are not short-term or temporary jobs. Those jobs increase the permanent employment rate in the country.

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NATIONAL SOVEREIGNTY

WEST COAST BOUNDARY LINE—UNITED STATES' OFFER TO OIL AND GAS COMPANIES

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Secretary of State for External Affairs who will know that in 1903 the International Boundary Tribunal unanimously agreed that Canada's international boundary on the West Coast would be the 54-40 line or, as it is known on the West Coast, the A-B line. As well, he is probably now aware that the U.S. Department of the Interior has offered for sale to American oil and gas companies titles to land south of the A-B line, territory that is in fact sovereign Canadian territory.

I understand that earlier this week the Minister sent a diplomatic note to his colleague in the United States, Mr. Shultz. However, many Canadians consider this to be an act of extreme hostility. I wonder whether or not the Minister might consider it more appropriate to take this matter to the World Court in The Hague immediately?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): No, Mr. Speaker, I do not think that that would be a wise decision in present circumstances. There is a major case before the international court affecting the boundary of the coast of Nova Scotia. In that case we exhausted all the possible bilateral diplomatic avenues before we went to the World Court, and I think it would be unwise to alter that particular practice in this case.

REQUEST THAT PRIME MINISTER CONTACT UNITED STATES PRESIDENT

Mr. Jim Fulton (Skeena): Mr. Speaker, my supplementary question is directed to the Prime Minister. The matter to which I referred would be very similar to the Canadian Government offering a chunk of California for sale to various Canadian oil and gas companies. The Prime Minister is a bit of a geography buff, so I direct my supplementary question to him.

The World Court in The Hague has just ruled that what the United States did when it mined the ports in Nicaragua was an illegal act. Would the Prime Minister confirm that every international marine chart, and every single map that has been produced in the world since 1903, shows that 54-40 is Cana-

da's international boundary? The United States Government is now offering to sell Canadian territory which is south of the 54-40 line. Will the Prime Minister call the President of the United States and, at the very least, give him a geography lesson?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am afraid that I am not in a position to confirm the facts referred to by the Hon. Member. I missed the previous exchange, but I will take his question as notice.

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● (1140)

INDUSTRY

PETROCHEMICAL TASK FORCE REPORT—GOVERNMENT POSITION

Hon. Bud Cullen (Sarnia-Lambton): Mr. Speaker, my question is directed to the Minister of Regional and Industrial Expansion. The petrochemical task force report was presented in the latter part of February. Since that time I know that officials and Ministers have been working on its content. I wonder if the Minister is in a position to indicate when he anticipates a public response to the recommendations made in that particular report?

Hon. Ed Lumley (Minister of Regional Industrial Expansion): Mr. Speaker, the Hon. Member knows, because he has made substantial representations prior to the task force report and subsequently, that there is a group of officials from various Departments working on recommendations to my colleague, the Minister of Energy, Mines and Ressources, and myself, with respect to the proposed response of the federal Government.

Second, as I responded the other day to the Hon. Member for Vancouver Centre, my colleague, the Minister of Energy, Mines and Resources, has had discussions with his counterparts in the producing provinces with respect to the major recommendation in that task force report, the reduction of the natural gas price. If I am not mistaken, I believe that about two weeks ago the producing provinces and the Minister made an announcement in that regard.

Third, I have also had discussions with my counterparts in two of the other producing provinces on the industrial side, to see if we could accelerate a response from the provinces and ourselves with respect to the report.

SARNIA INDUSTRY

Mr. Scott Fennell (Ontario): Mr. Speaker, my question is also directed to the Minister of Regional Industrial Expansion. The Minister has taken a year to look at the auto task force report. He has taken three months to look at the petrochemical report. There are 200,000 jobs on the line, direct and indirect. When is the Minister going to come up with an answer for the petrochemical industry in the city of Sarnia with respect to allowing the 15 per cent discount, or, preferably, the Gulf gate price?

Hon. Ed Lumley (Minister of Regional Industrial Expansion): Mr. Speaker, as I said in response to a question put by the Hon. Member yesterday—I realize he works very hard and he has not had a chance to read everything we have put out—we have already responded twice to the auto task force report. Perhaps, more important than responding to the report, Mr. Speaker, we have taken action, and that is one of the reasons why I believe the federal Government has played a very prominent role in the substantial increase in employment in the auto industry during the past year.

With respect to the petrochemical task force report, the Hon. Member should know that pricing is the responsibility of my colleague, the Minister of Energy, Mines and Resources, and the producing provinces. I am sure I do not have to remind Hon. Members opposite about the discussions which took place with respect to pricing policy in the last couple of years.

FEEDSTOCK PRICE OF NATURAL GAS

Mr. Scott Fennell (Ontario): Mr. Speaker, the Minister passes the buck again. It is his responsibility to create jobs in industry. If the feedstock price of natural gas is brought down, it will create more jobs and more export of finished products. Will the Minister give us his commitment that within one month he will have an answer that the Government is either going to implement this report or it is going to do what it did with the auto task force report?

Hon. Ed Lumley (Minister of Regional Industrial Expansion): Mr. Speaker, if we are as successful with the implementation of the petrochemical task force report as we were with the auto task force report, we are going to have another additional increase of jobs across the country. I wish I had the power to decide pricing across the country, and I am surprised at the Conservative Party. I look back on the negotiations which the former Minister of Energy, Mines and Resources held with producing provinces and I know the position the Conservative Party took with respect to pricing. I am not aware that we have that power, but we would very much like to have that power.

Second, does the Hon. Member realize that the financial assistance given, for example, to Petromont, and the opportunity for Petrosar—

Mr. Fennell: That is a band-aid.

Mr. Lumley: That is $100 million. That is a band-aid? I am surprised that the Conservative Party is now calling $100 million a band-aid, Mr. Speaker.

AGRICULTURE

NIAGARA-ON-THE-LAKE—CONSTRUCTION OF ANIMAL INSPECTION STATION

Mr. Charles Mayer (Portage-Marquette): Mr. Speaker, my question is directed to the Minister of Agriculture. It relates to a situation at Niagara-on-the-Lake where the Department which he heads is presently building an animal inspection station. I am sure he is well aware of it. It is my understanding that the Minister had a visit from local officials in his Windsor office on April 23, and that he personally ordered a halt to the construction on May 1. Yet on checking with the mayor of Niagara-on-the-Lake this morning at approximately eleven o'clock, I was told that construction is still going on. I wonder if the Minister could tell us why construction is still going on this morning in light of the fact that he personally ordered a halt to that construction?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the Hon. Member is partly right on some of the things he has stated about this facility. It is an animal inspection station which is being built near the Queenston Bridge, in that area. I am not at all satisfied with the procedure which was followed. I issued an order to stop construction, and I meant it. I told them this morning that I would personally go down there and bulldoze it down if they did not stop.

Mr. Mayer: Mr. Speaker, I will not comment on the "bull". I would just hope that the Minister means what he says, because it is my understanding there are a lot of people upset that, despite the Minister's personal request that construction stop, it is still continuing.

MUNICIPAL REGULATIONS

Mr. Charles Mayer (Portage-Marquette): Mr. Speaker, I would like to ask the Minister a more comprehensive question. It is my understanding that the Government spent too much money to buy the land; it is in contravention of municipal and some of the provincial regulations; it has ignored the wishes of the local people, and even today it is ignoring personal requests of the Department. I wonder if the Minister would review the procedures within the Department which locates these kinds of premises or facilities for his Department to see that this kind of thing does not happen again? Surely the Minister can run his Department in such a way that he does not have to go and bulldoze facilities down and therefore waste money which has been spent by the Department?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, to make it clear, the Hon. Member knows that part of the footings, I believe, are established, and some fresh stone and gravel have been hauled on to the site. That is as far as the construction has gone. We held it up for eight days. Then I understand there was some misunderstanding and they started hauling gravel on to the site again. I talked to my officials this morning and told them that we want this construction stopped until we have all the facts on the table about what took place, who did what, and why.

It is not my Department which purchases sites. I am sure the Hon. Member is aware of that. It is the Department of Public Works which purchases sites and looks after building the facilities for us. There has been a need for a long time to have an efficient type of facility because of the horse racing industry and our inspection system. So they decided to go ahead with this facility in that area. As I said, I am not at all satisfied with it. I have a person on the job site at the present time to make sure that no further construction takes place at this time.

It appears to me, Mr. Speaker, that this site, from the evidence I have now, will be moved, either to the Queenston Bridge authority or to the industrial site, where it should have been in the first place. It will be either one or the other.

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BANK ACT

ROYAL BANK'S AUTOMOBILE FINANCING PLAN

Mr. David Orlikow (Winnipeg North): Mr. Speaker, in the absence of the Minister of Finance I would like to direct a question to the Minister of State for Finance. When the Bank Act was last amended, after a great deal of debate, there was a Section which we thought seemed to prohibit banks from getting into the business of leasing cars and small trucks. Now, apparently, the Royal Bank has implemented a plan under which customers can purchase a car or truck, borrow the money from the Royal Bank, and after three years they have the option of paying the rest of the loan and taking possession of the car, or they can just return the car and let the bank take it over.

This is obviously a way of avoiding that provision in the Bank Act, allowing the bank to get into the leasing business through the back door. Is the Minister aware of what is going on? If so, what steps is he taking to stop the banks from doing what they are not permitted to do under the Bank Act?

Hon. Roy MacLaren (Minister of State (Finance)): Mr. Speaker, we have the proposal of the Royal Bank under review at the moment. The first legal opinion we have received is that the financing of the vehicle is a loan and not a lease. It seems, therefore, that there is no question but that what the bank is proceeding to do is legal. However, I would say to the Hon. Member opposite that our study is not yet completed and I would be glad to return to him on this subject at a later date.

• (1150)

REQUEST FOR AMENDING LEGISLATION

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I discussed this matter with the Inspector General yesterday. He told me he had representations from the Canadian auto dealers and the Canadian auto leasers. The preliminary advice he got from the Department of Justice was that this was in fact not a

leasing arrangement. It was a loan with a balloon payment. Obviously the bank is trying, and succeeding, to do through the back door what the Bank Act would not permit it to do through the front door. If the legal opinion is that what the Royal Bank is doing is legal, will the Government bring in legislation to plug what is obviously a hole in the provisions of the Bank Act?

Hon. Roy MacLaren (Minister of State (Finance)): As I have indicated, Mr. Speaker, when we have completed our review of the practice of the bank I shall be able to answer the Member's question.

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AIR TRANSPORT

AIRPORT USER CHARGES

Hon. Don Mazankowski (Vegreville): Mr. Speaker, my question is for the Minister of Transport. Airport user charges, air passenger ticket taxes, and fuel taxes account for a major portion of the price of an air ticket. I believe the Minister acknowledged that these charges may be out of line inasmuch as he has established a review procedure to look into this. Could the Minister inform the House what form this review will take and when it will take place?

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, I appreciated the comments the Hon. Member made to the media on the air policy. He said that while he had some dispute with parts of it, he thought it was going in the right general direction. I appreciate the Member, who is learned in these matters, providing that qualified, but nonetheless important, endorsement of the policy.

With regard to the air review, I agree that it is a matter which should be looked at for the purpose of getting costs down. It is a departmental review as opposed to an outside review. I have asked the air administrator to undertake that examination. In the meantime, I have instituted a holding of any increase of airport parking fees for the forthcoming year.

At this point in time we will be examining not only the question of the cost involved but also whether there should be some incentive pricing system in order to provide an opportunity to use, more effectively than we do now, airports which are under utilized.

PROPOSED ESTABLISHMENT OF LOCAL AIRPORT AUTHORITIES

Hon. Don Mazankowski (Vegreville): Mr. Speaker, could the Minister assure the House that there will be adequate opportunity for industry and other input in the review process? Second, is the Minister giving any consideration to incorporating any form of deregulation within the airport system itself? I believe he has recognized that there is extravagance in the system. For example, is he considering the establishment of local airport authorities? That was recommended by the Hagglund report, which I am sure he will find on the shelves of his Department. If he is not looking into that, will he undertake to do so?

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, I am aware of the study and have looked at it. There has been some discussion over the past couple of years on moving toward a comparable local ports corporation type legislation. At this point in time I feel it could be one of the examinations we would include as part of that review. I would hope, Mr. Speaker, that when I next appear at the Standing Committee on Transport, which I think is scheduled for two weeks from now, we might be able to get into this kind of discussion more extensively. I look forward to the Hon. Member's further representation. Any review which we make will certainly take into account the views of the industry and of the various associations involved.

* * *

EMPLOYMENT

USE OF FOREIGN HARVEST LABOURERS

Mr. J. R. Ellis (Prince Edward-Hastings): Mr. Speaker, my question is for the Minister of Employment and Immigration. With regard to offshore labour, processors and producers in my constituency have recently been told that they must adhere exactly to last year's level of offshore employment. Last year they voluntarily attempted to cut back. Also, last year was a horrendous crop year and they obviously had to utilize less labour.

Would the Minister agree that common sense could be applied to the amount of offshore labour required for this year, even though it may result in a half a dozen or a dozen more bodies than last year being utilized? This would still be 50 per cent below five years ago.

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, I agree that I want to approach this matter in a common sense way. Our objective, of course, is to ensure that there are employment opportunities for Canadians. I realize that sometimes these jobs are not one for which there is an adequate supply of Canadians willing to do the work concerned. The best answer I can give to the hon. gentleman is that I will take his question as a representation, reflect upon it, and see if there is some way in which I can make my common sense agree with his common sense.

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WESTERN GRAIN STABILIZATION ACT

INTRODUCTION OF AMENDING LEGISLATION—REQUEST FOR SPRING PAY-OUT

Mr. Doug Neil (Moose Jaw): Mr. Speaker, my question is for the Minister of Agriculture who states he has a great deal of sympathy for the western farmer. In the February Budget there were indications that amendments would be made to the

Western Grain Stabilization Act. In a press conference last April 25 the Minister, and his cohort from the other place, indicated amendments in order to trigger a payment. Can the Minister tell us when we can expect the tabling in the House of a Bill to amend the Act? Will that Bill contain amendments that will trigger a payment to farmers this spring?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I understand the Bill will be tabled soon. The Member will have to wait to see what the Bill says.

TIMING OF INTRODUCTION

Mr. Doug Neil (Moose Jaw): Mr. Speaker, the Minister and Members on the Liberal side have been saying "soon" for months. What is "soon"?

Hon. E. F. Whelan (Minister of Agriculture): Very soon.

* * *

THE PRIME MINISTER

REQUEST THAT VISIT TO BRITISH COLUMBIA BE SCHEDULED

Mr. Chuck Cook (North Vancouver-Burnaby): Mr. Speaker, my question is for the Prime Minister. I want the Prime Minister to know that the people of British Columbia are simply pining away as he fades into the sunset slowly. I speak on behalf of British Columbia and ask the Prime Minister to please make at least one more visitation to the Province of British Columbia. We would appreciate another philosophical speech about those who live—

Mr. Speaker: Order. I question whether this is appropriate for Question Period. Order.

Mr. Cook: Will the Prime Minister come back once to British Columbia before he finally goes?

Mr. Speaker: Order. The Hon. Member for Surrey-White Rock-North Delta.

* * *

EMPLOYMENT

BRITISH COLUMBIA STATISTICS

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, my question is for the Minister of Employment and Immigration. Since he prefers to compare statistics from one year to the next rather than over a three-year span, I would like to point out to him that a year ago in British Columbia there were 1,196,000 people employed, and today there are 1,174,000 people employed. That is a drop of 22,000 in the workforce. How does the Minister explain that? What does he plan to do to increase employment in British Columbia, which is the hardest hit area as a result of the recession?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, I accept on faith the Hon. Member's figures. He should be a tinge optimistic because there has been an increase in employment of 5,000 in the latest monthly figures. For a more accurate response to his question about the difficulties of employment in which British Columbia finds itself, he should refer to the policies of the provincial Government which are so close to the kind of policies which would be introduced by his Party if the Canadian people were ever unfortunate enough to have it as the governing Party.

Mr. Hnatyshyn: That is why you only have one delegate in B.C., John.

RAILWAY UPGRADING—BENEFITS FOR BRITISH COLUMBIA

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, my supplementary question is for the Minister of Transport. The Government promised that as a result of the Crow legislation there would be thousands of jobs created across Canada and literally millions, if not billions, of dollars invested. Presumably those jobs would accrue to the areas which would be affected by the Crow legislation.

What has the Minister of Transport done to ensure that the industrial benefits which are supposed to affect British Columbia as a result of the Crow legislation will come to British Columbia for example, the construction of cement railway ties and all of the other components of the railway expansion which were supposed to result from the Crow legislation?

• (1200)

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, to begin, I think the Hon. Member should be aware that just this week the Canadian Pacific Railway announced a letting of a contract for what would be the largest single construction project in North America, beginning in British Columbia this spring, in regard to the cutting of a new tunnel through the Rogers Pass. That will provide a large number of jobs and a very major investment for a number of contracting firms in British Columbia itself. That is only one example of a wide number of contracts. I take into account the contract recently let by the CNR for new steel rails to Sysco in Sydney.

There is an entire series of industrial benefits flowing across the country at the present time. I believe that the estimate for purchases this year will be in the neighbourhood of $1.1 billion.

In terms of ensuring that those contracts are given preference in the local areas where the work is being done, my colleague, the Minister of Regional Industrial Expansion, and I have worked with the railways to establish a number of seminars across the country between the railways and the local suppliers. Of course he also knows that the western industrial benefits package is now available and presently being used to help enable western suppliers and manufacturers to bid on those contracts.

Petitions

FISHERIES

EXCLUSION OF FISHERMEN FROM VANCOUVER DOCK

Mr. Ted Miller (Nanaimo-Alberni): Mr. Speaker, my question is directed to the Minister of Fisheries and Oceans. He is aware that some 60 fishermen have been excluded from a traditional fish dock in False Creek in Vancouver, because the Minister's Department has signed a private contract for a wharf for fishermen who have wharf-side sales. Would the Minister inform the House at what stage are negotiations for making other space available for those displaced fishermen who have very little opportunity in the Vancouver area of finding additional space for their vessels?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Mr. Speaker, I approved that initiative in view of the support that it has received in the last few months not only from the municipal authorities but also from several members of the Minister's advisory council. That initiative would help the commercial fishermen sell their catch to the general public.

I hope that this initiative will be well received by the public and provide an excellent opportunity for fishermen to engage in direct sales and thus enjoy a higher profit while selling ocean fresh fish products at attractive prices.

Depending on the success of this initiative, we might study other similar ventures that could be authorized in the future.

ARRANGEMENTS FOR DISPLACED FISHERMEN

Mr. Ted Miller (Nanaimo-Alberni): Mr. Speaker, quite simply I wish to ask the Minister what arrangements he has made for additional moorage for those 60 displaced fishermen who normally dock their boats at that moorage and who are not selling over the side at the dock?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Mr. Speaker, I will answer the Hon. Member's question within a day or two.

* * *

PETITION

MR. MITGES—COMPENSATION TO JAPANESE CANADIANS INTERNED DURING WORLD WAR II

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Grey-Simcoe (Mr. Mitges) on Thursday, May 10, 1984, meets the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*Translation*]

CANADIAN SPORTS POOL CORPORATION

TABLING OF REGULATIONS

Hon. Jacques Olivier (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, in accordance with the provisions of S.O. 46(1), I wish to table, in both official languages, the Regulations concerning the Canadian Sports Pool Corporation. Pursuant to the same Standing Order, these documents shall be deemed to have been permanently referred to the Standing Committee on Communications and Culture.

* * *

[*English*]

INCOME TAX ACT

REFERENCE TO COMMITTEE OF DRAFT AMENDMENTS

Hon. Roy MacLaren (Minister of State (Finance)): Mr. Speaker, I move that the document entitled "Draft Amendments to the Income Tax Act", tabled yesterday, be referred to the Standing Committee on Finance, Trade and Economic Affairs. Following consultation with spokesmen for the other two Parties, I ask leave to move that the Committee make its final report thereon no later than May 31. I propose that this be made a House order.

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, I have had an opportunity to reflect on this question and have consulted with the Government House Leader. Accordingly, we are prepared to allow this motion to come forth and be passed as an order of the House.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, considering the complexity of the tax Bill that we will be examining before the end of June, we have agreed to accept this particular measure today and look forward to discussing this in detail in the Finance Committee.

Mr. Speaker: Is it agreed that the Hon. Member shall have leave to introduce his motion, in the terms of the motion as indicated, with regard to the report?

Some Hon. Members: Agreed.

Mr. Speaker: Agreed and so ordered.

* * *

PETITIONS

PETROCHEMICAL INDUSTRY TASK FORCE REPORT

Mr. Scott Fennell (Ontario): Mr. Speaker, I have the great honour to present on behalf of the residents and friends of the City of Sarnia a petition signed by in excess of 1,000 people concerning the Petrochemical Industry Task Force report and

the early passing and approval of that report so that it will protect the petrochemical industry in Sarnia in a positive way.

Hon. Bud Cullen (Sarnia-Lambton): Mr. Speaker, it would seem that a tripartisan group has really been on the ball because my petition is basically the same. It contains 8,800 names which would indicate the importance of this question.

The purpose of the petition is to urge the Government of Canada and the provincial government to implement immediately the Canadian Petrochemical Industry Task Force recommendations and to call upon all Members of Parliament to support a speedy and positive response to this task force report. And as in duty bound your petitioners will ever pray.

* * *

WESTERN GRAIN STABILIZATION ACT

MEASURE TO AMEND

Hon. Lloyd Axworthy (Minister of Transport) moved for leave to introduce Bill C-33, an Act to amend the Western Grain Stabilization Act.

Mr. Speaker: Is it the pleasure of the House that the Hon. Minister shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

Mr. Speaker: When shall the Bill be read a second time? At the next sitting of the House?

Some Hon. Members: Agreed.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 267, 462, 489, 499, 578 and 667.

[*Text*]

AIRLINE PASSES

Question No. 267—**Mr. Munro (Esquimalt-Saanich):**

1. Does Air Canada or any other Canadian commercial airline offer free space on regularly scheduled flights to Cabinet Ministers or to other Members of Parliament and, if so, under what conditions?

2. In (a) 1980 (b) 1981, how many times were these offers accepted by Cabinet Ministers or by other Members of Parliament?

Hon. Lloyd Axworthy (Minister of Transport): The Canadian Transport Commission advises as follows:

1. Yes, pursuant to Section 15 of the Aeronautics Act, Air Canada and other Canadian commercial airlines have been authorized to offer passes on a reserved space basis to the Prime Minister, Cabinet Ministers, Leader of the Official Opposition Party, Leader of the New Democratic Party, Speakers of the House of Commons and the Senate, Leader of the Opposition Party in the Senate and former Prime Ministers of Canada.

The same carriers also have an approved quota of passes for publicity, promotion and public relations purposes, and may offer such passes for free transportation to other Members of Parliament and Senators.

2. The Commission does not maintain comprehensive records of free transportation provided by air carriers.

INTERFERON

Question No. 462—**Mr. Howie:**

In the period January 1, 1983 to date did the Government give financial support to the research or development of the new cancer-combatting drug interferon and, if so, in what amount?

Mr. Russell MacLellan (Parliamentary Secretary to Minister of National Health and Welfare): In so far as the Department of National Health and Welfare is concerned: No.

In so far as the Medical Research Council is concerned: Yes, the Medical Research Council did provide financial support to research or development projects concerning the drug interferon. Financial support given by the Medical Research Council for the calendar year 1983 was $613,095 (this figure includes salary support).

EM&R—GEOLOGICAL SURVEY OF NORTH CENTRAL ONTARIO

Question No. 489—**Mr. Howie:**

Did the Department of Energy, Mines and Resources authorize geological surveys in the Sudbury, Timmins, Algoma areas and, if so, what (a) was the purpose of the surveys (b) was the estimated cost of them?

Mr. Leonard Hopkins (Parliamentary Secretary to Minister of Energy, Mines and Resources): Yes, EM&R in conjunction with Employment and Immigration Canada (IEC) and Laurentian University undertook a program, consisting of five projects, in the Sudbury, Timmins and Algoma regions of northern Ontario.

Project	(a) Purpose	(b) Costs EM&R	EIC	Total
Mineral Data Base	To make possible the production of mineral distribution maps and listings of mineral occurrences in north central Ontario (general Timmins, Sudbury and Algoma regions) by collecting, coding and	$104,786	$281,317	$386,103

	entering basic information on these occurrences into the Geological Survey of Canada data bank. In conjunction, to provide information to the Ontario Geological Survey in their file format and update information for the EM&R National Mineral Inventory System.			
Overburden Geochemistry	To aid and stimulate mineral exploration by detecting anomalous metal concentrations in overburden samples from greenstone terrains in the Swayze (Chapleau-Foleyet-Gogoma), Wawa and Gamitagama belts.	155,744	93,634	249,378
Huronian Supergroup Lithogeochemistry	To aid and stimulate mineral exploration by defining target areas with anomalous metal concentrations in Huronian sedimentary rocks in the Algoma-Sudbury region.	222,691	160,246	382,937
Rock Chemical Exploration Criteria	To identify target exploration horizons within the Onaping Formation, Sudbury Basin, and lithogeochemical criteria useful for exploration for massive base-metal sulphide deposits here and for gold deposits in greenstone belt terrains elsewhere in the region.	194,179	137,139	331,318
Project Administration	To provide over-all co-ordination, administrative and clerical support to the four operational projects listed above.	22,600	64,492	87,092

STUDIES INTO ILLEGAL USE OF DRUGS

Question No. 499—**Mr. Howie:**

Did the Ministry of the Solicitor General conduct any studies relating to the illegal use of drugs and, if so (a) were any of them conducted by a person or persons outside the Department and, if so, what is a list of the name or names of all such persons (b) on what date will the studies be completed (c) at what cost?

Hon. Bob Kaplan (Solicitor General of Canada): From April 1, 1980 to date: No. (a) to (c) Not applicable.

MEDICAL RESEARCH COUNCIL EXPENDITURES

Question No. 578—**Mr. Howie:**

1. In (a) the current fiscal year (b) each of the two preceding fiscal years, with respect to the Medical Research Council (i) what total amount was expended by the Council (ii) how many persons were employed by the Council (iii) what amount was expended for staff remuneration?

Mr. Russell MacLellan (Parliamentary Secretary to Minister of National Health and Welfare): 1. (a) Current fiscal year 1983-84

(i) Total forecast MRC expenditures including salaries and contribution to employee benefit plans:	$140,572,000
(ii) Forecast person-years utilization:	50
(iii) Forecast salary expenditures:	$ 1,750,000

(b) 1982-83

(i) Total MRC expenditures including salaries and contributions to employee benefit plans:	$113,305,327
(ii) Person-years utilization:	42
(iii) Salary expenditures:	$ 1,256,714

1981-82

(i) Total MRC expenditures including salaries and contributions to employee benefit plans:	$100,238,993
(ii) Person-years utilization:	39
(iii) Salary expenditures:	$ 1,010,000

CNR PENSION BENEFITS

Question No. 667—**Mr. Knowles:**

1. On February 14, 1984 how many retired employees of the Canadian National Railways were in receipt of monthly pension benefits of (a) less than $25.00 (b) $25.00 (c) $25.01 to $29.99 (d) $30.00 to $39.99 (e) $40.00 to $49.99 (f) $50.00 to $59.99 (g) $60.00 to $69.99 (h) $70.00 to $79.99 (*i*) $80.00 to $89.99 (j) $90.00 to $99.99 (k) $100.00 to $124.99 (l) $125.00 to $149.99 (m) $150.00 to $199.99 (n) $200.00 to $299.99 (o) $300.00 to $399.99 (p) $400.00 to $499.99 (q) $500.00 to $599.99 (r) $600.00 to $699.99 (s) $700.00 to $799.99 (t) $800.00 to $899.99 (u) $900.00 to $999.99 (v) $1,000.00 to $1,499.99 (w) $1,500.00 or more?

Hon. Lloyd Axworthy (Minister of Transport): The management of Canadian National Railways advises as follows:

Recently there has been no demand for a breakdown of the ranges of pension benefits under $100 a month. Consequently, CN computers no longer produce such information. If required, the data could be produced but it would involve an inordinate amount of time and expense. The following information concerning the number of pensioners and the monthly amount of pensions in force at December 31, 1983 was extracted from CN's present computer pension data base.

1. Number of pensioners receiving

(a)	under $100.00 a month	2,316
(b)	$100 to $199.99 a month	2,652
(c)	$200 to $299.99 a month	3,841
(d)	$300 to $399.99 a month	4,122
(e)	$400 to $499.99 a month	3,398
(f)	$500 to $599.99 a month	2,679
(g)	$600 to $699.99 a month	2,194
(h)	$700 to $799.99 a month	1,815
(i)	$800 to $899.99 a month	1,670
(j)	$900 to $999.99 a month	1,310
(k)	$1,000 to $1,499.99 a month	3,568
(l)	$1,500 to $1,999.99 a month	993
(m)	$2,000 to $2,499.99 a month	188
(n)	$2,500 a month and over	57

In the group receiving pensions under $100 a month, there are a number of cases where the amount of pensions paid by Canadian National Railways do not represent the total pensions payable for railway service. For example, pensions payable by CN to international employees (service in both Canada and the United States) relate to their service in Canada only. Such employees also receive annuities payable under the U.S. Railroad Retirement Act or the Social Security Act for services performed in the United States.

In addition, there are various pension agreements between CN and other companies, such as Canadian Pacific Limited and the Ontario Northland Railway, where each company

issues separate cheques for its portion of the total pension. Only the pension payable by CN is included in this statement.

Also, since the passing of the Pension Benefits Standards Act by the federal Government on October 1, 1967, there are some employees who have terminated service with CN and are receiving rather small compulsory deferred pensions based on service performed only since October 1, 1967.

The balance of those receiving small pensions are employees who elected early retirement (before age 65) with reduced basic pensions ($25) and employees who had very short service and very small contributions.

Among those receiving a pension under $100 a month are those non-contributing members of CN's 1935 Pension Plan who receive a basic pension of $25 a month.

Since 1971 CN has made ad hoc adjustments to pensions paid to those who retired before 1975. Since January 1, 1984, CN has been providing higher monthly payments at a cost of $6.8 million in 1984 and an estimated total cost of $47 million. Surviving spouses receive 75 per cent of the pensioners' additional 1984 allowance.

Listed hereunder are the monthly increases by year of retirement:

Year of Retirement or Death in Service	Monthly Increase Payable to Pensioner/Surviving Spouse	
1967 or prior	$31.50	$23.62
1968	29.00	21.76
1969	26.50	19.88
1970	24.00	18.00
1971	21.50	16.12
1972	19.00	14.26
1973	16.50	12.38
1974	14.00	10.50

In May 1984, CN will have updated pension data that will include the 1984 ad hoc adjustments. This information will be provided, on request, when available.

[*Translation*]

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

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CANADIAN INSTITUTE FOR INTERNATIONAL PEACE AND SECURITY

MEASURE TO ESTABLISH

The House resumed from Wednesday, April 18, 1984, consideration of the motion of Mr. MacEachen that Bill C-32, an Act to establish the Canadian Institute for International Peace and Security, be read the second time and referred to the Standing Committee on External Affairs and National Defence.

Mr. David Kilgour (Edmonton-Strathcona): Mr. Speaker, on April 18 when debate was interrupted on this Bill to establish our International Peace Institute, I was saying that on the basis of past government practice, the way the legislation was drafted and because of mistakes like the appointment to the various institutions, such as the Science Council and the Canadian Transport Commission, regrettably our new peace institute would, in all likelihood, start life as a partisan, politicized and therefore flawed institution.

The recent zeal to push the Bill through the House, with third reading by the end of June, has also suggested that the Prime Minister (Mr. Trudeau) wishes to use it, at least in part, as a job-creation project for a number of people in his office who will presumably soon be out of work.

Happily, discussions have taken place since April 18. The Government has indicated a genuine willingness to amend the Bill in a way that my Leader and our Party believe would guarantee that the institute is truly non-partisan and independent from the beginning. Some of these include, first, that Section 5(g) be deleted so as to remove the false impression that the institute would seek non-government funding, thereby perhaps undermining several voluntary organizations in the same field. Second, that Sections 25, 26 and 27 be deleted, as my Party has asked, so as to avoid the perception that the government of the day would use this authority over by-laws to control the institute. Third, that Section 28 be amended in committee to remove the word "shall" and replace it with the word "may". Fourth, that Section 29 be amended to include, in effect, a statutory appropriation with a longer commitment than one year.

• (1210)

Perhaps even more important, Mr. Speaker, my Party and Leader believe that democracy in the 1980s means more than just casting a vote every four to five years for the candidate of one's choice. Participatory democracy to us means that we must also listen to Canadians and must give them meaningful input on matters such as the appointment of people to this institute: in a word, an openness to new ways, new processes and new ways of doing things.

In essence, that is why so many of us on this side of the House are very enthusiastic about our Leader's proposed amendment that all the directors of the institute, other than

the chairman and the executive directors, be appointed by the Government from a pool of names provided by a number of representative Canadian institutions, including:

[*Translation*]

—the Association of Universities and Colleges of Canada, the Canadian Chamber of Commerce, the Canadian Conference of Catholic Bishops, the Canadian Federation of Agriculture, the Canadian Federation of Students, the Canadian Institute of International Affairs, the Canadian Teachers' Federation, the National Coalition of Voluntary Associations, the Canadian National Council of Ethno-Cultural Organizations, the Central Mennonite Committee and the National Council for International Co-operation—

[*English*]

—the Canadian Association of University Teachers; the Canadian Council of Churches; the Canadian Centre for Arms Control and Disarmament; the Canadian Federation of Independent Business; the Canadian Jewish Congress; the Canadian Labour Congress; the Confederation of National Trade Unions; the Quebec Federation of Labour; the National Action Committee on the Status of Women; and the National Council of Women.

I fully appreciate that many people would say it would be even better if any responsible group or individual could suggest names for the pool of names. There are now, as you know, Mr. Speaker, literally hundreds of such groups concerned about peace and international security across Canada.

Our proposed list is as representative of Canadians as we could make it on fairly short notice. A great many Canadians concerned about peace and security do find themselves, I believe, belonging to one or more of these bodies I have named. People who are not included and wish to be I hope will come forward to the committee and give their views as to what other groups should be added. Other groups should be added to the list as the Bill proceeds through committee.

I gather as of a few moments ago that the Government has not yet fully accepted our amendments on the appointment process. As amendments can only be made to a Bill by unanimous consent in the House at second reading, no group is yet on any list. There is neither list nor acceptance by the Government of our concept.

I understand that the Liberals may still insist that they should, in effect, make the appointments to the institute's first board after "consultation" by the Minister concerned with the Leader of the Opposition (Mr. Mulroney) and the Leader of every recognized Party. The flaw with that is that consultation can mean whatever the consultant wishes it to mean. It can mean nothing more than just listening and then going ahead and appointing those who, in the exclusive opinion of the Prime Minister, are meritorious. In my judgment, Mr. Speaker, it is simply elitist to suggest that appointments can be negotiated out by the various Party Leaders while the standing committee studies the Bill in detail.

The Acting Speaker (Mr. Guilbault): Order, please. The Chair has been listening carefully since the beginning of the speech of the Hon. Member. I wish to remind all Hon. Members that discussing particular clauses of a Bill during second reading is not appropriate. The principle of the Bill is to be discussed. Let me read Citation 381 from Beauchesne's Fourth Edition:

> The second reading of a Bill is that stage when it is proper to enter into a discussion and propose a motion relative to the principle of the measure. On the motion for the second reading, it is out of order to discuss the clauses of the Bill.

I could carry on but Members usually recognize that the discussion of specific clauses is something to be done when the Bill reaches committee stage.

Mr. Kilgour: I have not in the last three minutes been referring to any section, Sir. I think I am speaking to the heart, the principle of the Bill, not to a particular section. I respect what you have just said, of course, Mr. Speaker.

The reason we want the various organizations which I have named to propose people is that we think it is a more democratic, thoroughly non-partisan process which will also produce the best directors. We believe the people chosen from that pool of names by our process will command the respect of Canadians, thus getting the institute off to a flying start from day one.

There is already a fairly close precedent for what I am talking about in the legislation establishing the Economic Council of Canada. Section 4(2) reads in part:

> Each of the other members of the Council shall be appointed after consultation with appropriate representative organizations to hold office for a term of three years—

We have here a chance to build on this precedent by going a little further, as in the amendment we will be proposing, by explicitly naming concerned organizations and requiring appointments to be made by the Governor in Council from among the names they submit. If this model works for our institute, Mr. Speaker, as I very much hope and believe it will, by all means let us use it again in other areas. We could have, for example, representative groups of lawyers and citizens decide who should be eligible for appointment to the bench in various provinces, as two provinces already have. We could have a peer group of architects decide which architect should win a competition to build an embassy abroad, and so on. The prospects for a more meaningful democratic process of truly participatory nature seemed virtually unlimited.

In closing, the vital thing for the Bill at hand is that we have an opportunity now to establish a wholesome and democratic appointment mechanism for directors. Let us show a little bit of originality and confidence in some very important national organizations on a matter of importance to them, to you, to me and to all Canadians, Mr. Speaker. Let us see the men and women they propose. Let us show all Canadians that all Parties in this House believe in both reforming our democratic processes and believe in our fellow citizens participating meaningfully in the appointment process of this new and hopefully successful institute.

The Acting Speaker (Mr. Guilbault): Order, please. With all due respect, the Hon. Member who has just spoken, by referring to the appointment mechanism, was referring to a specific clause. I would like Members to try and stay within the general principle of the Bill, as called for in our rules.

[*Translation*]

Mr. Pierre Deniger (La Prairie): Mr. Speaker, the debate in the House today, on Bill C-32, is about a subject that is so important that it cannot be stressed enough. The House is being asked to vote on establishing an agency whose first task will be to promote peace. Does any Member of this House not hope for a future from which the threat of a nuclear holocaust has completely disappeared? We have now reached a turning point in our history where the possibility of a nuclear disaster is omnipresent and now, more than ever before, the leaders of our planet must act with great wisdom. I do not want to sound melodramatic, but we must realize that the survival of the human race is at stake.

Mr. Speaker, that is why countries the world over must try to work together and achieve peace between East and West, so that decisions are not made out of ignorance or because we misinterpreted the intentions of others, and ensure the fatal button is never pressed. Responsibility for the future of the world does not lie in the hands of nuclear experts or technicians but in those of our politicians. Thus, by sponsoring the establishment of the Canadian Institute for International Peace and Security, the Deputy Prime Minister and Secretary of State for External Affairs (Mr. MacEachen) has officially sanctioned Canada's commitment to the cause of peace. Only by increasing our knowledge of issues relating to peace, security, defence and arms control will we be able to take on our responsibilities and show the necessary leadership, a leadership both political and diplomatic, to urge the Super Powers to engage in a dialogue for a lasting peace. It seems hardly appropriate to challenge the intrinsic value of this proposal, to establish the Canadian Institute for International Peace and Security. Similar institutes have shown that they have been able to expand and enhance support for the cause of peace. Mr. Speaker, I am thinking, for instance of the very respected Stockholm International Peace Research Institute, whose credibility has received unanimous recognition throughout the world.

Since the Second World War, Canada has played a major role in peace-keeping, and its efforts have been successful on many occasions, so much so that our country has acquired an international reputation in this field.

Today, we must have the necessary instruments if we are to continue to be effective in our role as a mediator who is recognized and respected by other nations.

• (1220)

Mr. Speaker, that is a role the Canadian Institute for International Peace and Security would play.

Canada needs a research centre to develop its own expertise, without duplicating work already done elsewhere. Canadians must be able to define the parameters of a context in which a world movement towards peace must take place. What we want here is an exclusively Canadian perspective.

These problems are a matter of great anxiety and many Canadians are concerned. The advantage of the Canadian Institute for International Peace and Security will be that anyone who wishes to do so may participate, since the Institute will be collecting ideas and opinions from all sources. Mr. Speaker, Bill C-32 proposes the establishment of a structured and independent agency whose main task will be to make a Canadian analysis of the world situation, on the basis of information collected from many sources.

Mr. Speaker, the Institute proposed by the Deputy Minister and Secretary of State for External Affairs will be an independent body and act as a meeting place for discussion and consultation, where parties will be able to set aside political and day-to-day considerations, thus making for far more objective and less emotionally-charged debate.

The Institute will undoubtedly become an invaluable source of information and be in a position to advise governments at all levels.

Mr. Speaker, we are in fact being asked to vote on maximizing the value of peace. Following in the footsteps of the Prime Minister, who raised the consciousness of international leaders during his crusade for détente, I endorse without reservations the Bill to establish the Canadian Institute for International Peace and Security, because it is an altogether praiseworthy initiative.

Mr. Speaker, thirty-five million people have been killed in wars since 1945. The steady spiral of the arms race to procure both nuclear and conventional weapons is maintaining a climate of tremendous anxiety on the international scene. In the Throne Speech, the present Government announced that it intends to devote its full resources to exploration of every possible means to restore confidence and trust among nations, particularly among the nations of East and West, and it has made a commitment to advance proposals to create conditions for greater international security.

This commitment has now been met in Bill C-32, which proposes to establish a centre whose purpose will be to seek peace.

Mr. Speaker, there have been some signs of improvement recently. There are signs of a common ground for discussion that may bring the leaders of East and West closer together. However, we must continue our efforts to prevent a catastrophe we would not even live to regret.

In the now famous novel "1984", by George Orwell, the Party's slogan is: "War is peace". Life, our life, is not a novel, and in this life, war might well mean, unless we decide otherwise, the end of the human race.

[*English*]

The Acting Speaker (Mr. Guilbault): Are there any questions or comments? Debate.

Mr. Lee Clark (Brandon-Souris): Mr. Speaker, I am honoured to have the opportunity to address this subject today. It may well prove to be one of the most important topics brought before the House in recent times, provided the House deals with the issue in an appropriate manner and that the proposal ends up winning the confidence and support of the people of Canada.

Certainly there is genuine concern among the people of Canada today with respect to the prospects of a general war. It seems to me as an historian that the concern which exists today has been equalled only by the situation which existed in the thirties. At that time there was a widespread pacifist movement similar but not identical to the concerns of today. That movement proved to be very significant in terms of the history of the world, particularly the history of Great Britain. The subject was of special interest to me. The British pacifist movement was the subject of my MA thesis many years ago.

The end result of that movement was that it divided to a substantial degree the people of Great Britain. It is my opinion that the British pacifist movement virtually paralyzed the Government of Great Britain, and I would argue that the end result was not a positive one in terms of future developments in Great Britain and in the western world.

We in this Parliament must harness the concern which already exists in Canada in such a manner that the whole country is a beneficiary. The pursuit of peace has never been a partisan issue in the House. All of us are reassured by that. It is extremely important that the unanimity displayed to this point in time be continued. The most effective way to ensure that unanimity be maintained is to provide the general public with the greatest possible opportunity to make a contribution to this issue which is of vital concern to them.

As I said in the House some months ago, I received a communication from students in my riding, from the community of Souris. Recently I noticed in an article in *The Globe and Mail* that some students in Montreal had essentially done the same thing; that is, they wrote to numerous world leaders asking for some reassurance that the world would remain intact to enable them to mature and grow old. In passing, I note that the article in *The Globe and Mail* refers to the fact that the students in Montreal had their letters answered by some, but not many, world leaders. I regret to say that that proved to be the case in my example of the students in Souris.

• (1230)

What is unfortunate is that those world and national leaders, including some in this House, who received this letter did not respond. That is disquieting to the students. What the students, young people and all who are concerned about peace are seeking today is some sort of reassurance that we who have some responsibility in the decision-making process are listening. Furthermore, they ask for a demonstration of our sincerity. Perhaps one should not concede it, but quite often in politics leaders tend to posture in order to reassure. That should never be the case. It will be absolutely damaging if it proves to be the case in this instance.

My concern is that not only do we respond to those in Canada who are vitally concerned about the threat of war, but we respond in such a way (a) that we satisfy them of our sincerity and (b) that we satisfy them in such a way that they will have a direct input into the process. They see themselves as the victims if we fail. That is why the nature of this institute is all-important. Members on all sides of the House agree with the general objective. We agree with the proposal to establish the institute. We seek only to perfect that institute. We think we have a manner in which it can be perfected so that the people of Canada will believe, with real conviction, that this is their institute.

We do not need another government agency laid on to the people of Canada. Government has laid far too much on to the people of Canada in the past. One result is that Canadians have become alienated from the political process. They have grown disdainful of it. They tend to believe that government is something which happens only here and has very little direct impact on their lives. They way to resolve that is to ensure that Canadians in general understand that the peace institute this will be a vehicle which will be responsive to their own concerns.

Canadians have pointed out their fears and the problems to be resolved. I suggest they want to be an integral part of the resolution of that problem. By doing so, I believe we can make the whole political process more relevant to the general public. The people of Canada should have a direct say in the administration of the institute. They should have virtual membership in the institute. If we achieve that by turning to Canadians and their organizations, and invite them to be part of the process, we will ensure that this institute will have their support and commitment. We will also ensure that all Members of this House will be fully supportive of, and genuinely committed to, this very important principle.

If we do less, there is a tremendous danger that we are simply window dressing. There is a very real danger that we are failing those with genuine concerns and fears. What we must do is address the nature of the institute. By doing that, we will guarantee that the people of Canada will see it as their own, as they have done in other instances in the past.

As a westerner, I think of the co-operative movement which was born of the people of the west. While it has fallen upon difficult years in the recent past, for a substantial period of time it was a genuine expression of western concern. We have the opportunity to do that here once again. I urge that we invite the people of Canada, through their existing organizations, to participate in this process by informing the House of their candidates for membership on the board of directors. If we permit the people of Canada to do that, we will permit them to be, in essence, an essential part of the real being of the institute. We will be saying to the people of Canada that we have confidence in them. We will be inviting them to join

together in a genuine national institute which can in a non-divisive manner address the genuine concerns of Canadians.

That is why it is very important that we in this House agree unanimously to invite the members of the various organizations, some of which have been referred to by the Hon. Member for Edmonton-Strathcona (Mr. Kilgour). There would be some I would add to this list; for example, the United Nations Association of Canada. He perhaps did not include that, if I heard him correctly. That organization, the successor to the old League of Nations Society, consists of individuals who probably worked harder for world peace than any other organization in the history of Canada. I would include on the list membership of the Royal Canadian Legion for a perhaps somewhat dissimilar reason. They offered themselves in times of crisis to ensure world peace. By doing so, they offered more of themselves than all of us could ever do.

That is why it is essential that members of organizations such as those to which I referred and those referred to by the Hon. Member for Edmonton Strathcona be invited by unanimous resolution of this House to present to us one name in each case. I believe we have now suggested 23. I do not suggest it should be all-inclusive. We would propose, and it is essential to the principle of the Bill, that these 23 organizations and perhaps others be invited to submit a nominee to the Government which would consult with the Leader of the Opposition (Mr. Mulroney) and the Leader of the New Democratic Party. From that list of 23 or 25 nominees, 15 directors will be chosen. As a result, we will have—

The Acting Speaker (Mr. Guilbault): Order. I believe the Hon. Member was in his seat when the Chair made remarks with regard to addressing the principle of the Bill. Suggestions the Hon. Member is now making refer to specific clauses in the Bill. This will be in order when the Bill is before the committee. For the time being, we have to stick to the principle of the Bill.

• (1240)

Mr. Clark (Brandon-Souris): Thank you, Mr. Speaker. It is my belief that the principle of the Bill is that we wish to create an institute which will work toward the furtherance of world peace and we wish this institute to reflect Canadian public opinion and to address the concerns of Canadians. That is why I made the remarks that I made. I firmly believe that the remarks which I made and the remarks made by the Hon. Member for Edmonton-Strathcona (Mr. Kilgour) are germane to the very principle of the Bill.

The Acting Speaker (Mr. Guilbault): Order, please. If the Hon. Member believes this, there is something he does not understand about the Standing Orders. The Hon. Member is simply trying to justify that what he was saying before was in order when the Chair specifically mentioned that it was not. I would like this to be made clear.

Mr. Clark (Brandon-Souris): Thank you, Mr. Speaker. I will conclude my remarks by saying as I did in the beginning that the pursuit of peace has been and will continue to be a non-partisan issue. I also believe that the pursuit of peace is something which is a by-product of public concern. What Parliament is attempting to do is simply respond to the expressions of concern which have already been made by Canadians to the Government on numerous occasions.

I support the principle of the Bill which is before us. I support the proposal for a Canadian Peace Institute. I would hope that this institute would take advantage of the expertise which already exists in Canada. I believe, for example, that within the university community there are a number of people who, by the nature of their disciplines, would have a substantial contribution to make in the area of research.

I hope that the Government would therefore provide support to organizations such as the Social Science Research Council, the National Research Council and the Canada Council. I hope as well that the Government would consider tapping the expertise of the Canadian medical profession, the Association of Canadian Phychiatrists and the like. However, what is of the utmost importance, Mr. Speaker, is that we respond to the concerns of Canadians in a way which will convince them of our sincerity.

Therefore, I must conclude, Mr. Speaker, simply by reiterating what I have said before. If we are to reassure Canadians that we are sincere and that we are creating a meaningful institute, then we must ensure that the institute be constructed in such a manner that it enjoys widespread public confidence. I believe we have indicated how we would ensure that that would happen.

The Acting Speaker (Mr. Guilbault): Are there any questions related to the Hon. Member's remarks?

Mr. Kilgour: Mr. Speaker, I will put my remarks in the form of a question but I suppose they are probably more in the nature of a point of order. The Hon. Member for Brandon-Souris (Mr. Clark) indicated that he thought I had left out the names of the Royal Canadian Legion and the United Nations Association of Canada. If I did so, it was indeed a serious oversight. Those are two of the organizations that should be high up on any such list. I suppose I must put a question to the Hon. Member. Perhaps I do not have to put a question to the Hon. Member. I would simply like to leave it at that.

The Acting Speaker (Mr. Guilbault): Are there any other questions or comments? We shall return to debate.

Mr. Douglas Roche (Edmonton South): Mr. Speaker, I should like to put my comments regarding this Bill first within the framework of a set of principles that were laid down by the Leader of the Official Opposition (Mr. Mulroney) in the House on February 9. I think it is important to recall for a moment the principles for which our Party stands and which have a direct bearing on how the institute will perform.

In asking how we can best achieve policies which reduce the recourse to nuclear weapons in Europe and elsewhere, the Leader of the Official Opposition set down three fundamental principles to guide the formulation of policy. He said first that

Canada's foreign policy should always rest on a bipartisan search for consensus. Later on in my remarks I will return to the application of those words to this Bill. The second principle enunciated by the Leader of the Official Opposition was that the cornerstone of our security is NATO solidarity; and the third principle was that only through the strengthening of the non-nuclear deterrent can we reduce the present reliance on nuclear weapons. There is a great deal within those three principles to offer some guidance as we consider the best way to set up the proposed peace institute and the best manner in which it will conduct its operations.

I would like to draw to the attention of the House that it is our view, and certainly my view, that had the peace initiative undertaken by the Prime Minister (Mr. Trudeau), which as far as I know had the support of every Canadian, been set up in a manner following the principles laid down by the Leader of the Official Opposition with respect to bipartisan consensus, and had that initiative come from a resolution made by the House and a discussion in the External Affairs Committee, I believe it would have been strengthened domestically and, to that extent, strengthened in its international projection.

I also believe that the Prime Minister's peace initiative, worthy as it was, was deficient in that it lacked a broad consensus internationally. I believe that had the approach of the Canadian Government which was reflected in the person of the Prime Minister been built into a common front or a coalition of like-minded leaders around the world, it would have gained much more impact and stature and I dare say it would have had much more effect internationally, particularly on the two superpowers to which the peace initiative was directed.

Those two thoughts are linked in my mind with the need to establish a bipartisan consensus here, particularly on the grave matters that affect the continuation of life on this planet, and with the need to operate in a stronger way multilaterally. I believe that is a role for Canada to play. Considering the way the Leader of the Official Opposition has set out his thinking on the subject, I believe that when such circumstances arise that he is able to exercise leadership for all of Canada, following that perspective will lead to a more fruitful course of action.

I make those comments not in any critical way but only in a way that responds to a certain frustration that is in the minds of many Canadians who want more progress made on this crucial issue of the continuation of life on the planet and who want Canada to respond to this crisis in ways that are more thoughtful and more reflective of a sense of both domestic and international co-operation. I found some words to reflect the heart of my thinking. These words were uttered only a few paces from where you are seated, Mr. Speaker, when the President of Mexico, President de la Madrid, spoke to a joint session of the House on Tuesday of this week.

If I may, Sir, I would like to take a moment to read the words of President de la Madrid. I commend to the whole House for re-reading the entirety of the speech made by the President of Mexico. I believe the words that I am now going to read are directly applicable to the kind of thinking we ought to be bringing to the Bill which is before the House today. As reported on page 3537 of *Hansard*, the President of Mexico said:

> The world would seem to be skidding down the slope devised by the promoters of force. Technological development has relentlessly built up a deposit of destruction and terror. Both usable weapons and the leftovers of war are employed in attacks on the survival and dignity of mankind. While innumerable people are afflicted by hunger, unhealthy conditions, ignorance and death, millions are being spent to build an apocalyptic arsenal that is becoming increasingly difficult to control and presents a great risk of thoughtless use. We are witnessing an irrational cult to the capacity for self-destruction and to excessive spending to build up force.

● (1250)

Those are words which reflect the concerns of many Canadians as well as concerned people around the world.

All Members of this House would not agree totally with the comments which were made by the President of Mexico. That is to be expected. But I think there was agreement when he said:

> In looking toward the future, each country must decide whether it will act in favour of a collective effort or to pursue sterile and egotistical interests in isolation.

I think that the time has come for Canada to play a very significant role multilaterally, and in doing so it will recapture some of the history of this country which made us an important force coming out of World War II when there was leadership on both sides of the House. When I say this, I am thinking of Mr. Lester Pearson and certainly Howard Green. There were leaders on all sides of the House who had the understanding that we must operate together and that we ought to be building a consensus of support that responds to the true needs of Canadians.

I think that the proposed peace institute—while it certainly leaves a lot to be desired, in my view, as to the fullness of Canada's response—is an effort that will make a step forward. In this kind of world, I think that one step forward is a heck of a lot better than standing still, even if the race is not won.

In the opening speech for our Party's response, the Right Hon. Member for Yellowhead (Mr. Clark) said:

> —the concept of the establishment of a peace institute centred in Canada is of great importance to us. That concept enjoys wide support.

I think the Right Hon. Member for Yellowhead properly assessed the mood of the House and, indeed, the mood of the country when he went on to give essential support to the concept of the Bill and said that the institute ought to play a "three-fold contribution to world peace and the Canadian policy: by helping the world nations to draft policies and plans likely to minimize the risk of nuclear conflict"; secondly, "by keeping Canada's own politicians and population well informed so as to increase their influence over public policies"; and thirdly, "by symbolizing the commitment of the Canadian Government and Parliament to make the quest for peace one of our great national priorities".

In laying down those principles, the Right Hon. Member very properly pointed to the fact that the Bill is flawed. It is

flawed in its principle. It is flawed in the espousal of its concept. That is why there has been a determination on the part of this Party to ensure that the Bill will proceed in a way that will guarantee its independence and will ensure that the credibility the institute should have in its opening days will be maintained by the perception that it is operating in an independent way from its very outset.

I believe the way in which those special Canadians who have been advising the Department of External Affairs have been treated has left a great deal to be desired. I have been a member of the advisory committee to the ambassador for disarmament. There have been two or three ambassadors. For the moment, I am leaving aside the question that the Government has left this very important post unfilled. I will not quarrel with that at the moment. However, I would like to make the point that when there were active consultations by representatives of the groups that were identified by my hon. colleague from Edmonton-Strathcona—and I was there personally to hear them—there was unhappiness and frustration by members of those groups because they felt that the Government was not taking them seriously. When the Special Session on Disarmament was held in New York in 1982, representatives of those groups attended in a formal way. At that time they felt that the Government was not responding to their collective concerns. That has built up, in the minds of some observers, an apprehension that if we are going to go ahead with a formal structure called the Canadian Peace Institute, there be put into place a system to ensure that those groups—and I do not mean to restrict my hon. colleague from Edmonton-Strathcona; I am sure he would put that list forward as a list of basic resources within Canada—will at least have guaranteed opportunities to suggest names, and guaranteed opportunities for input. That is very important in the understanding of Canadians. There is a growing number of Canadians on all sides of the perspective of the arms control question who want to ensure that these groups are not only speaking, but that the Government is listening.

The board of directors has been at issue with previous speakers. The appointment of the chairman of the board and the executive director would be within the purview of the Government and, of course, all the appointments would be the collective responsibility of the Government.

With respect to the appointment of the chairman and the executive director, I would like to make a brief comment. I think the Government has an opportunity to demonstrate that it is serious in ensuring that the board be non-partisan and will provide an opportunity to build a consensus of support; that it will be an organization whose stature will command the attention of all Canadians, indeed internationally, and will play a role beyond small domestic concerns.

Therefore I suggest that the board seriously consider as its chairman the name of the Hon. Robert L. Stanfield. I think that Mr. Stanfield is a person who is an acknowledged statesman, who is judicious and impartial. He is a member of the North-South Institute now and plays a very important role in that body. He is a man of great travel who has deep concern and presence. I believe that if the Government were seriously to consider the name which I have put forward, that would be a signal to all Canadians that this board is going—

The Acting Speaker (Mr. Guilbault): Order. The Hon. Member knows that he is not dealing with the principle of the Bill. He has made his point. Would he come back to the principle of the Bill.

Mr. Roche: Thank you, Mr. Speaker. I am certainly speaking to what I consider to be the principle of the Bill, but I acknowledge that your view is greater than mine.

In the moment that is remaining, I would like to put forward the view that this peace institute needs to take into account the kind of work that it is going to do. Surely, that comes right to the question of the principle of what the peace institute is. I think that the Peace Institute must ensure that there is accurate, reliable information of an impartial nature so that Canadians can come to a judgment as to the extent of the arms race. Indeed, we are quarrelling quite a bit about the figures that are put out by various organizations. My concern is that the people who frame government policy must have the most objective, impartial information that can be obtained. That should be a primary role of the peace institute.

With your indulgence, Mr. Speaker, I would like to return following the lunch hour to make a few comments concerning ways in which the peace institute could collect information, which would then lead to some final comments regarding Canada's contribution to the creation of greater conditions for world peace with security and disarmament in a mutual, balanced and verifiable way.

The Acting Speaker (Mr. Guilbault): It is agreed that the Hon. Member may continue his remarks when we resume this afternoon. However, may I inform him and other Hon. Members that if a discussion starts this afternoon regarding the way in which the institute is going to collect information, that is not within the principle of the Bill. It has been difficult this morning. It appears that some Hon. Members want to make sure that I earn my salary!

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Roche: Mr. Speaker, before the luncheon adjournment I was making the point of why the peace institute needs to establish its credibility at the very outset, and the kind of work we will expect the peace institute to do. In that context, Sir, I should like to quote from a very interesting article written by Dr. Don Bates who is a professor in the History of Medicine at McGill University and chairman of the McGill Study Group for Peace and Disarmament. Mr. Bates is a very well known

figure, particularly in his work with physicians for social responsibility. In an article in *The Globe and Mail* on Friday, May 4, Dr. Bates said, referring to the proposed institute before us in this legislation, and I quote:

> What is required is an institute, in Canada, supported morally and materially by the federal Government, but international in its orientation—

Although I believe it is very important to make the point that we have been concerned about the manner of appointment to the board, I am not going to dwell on that any further except to make the point that members of the board of directors ought to have an international as well as a Canadian representation. I believe there is sufficient reason for making that statement when we consider that Canada's Peace Institute will have to look at the world scene in an effort to establish beyond the shadow of a doubt the correctness of the figures which have been put before the public with respect to the current nuclear arms race.

For example, Mr. Speaker, I should like to know if the following figures are correct. These figures are published by "World Military and Social Expenditures, 1983". This is a document which is used by many groups. It has an international standing. As the first order of business, I would like the Canadian Peace Institute to ascertain whether this set of figures is correct.

The publication to which I referred states:

> As of 1982, the U.S. had 29,000 nuclear weapons, the U.S.S.R., 17,400. The U.K. had 446; France, 263; China, 304. These numbers include strategic, intermediate, and tactical warheads and bombs.

In other words, these are global figures. The publication continues:

> In strategic weapons, the U.S. had 9,999 to the Soviets' 7,388, with the Soviets holding the lead in the number of launchers 2,452 to 1,832. It is in European Theatre Nuclear Forces that the U.S.S.R. has built a considerable lead over the U.S.—6,339 weapons and 4,424 launchers to 1,439 weapons and 1,283 launchers. But if the intermediate systems of the U.K. and France are included, the gap closes; NATO, as a whole, has 6,148 weapons and 2,766 launchers in Europe.

I repeat, Mr. Speaker, that these are the figures which are published in "World Military and Social Expenditures, 1983". Are they the correct figures? I believe that it is reasonable to request the Canadian Peace Institute to provide us with authentic information as to whether or not one side is significantly ahead of the other side in the pursuit of deterrents, so that we can make our political judgments. The publication continues:

> Since 1945—

Mr. Speaker: I regret to interrupt the Hon. Member but the normal time allotted to him has expired. Is there a disposition to give unanimous consent to the Hon. Member to extend his remarks?

Some Hon. Members: Agreed.

Mr. Speaker: There appears to be unanimous consent.

Mr. Roche: Thank you, Mr. Speaker, and I thank my colleagues. I will take only a couple of moments in order not to delay the debate unduly. According to the document to which I have referred which was published by "World Military and Social Expenditures":

> Since 1945, the lead in the race for improved systems has always gone back and forth between the superpowers. The U.S. led with the atomic bomb, intercontinental bomber, and thermonuclear bomb. The U.S.S.R. caught up and plunged ahead with the intercontinental ballistic missile (ICBM) and man-made satellite. The U.S. took the lead with the submarine-launched ballistic missile and multiple warhead. The U.S.S.R. countered with the antiballistic missile and caught up to the U.S. advance in multiple independently targeted warhead (MIRV). The U.S. went ahead again with the long-range cruise missile and neutron bomb.

Thus, we see, Mr. Speaker, that the arms race has been fueled by new technologies which have made nuclear weapons more powerful, more flexible, and shortened the time interval from launch to impact to only minutes. That, of course, is the great concern which is expressed by the public today. The time between launch and impact now, with the heightened technology which continues to go ahead, causes us increasing concern in many aspects of our lives.

• (1410)

Earlier in my speech I quoted from the speech of the President of Mexico to the joint assembly of the Houses of Parliament this week. He said we must understand that as we come into this new stage of technology we must find a way to put a cap on the arms race to preserve true security in the world. We must find a way to stop that security from being dependent upon a never-ending escalation of arms. I have said that it is the position of all responsible people that we must find a way to enhance the prospect for mutual, balanced and verifiable disarmament. It will be the task of the peace institute to consider Canada's special role in advancing verification for the monitoring of arms production and, indeed, arms control agreements.

We are not devoid of any opportunity of moving ahead, Mr. Speaker. Full documentation is provided in the Palme report which was signed by an international panel of officials from western, eastern and Third World countries including, I am glad to say, the distinguished former ambassador to the Soviet Union, Mr. Robert Ford. Time does not permit me to make an extensive analysis of or reference to that report here. I will only say that we are not devoid of answers. The peace institute must find a way of ensuring that Canada is able to make a contribution in a realistic way. Verifiability is a chief way in which we can make some progress.

From the beginning of its operation, the peace institute must be assured of its credibility by the manner of appointments to the board which has been suggested by earlier speakers. There must be full consultation with those groups which we have mentioned. The Committee on External Affairs and National Defence must be consulted at every stage from the inception of this institute. From the very moment of its beginning it must be assured that it will make a significant contribution to Canada's role in enhancing the prospects for true peace and security in the world. To make such a contribution would be a great moment for us.

I urge Members of the House, and particularly the Government, to establish this peace institute in such a way that no

one will doubt its authenticity and policy planners in the future will have reliable information to build on.

The Acting Speaker (Mr. Guilbault): Are there any questions on the remarks of the hon. gentleman?

Mr. McKenzie: Mr. Speaker, I have a couple of questions for my colleague, the Hon. Member for Edmonton South (Mr. Roche). We have had the campers in front of the House of Commons for a little over a year now. They are camping on the grounds in protest of the Cruise vehicle testing in Alberta. I would say that slightly more than 50 per cent of Canadians are opposed to Cruise vehicle testing. On the other hand, the majority of Canadians support our commitments to NATO. Now that the campers have spent a year in front of the House of Commons, does the Hon. Member think that they should move and camp on the grounds of the Russian embassy? This is a two-way street. Both sides must disarm. We have received their message and are all for disarmament. Of course, the problem lies with the communists. I would like the Hon. Member to comment upon whether we should suggest that they move and camp on the grounds of the Russian embassy for a year to deliver the message to them. The campers have certainly given us the message.

We are talking about nuclear disarmament, Mr. Speaker. I would like to have conventional weapons included in the disarmament talks. Conventional weapons can do serious damage too. We know what happened to the cities in England and Europe during World War II.

Another issue which I think should be discussed with regard to disarmament is chemical warfare. There is enough evidence that the Russians are using chemical warfare in Afghanistan. We have also seen chemical warfare in the Iran-Iraq war. I would like my colleague to comment upon whether he would like those two additions to be made to the disarmament talks.

It is interesting to note, Mr. Speaker, that in 1963 a Conservative Government was defeated by the combined efforts of the NDP and the Liberals because the Conservative Government was opposed to nuclear weapons being on Canadian soil. In 1979 the Member for Victoria (Mr. McKinnon), who was then the Conservative Minister of Defence, gave a commitment to have all nuclear weapons removed from Canadian soil by 1982. That is, to remove the warheads from Comox and other places in Canada.

Finally, is the goal of disarmament to convince both sides to set up monitoring teams so that we can ensure that both sides will disarm at the same time?

The Acting Speaker (Mr. Guilbault): Order, please. The Chair doubts whether the question related to the peace camp is relevant to the Bill before us. Second, I would like to remind Hon. Members that questions or remarks addressed to an Hon. Member after his speech must be related to the contents of his speech.

Mr. Roche: Mr. Speaker, I thank my colleague for an interesting set of questions. I will try to respond briefly. The people who espouse the position of balanced, mutual and verifiable disarmament measures are protesting today against the arms race wherever it is found. Of course, the deployment of the Soviet SS-20s in Europe which precipitated the NATO response of the Cruise and Pershing must be condemned. I believe that those who look very clearly and carefully, as I am sure the peace institute will, will recognize that it has been the Soviet build-up of forces which provoked the NATO response. We must protest that very clearly.

The campers can certainly move to the Soviet embassy. Whether that will do any good, I do not know. Perhaps it would be a useful effort on their part to go to the Soviet embassy and make the point which my hon. colleague has made. With regard to the front lawn, it seems to me there is a larger question at issue. That is the question of the rights of democracy for Canadians of any persuasion to come unobstructed to Parliament Hill to make their point. It is a source of concern to me that nothing be done to impede the rights of Canadians to protest whatever cause they stand for.

Conventional weapons must certainly be reduced. If Canada is to make a contribution to the reduction of nuclear capacity in the world, we must bring down this nuclear mountain. In order to do that I believe there will be an increase in conventional spending in order to strengthen our conventional forces. By so doing, we would then not have to rely on the nuclear deterrent. To the extent that NATO is deficient in its conventional strength, NATO will have to be upgraded. Canada will have to play its continuing role, as I believe we are doing with our increase of 3 per cent a year. I am not qualified to say whether that is sufficient. I only make the over-all point that Canada must make its significant contribution.

• (1420)

With respect to the question of 1963, if the Conservative Government was listened to at that time, of course we would not have been in such difficulties which have resulted in confusion about our position. On behalf of the Government the Prime Minister espoused a strategy of suffocation at the 1978 disarmament session at the United Nations. There is some confusion as to whether or not this strategy will be implemented in everything that we do.

While I am not so concerned about the past, I believe that because of the never-ending escalation of the arms race, conventional and nuclear, a significant Canadian contribution would be to enhance verifiability measures. This would include on site inspection, which is a policy that was adopted in the 1978 United Nations session and one which we should support. More particularly, it is the enhancement of satellite verification measures. I think that Canada is particularly well equipped to contribute in this area because of our technology. We can make a significant contribution and thereby enhance verifiability around the world.

The Acting Speaker (Mr. Guilbault): One further question for the Hon. Member for Winnipeg-Assiniboine.

Mr. McKenzie: Mr. Speaker, would my colleague suggest that the NATO countries unilaterally disarm in light of the fact that the Russians recently celebrated the shooting down of the Korean aircraft with approximately 265 people on board who were murdered? I fail to see how we can trust a country that celebrates the shooting down of innocent people in a jet aircraft.

Mr. Roche: Mr. Speaker, I can answer that question very briefly. I have not advocated in any of my remarks unilateral disarmament. I believe the position of all responsible citizens today is to advocate mutual, balanced and verifiable disarmament by the Warsaw Pact and NATO countries in ways that enhance their combined securities.

We must recognize the common ground on which we stand in the world today. As that common ground of survival is threatened by the never-ending nuclear escalation, I believe it is imperative to find ways to achieve collective security. I suggested earlier that the Palme Commission has provided us with a basic approach to find those ways to achieve collective security. This must be done but it is certainly not the intention to have NATO unilterally disarm. That would be a policy of disaster. I do not know of any knowledgeable person in a position of responsibility who would advocate such a position. However, we must ensure that our systems are not out of control.

The lesson to be learned from the tragic shooting down of the Korean airplane is how fragile our systems of control are today. We see many examples of how these characteristics of fragility in our international system must be strengthened. It is in our interest to make significant contributions toward strengthening them.

Mr. McRae: Mr. Speaker, I have a great deal of sympathy for all of the remarks made by the Hon. Member for Edmonton South (Mr. Roche). I agree with him very strongly that a key requirement for this peace institute must be that it is totally independent.

During his remarks, I do not believe he was as passionate in saying that there should be a strong bias toward disarmament and getting the superpowers together through this peace institute as he was about other matters pertaining to this subject. Would he comment on the fact that that kind of commitment is an important criterion in the rationale for choosing people who will perform the necessary functions in that organization?

Mr. Roche: I believe that a strong rationale for choosing people is their possession of powers of analysis. They must be competent in their assimilation of the highly complex subject about which there are many different levels of information. They must have a sense of discrimination if they are to be charged with producing the policies of the peace institute. I suggest that the power of analysis is very important as well as a sense of commitment to the system of collective security. It is not necessarily a commitment to one approach to a particular problem because this is a multidimensional subject. I would not want to see this as a board with a set of interests that are too narrow.

For example, there is a common characteristic of specialty in the field of development on the IDRC board which has an international representation. Specialized discussions are able to take place there as a result of the knowledge that people in the IDRC bring to those board meetings. I would expect the peace institute to operate in the same way, with a combination of analysis and commitment to the larger subject of obtaining a system of collective security through the strenghtening of international institutions in our world. We do that in common interest.

The Acting Speaker (Mr. Guilbault): Resuming debate.

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, it is said that the subject matter of the Bill before us today, that of peace and disarmament, is far too important that it be left to the experts. My speaking this afternoon will certainly demonstrate that fact. I hope that my colleagues in the House, such as the Hon. Member for Edmonton South (Mr. Roche), the Hon. Member for Thunder Bay-Atikokan (Mr. McRae) and the Hon. Member for New Westminster-Coquitlam (Ms. Jewett), will be merciful on me when I finish my remarks and not ask any difficult questions, because I do not pretend to be an expert in this field.

However, it would be my submission that the House of Commons and the country as a whole is united on its desire for peace. I have not heard anybody argue the contrary view. Certainly there is a difference of approach. It is the position of one of the experts I mentioned just a minute ago, the Hon. Member for New Westminster-Coquitlam, if I understand that hon. lady's position, that Canada and other nations of the western world should lay down their arms tomorrow. They should not engage in any form of national defence. We should disband our Armed Forces, lay ourselves wide open and turn the other cheek, so to speak. The majority of people, including myself, would not accept that approach to life.

There are those at the other extreme who would argue that we must always bargain from a position of strength and that we should always be stronger than our enemies. Again if I understand correctly, this is the position that has taken hold in the two superpowers, both the U.S.S.R. and the U.S.A. I believe we must work toward a centre from those two extremes if we are to be successful.

I also wonder sometimes about what real effect Canada can have on world events. When we talk of successful disarmament, it would seem to me that the people who really must take the initiative and work hard at it are the two superpowers, especially if we are talking about the question of the nuclear threat and the use of atomic weaponry.

However, I have listened carefully to the views of the Hon. Member for Edmonton South and others. I think that Canada can play some small role in international affairs. At least we can have an open debate in Canada. The various views can be brought to bear and hopefully some distillation will take place, and perhaps by way of advice to superpowers or by setting an

example we can be of some assistance to our fellow human beings throughout the entire world.

These are philosophical questions which would undoubtedly be a subject of learned discussion at the proposed institute. I do not believe that there is anything wrong with wide-ranging philosophical discussions as well as discussion about more detailed areas.

I am also somewhat familiar with some of the peace movements that have occurred in prior years. I think back to the late 1920s, when Coolidge was President of the United States, and the approaches which were used at that time. There appeared to be two approaches both in the United States and in Europe. The first approach was a kind of simple way of doing things. If you read about, some people may remember, the "Outlawry of War" campaign that was active in the late 1920s and 1930s, there the idea was that public pressure would be put on governments so that each government in turn would sign an international treaty by which each agreed not to use force first in the reconciliation or the solution of international arguments. The theory went that as more and more countries signed an international undertaking of that nature that would, by its very nature, outlaw war. Everybody would have agreed not to use, as we call it today, the first strike option.

• (1430)

That was rather a simple approach but people felt very strongly and sincerely that war could be outlawed by this rather simple mechanism. At the same time as that movement was going on, there was also, just as today, government-to-government negotiations on the major disarmament issues. They were bilateral, multinational, and they could focus on particular types of weaponry or they could focus on particular geographic areas. One series of conferences that went on dealt with the large naval vessels that were being built at that time. That was analogous to the nuclear weaponry of today.

Everybody thinks in terms of nuclear weapons and what we are going to do about them. They are very expensive and very dangerous. Things could go wrong in the use of them as deterrents. But in that day and age, the question was with large naval vessels. That was where all the money was going, money that could be spent better elsewhere for social purposes. A lot of manpower was to be tied up in these things. These vessels were looked upon in much the same light as the nuclear threat is today.

As analogies, today we have the SALT talks that are going on, we have the MBFR, we have the CDE talks, all on a certain type of weaponry or within a certain geographical area. There is, as other Members have pointed out, a good deal of similarity between the approach that is going on now and the approach that was going on in the late 1920s and 1930s. In light of developments after the 1930s, it seemed that neither of those two approaches worked very well. Most of the nations of the world eventually became embroiled in World War II. This gives me cause for concern at the present time. But because of past failures, because we have not been able to resolve these difficult problems in the past, I do not think the human race can afford to give up its search for eventual success. It is something we have to pursue even knowing that for the last many thousands of years of human history we have to admit to not being that successful.

You have permitted me to digress in general terms on the question of disarmament and peace-making, Sir. I would like to return, if I may, to the Bill proper. This Party gives general support to the proposal put forward by the Prime Minister (Mr. Trudeau). We have, however, had some concerns. We were not entirely satisfied that the direction in which the institute was to go had been clearly enough enunciated. We were concerned with a very important matter of appointments that were to be made to the board of directors of the institute, and especially the very important position of executive director, the person who will actually lead this institute into the fray and have a good deal of say over staff appointments, over where money is to be spent and who is to be involved in the process.

We were concerned over the true function of the institute. Was it to be something that was to be entirely separate from government, or was it to be something that was, under certain circumstances, to be seen as an instrument of government? It is pretty difficult to have both at the same time. If you read through the original Bill as presented and given first reading, it is not at all clear which of those two alternatives was anticipated in the Bill. It seems to take a little bit from each proposition. If the institute is to be entirely separate, has not its function already been fulfilled by other organizations?

I have before me a publication of the Canadian Centre for Arms Control and Disarmament. This publication is called the *Arms Control Chronicle*. The edition I have is number one, volume 1, I would imagine. In my opinion, it does a very good job of outlining the chronology of events in the disarmament field and where we stand now with respect to different sets of negotiations that are taking place.

I hope the new institute will not be superfluous. I hope it can be arranged in such a way that that will not be the case. If, however, it is to be an instrument of government or on certain occasions an instrument of government, what will be its exact role and how will it function? Will it, for instance, be privy to defence secrets, either defence secrets of Canada alone or defence secrets of the NATO alliance or the North American defence system? What will our treaty partners think when they tell the Department of National Defence in Canada some technical secrets relating to armaments? Will that information be passed on to somebody who is not within government proper? What will be the disposition of that information eventually?

If the institute is to have access to military secrets, will this not to some extent undermine its potential to deal with other parties? If it is trying to deal with parties from a country whose general view and outlook is not that of our own and is sometimes looked upon as an enemy, and at the same time it is known that the institute has access to military secrets, will that not make these things difficult?

What is to be the role of the institute in providing advice to government in its arms limitation negotiations? How can it be entirely independent at one time and then act in concert with the Department of External Affairs in conducting treaty negotiations on the other hand? That gives rise to certain difficulties to my way of thinking.

Our view on this side is that the institute should be as independent as possible. It should not be part and parcel of the Department of External Affairs or have particularly close ties with the Department of National Defence. There have been, Sir, considerable negotiations. I have copies of rather voluminous correspondence between the Prime Minister of Canada and the Leader of Her Majesty's Loyal Opposition (Mr. Mulroney) on the matters I have just laid before you, Mr. Speaker. I am pleased to see that these negotiations have been relatively successful. They have been slow, as all government negotiations always appear to be. But it does seem that we have now arrived at some form of common ground. I look forward to the presentation which will follow shortly to be made by the Deputy Leader of the Progressive Conservative Party in which some of these conclusions hopefully will be outlined.

In my view, the institute itself should not become a large and overwhelming institution. It should confine its role to that of co-ordinating and recording the work of others. There is a good deal of ongoing thought already in Canada on the question of peace and disarmament in universities and other institutions across the country, as well as elsewhere throughout the world.

● (1440)

One of the most important functions which the institute can do almost immediately would be to institute a central library for publications and for private material on these subjects. The collection and dissemination of factual information, as well as ideas and approaches which in all probability can be just as important as factual information, can be a function of the institute without requiring a great deal of money. It is something which can be accomplished fairly quickly.

We have heard speeches during this debate which suggested certain locations within Canada for the institute. My colleague outlined the good points of his home City of Edmonton as a physical location for the institute. However, it would appear that the most logical place for it would be here in the nation's capital of Ottawa. I do not see any necessity for moving it outside Ottawa. It would be central here, would have access to Government Departments and would be close to the embassies representing other countries throughout the world. It is a sensible, logical place for its physical location.

I would like to make a few last comments on the appointment of the board of 17, as I understand it. Although it has been said before, it is important that there be a good cross-section of expertise on the board. Of course, there should be people with expertise in diplomatic matters and people with knowledge of military affairs. As the Hon. Member for Edmonton South said, there should be people who are used to handling ideas. We would look in the first instance to universities for people who have these particular talents. I would hope, at least at the start, that the institute would be a Canadian institution rather than trying to be a completely international institution. By far the majority of the directors, at least initially, should be Canadians, perhaps with some representation from other countries which should be kept rather small.

My final comment deals with the executive director of the proposed institute. This is a key position because, as I said before, he will have control of day-to-day affairs and I suspect much of the policy matters of the institute. My nomination for this job would be the Right Hon. Lester B. Pearson, who unfortunately is unavailable. The possibility has crossed my mind that other ex-Liberal Prime Ministers could be candidates for the office—

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

Mr. Nickerson: I have only one sentence more.

The Acting Speaker (Mr. Guilbault): The Chair has been reminding Hon. Members most of the morning to try to abide by the Standing Orders and to deal with the principle of the Bill. Most of the speech of the Hon. Member, as interesting as it was, dealt with particular aspects of or clauses in the Bill. For the information of the next speakers, I would like to remind them to speak to the principle of the Bill. The only way that Hon. Members may get to the nitty-gritties or to the clauses of the Bill is to pass second reading and have it go into committee.

Mr. Nielsen: No, no.

The Acting Speaker (Mr. Guilbault): I am suggesting this just from a procedural standpoint. I quoted Beauchesne's this morning, but it appears not to have stopped Hon. Members from dealing with particular clauses in the Bill.

Hon. Erik Nielsen (Yukon): Mr. Speaker, since I will be the final speaker for Her Majesty's Loyal Opposition on this Bill, it may be that I may exceed the regulation 20 minutes, but I would presume that if that happens, consent would be forthcoming to allow me to complete my remarks.

As spokesmen for my Party have made clear, we welcome the establishment of a Canadian Institute for International Peace and Security. Indeed, our Leader indicated to the Prime Minister (Mr. Trudeau) last April 9, after receiving the draft Bill from the Prime Minister, that the requirement in Canada for institutional restructuring and innovation in this field is beyond question. However, as has been made clear to the Government both before and after Bill C-32 was introduced into the House, we view the Bill as proposed to be fatally flawed in respect of the lack of independence of the centre, its lack of accountability to Parliament and the potentially negative effect that private funding of the centre might have on existing, indigenous centres of research.

In a lengthy letter of April 9 to the Prime Minister, the Leader of the Opposition (Mr. Mulroney) detailed these con-

cerns. Because of their particular importance in the amendments and deletions now agreed to between my Party and the Government, I believe it to be important that I give the House a detailed account of the attention of the Leader of the Opposition to this very important matter.

He did not question the Prime Minister's intention to seek to improve the quality and quantity of considered research and information on peace and security issues. He felt that this comes at a time when all Canadians show a growing commitment to search for both realistic and imaginative solutions to the perilous state of international security affairs which we know all too well. The creation of a new institute should be directed toward ensuring that this search is conducted in the best possible manner, and that peace and security is not allowed to become the province of one political point of view, one Party or one perspective.

Pluralism of ideas and pluralism of research cannot but be applauded and encouraged. However, that pluralism must be both real and enduring. This implies that what a Canadian government seeks to create in this area must ensure that its research and public information are protected from its prevailing political winds, and that Canadian research done elsewhere in the country is not distorted to conform to these prevailing winds. It also implies that if the Government truly seeks to encourage all worthy research and information efforts, a newly-created institution must not be structured so as to thwart those efforts, inadvertently or otherwise.

The following areas were of specific concern to the Leader of the Opposition. One of his concerns was funding. The Prime Minister proposed that this new centre be able to raise funds from non-government sources. He felt it was not at all clear why this was desirable. Far more than with this proposed institute, other Canadian research and information efforts are dependent on the goodwill of Canadian individuals, foundations, corporations and the like. These moneys are not unlimited, particularly in an area where Canadian funding entities are both cautious about donating funds to such controversial issues and where there is a very limited tradition or practice of supporting such activities.

If allowing the new institute to raise outside funds were to channel funds away from these other more vulnerable Canadian operations, one of two things might well occur. Either these other institutions or groups might be starved of funds or their research activities would become directed and rationalized through the mediary of a quasi-governmental body. Surely the Government does not seek to create a peace marketing board. The Leader of the Opposition was particularly concerned about the impact private sector funding would have on institutions such as the Canadian Institute of Strategic Studies, Toronto, the Centre for Conflict Studies in Fredericton, the Centre for Strategic Studies in the University of Alberta, the Strategic Studies Program in the University of Calgary, the Research Program on Strategic Studies, York University, the Canadian Centre for Arms Control and Disarmament, Ottawa, the Centre for International Relations, Queens University, the Institute of International Relations, University of British Columbia, the Norman Paterson School of International Affairs, Carleton University, the Peace Research Institute in Dundas, Project Ploughshares in Waterloo and the United Nations Association of Canada.

• (1450)

Another of the concerns of the Leader of the Opposition about Bill C-32 had to do with its board of directors. He believed that the intent to have the governing body of this institute appointed by the government of the day would not enhance the confidence of Canadians that these very important issues were being approached in a totally apolitical way. Such confidence would be greatly enhanced if the members of the board were appointed by consensus of all political parties as represented in the Standing Committee on External Affairs and National Defence.

A third of the concerns of the Leader of the Opposition was publications. He believed that one of the most important elements in ensuring the quality and independence of research activities is the right, indeed the obligation, of a research body to publish the considered findings of its researchers. It would be extremely unfortunate if this new institution did not have such rights formally recognized in its founding legislation, as does, for example, the legislation enacting the Economic Council of Canada.

The spectre of a government censoring the results of research if such research was ideologically divergent or politically troublesome is surely to be avoided at all costs. Such dangers, however, are multiplied if the institute itself is financially dependent on the government of the day and must report to its designated officials.

A fourth concern of the Leader of the Opposition was reporting. The Prime Minister proposed that the Minister be able to request advice from this new institution. This is unobjectionable in and of itself. The Leader of the Opposition, however, believed that to ensure that all Canadians have access to the expertise residing in this institute, and that open and informed debate is encouraged, it would be desirable if the Standing Committee on External Affairs and National Defence were able to commission this body to conduct research as well. Objectivity and openness would thereby be preserved.

Another of our Leader's concerns was recruiting. The Leader of the Opposition pointed out that a central symptom of the problem the Government seeks to rectify with this legislation was the unfortunate paucity of world-class expertise in Canada on peace and security affairs. It is troublesome, however, to observe that one of the most likely effects of this legislation may well be to absorb what talent does exist, depriving universities, private groups and institutions of their existing resources. Centralization of resources will have been purchased at the price of crippling unfettered analysis. This is what the Leader of the Opposition felt that a new institute could. Were the consideration raised by the Leader of the Opposition, which I have gone through, to be reflected in modifications to the proposed legislation, some very useful

functions could be achieved. These functions, such as I will outline in a moment, are somewhat similar to some of those listed in the legislation, but their worth is increased significantly if the new institute is constitutionally freed from the pitfalls and problems the Leader of the Opposition described as I have outlined them today.

The first function is to centralize, increase and rationalize the distribution of government funds for research and public information; second, to create a national library and data base on peace and security questions; third, to provide facilities for conferences, seminars, et cetera, and funding of the same for other bodies; fourth, to provide facilities and resources to bring foreign scholars to Canada, either in-house or for the use of other bodies; fifth, to issue an annual, independent report on government activities in the arms control and security fields; and sixth, the provision of a review by Parliament of an annual report on the activities of the institute, including its financial operations.

Unfortunately, the Prime Minister in his response to the Leader of the Opposition some days later failed to respond in any significant manner to these suggestions by the Leader of the Opposition, although he did agree to amend the proposed Bill to include the relevant wording from the legislation enacting the Economic Council of Canada respecting the right and obligation of the institute to publish the considered findings of its researchers. As the House now knows, the Government subsequently introduced Bill C-32 in the knowledge that the Bill, as proposed, would not enjoy bipartisan support. Nonetheless, second reading debate commenced on April 17.

I do not need to review today the excellent contributions in that debate made by the Right Hon. Member for Yellowhead (Mr. Clark), the Hon. Member for York-Peel (Mr. Stevens) and others, except to observe that those concerns which were based on our Leader's views as expressed to the Prime Minister on April 9 did give the Government second thoughts respecting the appropriateness of the Bill as proposed.

Indeed, the Leader of the Opposition was most encouraged by a letter dated May 1 that he received from the Prime Minister. This letter responded in more detail to the concerns expressed by our Party almost a month earlier. Specifically, my Party agreed to the following amendments and deletions: First, my Leader welcomed the Prime Minister's acceptance that Section 5(g) be deleted. This will undoubtedly reduce the anxiety of the existing centres of disarmament, security and arms control study over the negative impact Section 5(g) would have on private resourcing of their institution.

Second, with respect to its financial independence, my Leader welcomed the Prime Minister's acceptance of the suggestion of the Right Hon. Member for Yellowhead that Section 29 be amended to include statutory appropriation on a yearly basis.

Third, with respect to my Leader's concern over the independence of the institute from government, the Leader of the Opposition welcomed the Prime Minister's commitment to delete Clauses 25, 26 and 27 and that Clause 28 be amended to remove the word "shall" and replace it with the word "may". However, we were most disappointed that the Prime Minister continued to refuse to enable the Standing Committee on External Affairs and National Defence similarly to request the institute to undertake research for or provide advice on matters involving international peace and security. Without such an amendment, agreement could not be reached.

Fourth, in addition to this, the major outstanding issue between the Government and my Party concerned the independence of the board of directors and the nomination process for selection of the board. The Leader of the Opposition found the Prime Minister's proposal for simple consultation on appointments to the board to be less than adequate in ensuring the board's independence. In contrast, the Leader of the Opposition proposed by letter of April 9 that these appointments be made with the consensus of all political Parties as represented on the Standing Committee on External Affairs and National Defence. He subsequently alternatively suggested that, to become a meaningful consultative process while at the same time leaving the Government the authority to nominate the board of directors, a section be added stating:

● (1500)

Prior to the appointment of individuals as provided in Sections 6, 7 and 8 the Minister shall consult with and obtain the support of the Leader of Her Majesty's Opposition.

Such a meaningful consultation process would ensure that this centre would be politically independent.

The Leader of the Opposition further recommended that the Government formally consult with and obtain nominations from various national organizations. A preliminary list of such organizations was suggested to the Prime Minister (Mr. Trudeau). Such a list of nominees would form the pool from which the Government would select its candidates for the board of directors after which the consultation process as I have already outlined it would take place.

Regrettably, the Government felt unable to respond to either proposal respecting the board of directors, although it did indicate a willingness to accept the Leader of the Opposition's recommendation that consultation on the board begin immediately. We were, however, encouraged by the Prime Minister's willingness to accept the Leader of the Opposition's suggestion that Clause 28 be amended to enable the standing committee to initiate requests for study on the same basis as the Minister.

This left as the only outstanding issue that of agreeing to an appointment process which would leave no room for doubt that the board of directors would be non-partisan and would enjoy the confidence and support of all Parties. I am happy to report to the House that there is now agreement between the Government and Her Majesty's Loyal Opposition with respect to this process.

First, the Government has accepted the suggestion of the Leader of the Opposition that consultations on the composition of the board of directors start immediately, especially with respect to the appointment of the chairman and the executive director, as they will be key appointments for establishing the

tone and quality of the institute. Second, the Government has agreed to immediate consultation with national organizations and interested Canadians with respect to receiving nominations for the board of directors. It is our expectation, as I know it to be the Prime Minister's, that there will be full agreement on the composition of the board of directors prior to the end of committee consideration of the Bill. Third, concurrent with this consultation, the Standing Committee on External Affairs and National Defence will be examining the Bill and recommending a formal list of national organizations which, once the Bill is passed, will become the pool from which nominees for the board of directors will be selected.

The Leader of the Opposition believes that this process will ensure that the consultations will be meaningful, that Canadians will participate fully in the selection of candidates for the board of directors, and that the process itself will underscore the independence and integrity of the institute. I commend the Prime Minister and the Leader of the Opposition for their diligence in pursuing these major improvements to this Bill. These amendments and deletions have enhanced the integrity and independence of the institute. We now await in committee the full and detailed amendments to which there has been agreement. Given the changes suggested by and agreed to between the Leader of the Opposition and the Prime Minister, we will see a far better Bill coming from the committee.

I would like to make one final point, Mr. Speaker, with respect to the exchange of correspondence that has taken place between the Leader of the Opposition and the Prime Minister. We would like to see that correspondence made available to all members of the Standing Committee on External Affairs and National Defence. In this way, members of the committee will have available to them the entire exchange reflecting the agreements that have been reached between the Prime Minister and the Leader of the Opposition for guidance in their deliberations.

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

Some Hon. Members: Question.

[*Translation*]

The Acting Speaker (Mr. Herbert): The question is on the following motion: Mr. MacEachen, seconded by Mr. Pinard, moves that Bill C-32, an Act to establish the Canadian Institute for International Peace and Security, be now read the second time and referred to the Standing Committee on External Affairs and National Defence.

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

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and referred to the Standing Committee on External Affairs and National Defence.

[*English*]

DIVORCE ACT

MEASURE TO AMEND

The House resumed from Monday, April 9, consideration of the motion of Mr. MacGuigan that Bill C-10, an Act to amend the Divorce Act, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

The Acting Speaker (Mr. Herbert): When the House adjourned on the last day of debate on Bill C-10, the Hon. Member for Kingston and the Islands (Miss MacDonald) had the floor. As that Hon. Member is not present, another Hon. Member may rise to speak in the debate.

Mrs. Jennifer Cossitt (Leeds-Grenville): Mr. Speaker, today I join in this debate on Bill C-10, an Act to amend the Divorce Act, with both hopes and reservations. I hope, Mr. Speaker, that our deliberations will lead to a greater humanizing of a process which is, for the majority of those who go through it, the most difficult and traumatic experience they are likely to face in their lifetimes. I have reservations, Mr. Speaker, that this Bill is far from complete with its present proposals and that it is far from perfect as a vehicle which will provide that humanizing effect to the Canadian divorce procedure.

There can be no question that the divorce law needs to be revised and amended. The Divorce Act of 1968 has become subject to changing attitudes and social mores. Today, the Act is very definitely out of date. There is no question that change is due and that the principles of the original Act need to be rethought. The Act needs a change that will reflect that, no matter how regrettable and no matter how sad, divorce is indeed a very unfortunate fact of life.

Divorce is so much a fact of life that 40 per cent of marriages will end in divorce. However, recognition of those figures does not make the experience any easier to face. The rationale behind this Bill, and indeed the initiative taken on behalf of the Government in this area, seem to suggest that we can make divorce an easier experience without trivializing marriage in the process. I know that during his remarks at second reading, the Minister of Justice (Mr. MacGuigan) denied emphatically that this Bill would make divorce easier.

It is because there appear to be confusing signals between what the Minister has said and what appears to be the rationale for bringing forth this Bill, that I question which objectives are really being addressed. I must also question whether we will not see as a result of this Bill a new and sudden upsurge in the divorce rate as we did in the aftermath of the 1968 Act. Such an upsurge would only serve to undermine the institution of marriage further. Before the 1968 Act was passed, the rate of divorce per 100,000 of population was just over 50. In 1969, it was up to 124.2, and that figure has more than doubled in the years since then.

Make no mistake about it, Mr. Speaker. When a marriage is over and done with, I agree with those who say that it is in the best interests of all to end it. Ending it is especially in the best

interests of the children of such a marriage, who are indeed the true victims of all tragedies associated with divorce. However, if we are not careful and if we do not exercise extreme caution, we may well create circumstances which make marriage dissolution so easy that no real judgment can be made as to whether or not the marriage has failed and is indeed irreconcilable.

This, Mr. Speaker, is the general reservation I have with the Bill before us and with one specific part of the Bill, its being the proposition which merely requires as a condition of divorce that the husband and wife have lived separate and apart for a period of one year or more that immediately precedes, includes or immediately follows the date of presentation of the petition.

• (1510)

I am sure the intention of this Bill is not that it be used to facilitate divorce on demand, but I question, especially when there are no children involved, whether that will not actually be the result. What requirements exist under the proposed Bill to verify that the couple in question have indeed lived separate and apart for one year? None that I can find. There is no legal requirement—no filing of legal separation papers and no letters of intent registered with the court. Indeed, the conditions that permit cohabitation during 90 days of the year, ostensibly to effect reconciliation, may well serve to obscure the deception being undertaken.

The argument may be made that when there are no children in a marriage and both partners agree to end the marriage, they should be able to obtain a divorce on demand. However, that is not the argument proposed by the Minister and his staff in the documents which accompany the Bill. If they wish to see divorce on demand, they should have the courage and the conviction to state so openly, rather than provide loopholes that permit them to say one thing and do another. It is this inconsistency, this slapdash attitude to this very important subject that affects the social fabric of our lives that I find throughout the Bill that causes me to hold reservations.

I have no objection to shortening the time requirement for divorce to one year. One year seems to be a reasonable time in which to determine whether a marriage has failed completely or whether it can be saved or reconciled in any way. I have no objections to "no-fault" grounds, as long as they are agreed upon by both parties, without coercion. But I cannot agree with the supposition contained in the Bill that in all cases it is preferable to list "no-fault" as the basis for concluding a marriage. This I cannot accept. Surely we are not so naive as to believe that once a divorce has been granted, the scars and injury of every single marriage, no matter how bad or how cruel, will be healed and that the agony and torment of such a marriage should not be taken into consideration when it comes to matters such as maintenance.

We know very well that there are acts committed in the confines and privacy of a marriage which would not be condoned were they committed in public against strangers. These acts would, in many instances, qualify for prosecution under the Criminal Code. The vast majority of such acts are committed against wives and minors. Surely they have some right, if not to financial compensation for the injuries received, both physical and mental, then at least to the understanding of the courts. Somewhere it should be recorded that such a marriage failed because of the very real, even criminal, fault of one of its partners. We provide financial compensation in Canada today for the victims of criminal injury. Surely we can at least give moral compensation to the injured victim of a divorce.

There is more than the emotional solidarity that a court can get in its assessment of fault in those instances where clearly there is fault. Surely there is a correlation between such fault and awards the court may make for settlement and maintenance. If there is no recognition of fault, how can we pretend that we will ever reach an equitable maintenance settlement? The Bill states that the courts will be obliged to consider the economic advantages and disadvantages of spouses. Where is the clear criterion for the courts to be obliged to consider, for example, the mother who has given up the pursuit of her career to raise children; the wife who has worked to help her husband through university and launch him on his career; the wife who has given up the advancement of her own career pursuits to raise children; and the wife and the mother who has been out of the work-force for some 30 years to 35 years or more and has no means of attaining self-sufficiency?

But age, experience and family obligations are surely not the only disadvantages created by a marriage. The mental anguish and insecurity caused by the behaviour of one or the other of the spouses is no less a valid disadvantage. To say that the court shall not have regard to any misconduct is to negate this very valid disadvantage. In my opinion, the use of the word "misconduct" to cover instances of extreme psychological and physical abuse is an insult unworthy of a Bill which purports to do justice. The concept of maintenance without consideration or regard to such misconduct not only ignores the very real disadvantages such a victim or spouse may have at the time of divorce, it also undermines the grounds he or she—and quite obviously in most cases it will be a she—may have at some time in the future of making application to have such maintenance orders reviewed. Are these victims of divorce, therefore, not to be protected? Do we not have a responsibility when amending any law to take into consideration and take the time to bring forth all the improvements that are required, and not just pay lip service to addressing a need that has been brought about by social change?

Let us remember that an abused spouse, indeed any spouse, may very well make agreements at the time of divorce just to get the process and the marriage over with. In such a case, and under the no-fault agreement, what recourse does a spouse have upon reflection to apply for an adjustment of the divorce settlement? What hope does a spouse in this situation have of obtaining that she or he should have had at the time of the divorce? Such a spouse cannot explain to the reviewing judge that there were circumstances at the time of the divorce—the severe mental anguish, even fear that prevailed—that acted against the spouse's best interest. The divorce was no-fault.

There were no such fears or anguish. As far as the court is concerned, there was simply no misconduct.

We are all very pleased, I am sure, with the recent news from the Minister of Justice that the provinces and the federal Government have agreed, at least in principle, to the establishment of a central divorce order register which should make the 75 per cent of obligated spouses who default on their payments think twice about reneging on their responsibilities. However, I question whether the no-fault concept will not provide, through the conditions I have mentioned, an equally convenient vehicle for the avoidance of their financial responsibilities, and thus provide for more children, and indeed for the spouse caring for the children, to become wards of the State. As well, I question how much a court at one end of the country, upon a petition to review, is going to delve into a divorce that happened at the other end of the country. What guidelines or signposts are there in the words "no-fault" which might be instruction to disregard conditions, misconduct notwithstanding, that have influenced the original presiding judge who set the awards in the first place?

It is in the area of support and maintenance that this Bill has failed. It has failed to provide the means by which to ensure that individuals have an obligation to live up to their responsibilities—responsibilities they undertook upon entering into a matrimonial union; the responsibilities of providing an adequate environment in which to raise their children. With 75 per cent of spouses who default on their obligations to provide support, the recipients—in most cases women and children—become wards of the State. In Ontario alone, over 11,000 divorced women are on the provincial welfare rolls. To pass off support and maintenance as being strictly a provincial responsibility, as the Minister of Justice stated, is simply not the answer.

The Government should have the courage and conviction throughout this Bill to address these very real concerns, to provide a clear criterion for support and maintenance orders to be awarded, upheld and enforced. The Minister of Justice should not be trying to score political points in his bid for the Liberal Party leadership by introducing a Bill that is truly inadequate. This Bill is not clear enough. This Bill is not fair enough. It is not just enough, although the Minister obviously feels it is just enough, to fulfil the promise to review the law as it now stands. There are too many unanswered questions and too many new objections raised by its provisions, not the least of which is whether it is not laying the grounds for a whole new cottage industry of mediators and experts. Consulting lawyers, as we have consulting physicians, may be called in to advise the client's own legal adviser. This certainly seems to be the inference of the addition to Section 7 that advises lawyers to advise their clients to use mediation facilities to achieve agreements, including those covering maintenance. I hope I am mistaken in this regard, because this would make the divorce process more complex and more expensive. Thus the children, whom we are trying to protect, are going to be subject to even more trauma.

In principle, I support the reduction of the time requirement for divorce to one year. In principle, I support the introduction of no-fault grounds. But let us be sure that one year means one year and no-fault is no-fault only when there is no fault or when it is amicably agreed upon.

• (1520)

I therefore urge the Minister to revise the provisions we have before us and to bring before us a divorce reform Bill which will help families, husbands, women and children alike through this difficult time and not add further to their troubles. I believe, Mr. Speaker, before proceeding with any great haste on this subject, that extreme caution must be exercised before making changes to an existing law which will have such a profound bearing on our individual lives and on society in general.

I hope that a complete airing will be given this Bill by all interested parties right across Canada, who would be given an opportunity to voice their concerns, and that the important questions of maintenance of a spouse and children, the division of assets, and the enforcement of such maintenance orders, will be addressed fully and completely.

The Acting Speaker (Mr. Herbert): There follows a ten-minute period for questions and comments. Is there anyone who wants to put a question? If there are no questions or comments, we will continue debate.

Mr. Douglas Roche (Edmonton South): Mr. Speaker, I feel certainly confident in giving this speech this afternoon. While I must confess that not every word I have uttered in the House of Commons has carried behind it all the research I might have wished, I can tell you, Sir, that, although, thankfully, I am not a first-hand expert in divorce, I have gone to the source of really deep knowledge in family law today and, as a result of that, I have these comments to make.

When I look at the key aspect of Bill C-10, it seems to be the introduction of a no-fault divorce after a one-year period of separation. The Minister of Justice (Mr. MacGuigan) has stated that, by reducing the required separation period from three years to one year, the adversarial approach associated with fault divorce will be greatly minimized. It is true that at present some divorcing couples are forced to have one of them take the blame for the breakdown of the marriage, and that this sometimes exacerbates an already difficult situation. However, the thrust of the proposal by the Minister misses the central reality of divorce in Canada today. The Hon. Member for Leeds-Grenville (Mrs. Cossitt) outlined very well the deficiencies which are present in this Bill, and reflected our concerns that a whole new examination be done before this Bill goes forward.

Elimination of fault grounds will not eliminate the adversarial process which is so destructive to families. Neither a three-year period nor a one-year period of separation will avoid the problems inherent in the present system unless the issues that are a corollary to the divorce itself are dealt with in a less adversarial, more humane, manner. It is necessary to

distinguish between the grounds for divorce and the questions of custody of, and access to, children, property division and financial support, which must be decided before the divorce itself can be granted.

It is relatively easy to change the grounds for divorce. Reform in this area has been long overdue and, although provision might be made to retain fault grounds in circumstances where it would be unjust to force a spouse to wait a full year for a divorce, this can be done relatively easily. It takes much more courage to institute the kind of reform required to really change the way Canadians separate, divorce and then restructure their family lives today.

The adversarial approach to divorce proceedings, which is inevitably followed today, has numerous disadvantages. It is incredibly expensive. Estimates are that Canadians have spent over $500 million in legal fees over the past ten years. However, the emotional and psychological costs, both to the parents and to the children, have been even greater. Because the adversarial process forces the parties to take polarized, extreme positions, there is inevitably a winner and a loser, with the result that the parties come out of the process angry and bitter toward each other. Any possibility that they could have resolved their differences in a rational manner and continued to act as co-operative parents to their children is destroyed in the process.

How do we make the resolution of custody and financial issues less adversarial so that husbands and wives can spend less time fighting with each other and more time restructuring the family's future? I submit that there are three main ways: first, we need more precision in the law. Divorce legislation must provide concrete guidelines to the legal profession and to society, not vague statements of intent. The reason the courts are clogged with family disputes today, to the point where it can take two years to resolve all issues, is that even lawyers with the best of intentions cannot advise their clients with any degree of precision what a court will order in their particular case. The law is too general to allow any real predictions to be made.

Legislative steps have been taken to clarify the questions of cutody of, and access to, children, but provisions regarding maintenance payments, which are the subject of most court applications today, are still unclear. The objectives of maintenance payments set forth in the Bill do not begin to address the problems enunciated in the recent Supreme Court of Canada decision in the Messier case. To simply state that a maintenance order is designed to relieve any grave economic hardship is to invite future litigation.

What are the rights of the young woman with small children who does not wish to work for several years while she raises her children? What of the older woman with little education and no marketable job skills who has become financially dependent on her husband during a long marriage? Are both these women going to be required to work to fulfil a requirement of economic self-sufficiency? How is "grave economic hardship" to be defined? Is the purpose of maintenance to compensate a spouse for the dependency created by a long marriage, or simply to allow her time to become self-sufficient? If the objectives of maintenance, and the circumstances in which one spouse is entitled to maintenance, are not more clearly set out, this Bill will only result in an increase in adversarial proceedings.

Specific provisions are also needed with respect to the enforcement, as well as the criteria, of maintenance orders. As long as the law allows for a situation where 75 per cent of maintenance orders are in default at any given time, the courts will continue to be crowded with wives trying to enforce these orders. A central registry for maintenance orders, together with a stricter policy of enforcement, is clearly required. The federal Government cannot abdicate its responsibility in this regard by saying that these matters all fall within provincial jurisdiction. Joint action by the federal and provincial governments is required, and the federal Government must take the initiative in implementing these proposals.

Unless we have precision in the law, with specific proposals regarding criteria and enforcement of maintenance orders to the point where lawyers can advise their clients with some degree of certainty as to their rights and obligations, we are going to continue to see a flurry of litigation as judges are asked to interpret the law. The law should be clear enough so that adversarial proceedings are not necessary, in most cases, to resolve issues.

The second major way, Mr. Speaker, in which divorces can be handled in a simpler, more constructive manner, is through the nation-wide implementation of unified family courts. This type of court system has two main advantages. It provides husbands and wives with a single forum to settle all issues regarding their children, property and finances. The present system, which still exists in most Canadian centres, involves application to one court for custody and another court for maintenance and property orders, and still another for the divorce decree itself. This system is complex, unwieldy and very expensive, and any reform in the area of divorce must deal with this problem.

A unified family court has the added advantage that counselling services are available at three stages of the separation and divorce process. Pre-divorce counselling, when undertaken early enough, sometimes has the result of allowing people to reconcile before being caught up in an irreversible legal proceeding. Surely, this is a welcome and important aspect of divorce reform which must be encouraged. Even when the parties have decided to divorce, the counselling and conciliation services enable them to resolve all matters relating to their children, property and finances in a meaningful and constructive way. Finally, post-divorce counselling, designed to assist those parents and children for whom the divorce was a traumatic experience in dealing emotionally with the divorce and sorting out of their future, has been successful in minimizing the return to court by bitter and angry spouses bent on changing custody and maintenance orders. Again, federal and provincial co-operation is required to set up unified family courts across the country. The federal Government must be the leader in this area.

• (1530)

Finally and most important, Mr. Speaker, the current adversarial manner of settling the ancillary issues in divorce proceedings must be done away with through a system of mandatory mediation throughout the country. Divorce mediation is a structured process, usually involving both a counsellor and a lawyer, whereby these professionals help a divorcing couple work out problems regarding their children, property and finances without going to court. It is a time limited, practical process which focuses not on past wrongdoings but on future life goals for all family members. Particular attention is paid to the needs of the children. Whereas the traditional adversarial system fragments the family by focusing only on such questions as "What can I get?" or "How can I get even?" the mediation process forces the husband and wife to concentrate on their children's interests as well as their own. In short, divorce mediation is a rational, commonsense alternative to the adversarial process.

Although it is fairly new in Canada, divorce mediation has been an accepted way of resolving disputes for some years in the United States. An article which appeared in the *Wall Street Journal* some time ago reported on the two-year wait in family courts for hearing contested divorces. The solution advocated by one judge cited in the article was to get divorce out of the court system. The judge said that it is the ideal thing for mediation. The article went on to describe one American lawyer who refused to represent in the traditional way the parties involved in a divorce. Instead, he acted as a mediator, encouraging his clients to work out their own solutions to custody, property and maintenance problems. These matters, he maintained, were too important to be left to what he described himself as "a stranger in a black robe".

As the Canadian divorce rate increases, we must inevitably adopt the same approach to mediation as we now see growing more common in the United States. Most states have a no fault divorce. Mediation has been a natural outgrowth of that development. Studies show that in those states where mediation has been made mandatory, parties reach their settlements in a short period of time and at a fraction of the cost of court proceedings. Mediated settlements are also much more likely to last, minimizing the need for variation in the applications in the future. More important, husbands and wives are able to continue dealing with each other as parents and the children adjust to the separation much more readily.

Unfortunately, Sir, the sole reference to mediation in the proposed Bill creates a duty which is likely to become a mere formality. A clause of this Bill states that a lawyer must, in the absence of any real prospect of reconciliation, inform his client of the mediation facilities known to him which might help the parties negotiate corollary matters. While this legislative recognition that mediation has a role to play in the divorce process is welcome, the duty created by the Bill is not for a divorcing couple to seek mediation, but simply for lawyers to advise their clients of any mediation facilities known to them. The problem with this is that many lawyers are not in favour of mediation. That is the truth of the matter. This is not simply because it will reduce their incomes, but because they have been so strongly schooled in the adversarial process that they are reluctant to relinquish control to a mediator. They are also largely unaware of what mediation entails and how it works in practice. Thus, they have no real interest in or knowledge of the mediation facilities in their community and are not likely to recommend them strongly to their clients. Many lawyers now comply with the requirements of Section 7 of the present Divorce Act to inform clients of marriage counselling and guidance facilities only in a very cursory manner, perhaps assuming that by the time the client walks into their office, reconciliation or counselling is no longer appropriate.

Lawyers who may be in favour of mediation may not practise in an area where mediation facilities exist. These facilities are now found mainly in large Canadian centres, primarily in Toronto. Mediation must be made available to all divorcing persons, wherever they live in Canada.

The question of the cost of mediation must also be considered. Professional mediators charge fees of at least $60 an hour. Their services may not be available to all persons, particularly where a provincial legal aid plan is paying for the service. The Minister of Justice has expressed the hope that the money saved by the provinces through streamlining the actual divorce proceedings will be ploughed back into mediation and conciliation services. However, there is no guarantee that this will be done. Funds also need to be set aside for the training of professional mediators, for the education of the public and of the legal profession as to the benefits of mediation, and for the establishment of court and community mediation facilities.

The public is, by and large, in favour of mediation. Those mediators already in practice report a large number of inquiries from members of the public interested in finding out more about mediation. However, legislative acknowledgement of mediation, in more than just an offhand way, together with public seminars on the topic, are needed to convince those individuals with sufficient funds to litigate and those who feel they will obtain a better result in court to undergo mediation.

Funds must also be made available to train more professional mediators. Provincial associations of family mediators have begun to codify standards and ethics for divorce mediators, and courses designed to train mediators in accordance with those standards have been developed in major centres. However, more funds are required to make these courses available right across the country. Much more time and money must be devoted to educating lawyers about mediation. Because most divorcing couples now visit a lawyer before any other professional, that person has enormous influence over the way the divorce will be handled. If the lawyer does not advocate mediation, chances are the case will be handled in the traditional, adversarial way.

Law schools have begun to incorporate interviewing and counselling courses into their curricula. Mediation is now being taught to lawyers at the bar admission course level. However, lawyers already used to practising in the adversarial

way are sometimes threatened by mediation. They are afraid that it will undermine their years of training and destroy their livelihood. These lawyers must be taught that they have a vital role to play in the mediation process, either by working in conjunction with the other lawyer and a non-lawyer mediator, or by acting as mediators themselves.

Studies in the American states, where mediation has been going on for some years, show that it is most successful when carried out by a lawyer-counsellor team. This interdisciplinary approach is a recognition of the fact that divorce is both a legal and an emotional problem and that the parties are better able to handle their divorce in a constructive manner when both these issues are addressed. A legal resolution which ignores the client's psychological needs is as inappropriate as a psychological resolution which conflicts with the client's legal needs. Lawyers do not usually have the psychological awareness and interpersonal communication skills necessary to mediate custody and access issues. A mental health professional trained in this area, with expertise and experience in dealing with children, can more easily help the parties come to an agreement on these issues. However, the mental health specialist is rarely trained in the law, and the parties need a lawyer's advice about property and financial settlements. By working together, Sir, the lawyers and the counsellor can help the parties arrive at a total settlement which resolves all their problems.

• (1540)

In conclusion, these are my three suggestions for reform: greater precision in the law, unified family courts, and mandatory mediation. They work together.

Only when the provisions of the law are set out with sufficient clarity that lawyers can predict the outcome of a given case with some certainty, will both lawyers and individuals be more accepting of the mediation process. Unified family courts will provide the framework for divorcing couples to obtain both the counselling and the legal advice they need to settle their case.

There is a profound need in Canada today for the humanization of our divorce system. This will not be accomplished by providing for no-fault divorce and tinkering with other reforms. These reforms must be set out clearly in any divorce legislation, if we are to reflect the reality of what is happening when thousands of couples divorce each year. Otherwise, our present system of settling divorce problems through expensive, time-consuming and contentious litigation will only continue, and the fact that we have no-fault divorce in this country will not stop the destruction of family life as we know it.

The Acting Speaker (Mr. Herbert): There follows a ten-minute period for questions or comments.

Mr. McGrath: Mr. Speaker, I have a question for the Hon. Member. He made a very excellent and thought-provoking speech. I am disturbed by the fact that this Bill was drafted by lawyers when we should have had the Bill that had input from family and marriage counsellors. That was one of the positive suggestions made by the Hon. Member who just spoke.

Given the fact that I agree wholeheartedly that if there is to be no-fault divorce there must be some form of mandatory mediation, what has been the experience in other jurisdictions in terms of the success ratio of this mandatory mediation and what is the time-frame involved? In fact, is there a time-frame imposed by the courts for the mediation process?

Mr. Roche: I was thinking of this Bill in relation to the Bill which we debated earlier today. The point was made at that time that if input had been made into the preparation of that legislation by the Standing Committee on External Affairs and National Defence, it would have assured a much wider and a more contemporary approach, and the Bill would have been improved prior to its being presented to us. Similarly, the Hon. Member mentioned the question of mediators. I believe that this Bill was drafted in the confines of the Justice Department and did not have sufficient input from mediators. I suggest that this raises a much larger question about how legislation comes to the House before Members have an opportunity to see it, especially those Members who are on committees that are relevant to the legislation to be introduced. Those Members who have the expertise and appropriate background would be able greatly to shorten the time needed for debate at second reading because of the input that could be given at the pre-presentation stage. That would certainly enable the House to move on to a one-day debate on second reading, provided that that input had been made in a parliamentary way.

I believe that the research and surveys show that where there is mandatory mediation in those jurisdictions where it applies, there have been significant improvements in reconciliation. Furthermore, the savings in costs that would have otherwise been used in court proceedings can be used to train more mediators. Not only is there an economic benefit at that level, there is a much greater human benefit in helping families to stay together.

Mr. Thacker: Mr. Speaker, I have a brief question with respect to mediation services. Could the Hon. Member indicate from his reading whether the mediation services are provided at public expense, or would it be by psychologists holding themselves out as professionals at the street level? Would they be triggered by the law after a divorce petition had been issued, or would it be mandatory to have a certificate from a mediator before a person issued the petition? Could the Hon. Member tell me what the practice is in the United States?

Mr. Roche: Mr. Speaker, with respect to the payment for mediation services, I believe it should be done at both levels. There should be public money available for the services and there should also be private payment by the couples concerned. In this respect, I think there needs to be a very detailed study made into how this applies to other jurisdictions so that we could advance the concept of mandatory mediation.

I have experienced a great deal of resistance even among those who are on the Justice Committee who, because of their legal background, do not believe that conciliation has a structured process in the legal proceedings. Until they improve their own understanding of this, we will not be ready to ascribe the whole question of costs.

In answer to the Hon. Member, my personal opinion is that the costs should be borne both publicly and privately. I think the destruction of family life and the resulting divorce is a societal matter and not only a private concern. I think there is a great deal about marriage today, about its input into society and how it strengthens society, that has been lost by current standards. As to when this would be done with respect to the decree, the conciliation process should take place before.

Mr. Patterson: Mr. Speaker, I wish to commend the Hon. Member for the very careful and thoughtful presentation which he made today. With respect to the idea of mandatory mediation, there have been suggestions that there ought to be some consideration given to the feasibility of premarital counselling. Has the Hon. Member given any consideration to this in the discussions and research in which he has engaged?

Mr. Roche: Mr. Speaker, I have believed for some time that the divorce rate in our country would be lower if more attention were paid in a structured sense to premarriage instruction. This is also a controversial question which concerns, among other things, the rights of people.

We have lost sight of the marriage contract as a centrepiece of our society. As a result, there are huge manifestations and repercussions from that in our society. Therefore, the commitment of two people to stay together to weather the storm that inevitably enters any marriage is weakened to the extent that the centrality of the societal importance of it was not understood at the very beginning.

That brings us directly to premarriage counselling. Religions throughout our society have always advocated premarriage instruction. They do not always have the facilities to do so. While I would not suggest that it should only be religions that have this right, I believe that if there were greater fostering and a deeper understanding through the mediation process of the commitment of marriage and its contituation as a societal contract, there would then be a greater understanding of the need to enter into this contract. There would be a better understanding that society assumes its own responsibility for financing it.

The Acting Speaker (Mr. Herbert): If there are no further questions or comments, we will proceed to debate.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, Bill C-10, the Divorce Bill, has the appearance of a reformed Bill. However, it does very little to reform the way society faces divorce in this country. It probably makes one important reform, a reform that has long been part of the New Democratic Party policy, that marriage breakdown is the sole grounds for divorce. Otherwise, this Bill is grossly deficient, particularly in the area of maintenance, particularly when it might worsen the economic situation of women, especially those who are long-term homemakers who face divorce.

• (1550)

There are many amendments within the federal jurisdiction that we would like to see introduced in this Bill. They also involve other pieces of legislation within the jurisdiction of the federal Government. Not only are we limited because this Bill deals just with the Divorce Act, but we think this is a particularly good time for the federal Government to look at the whole procedure and make some broader changes to the legislation. It would be interesting to put before this House, something which has probably been done before and will be done again, some quotations and items that have been put to the committee studying divorce. For instance, the Canadian Advisory Council on the status of Women, on January 20, 1984, said:

> —the dignity conferred by non-adversarial divorce proceedings must be undermined by economic losses that could easily come about if fair and effective support enforcement procedures are not explicitly made into law.

This is a direct reference to some of the needs for changes in the Divorce Act. The Law Reform Commission of Canada's report on family law, *Enforcement of Maintenance Orders, 1976*, had this statement:

> Reform involves two courses of action. First there must be an effort by government in Canada to improve individual laws and practices that deal directly with maintenance enforcement. Second, the whole body of marriage breakdown law must be thoroughly re-shaped. It is as much the traditional fault-and-adversary foundation of this law as it is the particular deficiencies in enforcement techniques that account for the appalling record of non-payment of maintenance obligations in Canada.

Bill C-10 deals with only half of the problem or less than half of the problem. The Minister in the introduction of this Bill suggested that the Bill involved broad, revised and comprehensive measures on maintenance. The Minister claimed that this Bill goes as far as the federal Government can possibly go, especially in terms of maintenance and its enforcement. But that is not true. One of the things that needs to be explored in committee is how far and in what areas the maintenance procedures can be strengthened.

In dealing with this Bill, Mr. Speaker, we do not intend to support it on second reading, but we do intend to try to bring before the committee a large number of possible changes and an appeal to the Government to take a broader look at the needs of people facing divorce in Canadian society.

I would like to spend the next few moments going over the Bill based on broad principle and pointing out where there are some areas which the Government and which we as a Parliament need to look at in an attempt to make it a much better Bill than it already is.

First, marriage breakdown as the sole ground for divorce is probably the most welcome provision in the divorce Bill. Making marriage breakdown the sole ground for divorce has been our Party policy since 1967. It has been a position that has been supported by a number of churches since about that time, or even before then. No-fault divorce, as it is sometimes called, is supported by most women's groups, social service

agencies and many churches. Again, I would like to quote from a brief of the National Action Committee on the Status of Women which was presented to the Minister of Justice (Mr. MacGuigan) last year. This is what we find in it:

> Marriage must be recognized as an equal partnership entered into voluntarily by a woman and a man. Once one of the parties has decided that the partnership is not working, the relationship is clearly ended and no legal rule will make it work. That spouse should be able to declare that the marriage has broken down, and that declaration should be regarded as sufficient to prove the breakdown. Proof of separation or fault should not be required.

I do not necessarily agree with that position, but it is a position of a very active group of women who have spent a considerable amount of time taking care of what they consider to be the major areas of welfare that need to be guarded for women particularly. Right now we have a huge backlog of court cases. Quite often, because of the fault provision which is in the present Divorce Act, these cases take much longer than necessary. No-fault divorce would affect almost 90 per cent of divorce actions that come before the courts. In other words, almost 90 per cent of divorce actions are not contested in any way and consequently would fit even now under this definition of no-fault divorce or marriage breakdown. I do not particularly like the phrase no fault. I think marriage breakdown as the only ground for divorce is a much better terminology. The idea that people must publicly, and sometimes falsely, admit to committing offences such as adultery so as to speed up the legal process is abhorrent. People should not have to lie, which is the case in many situations, to expedite the process of divorce. Quite often naming a third person, who might not have been involved particularly in the breakdown but is dragged into it because of the requirements of the law—

[*Translation*]

The Acting Speaker (Mr. Herbert): I am sorry to interrupt the Hon. Member, but his time has expired.

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

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

The Acting Speaker (Mr. Herbert): Shall all orders and items preceding No. 97 stand?

Some Hon. Members: Stand.

The Acting Speaker (Mr. Herbert): Stood by unanimous consent.

• (1600)

POOLS

ADVISABILITY OF CREATING BONUS BOND DRAW

Mr. Dan McKenzie (Winnipeg-Assiniboine) moved:

> That the Standing Committee on Finance, Trade and Economic Affairs be empowered to study and report on (1) the advisability of creating a Bonus Bond Draw to help partially finance the financial requirements of the government and to consider whether those requirements should be specifically designated and, if so, to which purposes (2) the means by which a Bonus Bond Draw could be designed to provide an added incentive to purchase and retain the bonds by means of tax-free prizes, drawn at random in the manner of a lottery.

He said: Mr. Speaker, I should like to make a brief explanation of the bonus bond draw. The bonus bond draw would be similar to a lottery ticket draw. However, if one did not have a lucky number, the Government would pay the interest on the amount of the ticket and one could draw tax-free interest on the amount spent on purchasing the bonus bond or lottery ticket. This would mean that the Government would be raising funds from ticket purchases at an interest rate much lower than borrowing money outside of Canada.

Now I should like to refer to the purpose of the bonus bond draw. Bonus bond draws will be established to help partially finance the Government's expenditure in designated sectors. In terms of the operation of the bonus bond draw system, bonus bonds or tickets will be issued at par in values to be established and multiples thereof in face value form. Each bond will bear a number or series of numbers, each of which will represent an investment of the established rate. Bonus bonds could be purchased at banks, post offices, other local offices or established booths. Bonus bond depots will only accept cash or bank cheques for payment of bonus bond draw vouchers. These depots could act as agents of the Department of Finance in respect of bonus bond draw tickets and will hereafter be referred to as the "agents".

Bonus bonds are issued for an indefinite period. If the Minister of Finance deems it expedient, he may, by prior notice in *The Canada Gazette*, fix a redemption date therefor. Upon application by a holder, bonus bonds may be repaid at any time after one year from the date of purchase, except in the case of deceased persons and insolvent estates, which may obtain repayment at any time.

If a redemption date is fixed in terms of the suggestion that bonus bonds be issued for an indefinite period, provided the Minister of Finance fixes a redemption date, the capital and accrued interest on any bond not redeemed within six years of such date will be forfeited to the state.

In terms of the interest rate payable on bonus bonds, simple interest at a designated rate below the rate paid on other guaranteed investment certificates or Canada Savings Bonds will be paid yearly and will be paid only on repayment of the bonds. It will be calculated for completed months from the date of investment. If a redemption date is fixed in these terms, interest will not accrue on any bonus bond on such date.

The prize fund and prizes would be covered by the Department of Finance. It will make a contribution to a prize fund

calculated at the certain percentage per annum of the total amount of the bonus bonds participating in the monthly draw for prizes. Each bonus bond will participate in each draw for the allocation of prizes from the second calendar month following the month of purchase until the draw in the first month following upon the month in which it is repaid.

Each established value bonus bond ticket which is invested has one chance of winning the prize in any one draw. A number will not qualify for the allocation of more than one prize in any one draw. The Minister of Finance may from time to time decide upon the values and numbers of prizes to be offered, depending upon the amount available in the prize fund. Draws for the purpose of allocation prizes will be made by means of a random number-generating electronic apparatus. The prizes, in values from high to low, will be allocated to the numbers in the order in which they are generated by the apparatus.

Bonus bond numbers drawn for the allocation of prizes will be published in *The Canada Gazette* and will be available for inspection at the offices of all agents of the bonus bond draw. Also they will be published in all major newspapers in the areas of sale.

Interest and prizes will be free from income tax. The interest on investments in bonus bonds of this issue, as well as the capital amount of prizes allocated, is exempt from all taxes payable in Canada.

Referring to other characteristics of the bonus bond lottery, I should like to indicate that they are negotiable and transferable. Mutilated or destroyed bonus bonds will be replaced by Department of Finance agents, provided that identification is possible. The Department and its agents shall be indemnified against liability to the rightful holder of the bond for any losses incurred, unless such losses result from the proved negligence or any wilful act on the part of an officer or employee. The Department of Finance may declare forfeit any bonus bond or any benefit resulting from the holding of such a bond, if such a bond is held contrary to the provisions of the terms of the draw.

Turning to the area of repayment of bonus bonds, holders of bonus bonds, or the guardians or successors in title of holders of bonds designated for the allocation of prizes, must apply for such prizes at the offices of the Department of Finance agents by completing a special form in the presence of an official, to whom the relevant bond certificate must be produced. Administration of the bonus bond draw will be carried out by the Department of Finance. In consultation with all other federal Departments, the Department of Finance would be responsible for priorizing government needs in terms of acceptable goals for bonus bond draw-generated funds.

The bonus bond draw system would be regulated by all appropriate federal and provincial guidelines. The goals of the draw would be to establish an equitable and more socially beneficial system of draws in which both government and citizens would benefit on an ongoing basis. Funds generated by the bond draw could be used for such purposes as increased established programs financing or increased federal-provincial transfer payments for designated programs.

In summary, this matter could be discussed by the Standing Committee on Finance, Trade and Economic Affairs. It is a method of generating funds within Canada. The Government would not have to borrow as much money abroad at such exorbitant rates as it is paying today.

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I listened with interest to the remarks of the Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie) on Private Member's Motion No. 97. He touched upon several matters. First he indicated that the interest rate would be 1 per cent below that of other types of bonds. Also he mentioned that the prizes would be covered by the Department of Finance, but no mention was made of the amount of the prize or prizes. However, he suggested that the Minister of Finance should decide upon the size of these. The bonds will be negotiable and transferable. How would we follow such transactions between individuals? The holders of the bonds would have to apply to the offices of the Department of Finance for their prizes. Perhaps he is suggesting that the Department of Finance should become another lotto or institution for games of chance.

He went on to indicate that the Department should direct the receipts from these bonds into areas of greatest need. However, I fail to see how we can raise much money for Canada under this proposal. Bonus bond interest rates will be only 1 per cent below that of funds borrowed outside of Canada. Those wanting to invest funds would rather do it in a more conventional way such as through Canada Savings Bonds, guaranteed term certificates or other instruments.

• (1610)

We have to look seriously at the possibility of purchasing them at banks or other depots. I would be rather skeptical as to the availability of these institutions for distribution or sale, because they issue other bonds of various types.

Upon application by the holder the bonds can be redeemed at any time after one year. That would create a system very difficult to police. In essence, it would not be all that rewarding in the types of funds that could be created for other purposes.

Above all, there is a bit of irony in the sponsorship of this proposal by a member of the Official Opposition. When in government, my friends across the way signed an agreement in 1979 transferring the operations of Loto Canada to provincial hands. We heard strong statements from his colleagues in provincial governments since that time arguing that under the agreement, the federal Government should not be launching its new sports pool.

The sports pool is intended to finance a specific cause in Canada, the Calgary Olympics, which will be held in two or three years. Preparation has to start at the present time. This gives every Canadian the opportunity to contribute to something that is in direct relation to Canada, as is indicated by the

name of the sports pool. They are competing to show in the olympic spirit that our athletes are among the best in the world. Having a sports pool to fund something of this type is quite different from creating another pool in order to raise revenues, for example, for post-secondary education.

I do not intend to use the provincial opposition as grounds for arguing against this resolution, but I believe the provinces are wrong in their case against federal activities in the field. It is somewhat startling when a Conservative Member flies in the face of such a determined opposition from the provincial governments, particularly Conservative governments at the provincial level. It is somewhat amusing when a Member comes back with a proposal that will supposedly raise huge amounts of money to assist us at the federal level to fund medical health care and other programs that require large amounts of money.

Perhaps that is why the resolution uses the term "bonus bond draw" rather than "lottery" to describe what is being proposed. It is still very much a lottery. It is useful to have this issue discussed by Members of the House. I hope the debate will serve to clarify thinking on a number of the issues involved. However, I do not think it would serve any purpose to ask the Standing Committee on Finance to devote time to study this matter at this point when the committee has tax legislation, bankruptcy legislation and other important issues on its plate. At the present time, the Finance Committee has a very heavy schedule. We hope that most of what it is examining will be returned to the House in time for passage prior to the summer recess.

The main weakness in the case made for these lottery bonds is that there are other avenues available to raise money for purposes such as suggested here. Some years ago when lotteries were illegal and when the main outlet for the gambling urge of Canadians was office sports pools, bingo games and the Irish Sweepstakes, there was a case to be made for Canadian lotteries that would keep our dollars at home. Today, there is hardly a need for another organized outlet to satisfy the public urge to risk a few dollars on a long-shot hope for the big prize. It is certainly not necessary for the type of funding we are talking about, as I indicated before, because we have the Consolidated Revenue Fund and the system of funding we have established over the years.

In this proposal we are not necessarily talking about a few dollars. Lottery bonds seek to entice citizens to put their savings into a bond which will pay them very little interest or at best a nominal return in hopes of winning a big prize on the turn of the lottery wheel. It is this hope which encourages them to keep their money tied up in these lottery bonds. If experience is any guide, only a handful will get a satisfactory pay-off and the rest will see the real value of their savings shrunk by inflation and, in reality, no real return on their investment.

There is one other point. Loto Canada used to provide money to young people competing in the Olympics. This was turned back to the provinces. The provinces brought in other lotteries such as the Provincial and Wintario which took away the funding which originally went to Loto Canada and was used by the federal Government to fund these events. The federal share of Loto Canada dropped off dramatically. That is why we went to the sports pool. It was because the provinces brought out new lotteries.

We are looking here at something bigger, not just a $5 or $10 ticket but a bond. Consequently, those least able to afford it would be enticed to go for the pot of gold at the end of the rainbow.

Moreover, there is not much disagreement as to where lotteries draw their support. It is predominantly from people of low or moderate means, the very people who should be encouraged to save for a rainy day or for their retirement. If we look at this scheme from the standpoint of raising public funds, it is certainly a most regressive form of taxation. The poor and the working people invest their hard-earned money in lottery bonds with no reasonable return. They live in the hope that the wheel of fortune may suddenly make them rich.

I am alarmed about this type of scheme to raise money for the proposals suggested this afternoon. I do not think the scheme can be justified as meeting some unmet public requirement for gambling. There are many alternatives. It certainly cannot be justified as a worthwhile form of investment. It cannot be justified from the standpoint of meeting some governmental need.

First, it is not needed as an additional source of borrowed funds for the government. There are no basic difficulties facing the Government in borrowing funds through the traditional types of security such as market bonds, Treasury bills and Canada Savings Bonds. Furthermore, there are no savings to be made in raising government funds through lottery bonds. The existing borrowing mechanisms operate most efficiently at minimum cost in terms of administration.

The administrative and marketing cost of lottery bonds would be substantially higher. To that, of course, must be added the cost of providing tax-free treatment to lottery prizes and perhaps to any interest paid to purchasers of these lottery bonds. Certainly there would be marketing problems. As I mentioned previously, who would sell these lottery bonds at the retail level? It has been suggested that perhaps the banks or other lending institutions would do this. Or would one buy a bond at a corner tobacco shop? I do not think that that is a reasonable alternative at all because it is much too big a proposal to be handled through a local coffee or tobacco shop. Would banks and trust companies be willing to sell securities that were in direct competition with their own savings accounts and deposit certificates? I would have to suggest that they would not be willing to do this.

• (1620)

There is little doubt that lottery bonds are a high-cost way of borrowing funds. If we were to even consider this proposal, there would have to be a very large series of prizes involved which, as indicated by the Hon. Member who moved the motion, would be supplied by the Department of Finance. I fail to understand why the nominal interest earnings on such

bonds, earnings which go either into the prize pool or to small interest payments to purchasers, are normally much less than the return on normal market bonds or savings bonds. Usually, the interest return on lottery bonds is less than that on funds borrowed offshore, and in many cases those funds borrowed by the Government earn less than what could be yielded in other ways.

Not only are lottery bonds inefficient but they would very likely detract from sales of Canada Savings Bonds. This would be the case particularly for people with modest incomes, the people who should be encouraged to cultivate good savings habits rather than gambling habits.

I would like to point out another area that we have not yet looked at in detail, and that is, that under the Budget of February 15 and beginning in 1985, changes will be made to the registered retirement savings plans so that an individual could carry forward his credits from one year to the next until in 1988, I believe, and he would be able to set aside in excess of $15,000 a year. This can be done whether it is in cash or carried forward in credits up to an amount that is 18 per cent of his annual income.

I would suggest that a proposal such as the one made by the Hon. Member would take away from that advantage. Nothing has been mentioned as to whether or not the moneys invested in these bonds would be income tax deductible like the money invested in registered retirement savings plans. We could be adding one hardship on to another for the people who can least afford it.

When considering the problems involved in managing the public debt, lottery bonds have other drawbacks. They are open-ended and can be cashed after one year. There is no control over the amount to be sold. The Government might well feel that enough lottery bonds were outstanding and that it did not wish to raise further funds in this manner. However, it is not very easy to turn a lottery on and off.

Another problem with lottery bonds is that they are normally cashable at the option of the holder. As the Hon. Member pointed out, this could be done after one year. As Hon. Members know, that is the case with Canada Savings Bonds. A substantial porportion of government debt is in the form of savings bonds, and there has been concern about the fact that such a large share of government debt is subject to the option of being cashed on demand. The lottery bond scheme would create one more type of government debt obligation that would similarly be subject to being cashed on demand.

Another concern raised by this proposal, to which I think the House should pay careful attention, is the question of whether or not we really want to fund important services to the public on the basis of earnings from lotteries. I have already touched upon the issue of the regressive nature of lottery fund raising. It is a form of taxation which totally ignores the principle of relating taxes to an individual's relative ability to pay.

I think we should also be concerned about the proper control of government expenditures. In the case of most government run lotteries, the return on the lottery after payment of prizes and expenses is normally earmarked for particular kinds of expenditures such as those I mentioned earlier. It is often earmarked for some particular area of government services to the public or for supporting amateur sports, health care, research or perhaps cultural activities. The result is that the level of funding for those earmarked services does not depend on a careful judgment of relative priorities in our society. The amount of financial support in these areas is simply governed by how successful the lottery may be.

This might become less important if there were all kinds of financial resources available to Government. However, that is not the case. At a time of large budget deficits, can we really justify some further major step in the direction of abandoning government control over the allocation of federal spending?

In his earlier Order Paper resolution regarding this issue, the Hon. Member for Winnipeg-Assiniboine suggested that the funds from lottery bonds be earmarked to increase federal support for provincial programs of health care, post-secondary education and other programs through the established programs financing plan. I am somewhat alarmed by the thought of going this particular route because under the Canada Assistance Plan, the Government of Canada already pays up to 50 per cent of those costs. The federal Government's share toward post-secondary education in the Province of Ontario has increased to approximately 58 per cent, and the province's share has decreased to only 21 per cent, with the students paying the other 21 per cent.

Does the Hon. Member suggest that the federal Government should increase its share of the cost of post-secondary education so that the provinces may decrease theirs even more? I do not accept that argument, Mr. Speaker. I think the provinces should pay their own share, particularly when they receive the revenues from provincial lotteries, Loto Canada, Wintario and the like. I think they should be directing more of this income toward that goal. I firmly believe that if we are to have a system of taxation in Canada that is fair to everyone, the provinces must carry their load as well. They must not decrease their share and complain at the same time that the federal Government is cutting back on its share.

The programs to which I have referred are major programs of vital importance to the welfare of all Canadians. The Government has already recognized this fact by increasing federal transfers to the provinces for these purposes, even though the federal Government does not have jurisdictional control over these programs as they are administered by the provinces. I think the provinces should carry more of the financial responsibility in that regard. That decision to increase transfers was made in a rational way with due consideration to all the other priority claims on available government finances.

Do we want to continue to decide on the funding of such important programs in such a haphazard way? I believe we must proceed in a very responsible way. If we abdicate this responsibility, do we want to leave these programs at the mercy of the vagaries of the lottery market?

I have touched upon a few of the very major drawbacks involved in adopting some kind of a lottery bond scheme, which have created very serious concerns. As yet, I have seen no public need which would be usefully served by the implementation of such a program at this time.

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, I shall speak briefly on this matter because it is certainly not my intention that the Bill be talked out, although I see that the Government has its bodies lined up to do just that.

Mr. McKenzie: The civil servants prepared their speeches.

Mr. Nickerson: Yes, the Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie) says that the public servants have undoubtedly prepared their speeches, and that I do not disbelieve. I have seen that done before on many occasions, Mr. Speaker.

I would like to say that this idea is not a new one. Rather than each individual bond holder being paid a small amount of money, all of the interest payable on those bonds is put into one pool and then a draw is made to determine which of the bond holders gets a chunk of that aggregate interest. That idea has worked quite successfully, having been applied in a number of other countries.

I know that there have been bonds of this nature in Great Britain for some time. I think that on the street they are called "Ernie" bonds, but I am not certain about that. However, a slightly new twist to this idea has been added by the Hon. Member for Winnipeg-Assiniboine in that under his scheme, a certain low-interest rate on the bonds would be paid, presumably to protect them from inflation to some degree so that the capital amount is not eroded too badly. The remainder of the interest would be put into this one pool, or one part, and the distribution of that would be decided by lots.

• (1630)

After having said that this is not a new idea and has been applied successfully in other countries, I would like now to go into some of the rather spurious objections raised by the Hon. Member for Lambton-Middlesex (Mr. Ferguson). He went out of his way to attack the mechanics of how such a system would operate. I think the Hon. Member for Winnipeg-Assiniboine went into considerable detail in his proposal as to how the mechanics would work, who would be the agents of the Ministry of Finance in the distribution of the bonds, and how the funds would be administered. Other countries have worked out the details of the mechanics of handling such a situation. So any objection to the scheme based on details of who are to be the vendors and by whom the money is to be handled does not hold water.

This is not a lottery in the common sense of the word. People do not dig into their wallets and fork over $10 or $20 to buy a lottery ticket and then, if they are unsuccessful, lose all that they had at risk. In this case, a person might buy a bond in the denomination of $1000, maybe a little more or maybe a little less. That capital would be protected. It would not be put at hazard. It would be protected, especially under the scheme proposed by the Hon. Member, wherein low interest payments would be made to keep up with inflation. The proposal is not in the nature of the common lottery system as we know it in Canada.

The Hon. Member for Lambton-Middlesex accused the Hon. Member for Winnipeg-Assiniboine of hypocrisy. Nothing could be further from the truth. I would venture to suggest that if there is hypocrisy prevalent in this Chamber, it is emanating from the Hon. Member for Lambton-Middlesex. He is a part of the Government that has actively promoted lotteries in the worst sense throughout Canada. The Government is presently engaged in the new sports pool lottery. It has changed it in midstream. It is that Government which is promoting the purchasing of lottery tickets by those who can least afford them. The Government is trying to take kids' shoe money from the low-income earners of Canada and risk it in these games of chance. That is where the hypocrisy comes in. In the scheme of the Hon. Member for Winnipeg-Assiniboine, people would at least be required to have a minimum of $500, or maybe $1,000, in order to purchase one of the bonds. Only the accrued interest of that money would be at risk.

It is not the low-income earners, the poor people of Canada, who would be engaged in this type of activity, because they would not be able to afford to tie up that kind of cash. They would not have that kind of cash available. It is only the people who have been successful enough to acquire some capital and who can afford to have that capital tied up who would get into this type of activity.

We heard some other rubbish from the Hon. Member for Lambton-Middlesex dealing with the redemption terms of the bonds. The Hon. Member who proposed the scheme again went into considerable detail on how redemption would take place; how it could be done at the option of the Government so that it could issue or take back bonds in order to help with the normal financing program of the Government of Canada. All those red herrings about redemption that were dragged into the debate this afternoon just do not make any sense.

Mr. McKenzie: I did not say we would sell them in coffee shops.

Mr. Nickerson: If we are to look at the question of gambling, especially gambling promoted by government, we cannot have it both ways. We cannot argue, as did the Hon. Member opposite, that it is bad in this case, but it is permissible in the worst type of lotteries which are actively promoted by the Government over there. If it is immoral with respect to one lottery, then it is equally immoral with respect to another type of lottery. If we are going to get into an argument about the degrees of morality, then the proposal from this side of the House—and I am going against my previous argument—would be a little bit less immoral than the proposals, or those things which have already been put into effect, by the Government of Canada. We can argue morality. Personally, I do not feel that a government should promote gambling in Canada, but we cannot have it both ways. We cannot argue on one side

of the question with respect to one lottery and on the other side of the question with respect to another lottery.

I have some objection to the scheme in that I do not think a very large market might exist in Canada today for this type of proposal. I know that when it was introduced in Great Britain, there was no other similar type of gambling, except maybe for the soccer pools. So it was reasonably successful. But when there are wide varieties of avenues for gambling, it is quite possible that there might not be a large market for this type of government obligation. That does not generate in me any great objection to further study by the standing committee, as has been suggested. There is no reason why we should not study it and try to determine whether it is a worthwhile proposition.

In conclusion, I would like to go back to 1975 when I was running as a candidate for a legislative assembly, before I became involved in federal politics. One of my opponents at that time was a gentleman by the name of Colin Wyne. Part of his electoral platform was that he was going to issue bonds of this nature. He was going to call them Wyne Bonds. I do not know whether he was going to spell them "Win" or "Wyne". However, the sad point from his point of view—not so sad from my point of view—was the result that he failed to be elected. I was elected.

Mr. Al MacBain (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, in responding to Motion No. 97 moved by the Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie) this afternoon, I would like to mention first that the Hon. Member for Western Arctic (Mr. Nickerson) said that the Hon. Member for Lambton-Middlesex (Mr. Ferguson) suggested that the scheme was immoral. There was no such suggestion made by the Hon. Member for Lambton-Middlesex. In my opinion, one would not have expected any such scheme to have come from the distinguished Member for Winnipeg-Assiniboine.

However, I do agree with the Hon. Member for Western Arctic that the proposal is not a novel one. It has been suggested to the Government from time to time, especially by those attracted to similar lottery bond schemes in other countries, particularly in Britain. The idea has been considered by the Government, but it has not felt that the proposal was worthy of being put into effect. The idea, at first glance, might seem to have some attractive points. But there are some substantial weaknesses and drawbacks to the lottery bond proposal. On the whole, I do not feel that idea has enough merit to justify asking the Standing Committee on Finance, Trade and Economic Affairs, as this resolution proposes, to spend the time and effort to study the question. The committee has a good deal of priority work to occupy it without adding this proposal to its agenda. This point was in fact made by the Hon. Member for Lambton-Middlesex, and it is a valid point.

● (1640)

I suppose that there are three main arguments which have been made in support of what we might call "lottery bonds". First, they are seen as one way, a relatively easy way, of raising government funds. Second, they seem to be viewed as another outlet for satisfying the public's hunger for gambling. Third, it is argued that they are a good way of financing some particular field of government expenditure, for example, federal transfers to the provinces. I would like to put forward my own position on the proposal. I am not necessarily in favour of continuing the movement of federal-provincial governments, or even municipal governments into the field of gambling, whether by lottery bonds or other similar lottery schemes.

Lottery bonds can be designed in a number of ways, but the basic features are pretty much the same. The bonds are of small denomination so as to appeal to people of relatively small means. They are marketed through a large number of sales outlets, rather than the established financial institutions through which normal government securities are bought and sold. Sometimes a small interest payment is provided to all investors, presumably to protect them from forfeiting too much interest income in their pursuit of the big prize. The interest earnings which are not paid to the investors are put into a prize fund, with the winners determined by lottery.

There are some particular factors which should be borne in mind. For one thing, the nominal interest return on the bonds, whether paid in part to the investors or paid wholly into the prize fund, is normally substantially less than the interest return on regular government bond issues. In Britain, the interest earned on their premium savings bonds is equivalent to about half the going rate on long-term government bonds. This is because administration costs in selling lottery bonds are substantially higher than for normal bond issues, and also because the lottery prizes are exempt from income tax.

Another feature of importance is that purchasers of lottery bonds can cash them in for repayment whenever they wish. Of course, the lottery feature is designed to discourage this and to entice holders to hold on to their bonds. But with this option available to the public, the government's management of the public debt is complicated by the possibility of having to repay some part of its debt with no prior notice. This, of course, is a feature of Canada savings bonds as well, and it is precisely that problem which has in the past caused concern to government that savings bonds should not comprise too large a proportion of public debt.

So it would be adding to this problem if we were to issue a substantial number of other bonds which could similarly be cashed at any time without notice. I should add, however, that this is probably more of a theoretical than a practical difficulty. It is not very likely that lottery bonds would provide a substantial portion of the government's funded debt, in any event.

A more important fact is that, from the standpoint of financing the government's cash requirements, lottery bonds are really not needed. There are no real problems in raising necessary funds through the normal financial instruments: market bonds, Canada Savings Bonds, and Treasury bills. The cost of borrowing funds through those traditional routes is considerably less than would be the cost of merchandising lottery bonds.

So I submit that lottery bonds cannot be justified from the standpoint of meeting the requirements of government. In fact, I think it can be argued that there could be negative effects for government debt management if lottery bonds were issued. For one thing, lottery bonds could cut into the market for Canada Savings Bonds. This point was made as well by the Hon. Member for Lambton-Middlesex, and it is well taken. The market for both would be much the same, that is, those Canadians with modest amounts of savings. However, a large proportion of savings bond investors buy these bonds primarily for income purposes. Many of these investors are retired or approaching retirement and want the highest possible income from their investment. It is not likely that this part of the market would be attracted to purchasing lottery bonds. If it were, however, I submit that the results would be pretty undesirable from a social policy point of view.

Lottery bonds raise other difficulties for government debt management. There are inherent problems in mixing the concepts of a lottery and a bond. Not all Canadians are skilled and sophisticated when it comes to their investments. We saw this a few years ago in the widespread misunderstandings and confusions which surrounded the question of the perpetual bonds which the Government of Canada had issued in the 1930s. People misunderstood the nature of that bond issue, and a number of investors were disappointed. One feature of lottery bonds is that they do not usually carry a maturity date. That fact alone could create problems of misunderstanding. And I am sure that many Canadians would be confused as to the differences between lottery bonds and savings bonds. So I believe there are some potential problems in a lottery that masquerades as an investment. For a good many reasons, it would be best not to mix the two.

I would like to speak for a moment, Mr. Speaker, about the social issues. I suggested at the outset of my remarks that some people have viewed lottery bonds as a useful outlet to satisfy the public's gambling impulse, apparently a very strong impulse. That might have been a valid argument not many years ago before the proliferation of official lottery schemes across Canada. However, I do not think it can be claimed that there is any shortage of opportunities for Canadians to give expression to their urge to get rich quick in a big lottery killing. It is also fair to say that there are no shortages of ways in which Canadians can save and invest their moneys today. Banks, trust companies, credit unions and other financial institutions are competing for the public savings. One of the primary social objectives of Canada Savings Bonds has been to encourage Canadians with modest means to establish good savings habits. That is probably one of the important factors behind the very high savings rate which we have experienced in Canada. Lottery bonds would encourage Canadians to speculate rather than to save.

For Canadians who put their savings into lottery bonds, the vast majority could suffer a significant decline in the real value of their savings and little, if any, flow of income. Lotteries provide big wins to only a handful of hopeful purchasers. This may not be too serious if it were a question of lottery tickets of only a few dollars. However, it could be a grave social problem if it were a matter of $100, $500 or $1,000 bonds. The cost in social terms could be severe unless there were a relatively low limit on the total amount of savings which an individual could invest in lottery bonds.

• (1650)

It is sometimes suggested that the experience of the premium savings bond scheme in Britain could be duplicated in Canada. However, I do not think the two situations are similar. In Britain there is only one national lottery scheme, the premium savings bond plan, although there are a number of sports pools which involve relatively small wagers. Here in Canada there are a number of national and provincial lottery plans which attract substantial amounts of funds from large numbers of Canadians. It is likely that a lottery bond scheme in Canada would meet much stiffer competition than does the British plan.

There are some practical problems as well in administering a lottery bond scheme. It would mean setting up a special bureaucracy to handle these bonds. They would be so different from normal government bonds that I do not think the Bank of Canada administration would be appropriate.

There are marketing questions as well. It is one thing for your corner tobacco shop to handle $2 or $5 lottery tickets. It is quite another matter to contemplate that shop handling bond sales of $100, $500, $1,000 or more. I have doubts whether banks and other financial institutions would want to serve as marketing outlets for this kind of product which would be competing directly with their savings accounts.

The idea of earmarking the funds raised through lottery bond sales for some particular field of government expenditure raises some concerns. This approach implies that the level of expenditures in this chosen field is determined, not by the relative priority or importance of the government service which receives the lottery money, but rather by the element of chance, how successful the lottery sales might be.

The Hon. Member for Winnipeg-Assiniboine, in the earlier version of his resolution which appeared on the Order Paper, suggested using lottery funds for such purposes as increasing federal transfers to the provinces for established programs financing, or other designated federal-provincial programs. I suggest that these programs are of such an important nature that their funding should not rest on the uncertain base of lottery plan funding. I appreciate that this earlier resolution spoke of the Department of Finance being responsible for setting priorities for allocating funds from the lottery bonds. That is precisely the Department's role when it comes to government expenditures out of the Consolidated Revenue Fund.

I recognize that there has been a tendency to earmark funds from other lotteries for particular areas such as sports, cultural development and the like. I do not think it is wise to extend this practice more broadly into such important areas as federal-provincial financing of medical, hospital or educational services.

The mention of federal-provincial programs raises another question. What would the provinces say about this lottery bond proposal? Has the Hon. Member sponsoring this resolution looked at the provincial reaction to the new federal sports pool? Provincial ministers have been most vigorous in opposing this federal initiative. They claim it runs contrary to the agreement with the provinces, which was made by the former Conservative Government in 1979. I do not agree that the provinces have a valid objection. However, I am rather surprised to see this kind of proposal from the Hon. Member opposite.

In conclusion, I submit that for a number of reasons, Mr. Speaker, we would not be justified in asking the standing committee to consider this idea. Briefly, the scheme is open-ended and it would be difficult to control the amount of lottery bonds outstanding. Second, it would raise other problems in the management of the public debt, including creating competition against Canada Savings Bonds among small savers. There are no problems in raising funds through traditional methods, so there is no reason, on financial grounds, for introducing a lottery bond proposal. The cost to Government of lottery bonds would not be significantly lower than that of borrowing through traditional securities, when we consider all the additional costs of administration and the cost of tax exemption for lottery winnings. Finally, there are many alternative lottery schemes available to Canadians who want to gamble, and this scheme is not needed for the purpose. I would personally not support the proposal.

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I would like to spend a bit of time discussing the motion which is before us today. I have great difficulty with it. I, like my colleagues on this side of the House, and I am sure my colleagues on the other side of the House, have some difficulty with the notion of a form of gambling as a mechanism for raising public funds for public purposes. Most of the lotteries in the country, Mr. Speaker, have responded to a need. Gambling will go on in the country, and the Government is providing, at least within the context of gambling, a fair and honest outlet for that kind of behaviour. That is fine.

In most cases, Mr. Speaker, the funds which are raised through that type of vehicle are used for purposes in addition to those which we would consider to be essential public services. Whether the funds are from Wintario, Lottario, the lotteries in Quebec, 6/49 or the sports pool, they are being used for purposes which might not otherwise be funded through tax revenues. Perhaps the taxpayers would not consider those purposes to be of sufficient importance to allow themselves to be taxed to finance them. As a result, forms of pools, lotteries, and other vehicles have been established to raise money over and above the moneys raised through the tax system to fund what we consider to be essential public services.

The Hon. Member's motion suggests that the funds to be raised through a lottery bond vehicle could be used to fund post-secondary education, medical care and so on. I would object very strenuously to that, Mr. Speaker. The day we reach the point when we are willing to finance essential public services such as health care, post-secondary education and perhaps even adequate pensions for our elderly, with a gambling vehicle is the day that our tax system and fiscal policy will have reached an all-time low.

It should be clear that essential public services should be paid for through funds raised via an equitable and fair tax system. We should all bear the burden in a fair and equitable manner for these essential public services which we believe governments should provice to the Canadian public. I think the objective is quite clear that the enticement would be to lower middle-income Canadians as opposed to Canadians at large. It does not seem to me, Mr. Speaker, that we need to find some other new and fancy way of trying to entice these people who can least afford it to provide some subsidization to Canadians at large for post-secondary education, medical care and so on.

Mr. Speaker, I disagree with this approach. I do not think the subject matter of this motion should go to the Finance Committee. We have much more important things to do than to consider this proposal.

[*Translation*]

The Acting Speaker (Mr. Herbert): Order. The time provided for the consideration of Private Members' Business has now expired.

It being five o'clock, the House stands adjourned until next Monday, May 14, at 2 p.m., pursuant to order of Wednesday, April 18, 1984.

At 5 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, May 14, 1984

The House met at 2 p.m.

• (1405)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

NATIONAL REVENUE

ALBERTA TAXPAYER'S CLAIM AGAINST DEPARTMENT

Mr. Gordon Taylor (Bow River): Mr. Speaker, I have several times brought to the attention of the Minister, in this House and by letter, the plight of a constituent of mine who lives in Cochrane, Alberta. He paid $1,000 on an instalment basis to the Department of National Revenue through the Mercantile Bank in Calgary, on October 14, 1975. The Minister admits the money came to the Department, it was not credited to this man's account, and about that time it sent a $1,000 cheque back to the Mercantile Bank in Calgary because of a lack of identification. The bank says it is agreed by all that my constituent paid the $1,000 in October, 1975, and that the bank took another $1,000 to pay this same account out of this man's bank account, by order of Revenue Canada, because it had not been credited to his account.

The bank goes on to say there is evidence that the man paid the $1,000 and the Department does not have evidence it paid the $1,000 back to the bank. The bank says if it had some evidence of that, the bank would make it good. But the Department cannot come up with that evidence because the Minister says the departmental records have been destroyed. Surely, Mr. Speaker, this man should not be left holding the bag.

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

* * *

[*Translation*]

THE LEADER OF THE OPPOSITION

OFFICIAL RESIDENCE RENOVATION COSTS

Mr. Gaston Gourde (Parliamentary Secretary to Solicitor General of Canada): Mr. Speaker, Canadians have always wondered what the Leader of the Progressive Conservative Party meant by cutbacks. He has said time and time again that cutbacks are absolutely necessary, adding that if he were to form the Government, he would make radical cuts in spending, wherever and whenever that would be necessary.

Mr. Speaker, I am sorry to say that at the very first opportunity, the Leader of the Official Opposition did not hesitate to spend our tax money very generously. Cutbacks were certainly not on his mind when he spent nearly $150,000 in public money on renovating, redecorating and a few coats of paint at Stornoway, the official residence of the Leader of the Opposition.

Predecessors of the present Leader of the Progressive Conservative Party showed Canadians they took cutbacks more seriously. Mr. Speaker, Canadians cannot afford to move this free spender from Stornoway to 24 Sussex Drive, the official residence of the Right Hon. Prime Minister. However, perhaps the Progressive Conservative Leader can afford to spend this kind of money on his residence because he already knows he will be there for a long time. He has signed a long term lease, unless the long knives of the Progressive Conservative Party do their work once more.

* * *

[*English*]

INVESTITURE OF GOVERNOR GENERAL SAUVÉ

CONGRATULATIONS TO FORMER MEMBER OF PARLIAMENT

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, those of us who have the honour to sit in this Chamber develop a special kinship for one another regardless of party affiliation. We take deep personal interest in one another, and that continues even when we leave this Chamber. Never, Sir, were those ties more deeply felt, never was that interest more deeply evidenced than this morning when we saw one of our former Members elevated to the highest office in the land as Governor General. We who came here in the class of '72 are particularly proud that one of our number should be so designated.

Her Excellency, Madam Sauvé, takes with her to that high office a wealth of experience and accomplishment which has distinguished her public service to Canada.

[*Translation*]

I said that Members of the class of '72 are happy to see this great honour conferred on one of their group. Speaking as well, if I may, on behalf of the Minister of National Health and Welfare, since we both became Members of the House at the same time as Mrs. Sauvé, I must say that we are particularly pleased. We are proud of the fact that she is the first

S.O. 21

woman to be appointed to this very distinguished post. We are convinced she will approach this new task with wisdom and fortitude, and we wish her the very best.

* * *

THE ECONOMY

REQUEST THAT GOVERNMENT PROVIDE SUPPLEMENTARY AID FOR QUEBEC NORTH SHORE

Mr. André Maltais (Manicouagan): Mr. Speaker, the Canadian Government has done a great deal for people in northern communities, especially in the last two years since the iron ore slump hit the North Shore. However, I do wish the Government would continue to look at what is happening to people in Schefferville, Gagnon and Fermont, and in Labrador City and Wabush next door to my own constituency, because there are people who have been laid off recently and who have yet to receive all the benefits agreed to by Iron Ore. They should receive some additional assistance from the Government. Mr. Speaker, it is often said that our recovery is being launched by the private sector. I must say that on the North Shore, the private sector caused the problem. I would like to see the Government make an additional effort to provide assistance, not to companies that are already being helped through the statutory measures of our programs but to the people directly affected by the recession.

* * *

• (1410)

[*English*]

HUMAN RIGHTS

BRITISH COLUMBIA LEGISLATION

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, last week the Government of British Columbia passed a Human Rights Act which represents a big step into the Dark Ages for British Columbians. This Act violates several international conventions previously agreed to by the Government of British Columbia.

Under the International Convention on the Elimination of All Forms of Racial Discrimination Against Women, Canada has agreed to educate the public about racial and sexual discrimination. The proposed new Human Rights Council in British Columbia will be unable to enforce existing legislation against racial discrimination and discrimination against women.

This new legislation drops the clause prohibiting discrimination "without reasonable cause". By dropping this clause the provincial Government is violating the spirit of the International Covenant on Civil and Political Rights. Since the federal Government is aware of these violations and some Ministers have rejected the provincial Government's changes to the Human Rights Act, I would like to call on the Prime Minister to have a serious talk with Premier Bennett. These violations should be presented to the United Nations tribunal by the appropriate body.

* * *

INVESTITURE OF GOVERNOR GENERAL SAUVÉ

EXPRESSION OF GOOD WISHES

Mr. Jesse P. Flis (Parkdale-High Park): Mr. Speaker, as already mentioned by the Hon. Member for Kingston and the Islands (Miss MacDonald), today Canadians witnessed the investiture of the Hon. Jeanne Sauvé as the 23rd Governor General of Canada. After a lengthy illness we are pleased that God gave her the health and the strength to assume the highest office of our country. By accepting this office, her Excellency has made today a great day for all women in Canada, and a great day for Canada itself.

Her Excellency has already drawn our attention to two serious issues facing Canada and the world, the problems of our youth and the problems of Third World people who find themselves in countries less fortunate than our own. On behalf of the Constituents of Parkdale-High Park I wish Her Excellency, the Hon. Jeanne Sauvé, continued health and strength so that, with our help, she can find solutions to the problems facing Canada and the world.

* * *

VIA RAIL

TORONTO-PETERBOROUGH-HAVELOCK—CALL FOR RESTORATION OF SERVICE

Mr. Bill Domm (Peterborough): Mr. Speaker, I rise today on an important matter relating to the cancellation of VIA Rail passenger service between Toronto, Peterborough, and Havelock. Since its very questionable termination in 1981, we in the Official Opposition have continually criticized the decision to terminate the most cost-efficient route in Canada. In fact our opinion was fully endorsed by the Railway Transport Committee of the CTC which recommended that:

—pending the outcome of this further review, the Toronto-Havelock service shall not be discontinued.

The reason for cancelling this service, we are told, was based upon insufficient funds and the need for restraint. It will, therefore, come as quite a surprise to learn that the Grand Trunk Corporation of Detroit, a subsidiary of Canadian National, is attempting to buy control of the bankrupt Milwaukee Road Railway which has net liabilities of approximately $250 million. Its main competitor to buy this line is the Soo Line of Minneapolis, which in turn is controlled by Canadian Pacific.

It is indeed interesting that the railways which have no money for functioning Canadian lines have sufficient bankrolls to bid for bankrupt American rail lines. It is deplorable and fiscally irresponsible for two Canadian railways to compete for the acquisition of foreign owned companies while simultane-

ously denying Canadians the right to rail service, such as the Toronto-Peterborough-Havelock line.

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PIPELINES

THREAT TO COMPLETION OF ALASKA HIGHWAY NATURAL GAS PIPELINE

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, Members of Parliament will recall some three years ago granting authority for the pre-build section of the Alaska Highway natural gas pipeline, that part designed to exploit Canadian gas reserves for the benefit of American markets, on condition that the line would be constructed in its entirety at some future date. Members will remember the so-called iron clad guarantees of the then Minister of Energy, Mines and Resources, the gentleman who now holds the portfolio of Minister of Finance (Mr. Lalonde). Well, it now appears that the line, in all probability, will never be built.

Yukon Pacific Corporation, headed by Walter Hickel, former Governor of Alaska, has now formally applied for permission to construct a trans-Alaska line to sell Prudhoe Bay gas to Japan. The end result is likely to be that Canada supplies the "lower 48" with cheap Canadian gas, while the Americans sell their own Alaskan gas to Japan at much higher prices. So much for the iron-clad guarantees, so much for the national energy policy, and so much for the guideless ex-Minister of Energy and the discredited Liberal Government which he serves.

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● (1415)

MEDICAL CARE

HEALTH CARE IN ALBERTA—CONSIDERATION OF PRIVATE SECTOR ADMINISTRATION

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I rise today to express concern about recent developments in Alberta. We have learned that the Progressive Conservative Government of Alberta is considering contracting out the administration of health care in that province to the private sector.

We have just gone through a process where we had a national consensus in favour of all principles of medicare. In the interests of that consensus, and in the interests of the future of medicare, I call on my Progressive Conservative colleagues to the right to condemn what their buddies in the Alberta Government are contemplating with respect to the future of medicare. Let us hear from the Leader of the Opposition (Mr. Mulroney), and from the Tory health critic, that they do not want to see the privatization of health care in Alberta. Then we will be able to believe them and what they had to say about the Canada Health Act and the future of medicare. Or is this a portent of the kinds of things we will see if and when we have a Conservative Government in Canada?

Oral Questions

ORAL QUESTION PERIOD

[*English*]

FINANCE

INTEREST RATE LEVELS—PRIME MINISTER'S STATEMENTS

Hon. John C. Crosbie (St. John's West): Mr. Speaker, my question is directed to the Prime Minister. On February 10, 1980, he said, as reported in *The Toronto Star*, that it was his belief we could manage the economy in a way which would allow us to have lower interest rates, and that he thought "we can have greater independence in interest rate policy". Since then the prime rate went to 22.75 per cent. It was later down to 11 per cent, and it has started back up. It is now 12 per cent.

Last week, on May 10, the Prime Minister stated "that when the basic rate in the U.S. goes up it is impossible for Canadian rates not go up . . . we cannot divorce ourselves from the American money markets."

Which statement of the Prime Minister is the true and correct one—his election bait statement, or the latest one? What has happened to change the Prime Minister's mind about Canada having greater independence in interest rate policy? Why is there this about-face in the last four years?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I explained last week in answer to questions, I believe from the Hon. Member's Party and members of the other Party, that the reason we cannot be completely isolated from the United States is that we have a free money market in Canada, as there is in the United States. If Canadian people who save their money want to obtain a market rate and the market rate goes up, they will obviously lend their money for higher interest rates. What I was explaining—and I will explain it again to the Hon. Member; he may not have been listening—is that there is no way without controls that the Government can force Canadians to lend their money to the Canadian Government, or to other Canadians, at a lower rate of interest than they could obtain in the United States.

What would a Canadian saver, to whom we would say: "Be a nice fellow. The Member from Newfoundland would love you more if you were prepared to lend your hard-earned savings at 8 per cent rather than at 10 per cent or 12 per cent", say to the Hon. Member from St. John's, Newfoundland? He would say: "Why shouldn't I lend my money for the market rate? If you in Canada do not want to borrow my money—your banks, or your Government through your savings bonds—at the going rate, I will go to the United States, lend my money there, and get more money for it".

In simple terms, or in terms the Hon. Member can understand—and I see that he is nodding in assent, he understood this—this is why it is impossible, without controls, to be completely independent of American money markets. I know the Hon. Member would not want us to go to controls, therefore that is my answer.

• (1420)

PRIME MINISTER'S POSITION

Hon. John C. Crosbie (St. John's West): Mr. Speaker, I read every word of the Prime Minister with great attention, because he is a vanishing specimen. He will soon be gone. My question to the Prime Minister is not on what he now understands. It is to ask why he deceived the Canadian people four and one-half years ago. Why did he not then give the explanation he gives us now? The Prime Minister said then that we could have greater independence in interest rate policy. Now he is saying we can have no independence. Is it because of the incompetence of the Prime Minister and his Government that the chance for independence has gone?

Let me put this to the Prime Minister. Last Thursday he said that Members should understand that interest rates in Canada are a direct reflection of interest rates in the United States. If he did not understand that in 1980, after 12 years in power, and told the Canadian people the opposite, how can he now expect Members to understand the opposite of what he told and promised the Canadian people?

Does the Prime Minister now say we have no influence over our economic destiny? Is this where the Prime Minister is proposing to lead Canadians after 16 years of their putting trust in him, saying we have no options?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am not proposing to lead the Canadian people. The Hon. Member just said that I was a vanishing species. Therefore, I will not be leading them.

If he asks about whether it is possible to have a measure of economic independence from the United States, the answer is yes. In the 1980 campaign we pointed out several ways in which the Government would continue to assert its independence over its economic destiny. We did this with many measures, not all approved by the Opposition. For instance, in the area of foreign investment we know that foreign investment cannot come here, even with higher interest rates or higher returns promised to its shareholders, if it is not cleared by the Foreign Investment Review Agency. We know the same is true in the area of banking, and in the area of investment in financial institutions. There are areas where we can be independent, where the interest rates and the dividends and so on can be made to differ by the Canadian Government.

Once again, without over-all controls we cannot isolate ourselves completely in every area from the American market. The example I gave last week is true for every country in the world, particularly every industrialized country. They are seeing the value of their currency devalued because citizens of their countries, like citizens of Canada, are sending their money to the United States where they can get higher interest. Even in the case of the less developed countries, the Third World, they are being very heavily penalized by high interest rates in the United States. It is causing them to have to pay world-wide interest for their borrowings in the United States. They are paying high interest rates because of the interest rate prevailing for the American dollar.

SECRETARY-GENERALSHIP OF ORGANIZATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

Hon. John C. Crosbie (St. John's West): Mr. Speaker, we have heard the Prime Minister admit that he is beaten, that he is whipped by these economic problems. The Prime Minister is now asking the OECD nations to accept this country's Minister of Finance as the new Secretary General of the OECD. We know that the United States is supporting a French diplomat, anyone but our Minister. What are the chances of the Canadian Minister, in the view of the Prime Minister? Will the Prime Minister explain why the OECD should accept a Minister from the Prime Minister's Government in view of this Government's tragic economic failures? Is it that the Government wants to spread the misery by sending—

Mr. Speaker: Order. The Chair has concern about this as a supplementary flowing out of previous questions. A supplementary should come out of an answer previously given. This appears to be raising the question of an appointment.

Mr. Crosbie: Mr. Speaker, I will rephrase my final supplementary.

• (1425)

In view of the Government's record regarding interest rates and the economy in general, why does the Prime Minister have the audacity to ask the OECD to accept a failed Minister of Finance as its new Secretary-General?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Hon. Member suggests that I am leaving because I am beat. He must surely remember December, 1979. I still command a majority in the House, Mr. Speaker. I am not beat. The Hon. Member was beaten, and his Budget was beaten. That is why they are sitting on that side of the House, and they will sit on that side for a long while. I think the reason why they will, Mr. Speaker, is because of the extraordinary pettiness and ungraciousness of the Hon. Member, supported by laughs from the Hon. Member for Kingston and the Islands and everyone else, when they attack the desire of the Canadian Government to have a Canadian as Secretary-General of the OECD.

The Tories are unable to rise above petty politics even when it is a question of Canada's prestige abroad. They would prefer a socialist from France to a Liberal from Canada, and that is the measure of their thinking.

Some Hon. Members: Hear, hear!

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ENVIRONMENTAL AFFAIRS

ACID RAIN—CONTROL OF INDUSTRIAL EMISSIONS

Mr. G. M. Gurbin (Bruce-Grey): Mr. Speaker, my question is directed to the Minister of the Environment. He will know that acid rain and its impact on over 90,000 Canadian lakes continue to be one of our most urgent and pressing environ-

mental problems. He will also know that Inco, a non-ferrous smelter, is emitting approximately 2,000 metric tonnes of sulphur dioxide into the air each day. He will also be aware of the task force report which identified the financial and ultimate employment problems faced by Inco and other smelters when trying to come to grips with this emission problem.

I would like to ask the Minister if he has committed himself to the course of action that was recommended by the task force report and, if so, if there are solutions. What is he intending to do on behalf of the federal Liberal Government to control emissions in Canada today so that the lakes and the other areas of the environment that are affected by those emissions will not be affected in the five to 10-year intervening period before the ultimate solutions, which will depend upon research, will be determined?

Hon. Chas. L. Caccia (Minister of the Environment): Mr. Speaker, the short answer to that question is that, of course, I am committed, and we are all committed, to those reductions.

To deal with the Hon. Member's question in detail would take a fairly long answer. However, I would like to assure the Hon. Member, who shares this concern with all of us, that the report of the task force which dealt with non-ferrous industries recommends that the modernization of the non-ferrous industries proceed, with the idea of pollution reduction in mind. Thus, at the same time as those industries proceed with modernization, they will include in their plans an emission reduction program. The study is the first step in that direction. As well, it sets out a program for an industry by industry approach. As new technology is developed, the implementation of the reductions will take place.

I would invite the Hon. Member to look at the task force report as being the first step in the right direction. As well, there will be a working group of federal-provincial Ministers which will meet regularly in the months and years ahead to see to it that this program is put into place. I look forward to working with that group.

EFFECT ON NEW YORK STATE

Mr. G. M. Gurbin (Bruce-Grey): Mr. Speaker, my supplementary question is directed to the same Minister. The Minister will know that I and my Party have an absolute commitment to the research and development of the efficient commercial operations that are important to this industry in the long term. That, however, is a long-term solution. The Minister is talking about a delay of five to 10 years before there will be an actual reduction of emissions from those important sources.

I would like to ask the Minister if he is aware that 30 per cent of the acid rain falling on the State of New York actually comes from Canada, while only 10 per cent of it comes from the industries and the people of the State of New York. So what kind of an argument do we have, and what kind of agreement can we reach with the United States? What kind of important agreement can we reach with the United States, which must be necessary in order to control our own North American environment if we, in fact, are giving to some States more acid rain than they are giving to themselves?

• (1430)

Hon. Chas. L. Caccia (Minister of the Environment): Mr. Speaker, I am faced here with two questions and I will try to answer them as quickly as I can. First of all, there is no delay implied in the study which was just published. As the Hon. Member knows, we have already in place a planned reduction of 25 per cent by the year 1990. Inco has been ordered to cut. Ontario Hydro has been ordered to cut 43 per cent by the year 1990. It has been indicated to Noranda by the Quebec Government that it should cut 40 per cent by the year 1990. However, an order by the Quebec Legislature has not yet been passed. I raised this matter with my provincial counterpart this morning.

As to the situation in New York, Mr. Speaker, of course emissions are exported on Canada's part, but there is also a phenomenal amount of tonnage which comes across our border into Canada from the south. This is why we have tried to convince the Americans to come on board, and we will continue to do so, because we have made this commitment to cut emissions by 50 per cent by 1994. We know that we need the co-operation of the Americans to achieve a safe level of emission. We must get the co-operation of an administration in Washington which prefers to carry out scientific research without really taking on the responsibility it has to face, namely, cutting emissions, as we are already doing in Canada by ordering a 25 per cent cut in emissions by the year 1990.

Mr. Speaker: The Chair will attempt to recognize supplementaries later, in fairness to the parties involved. The Hon. Member for Kamloops-Shuswap.

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FINANCE

EFFECT OF CORPORATE TAX STRUCTURE ON UNEMPLOYMENT

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, in the absence of the Minister of Finance my question is directed to the Right Hon. Prime Minister who, on Friday, was attempting to explain the Government's inaction regarding the tragic unemployment level still being faced by Canadians.

The Prime Minister and his Cabinet colleagues have indicated, time and time again, that it is the private sector they look to in terms of getting Canadians back to work. Yet many of us feel that the present tax policy, which intends to encourage the expansion of businesses, tends to favour almost exclusively the large corporate sector which, if there is expansion, tends to be capital intensive as opposed to labour intensive. Is that the Prime Minister's observation as well? If it is, why would he continue with this type of tax policy which favours the large corporate sector with its capital intensive development, at the expense of small businesses or labour intensive development?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the Hon. Member looks at the over-all government policy, particularly the way it was reflected in the Budget, he will remember that there was a whole series of measures, including tax measures and tax simplification measures for small businesses—not for the large businesses. There were special concessions made to the small businesses in Canada, not only in terms of the rate of income tax, corporate income tax, but also in terms of the filing of the returns. It seems to me that if the Hon. Member would look with a fair mind at the Budget which the Minister presented earlier this spring, he would see that it bears out a thesis exactly contrary to that of the Hon. Member, to wit, the last Budget was very favourable to small businesses as opposed to the large businesses.

TAXATION OF SMALL BUSINESSES

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, the Prime Minister refers to the simplification of the tax form, which was expected by small-businessmen. Indeed, there were some improvements, at least, which are now about to be tabled. Other than simplifying the taxes which small businesses are required to pay—that does not mean diminishing but simplifying the process—can the Prime Minister identify two or three benefits which the small business sector derived from the recent Budgets in terms of reduced taxes or tax incentives? Can the Prime Minister identify two or three benefits for us?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, I will be happy to send the Hon. Member a copy of the Budget and of the Minister's budget speech. However, in the very asking of the question, when he says "to simplify", the Hon. Member will remember that not only was the Minister simplifying, but he was giving a very considerable number of small businesses access to the simplified and lower rates which had not been covered before.

BUSINESS INCENTIVES

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my last supplementary question will, in a sense, be a revision of my previous question. The Prime Minister likely knows that there are approximately 200 areas of assistance to business as a result of tax policy—200 tax incentives, tax breaks or tax loopholes, whatever one wants to call them. Out of those 200 tax breaks for business, about three or four apply specifically to small business. I wonder if the Prime Minister could identify simply one which relates to the small business sector, out of those 200.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the Hon. Member says "200", surely he must have at least 50 in his mind. Perhaps he could identify 50.

COPYRIGHT

PROVISION OF CANADIAN BROADCASTING CORPORATION MATERIAL FOR SCHOOLS

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. No doubt the Minister will be aware that for the past 13 years Canada's universities and schools have been trying to obtain access to CBC broadcasting materials which could be useful in our schools and universities across Canada, for education purposes. The Minister of Communications has stated in the past that he is working in conjunction with the Minister's Department in order to find a solution to the problem, and to examine the copyright laws. Both Departments have set up a task force, and a report was to be filed. This was some time ago, and I wonder if the Minister could explain to the House what the task force has recommended in finding a solution to the problem?

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Mr. Speaker, I have not received the recommendations of the task force as yet. However, I will be consulting with the Minister of Communications, if he has indeed received that report.

PROCEDURE FOLLOWED IN UNITED STATES

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, the Minister of Communications stated in 1982 that the report would be filed in the summer of 1982.

In the United States the Government has appointed an educators' ad hoc committee on copyright law to examine the problem. They have found a solution to the problem and have now reached an agreement with the TV and radio networks in the United States so that anything can be taped off-air, held for 45 calendar days, and viewed in class any number of times during the first ten days of school. This has been accomplished without any amendments to the United States copyright laws. Will the Minister investigate and find out why we cannot find a solution to this problem now? A delay of thirteen years is not acceptable.

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Mr. Speaker, there is a solution to the problem. The Hon. Member must be aware that we tabled a white paper on copyright just ten days ago in which we look at all areas of copyright and how they should be changed. That paper has been referred to the Standing Committee on Communications and Culture and will be examined there. I hope the Hon. Member will be an active participant because we would like to see the legislation approved, and the Act changed some time early in the fall.

NATIONAL REVENUE

BARRIE HOSPITAL FUND RAISING CAMPAIGN—REFUSAL OF TAX DEDUCTIBILITY

Mr. Ron Stewart (Simcoe South): Mr. Speaker, my question is directed to the Minister of National Revenue. The Minister will be aware that one of his officials, Mr. Robert Young, has interfered with the fund raising efforts of the Royal Victoria Hospital in Barrie. The hospital plans to give one autographed copy of a print by Ken Danby, a well known Canadian artist, to each of 500 persons who donate in excess of $500 to the building fund of the Hospital, which would bring in the amount of $250,000.

Mr. Young has ruled that, if this is done, tax deductible receipts will not be issued. In light of the fact that his Department will collect tax on the $20,000 which Mr. Danby will receive for the original painting, and the fact that I have previously brought this up in the House and have written the Minister two letters, will the Minister now agree to reverse Mr. Young's decision and support this very worth-while cause?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I may point out to the Hon. Member that the courts have already ruled that for donations to be called charitable, no material good should be received in return.

Nevertheless, I can assure the Hon. Member that I am still discussing the issue of charitable organizations with my officials and the matter is also being discussed with the parties concerned.

[*English*]

REQUEST THAT MINISTER RESIGN

Mr. Ron Stewart (Simcoe South): Mr. Speaker, it has been three months now. I believe that if the Minister cannot reverse a decision of one of his underlings, it is proof positive again that not only is he discriminating against the taxpayer but he is discriminating against Canadian artists and Canadian hospitals which are under funded because of his Government. If this modern day Shylock will not reverse that decision and tell us he will, why does he not resign and take his place among the lifeless candidates for the Liberal leadership?

• (1440)

An Hon. Member: Bravo, bravo!

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I am not resigning because I am not as stupid as the Hon. Member. His argument shows, first of all, that he is ignorant of the laws of this country, and second, that he does not know the facts. Let him get his facts straight first and then argue on the basis of those facts.

[*English*]

HOUSING

FUNDING OF CO-OPERATIVE AND NON-PROFIT GROUPS

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I have been waiting for three days to ask a question of the Minister responsible for housing. I will ask it of the Prime Minister.

In the past, Mr. Speaker, the unit allocation for co-ops and non-profit housing was in the hands of the recipients by the end of February in order that work could start on the projects. We are well into May and the co-ops and non-profit housing groups are still waiting for an indication of the total number of units which will be approved this year. CMHC is stalling, and releasing funds in dribs and drabs. Can the Prime Minister tell us why the money has not been sent out to these groups? How many units are going to be approved? Would it be possible to have that amount tabled in the House?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, in the absence of the Minister I will have to take the Hon. Member's question as notice. I do not have the answers at hand.

Mr. Speaker: The Hon. Member for Prince George-Peace River on a supplementary. Does the Hon. Member for Prince Albert have a supplementary? In view of the fact that the Prime Minister has taken the question as notice, it is difficult to understand how a supplementary would be in order. However, I will concede one to the Hon. Member.

SOCIAL HOUSING PROGRAM

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my second question is much more on policy. A large portion of the federal Government's social housing program has been—

Mr. Speaker: In view of the fact that the Prime Minister has indicated he would have to take the first question as notice, it is difficult to construe this kind of a supplementary question as being in order. The Hon. Member for Prince Albert, but he cannot ask a detailed question.

Mr. Hovdebo: A large portion of the federal Government's social housing program goes to social—

Mr. Speaker: The Hon. Member for Prince George-Peace River on a supplementary.

* * *

ENVIRONMENTAL AFFAIRS

MINING INDUSTRY'S ANTI-POLLUTION MEASURES

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is for the Minister of State (Mines). It is supplementary to the question asked on the report on the non-ferrous metal side. It is quite apparent from the report that the Government relies almost entirely for the clean-up of our

environment on industry, on the economic recovery of the mining sector, and on the discovery or development of new technology. Does the Government have any plans to accept some public commitment to clean up the environment instead of putting all the blame on the shoulder of industry, particularly at a time when the mining sector faces such an uncertain future and when the development of new technology is quite far off in the future?

Hon. William Rompkey (Minister of State (Mines)): Mr. Speaker, the report said quite clearly that capital funds may be required. I think the commitment of the Government of Canada is quite clear too. My colleague, the Minister of the Environment, has said publicly that we are committed to a 50 per cent reduction by 1994. That is the objective which he has staked out. I concur with that and intend to assist in meeting it. The report is an analysis. It is an important first step. We must now refine the technology in order to achieve two things. The first is environmental protection and emission reduction. The second thing, which is equally important, is the efficiency and health of the mining sector itself. Knowing where the Hon. Member comes from and what his interests are, I think he would support that. I want to bear those two objectives in mind. We on this side of the House intend to do what we can to promote the achievement of both those objectives.

REQUEST THAT MINISTER MEET INDUSTRY REPRESENTATIVES

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, no one argues with these objectives. However, rather than making any more arbitrary decisions and commitments with the provincial Ministers to reduce sulphur dioxide emissions and other harmful airborne particles, would the Minister undertake to meet with industry to ensure that the health of the industry is safeguarded against any arbitrary decisions which have been made in the past?

Hon. William Rompkey (Minister of State (Mines)): Mr. Speaker, that kind of meeting has taken place in great depth. The industry was very much a part of this report, feels very strongly about it, and indeed concurs with the report. I will be meeting with my colleague, the Minister of Mines, on Wednesday. I intend to raise this matter with him. This should be a tripartite effort on behalf of the Government of Canada, the provinces, and the industry.

With regard to consulting industry, I have my own advisory committee. I have met with the Mining Association of Canada already and will be speaking to them again on Wednesday night. Our commitment is to achieve the objectives in consultation with industry.

VIA RAIL

EDMONTON-VANCOUVER—REQUEST FOR SPEEDY RESTORATION OF SERVICE

Mr. David Kilgour (Edmonton-Strathcona): Mr. Speaker, my question is for the Minister of Transport, if I can get his attention. The Minister has indicated that VIA Rail service between Edmonton and Vancouver will not be restored without provincial participation. Will he indicate to the House why he does not feel that there is a legal, constitutional, and moral responsibility of the federal Government to restore that service as quickly as possible?

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, the Hon. Member for Edmonton-Strathcona has put two premises to his question, both of which are wrong. I did not say that we would require them to participate in the redevelopment of a line itself. I indicated that because the major benefit of any restoration would be in the area of economic development and tourism, it would be very helpful to have the participation of local municipalities and the provinces on the economic development side of any restoration which might be contemplated. This would include such things as marketing, related tourist facilities or whatever, in order to determine how serious they were in their commitment to the economic development activity within that region. We would be prepared to adhere to our provision of rail service as long as there was a clear indication of their willingness to be a partner in the over-all program of enhancing tourism and economic development activity. That, Mr. Speaker, was the type of proposition we put forward, as opposed to the kind the Hon. Member has outlined.

GOVERNMENT'S POSITION

Mr. David Kilgour (Edmonton-Strathcona): Mr. Speaker, you will see why the Dodo bird and the dinosaur have more reason to survive in western Canada than this bunch across the floor. They have spent $780 million to try to save the Minister's seat, and have cut off rail transportation between the largest city in western Canada and Edmonton. Mr. Speaker, it is obscene what the Government has done to those communities. I invite the Minister to tell the House a little truth instead of a little nonsense.

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, I can think of no one in the House who is better able to comment on Dodo birds than the Hon. Member, seeing as he has to look in the mirror at one every morning. The fact of the matter is—

Mr. Speaker: The Hon. Member for Kingston and the Islands.

SOCIAL SECURITY

LIBERAL PARTY LEADERSHIP CAMPAIGN—CANDIDATE'S STATEMENT ON CUTTING GOVERNMENT DEFICIT—IMPACT ON SOCIAL SERVICES

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is for the Minister of National Health and Welfare who is responsible for such programs as medicare and old age Security. Last week, following the announcement by a Liberal leadership candidate that he would cut the deficit by some $15 billion, the Vice-President of the Bank of Nova Scotia said that this could only be accomplished by making major cuts to health care and post-secondary education, by putting a means test on old age pensions, and by imposing user fees for medical services. Since the Minister is supporting that particular Liberal candidate, what recommendations has she made as to which of these programs she would be willing to cut?

Hon. Monique Bégin (Minister of National Health and Welfare): That is a very bizarre question, Mr. Speaker. The Hon. Member, who, I thought, would accompany me at my request, knows very well that I just returned from Geneva where the World Health Organization's annual meeting was held, and from Brussels where I had the pleasure of signing the reciprocity agreement on pensions for Canadians and Belgians. I think that is going to be my answer.

Some Hon. Members: Hear, hear!

• (1450)

Miss Bégin: I think it is important to talk facts, and maybe she should check her facts, because mine are the ones I have just stated.

Miss MacDonald: Mr. Speaker, I realize the Minister was out of the country, and I realize she would really like to duck this embarrassing question. However, with a statement like that and the concern it is causing around the country, the Minister cannot get away from facing up to this question. She has to recognize that the very person responsible for starting this country on its ruinous deficits is now trying to put the blame on social programs.

MINISTER'S POSITION

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, is the Minister willing, as is the leadership candidate she is supporting, to put the elderly and low income people in the front line of attack? Is that what she is all about?

Hon. Monique Bégin (Minister of National Health and Welfare): Mr. Speaker, I would like to thank the Hon. Member for giving me a golden opportunity to remind her and her Party that this Liberal leadership convention is about defeating the Conservatives in the next election. Every candidate for the leadership is going to be elected by some of these people, the same Canadians who have a beautiful network of social programs. This is Canada; social programs are part of our social fabric, and we will never go back on that.

Some Hon. Members: Hear, hear!

* * *

STATUS OF WOMEN

NATIVE WOMEN'S RIGHTS

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, my question is for the Prime Minister, who will no doubt be aware of the very strong concern Canadians have, especially women, for the repeal of the discriminatory Section 12(1)(b) of the Indian Act, and the reinstatement of native women and their first generation children. Would the Prime Minister not agree that equality for women is now entrenched in the Constitution of Canada through our Charter of Rights, and that accordingly the establishment of equal rights for native women must come first in the promised legislation so that native women will be able to take part in the evolution of native people's self-government?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Hon. Member is stating a lot of correct facts about the Charter of Rights. Equality in every area should prevail over other laws, and that is the sense of the Charter. That is why we on this side hold that the Charter will and must prevail. The legislation itself is part of a whole movement by this Government to update its legislation so it will be in conformity with the Charter. But I would suggest that if, by chance, we could not pass the legislation—and the Government plans to do it—the Charter would still prevail.

I must point out to the Hon. Member that aboriginal rights are also part of the Charter. She is not unaware that there is a difference between the AFN, the Indian federation, and the other parties to the constitutional conference held in March on the way in which women will be given equal rights under the Indian Act. It is that debate which is taking a little bit of time. We want to assert and reassert in our legislation the principle of equality contained in the Charter, but we would prefer to do it in a way acceptable to the Indian people themselves in order to avoid any suspicion of paternalism. If we can succeed in doing it in a way which will get their assent, I think it is worth waiting a little while longer.

WOMEN'S ATTENDANCE AT EDMONTON CONFERENCE

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, my supplementary is directed to the Minister responsible for the status of women. It concerns this very debate and the ability of women to take part on an equal basis.

The Minister will be aware that a conference among native peoples is opening tomorrow in Edmonton, and that native women's organizations have been seriously disadvantaged because they do not have the funding to attend it. Many women have had to borrow money, for example, in order to go

at all. Would the Minister assure us that there will be at least enough funding for two women from each province to attend, and will she tell us what her Department can do to ensure that women can have a voice in this debate? Can she assure us that they will get the same kind of funding for legal advice and lobbying which the organizations putting forward the other view have received?

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Mr. Speaker, I am delighted to answer the question and express my disappointment with some of those women who did not see fit to bring their problem to my attention until last Friday night. I was in my riding at the time and was unable to respond to them because, of course, offices close at five o'clock. In the meantime I set in motion a request through the office of the Secretary of State, and I understand there is some $50,000 available, and we are looking into that at the moment. I reiterate that I am very disappointed that they did not come forward to ask for this funding earlier. However, we will do our best to see that they get something to attend that conference.

* * *

CROWN CORPORATIONS

PETRO-CANADA—CONFLICT OF INTEREST GUIDELINES

Mr. Peter Elzinga (Pembina): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Can he indicate to the House exactly what process is followed if an individual is found in conflict of interest while employed in a Crown corporation? I refer specifically to Petro-Canada. Would the Minister give consideration to the dismissal of individuals found in conflict of interest?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Mr. Speaker, there is a management board of Petro-Canada and they have to apply the normal business practice and government practice in situations of conflict of interest. Of course I do not know which problem the Hon. Member refers to, but if he tells it to me I will refer it to the chief executive officer to make sure the situation is corrected.

PURCHASE OF FURNITURE BY EXECUTIVES

Mr. Peter Elzinga (Pembina): Mr. Speaker, the chief executive officer is involved in the conflict of interest, along with the vice-president of human resources and corporate administration. I refer specifically to them using their position to purchase furniture from Petro-Canada at drastically reduced rates. I have copies of the sales agreement and the disposal forms. Will the Minister give consideration to referring this matter to the appropriate standing committee, or to the Auditor General, so that we can have a complete audit of the books? In the event a conflict of interest is found, as I can substantiate, will the Minister personally dismiss these individuals, as he is the one shareholder on behalf of all Canadians and there is a considerable amount of taxpayers' money involved?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Mr. Speaker, there is a board of directors of this company and I will refer the problem to the board, if there is a problem. I have not been informed of any such problems so far. I will ask my Deputy Minister, who is a member of the board, to look into the matter.

* * *

HOUSE OF COMMONS

REQUEST THAT PRIME MINISTER ANNOUNCE BY-ELECTION DATES

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, my question is directed to the Prime Minister who will know that, pursuant to the provisions of the House of Commons Act, he is obliged to call a by-election for the constituency of Nepean-Carleton no later than May 18 of this year, which is this week. Can the Prime Minister tell the House and the country whether it is his intention to set at the same time by-election dates for the other four vacancies in the House of Commons?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Hon. Member is correct in suggesting that, under the legislation, I will have to set a date for the by-election by May 18. I will take the Hon. Member into my confidence, and his Leader can listen, too, if he ever comes into the House. He was here a moment ago.

Mr. McKinnon: No more cheap shots. Let's get on with it.

Mr. Trudeau: Well, Mr. Speaker, I may be leaving, but I have certainly heard a lot of cheap shots from the other side regarding myself. I do not think the Hon. Member should be so thin-skinned when it comes to so-called cheap shots.

Mr. Jarvis: McKinnon thin-skinned? Wrong guy.

Mr. Trudeau: Well, whoever it was.

Mr. McKinnon: It was I.

Mr. Trudeau: The problem I am faced with, Mr. Speaker, is that the other by-elections do not have to be called during the term that my writ runs. I am debating within my own heart the ethics of setting the dates for the others when they can be perfectly legally set by my successor when he assumes the exalted office of Prime Minister and bears the mantle with his customary dignity.

Mr. Hnatyshyn: Mr. Speaker, I, of course, do not indulge in partisan politics at any time—

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: —but I just want to tell the Prime Minister that there is not much chance of that crowd wearing the mantle in that way.

ELECTORAL REPRESENTATION

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, does the Prime Minister not think, when he canvasses his heart of hearts with respect to this weighty decision, that the residents of the other constituencies should have the earliest possible representation in the House of Commons, and that partisan considerations should be the very last of those things which the Prime Minister is going to canvass when he considers whether or not he should call all the by-elections now? The reasonable thing, it seems to me, is to call all the by-elections at one time so the people of Canada in those constituencies will get representation at the earliest possible date.

● (1500)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will try to inspire myself with the Hon. Member's lofty feelings on non-partisanship. I would point out to him if there is such urgency, then announcing all the elections on the eighteenth would cause a whole series of by-elections to take place right smack in the middle of the Queen's visit. I know the Hon. Member and his Party have objected to that at previous times. I might just consider calling the by-elections slightly after the Queen's visit, in which case I have at least another month in order to decide when they should be called, and if I have another month then I may as well let my successor do it. Do you follow me?

Mr. Speaker: One short supplementary. The Hon. Member for Peterborough (Mr. Domm).

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CROWN CORPORATIONS

DE HAVILLAND DASH-8 AIRCRAFT—FINANCING OF SALES

Mr. Bill Domm (Peterborough): Mr. Speaker, would the Prime Minister clear up a concern of mine? On April 16 I asked a question of the Minister responsible for de Havilland in this House, and responsible for the CDIC, about whether some interest program might be available in order that de Havilland could sell its aircraft domestically to the aircraft companies that want to buy them. The Minister advised me at that time:

—regulations on domestic and international trade are set under the General Agreements on Tariffs and Trade.

Would the Prime Minister mind clarifying that? Are we not able to sell our own Canadian produced aircraft at de Havilland to Canadian aircraft companies that want to buy them because we are governed by GATT, or is it possible to meet Ireland's terms on interest of 7 per cent, as Senator Austin indicated on *Canada AM* we might be able to do? Who is right—Senator Austin in the other place, or the Minister in this place when he said we cannot compete because of GATT?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will have to refer to the Hon. Minister's answer as quoted by the Hon. Member. I am not in a position to say that I would agree with it, but I would point out to the Hon. Member that if he is suggesting we should sell our aircraft in Canada at a loss, then I think he should lobby among members of his own Party who have been ranting and raving about Canadair's loss, at least since I have been around. If you sell at a loss then you increase the debt. If you increase the debt, then you get the Hon. Member's Party complaining about it. I think they will perhaps have to consider the Hon. Member's question among themselves before addressing it to me.

Mr. Domm: A very short supplementary Mr. Speaker.

Mr. Speaker: The Hon. Member was already accorded a question.

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PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Friday, May 11, 1984, meet the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

AN ACT RESPECTING THE EXECUTION OF CLIFFORD ROBERT OLSON

On the Order: Introduction of Bills:

December 12, 1983—Mr. Taylor—Bill intituled: "An Act respecting the Execution of Clifford Robert Olson".

Mr. Speaker: The Chair has given earnest consideration the admissibility of this Bill and has come to the conclusion that it is not procedurally in order.

According to our practice, there are only two kinds of Bills, Public and Private. Citation 700 of Beauchesne's Fifth Edition explains that:

A public bill relates to matters of public policy while a private bill relates to matters of a particular interest or benefit to a person or persons.

This Bill clearly does not fall within the definition of a Private Bill as it cannot be said to promote the particular interest or benefit of the individual named in it. It can therefore only be a Public Bill although whether the execution of the individual concerned could be described as a matter of public policy may be open to question.

The conclusion of the Chair is that the Bill falls into a special category for which our practice does not provide. Its nature is that of a Bill of Attainder, a proceeding at one time employed by the British Parliament to convict and condemn an individual of a high crime by Act of Parliament. The Bill of

Attainder is described at page 69 of the Twentieth Edition of Erskine May as "the highest form of parliamentary judicature", which would suggest that such a Bill is a Public Bill.

The procedure is an obsolete one in the United Kingdom and has not been employed since the 18th Century. It has never existed in the Canadian practice and I must therefore rule that the Bill is unacceptable.

Mr. Gordon Taylor (Bow River): In view of your comments, Mr. Speaker, I will not move second reading of this Bill, but I will place on the Order Paper another Bill that will meet your objections, I believe.

Mr. Speaker: The Chair thanks the Hon. Member.

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QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 255, 256, 364 and 663.

[*Text*]

CMHC—REAL ESTATE FIRMS ASSIGNED CONTRACTS IN VICTORIA-HALIBURTON

Question No. 255—**Mr. Scott (Victoria-Haliburton):**

During 1983 were any real estate firms assigned sale contracts by Canada Mortgage and Housing Corporation in Peterborough to dispose of houses in Victoria—Haliburton and, if so, what (a) is a list of all such firms (b) amount of commission was paid to the firms?

Hon. Roméo LeBlanc (Minister of Public Works): I am informed by Canada Mortgage and Housing Corporation of the following:

In Victoria-Haliburton, in 1983, the properties offered for sale by CMHC were listed with various firms on a rotational basis and a 6 per cent commission paid on them.

(a) and (b) see below.

Firms Which Listed CMHC Properties in 1983 and Commission Earned

Listing Agents	Amount of Commission
Re/Max	$1,734
Howard Forder Ltd.	2,820
Bowes & Cocks	2,190

CMHC—RNH CONTRACTS IN VICTORIA-HALIBURTON

Question No. 256—**Mr. Scott (Victoria-Haliburton):**

During 1983 were any contracts concluded by the Canada Mortgage and Housing Corporation in Peterborough for work in Haliburton and Victoria counties under the Rural and Native Housing Program and, if so, what (a) is a list of all the contractors (b) amounts were the contracts for (c) is a list of all the agents for the Program in these counties?

Hon. Roméo LeBlanc (Minister of Public Works): I am informed by Canada Mortgage and Housing Corporation of the following: Yes.

(a) and (b) see below.

(c) CMHC delivers the Rural and Native Housing Program in Haliburton and Victoria counties. However, the Rural Residential Rehabilitation Assistance Program is delivered by the three agents listed below.

Elinor Burke, Clerk, Corporation of the Townships of Anson, Hiden and Minden; Darrell Stamp, Assistant Clerk, Municipality of Dysart et al; Phyllis Nelson, Victoria Housing Corporation.

RNH Contracts Awarded by CMHC in 1983 in Haliburton and Victoria Counties

Contractor	Amount of Contract
G. Elstone Construction Co. Ltd.	$374,860 (7 contracts)
Broadworth Construction	11,665
C.W. Hicks	8,412
Jim Johnston Contracting	3,540
A. & A. Homes Ltd.	4,400 (2 contracts)
Blairs Contracting	17,599 (2 contracts)
Culligan Water Conditioners	1,523
Fleming Homes & Cottages	147,895 (3 contracts)
Don James & Sons Sand & Gravel Excavating Ltd.	3,680
C.W. Hicks	6,123
Trimrite Construction	412

CMHC—ADVERTISEMENTS IN VANCOUVER NEWSPAPERS

Question No. 364—**Mr. St. Germain:**

1. Did the Canada Mortgage and Housing Corporation publish advertisements in Vancouver-area newspapers on November 30, 1983 and, if so, at what total cost?

2. In the fiscal year 1983 did the Corporation spend any amount on advertising and promotion and, if so, what amount was spent in (a) British Columbia (b) Ontario (c) Quebec (d) all of Canada?

Hon. Roméo LeBlanc (Minister of Public Works): I am informed by Canada Mortgage and Housing Corporation as follows:

1. Yes at a cost of $5,976.

2. Yes. (a) $19,460, (b) $21,183, (c) $26,522, (d) $152,885.

SPOUSE'S ALLOWANCE

Question No. 663—**Mr. Knowles:**

In each month of (a) 1981 (b) 1982 (c) 1983 how many persons were in receipt of the spouse's allowance provided under the Old Age Security Act and

how many were (i) male (ii) female and, in each case, what average amount was paid to the younger spouse where both spouses were alive and what average amount was paid to the surviving spouse where the older spouse had died?

Mr. Russell MacLellan (Parliamentary Secretary to Minister of National Health and Welfare):

(a) Number of Persons in Receipt of the Spouse's Allowance—1982

	Number of Spouse's Allowance Recipients	(i) (ii)* Average Amount paid to Spouse's Allowance Recipient to the younger spouse where both spouse were alive	where the older spouse had died **
January	86,961	$198.15	$ N/A
February	87,041	197.67	N/A
March	87,103	197.14	N/A
April	74,084	202.92	N/A
May	80,218	198.07	N/A
June	83,884	195.48	N/A
July	85,351	202.87	N/A
August	85,334	201.90	311.72
September	86,120	200.95	315.30
October	86,512	209.58	330.06
November	86,863	208.56	332.40
December	87,134	208.03	334.94

*(i) (ii) Information to indicate the sex of spouse's allowance recipients is not available on a regular basis. However, information compiled for the month of June, 1982 only, indicates there were 7,382 male and 76,502 female recipients of the spouse's allowance.

** The average amount paid to spouse's allowance recipients where the older spouse had died is available only from August, 1982.

(a) Number of Persons in Receipt of the Spouse's Allowance—1981

	Number of Spouse's Allowance Recipients	(i) (ii)* Average Amount paid to Spouse's Allowance Recipient to the younger spouse where both spouse were alive	where the older spouse had died **
January	85,175	$180.26	$ N/A
February	85,192	179.23	N/A
March	85,179	178.94	N/A
April	73,861	186.11	N/A
May	79,996	181.63	N/A
June	83,468	179.01	N/A
July	84,548	186.10	N/A
August	85,398	184.97	N/A
September	85,880	184.05	N/A
October	86,632	192.25	N/A
November	86,744	191.32	N/A
December	86,694	190.72	N/A

*(i) (ii) Information to indicate the sex of spouse's allowance recipients is not available on a regular basis. However, information compiled for the month of June, 1981 only, indicates there were 7,178 male and 76,290 female recipients of the spouse's allowance.

** The average amount paid to spouse's allowance recipients where the older spouse had died is available only from August, 1982.

Financial Administration Act

(a) Number of Persons in Receipt of the Spouse's Allowance—1983

	Number of Spouse's Allowance Recipients	(i) (ii)* Average Amount paid to Spouse's Allowance Recipient to the younger spouse where both spouse were alive	where the older spouse had died
January	87,560	$212.84	$344.61
February	87,537	212.62	347.35
March	87,524	212.30	350.58
April	76,531	213.91	311.74
May	82,968	209.81	313.71
June	85,646	208.12	318.28
July	86,818	210.18	326.03
August	87,336	209.59	329.60
September	87,650	209.05	333.15
October	87,948	213.36	342.01
November	87,707	212.75	344.18
December	87,638	212.42	346.66

*(i) (ii) Information to indicate the sex of spouse's allowance recipients is not available on a regular basis. However, information compiled for the month of June, 1983 only, indicates there were 7,451 male and 78,195 female recipients of the spouse's allowance.

[*English*]

Mr. Speaker: The questions enumerated by the Parliamentary Secretary have been answered.

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

Mr. Speaker: Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

FINANCIAL ADMINISTRATION ACT

MEASURE TO AMEND

The House resumed from Tuesday, May 8, consideration of the motion of Mr. Ouellet (for Mr. Gray) that Bill C-24, an Act to amend the Financial Administration Act in relation to Crown corporations and to amend other Acts in consequence thereof, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

Mr. Scott Fennell (Ontario): Mr. Speaker, it is a great privilege to speak on Bill C-24 dealing with Canada's subgovernment. I refer to it in that way because this is a secondary

bureaucracy which in the last year cost Canada $4 billion. This subgovernment costs the taxpayers of this country millions and millions of dollars each year.

I would like to give you an example, Mr. Speaker, of the type of things that have happened that have not been addressed effectively by this Bill. This subgovernment is permitted to create such things as letters of comfort. Letters of comfort are guarantees by the federal Government to Crown corporations. We still have not had an accounting of all the letters of comfort that may be outstanding. This matter is hidden from the taxpayers and it is not done with integrity. It is a dishonest practice and it cheats the Canadian public. Letters of comfort represent only one of the items in this Bill that have not been specifically addressed which would stop this spending spree by Crown corporations.

What we object to particularly regarding these letters of comfort is that they have never been approved by the Parliament of Canada. They have never been approved by Members of this House who represent the taxpayer. This practice has to be stopped and a provision to stop it must be put into this Bill. In the Bill Class C-1 and Class C-2 corporations are required to submit corporate plans. There is nothing in this Bill indicating the form or the content. Anything that is required can be done by regulation by the Minister. This does not give us the facts. This can be dealt with differently by each Minister in this House and in the other place.

• (1510)

We are given little enough information about Crown corporations in committee, and we will not be given any more as a result of this Bill. The Minister of State for Social Development in the other place appears before us in committee but never gives us the facts. He never tells us the whole story. Today I read in the newspaper that the President of CDIC says that Canadair will make a profit this year. A magician could not make a profit from that company, the way it is today. I do not know who Joel Bell is kidding. Perhaps he does not expect to keep his job. I do not know the reason for coming out with public statements which are misleading. They are not telling us all the facts. If they ever consider taking a portion of the debt of Canadair, they would be unable to show a profit forever.

The Bill suggests that C-1 and C-2 corporations should prepare operating and capital budgets for a five-year period. The President of the Treasury Board (Mr. Gray), however, can exempt any corporation he wishes. It is similar to the National Energy Program—everything looked fine until we reached the point where the final decision was in the hands of the Minister. We had that changed so that it had to go to the courts. We cannot take everything to the courts. We must deal with problems in the House of Commons. If we are to create three-year and five-year operational plans, they must be for everyone. They must be based on a standard format, and there cannot be exemptions for some corporations over others.

One of my major concerns is that even with this Bill Crown corporations will not be accountable to the Parliament of Canada. That is very serious. Legislation must include accountability to the House and to Canada.

Also the Bill sets forth the duties of the officers and directors, but they will not operate in the same manner as any private sector corporation in Canada. Cabinet appoints the chief executive officer. Boards of directors in private corporations are elected to appoint chief executive officers. Cabinet establishes remuneration. Boards of directors in private corporations establish the remunerations of chief executive officers. Cabinet appoints the auditors, so that it can pay off its friends in accounting firms across the country. In private corporations, auditors are approved and suggested by boards of directors.

Mr. Kaplan: The shareholders.

Mr. Fennell: They are not facing the facts. I see the Hon. Solicitor General (Mr. Kaplan) walking out of the Chamber and I hear him making a joking remark. That is terrible. Some of his legislation is terrible, some of his actions are terrible. It is just another example of lack of accountability to the House of Commons.

Mr. Kaplan: Mr. Speaker, I rise on a question of privilege. The Hon. Member has accused me of telling a joke. I was in fact simply reminding him that the auditors of a company are not picked by the directors but by the shareholders.

The Acting Speaker (Mr. Herbert): That is not a question of privilege.

Mr. Fennell: He may say that it is the shareholders, but it is the board of directors that recommends the auditors. Then a shareholder stands and makes a recommendation. If it is the shareholders, every person in Canada should have the option of appointing an auditor and should have a voice as to who is on the board of directors, not just the Prime Minister of the country nor the Cabinet of Canada. It is attitudes like that which destroy the country. Those attitudes have hurt the country and destroyed the economy of Canada.

Furthermore, the Cabinet can direct the board of directors to pass certain by-laws. That is unheard of. It would be the same as shareholders directing the board of directors to pass certain by-laws. I have seen the types of by-laws passed in the House. I would not trust one. The board of directors would have to be awfully good friends of the Liberal Government to be able to endorse any by-laws recommended by that Government.

Our recommendation is that the board of directors should be totally independent of government. They should be appointed on their qualifications, not on their ideologies. This has to be changed.

They talk about comprehensive audits, but they can be modified by Cabinet. That is wrong. The Bill will not stop the proliferation of Crown corporations. They can set up a thousand subsidiaries. Why do they not look at Crown corporations on a joint venture basis? If we get the private sector involved with an entrepreneurial spirit and management skills, we will make them work.

Crown corporations are continually directed by public servants. A senior associate deputy minister of the Department of Regional Industrial Expansion worked in Montreal for a number of years. He did not have the faintest idea of how a corporation operates or works for profit. The whole proliferation of Crown corporations has allowed spending by the Liberal Government on behalf of taxpayers, for which they will have to pay.

I realize that 10 minutes is a very short time, but I will conclude my brief speech by saying that we will put forth many amendments in committee. We will remove the smoke and mirrors in this Bill. We will recommend directors, not an advisory board but a pure board of directors. We will show that accountability is a prime concern of this Party.

Hon. John C. Crosbie (St. John's West): Mr. Speaker, I have not had an earlier opportunity to participate in the debate on this Bill which purports to be a Bill to assist government and Parliament, in particular, with respect to control over Crown corporations. The reason we are not supportive of this legislation is that it does not do what it pretends to do.

There is no change of government policy with respect to Crown corporations. There is only an alleged change in machinery. There is no real reform. There is no real acceptance of blame for what has happened in the past. We are all familiar with the state of affairs now revealed in Canadair and de Havilland, which show complete lack of control not only by Parliament but by the Government, or if the Government had any control or knowledge, then complete culpable negligence with respect to what happened in those corporations.

Historically the chief powers of Parliament have been powers over the spending of money, over the purse. However, that power has been completely eroded. We have to ask the following question: Why should the Government object to Hon. Members of the House having some real authority with respect to Crown corporations, not through pusillanimous standing committees of the House which have no powers, except such as are granted them by the majority or by the Government, not by make-believe committees? Why is the Government reluctant to give Members of this House some real authority and control? Why should Ministers of the Crown not welcome assistance of Members of this House with the task of controlling the bureaucracy? I forget the total number now in the Public Service, but it is in the area of 300,000 people. Ministers, certainly most of them in this Government, if not all—there may be one or two exceptions—are unable to know, understand or control what happens in their Department, except on the fringes. They have to trust the bureaucracy of the Public Service to advise them of what is happening.

● (1520)

The Minister of Transport (Mr. Axworthy) has a fantastically large and varied Department. He does not know what is happening in the interstices of that Department or what is happening in the airport at St. John's, Newfoundland, or whatever the issue might be. Why should a Minister object if this House helps him? Why should the Government object if committees of this House are given sufficient authority to start investigating and finding out for themselves what Government Crown corporations are doing?

If five years ago we had had a committee, either together with representatives of the other place or just a committee of this House, whose job it was to look into, investigate and raid the bureaucracy of the Crown corporations with the powers of subpoena, investigation and summoning witnesses, and if such a committee had looked at de Havilland or Canadair, I venture to say that this country may well have saved hundreds of millions, if not billions of dollars, to which we are now committed. Even if conscious decisions were made to continue financing those corporations in such amounts and in such a way for such purposes, at least the public would have known about it years before they did know.

When I was Minister of Finance—it is true for a brief time just eight months—I had no time to consider what was happening with Crown corporations that were supposed to report to the Government of Canada. I can assure you, Mr. Speaker, I was not lying around on my butt doing nothing. I worked at least 12 to 14 hours a day.

Mr. Tobin: You had your kicks. That's it.

Mr. Crosbie: Are you attempting to attack my butt? Is the Member interjecting with a butt? When the putative Minister of State for Youth becomes a Minister of State for Youth, we will listen to him with all the attention that that onerous and heavy responsibility will entail. In the meantime, the Speaker provided a nursery two or three years ago. That young man should go on to the nursery and deal with people of his own mental agility. By the way, I want the people in Corner Brook and Stephenville to know that these childish interjections are coming from their Member, soon to be ex-Member. The Member's name is Brian Tobin, if I might sneak that in for those now watching down on the west coast of Newfoundland.

When I was Minister of Finance, working as hard as I could, I had no time to consider what Crown corporations that reported to Finance were doing. I remember requests coming from de Havilland and Canadair which, by the way, we put a stop to. They were having the Government guarantee their borrowing. This never came to anyone's attention because they were doing it by letters of comfort.

It was felt to be all right for the Government to give financial concerns lending money to those companies letters of comfort, saying that the Government knew about the loans and would stand behind these corporations. That never came before Parliament or the House of Commons. It did not receive public attention because it was not a formal guarantee. For years those companies were financed secretly behind the scenes. The directors appointed by the Government apparently did not feel they had to intervene or stop the ruinous course of those companies. They did not have adequate instructions.

This Bill is an utter failure. It is another piece of Government flatulence because it does not provide for any real control by people sitting in this House, both on the Government side

and the Opposition side. We are pledged to do this, and I am sure we will. It has to be done in the first 12 months of our being in office because, after you have been in office more than 12 months, you become ministerial and you do not want Members of the House bothering you. You do not want these nuisances in the House giving you more work or adding to your burden, so it slips your attention.

In the first 12 months of our administration, we have to change this House fundamentally. One change would be to set up committees of this House with real authority. One of them must be a committee with full authority to check on what Crown corporations are doing or not doing, whether they are spending or not spending what they are supposed to be spending, whether they are having losses that the Government does not want to admit to or whether there are some embarrassments the Government wants to hide and is therefore shy about seeing them come to the public light.

I do not know how much longer I have; I understand it is two minutes. In 1968 there were 38 federal Crown corporations with $5.5 billion in assets recorded in the public accounts. Today there are 186 Crown corporations. The federal Government owns more than 50 per cent of the shares in 34 other companies and less than 50 per cent in 72 other companies. We have one in Newfoundland, Fishery Products International Limited, of which my brother is the interim chairman. They have chosen wisely with respect to the interim chairman, but I would like to see him checked by Members of this House. I often had to check upon him when I was in business with him. Entrepreneurs need someone to check on them. They need the heavy hand laid on them every now and then.

While I am pleased and delighted that my brother is the interim chaiman of Fishery Products International Limited, it does not lessen my concern that Members of this House and the committee of this House should have the right to see exactly how they have done, what their plans are, what their losses might be and to report back to this House.

It is my information that today federal Crown corporations have $67 billion in assets and $57 billion in liabilities. That is why I want to move an amendment to the order of second reading of this Bill. I move, seconded by the Hon. Member for Hillsborough (Mr. McMillan):

That the motion be amended by deleting all the words after the word "that" and substituting the following therefor:

"Bill C-24, an Act to amend the Financial Administration Act in relation to Crown corporations and to amend other Acts in consequence thereof, be not now read a second time but that it be read a second time this day six months' hence".

I do not know if this gives me unlimited time. I hope the rules provide me with unlimited time to speak to the reasons for bringing in the six months' hoist. The legislation now—

The Acting Speaker (Mr. Herbert): Order, please. First I should tell the Hon. Member that his time has expired. The motion is in order. I will read the motion to the House:

That the motion be amended by deleting all the words after the word "that" and substituting the following therefor:

"Bill C-24, An Act to amend the Financial Administration Act in relation to Crown corporations and to amend other Acts in consequence thereof, be not now read a second time but that it be read a second time this day six months hence".

The seconder to the motion is the Hon. Member for Hillsborough. For debate, the Hon. Member for Crowfoot.

Mr. Arnold Malone (Crowfoot): Mr. Speaker, if there is need to underscore why we want a six months' hoist, it is obviously contained in the fact that we are dealing with a Bill, as the Auditor General has mentioned to all Canadians, that is becoming a dangerous sub-layer of Government expenditure. When we look at the fact that Crown corporations are now spending some $4 billion annually, when we recognize that this expenditure is on behalf of Canadians generally and when we recognize that this expenditure is not accountable to Parliament itself, the fact is that we end up with government without representation. Taxpayers' dollars are being spent without the ability of the representatives of the taxpayers to influence how the money is handled or accounted for or is in any way deliberated upon.

• (1530)

As mentioned by my friend, the Hon. Member for St. John's West (Mr. Crosbie), we need to have a parliamentary committee with full authority to question the right of every Crown corporation to exist. The fact is that today we see a proliferation of Crown corporations without ever once asking if, after a Crown corporation is formed, it should continue to exist. Crown corporations that were formed in the middle part of the century still exist and this is justified simply by the fact that they existed last year. Year after year Crown corporations continue to grow. More Crown corporations continue to be added until the totem pole grows taller and taller like Pinocchio's nose. Never once do the representatives of the people have a chance to question why those corporations exist.

What is needed is a committee which is independent of the Government and independent of the Cabinet, one which can call before it every witness it wants, a committee which can subpoena witnesses, swear them to oath and make the representatives of Crown corporations establish that the corporations should either exist or vanish. If a Crown corporation cannot prove to the satisfaction of the committee and therefore the representatives of the citizens that it is either the most efficient agency for doing a specialized task or that an important task would not be done if the corporations were not committed to doing it in the best interests of the public, then that Crown corporation should cease to exist.

What we have today, Sir, is uncontrollable growth without having any mechanism in place to cause the cessation of that growth. The debt of the nation is continuing to grow. In 1976 the Auditor General signalled his alarm and he did so again in 1983. The Auditor General told us that he was dangerously concerned about the unchecked growth of Crown corporations. There are no principles to guide us when a Crown corporation is born or when it dies. Crown corporations are created at

pleasure and without accountability. That is the unfortunate fact of today.

We find ourselves in a situation where, if Crown corporations are to be at public cost, they must also become a public responsibility. It is important that a mechanism to create that responsibility be put in place. Bill C-24 does not lend itself to the provision of Parliament's accountability. It does lend itself to the convenience of Cabinet so that Cabinet may continue to appoint at pleasure and ask for accountability only if Cabinet wants accountability. The Bill does not allow for an individual committee of Parliament to call a Crown corporation into question if it recognizes that some concern does exist.

I ask rhetorically why the Agriculture Committee should not, in some future year, call into question the Crown corporation of Canagrex? Why would it not be appropriate to bring before that committee the Canadian Cattlemen's Association, for example, to ask whether or not the marketing of beef products was being carried out in a way which was in the best interests of the producers? Why could the committee not, on behalf of the citizens of Canada, put the management of that corporation on the spot and ask it to account to the public as to whether or not the agency was serving the public and serving it well?

I ask rhetorically why groups like the Alberta, Ontario or Quebec swine breeders' associations, groups that do an excellent job of marketing their pork products privately in the Third World, should not be able to ask Canagrex whether or not it is interfering with their own private initiatives and whether or not that interference is counter-productive to the over-all well-being of the nation? If the corporation cannot answer satisfactorily to such a committee, the committee ought to have the power to redress the corporation and to bring it into line with the proper management and marketing techniques which are in the best interests of all Canadians, whether it be through that agency or through the private sector.

In 1976 the Auditor General first warned Canadians that Crown corporations were starting to grow up around the Government. At that time he said that weak and ineffective control of public spending through Crown corporations is a dangerous threat to the Canadian people. By 1983, Sir, only six years later, the Auditor General said in his report of 1983:

> Parliament is becoming further isolated from an increasing portion of government activities. The growing practice of using Crown-owned corporations to conduct a widening range of government activities has so strained the capability of the existing accountability framework that Parliament may not be able to exercise its fundamental responsibility for overseeing receipts and expenditures of public funds.

That is the most damning comment about a government that could be made by any public servant. He said in effect that we are losing control of the purse strings of the country.

Today, as compared with the figures in 1962, Crown corporations have increased some 250 per cent. In 1962 there were only 28 Crown corporations. I submit that to me, that would seem like a lot even today. Yet the facts are that the Government is involved in more than 300 Crown corporations. I can attest to that because of an answer I received to a question that I put on the Order Paper. The fact is that the Government is either wholly or partially involved in some 400 agencies, many of which are Crown corporations. The truth of the matter is that that whole sub-layer about which the Auditor General is concerned is hidden from the public and from Parliament with no control or checks, yet it sucks upon the people's money.

The taxpayers must pay for an enormous debt load which is created by people who are appointed at the pleasure of the Government. Usually these people are not appointed for reasons of skills or abilities but because they come from the kingdom of Gritdom. They serve on all of these boards because they are Grits. Crown corporations, like the Senate, are used as a place of reward. All we ask, Mr. Speaker, in light of democratic principles, is that accountability come into place.

Today, Mr. Speaker, Crown corporations are hiring some 265,000 persons. That figure, Sir, is greater than the number of working persons in Edmonton and Calgary combined. I say that to point out the growth of Crown corporations. Certainly people in western Canada will know that if within the Crown corporations of the nation are employed as many people as are employed in those two major cities of Alberta, then obviously Crown corporations have grown far beyond the capacity of the nation to endure that unfortunate fact without question.

• (1540)

I see, Mr. Speaker, you are signalling that my time is up. I have only commented on two pages of notes out of the ten pages which I had prepared. Obviously, it is only the time which has gone, not the issue. Therefore, I will sit down out of respect for that regulation.

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I am glad to have the opportunity to say a few words about the whole question of Crown corporations and accountability. The accountability of Crown corporations to Parliament, and through Parliament to the public, is a question that concerns everyone. Indeed, it was a matter which was regarded with some urgency and importance by the Special Committee on Standing Orders and Procedure. That Committee made recommendations with regard to the accountability of Crown corporations which I would recommend to Members who are interested in this issue.

The whole question of accountability of Crown corporations has long been an interest of mine, coming as I do from a company town—the company being the Canadian National Railways. I have had experience with Crown corporations for a long time and I am as interested as anyone else in making Crown corporations accountable. I would like to see them made accountable so that they could work better for Canadians and for the well-being of the country.

I am not against Crown corporations in principle or against public ownership in principle, as are many of my Conservative colleagues to the right. That is often the hidden motivation for some of the criticisms they make.

With respect to the comments which have been made regarding committees needing more power to examine Crown corporations, I quite agree. In my opinion, one of the great weaknesses of the parliamentary system is the lack of power and the lack of independence of committees. The Special Committee on Standing Orders and Procedure made some recommendations in that direction. If the Government had been serious about parliamentary reform and about greater accountability, it could have seized that opportunity and implemented those recommendations. That would have gone some way toward increasing accountability. But we did not see that kind of movement on the part of the Government.

The reforms that were in the last package of parliamentary reform have not succeeded in increasing accountability. To simply have annual reports of Crown corporations referred to committee without any change in the independence of those committees, without any significant increase in the power of those committees and, finally, without any change in the whole way in which committees are dominated by Party discipline, is to have in the final analysis no improvements in accountability at all. Those are the areas that we have to look to if we are really interested in accountability.

I would like to address some of the points raised by my Conservative colleagues regarding accountability, as they have a lot to say about it. I am going to take it for granted that when it comes to accountability in Crown corporations, or for that matter accountability period, the Liberal Party and the Liberal Government are beyond redemption in this respect. They have given government such a bad name, and given Crown corporations such a bad name, that it has made life difficult for those of us in the New Democratic Party who believe that Crown corporations can be used as a positive and efficient instrument for the social and economic well-being of the country.

I would like to look at the Tory position for a moment. There seem to be a couple of contradictions in that position. On the one hand, the Tories want to argue that Crown corporations ought to act in a truly economic way—that is, in the narrow sense of the word "economic"—and that there ought to be no political dimension to economic activities; that economic activities abide by certain laws which are outside the realm of political and social consideration. I would ask the Tories how they intend to reconcile this view of economic activity which they traditionally have with the injection of the political dimension, *vis-à-vis* more accountability, into the running of Crown corporations? Either they should admit that they are wrong about what constitutes economic activity and about the narrow view of economic activity which they have, or they should admit that they are trying to set up a process whereby biased scrutiny, rather than accountability in the best spirit of the word, is made possible. In other words, they want accountability not to increase the effectiveness of Crown corporations, but so that they can have more forums for attacking Crown corporations on principle as an instrument of social and economic policy. I invite my Conservative colleagues to address that question.

I would like to comment on the speech of the Hon. Member for Crowfoot (Mr. Malone). He spoke about taxation without representation. He spoke about taxpayers' money being spent without any accountability. If we want to talk about accountability, we must be consistent. We want accountability of all money that is spent that belongs to taxpayers. My problem with the Conservative Party is that it wants accountability for all the money which is being spent by Crown corporations, but it does not want accountability for the money which is being spent by private corporations in the form of tax incentives and tax expenditures. Billions of dollars are given to the oil companies and the Conservative Party says: "Just let them have the money and they will do what they want with it. We trust their judgment. We do not want any accountability there". They do not say: "Make the CPR accountable for the decisions which it makes with respect to the well-being of the country".

The NDP is at least being consistent when it talks about accountability. We want all of the major economic actors in the country to be accountable to the public good, not just the Crown corporations while leaving the multinationals to do as they please. That is the Conservative position. Why do we not see consistency in the Conservative Party when it comes to accountability? Why do they never rise to criticize the multinational corporations? We in the NDP do not make any distinction. If Petro-Canada does something which we believe is wrong, we rise and say so. If the CNR does something which we believe is wrong, we rise and say so. The NDP is not intimidated by ideology in this respect. We think that everyone should be made accountable. But the Conservatives never get up and criticize the multinationals or the private sector in this respect.

When the day comes that the Progressive Conservative Party stands up and demands comprehensive accountability for economic decisions of major significance which are taken in this country, then we will know that it is serious about accountability and is not just grinding its usual ideological axe when it comes to public ownership.

The question of accountability, as I have stated, is one with which all Members ought to be concerned. I know that the public is concerned with it. People have a sense, as was said earlier, that there is a kind of sub-layer of government. It is something which we must address as a Parliament if we want Parliament to continue to be perceived as perforing its traditional role of holding the government accountable for its expenditures. We will not get there by having one-sided views of accountability such as was put forward by the Progressive Conservative Party of Canada, or ideas of no accountability, which is what the Liberals have been about for so many years. We will only get it when we get people who are interested in comprehensive accountability.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, the only problem the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) has with the Conservative Party is that the Conservative Party will make sure that he does not return to this House after the next election. In speaking to accountability, he would

know that private corporations on the stock market are accountable to that marketplace.

Mr. Blaikie: That is not the public.

Mr. Blenkarn: He says the marketplace is not the public. Somehow the New Democratic Party makes the New Democratic Party the public. The public knows where the New Democratic Party stands. The polls have revealed where the New Democratic Party stands—somewhere below the radar screen. There is not much that the NDP can add to this debate because it does not have much to add for the public of Canada, and that is the reason it is falling so far behind.

I join this debate again because I think it is time that Parliament reconsidered the whole purpose of the Bill. It should be referred to committee for an understanding of where we are going on Crown corporations and not be passed. The Bill should be withdrawn at the present time and there should be a House of Commons study as to where we should be going in connection with the management of our many, many Crown corporation investments.

• (1550)

On May 11 the President of the Treasury Board (Mr. Gray) indicated that he was going to produce a directorate with respect to Crown corporations. He indicated at that time that all of a sudden he had found another six brand-new Crown corporations. The other day, Sir, I was reading the financial statement of the Canadian National Railway Company for 1983, and on page 5 are listed consolidated companies owned by Canadian National. These are the companies which are consolidated into the Canadian National balance sheet. There are 46 companies consolidated into what is called the Canadian National Railways. There are 46 separate Crown-owned corporations as subsidiaries of Canadian National Railways. Not only that, Sir, but Canadian National Railways has joint operating agreements, or joint investment agreements, with another 23 corporations. That is a total of 69 corporations where the Government of Canada, through the Canadian National Railways system, is involved in the management of the affairs of this country. Bill C-24 does not deal with that kind of proliferation. It does not deal with a method whereby the people of Canada, the Government of Canada, the Parliament of Canada, or anyone can get a handle on what is happening in Canadian National Railways.

We have received a statement from Petro-Canada. Going over that statement, we find that Petro-Canada Products Inc. is the new name for BP Refining and Marketing Canada Limited, but the statement indicates that BP still exists. Then there is Petro-Canada Enterprises Inc. Then there is Petrofina Canada Inc. Then for some reason we see this statement: "Canertech Inc. was incorporated by the corporation as a wholly-owned subsidiary company to develop alternate energy sources in Canada". We got into the oil business to make sure that we Canadians had some window on the oil industry. That was the explanation given in this House. The explanation had nothing to do with alternate sources of energy. Yet this company, which was incorporated to make sure that Canada had a solid window on the oil industry, an ability to be self-sufficient in oil, has all of a sudden decided that it should be the vehicle of the Government for alternate energy. Under no circumstances, Sir, was this intended when that corporation was brought before this Parliament. Yet that is what has happened.

We amalgamated a series of bankrupt railways in order to make sure that Canada had adequate rail transporation. Now we have that company involved in trucking, in running buses, in running various kinds of express services, and in managing and operating hotels. We have an oil company we incorporated for the purpose of making sure Canada could be self-sufficient in oil and it is offshore exploring throughout the world in order to develop the resources of Jamaica and China. It is working to develop alternate sources of energy. Many of the purposes for which it was incorporated are not being handled, and it is on another exploration kick of its own, doing its own thing, growing, creating, proliferating; and that is where the problem is.

When the President of the Treasury Board brought before us his new directorate, he surely must have understood that that new directorate and where we stand ought to be a first consideration of Parliament before Parliament deals with legislation putting some corporations under Schedule A, some under Schedule B and some under Schedule C.

The scheduling alone in Bill C-24 is totally inadequate. There is no rationale for why some companies are in one schedule and some companies are in another schedule. Nor is there any rationale for why a company should be incorporated for a new purpose by a motion and a seven-hour debate—and that is all—whereas a subsidiary company can be incorporated with just Governor in Council, Order in Council arrangements.

The whole concept of this Bill is to mask and allow these corporations, these Crown-owned investments, to expand and spend and regulate and control the assets of the people of Canada without any real return to the people of Canada in terms of a return on investment. This condition must cease. Parliament must get a grip on the corporations which Parliament and this country presently own. We do not know really whether the figure which the President of the Treasury Board declared on May 11 is correct. We do not really know to what extent we own these corporations and where we are going with them.

I asked the other day what Mingan Associates Ltd. is. I see that our research indicates that Mingan Associates happens to be a private fishing camp. Is it not interesting that the people of Canada should own a private fishing camp? San Sebastiano is a corporation which owns land occupied by Canada's embassy to the Vatican. Why do we have these corporations? And why have we not had until now a proper explanation of them?

To present this Bill in the fashion in which it has been presented and then for the President of the Treasury Board to make the release he did on Friday last, is an affront to this Parliament. On that basis, Sir, it is only proper that this Bill

be hoisted for six months, that Parliament investigate the whole question of the control of Crown corporations. Then Parliament will be able to determine whether this legislation, or some other legislation, is more appropriate for the control and management of Canada's investments.

Mr. Bill Domm (Peterborough): Mr. Speaker, I am very pleased to speak on Bill C-24 and our suggested amendment to hoist it for six months.

I feel the purpose of this legislation, namely, an Act to amend the Financial Administration Act in relation to Crown corporations and to amend other Acts in consequence thereof, does not address the main problems we have today. I believe that was made very evident by some of the statements we have heard already this afternoon, particularly those made by the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie). I was somewhat amused, Mr. Speaker, when he said—and I am quoting as precisely as I can remember—"When a Crown corporation does something, we criticize it in the NDP Party". I would like to suggest that the number of criticisms which that Party has brought forward with respect to Crown corporations would not fill the back of a postage stamp.

It is as a result of Crown corporations that most of the citizens in Canada today are somewhat upset. One does not have to look very far among the 400 or 500 Crown corporations which exist today to find horrendous nightmare stories of bad management, waste and taxpayers' dollars going to programs which cannot be cost justified. The most alarming of all the things we have talked about here today is the fact that Crown corporations are not accountable. We have no way of scrutinizing many of the actions which take place.

• (1600)

We are trying to save aircraft industries in Canada today because we need the jobs. We need the jobs at de Havilland and Canadair. We are negotiating through a Crown corporation for cutbacks in union employee benefits and salaries in order that those factories can be sustained. In the past fiscal year the management of those Crown corporations received bonuses of some $155,000. In the private sector one would not think of paying a bonus to corporate directors who have successfully ended up in the red. To get a bonus in the private sector you must end up in the black. However, that is not true with Crown corporations such as de Havilland.

We have put some $700 million into de Havilland in order to assure the jobs of some 2,900 employees, plus another 10,000 employees in other spin-off industries. Yet we cannot get money from the Government of Canada at 7 per cent interest in order to sell the aircraft that we have invested $700 million to produce. What is the economy in that kind of program by any Crown corporation? There is not any sense at all in building aircraft and then neglecting to make the marketing facilities available in order to be able to sell them. If we cannot sell Dash-8s to Canadian companies, how do we expect to sell Dash-8s abroad?

A company from Ireland has come into Canada to sell 36-seat aircraft the same size as the Dash-8. The Dash-8 is a better aircraft but it is the same size. The one from Ireland flies more economically from point A to point B. It is offered to any Canadian aircraft industry that wants to buy it at some $2 million less per aircraft.

The Minister responsible for CDIC said in the House of Commons that we are selling domestic aircraft in Canada and that comes under GATT. That is not the case. It has no bearing at all on the interest of getting these aircraft into the market. We can sell Canadian-built aircraft to any Canadian aircraft purchaser without fear of GATT. As late as today in the House of Commons the Prime Minister (Mr. Trudeau) confirmed that the information was false and that GATT does not affect domestic sales. The Minister says one thing in the House about the Crown corporation he is responsible for. Senator Austin from the other place appeared on *Canada AM* last week and said that we must find some form of interest assistance. He talked in terms of 2 per cent. I am not sure whether he was talking about 2 per cent over prime. If he was, we will never sell the aircraft because 2 per cent over prime today is prohibitive. However, he was talking about an interest assistance program.

That is one of the disadvantages of having Ministers in the other place. We have Ministers in the House responsible for Crown corporations and we have Ministers responsible for certain forms of social development in the other place. We have to listen to *Canada AM* and *The Journal* to find out what is going on there. By and large Crown corporations have not been that responsible. People are very concerned about the money which is being dumped into these Crown corporations.

I will take a moment to discuss another situation which is a major concern in all of Canada. We like to think that we have a window on the oil industry and that we, as Canadian people, own Petro-Canada. It is discouraging to read in the newspaper about how Petro-Canada joins forces with the other seven sisters in the oil industry to enter into long-term, 15-year reciprocal trade agreements, thereby hauling from each other at the refinery gates. Gulf, Shell, Imperial Oil, Suncor or Petro-Canada, both of the latter the people's oil companies, are hauling from each other at the refinery gates. If that is not controlling the product at the source, if that is not allowing, as has been pointed out before the combines investigation committee, these oil companies, one of which is our own Petro-Canada, to control the price at the refinery gates, I do not know what is. Then Petro-Canada tells its dealers that it is going to own their inventory under the ground. It tells them it will pay them a commission when they pump the product through the nozzle into the car. That enables them to set the retail price as well.

Why is gasoline selling east of Peterborough today for 33 cents a litre when you pay 48 cents a litre for regular gasoline in Ottawa, and in some cases more? Why is it possible to haul large tank wagon loads of petroleum products out of the same refinery gates and dump them at varying prices as you drive down the highway? From my 15 years' experience in the oil

industry I can tell you it is possible because the prices are controlled at the refinery gates. We have a Crown corporation known as Petro-Canada which is a party to that conspiracy. Mr. Speaker, I do not use that word lightly. It was used by government investigators when they appeared before the oil pricing commission investigating combines as they pertain to the oil industry. There cannot be a fair marketing atmosphere when government Crown corporations are entering into long-term reciprocal agreements with other major oil companies in the private sector.

We all know that Air Canada is a Crown corporation. We know that it is competing in the private sector. When we set up Air Canada, as we did the CBC, we did so to enable ourselves to supply services and product, as the case may be, in areas which the private sector could not serve as well. Today we have government administering businesses and competing in the private sector with subsidized tax allowances from the people in order to do this.

In conclusion, whenever we have this kind of legislation we must be very careful that it is protecting the consumer. I do not think there is sufficient control spelled out in Bill C-24 to ensure that Crown corporations will become accountable to government or Parliament, not to the Minister but to all Members of Parliament, in order that we can properly scrutinize their activities and hold them accountable to the Canadian people.

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, I rise on this motion to put this Bill over for six months. I am convinced that the Bill, as framed, is the Government's attempt to soothe Canadians and to fool them into believing that this Bill will bring the mass proliferation of Crown corporations under control. The fact of the matter is that it simply will not bring them back under control. Until we have a new government with a new cabinet approaching all of these problems from a new perspective, we will just have more of the same.

You will recall, Sir, that when I spoke earlier in the debate I pointed out that for a period of 100 years, from 1800 to 1930, there were not more than one dozen Crown corporations created. During the whole depression period there were only four or five created. During the wartime period, a time of great need, there were only about 30 Crown corporations created. For a period of some 20 years after the war we had maybe four or five Crown corporations created. Since the present Cabinet was sworn in we have come into what we call the proliferation period during which time there have been virtually hundreds of Crown corporations created. Under the guise of Canadianizing, we have borrowed money on the foreign market and bought back existing Crown corporations which were operating in the country.

● (1610)

The result is that Canadians owe $76 billion to foreign lenders. That probably puts us into a worse category than Mexico or many of the other Third World countries which are in very deep trouble today. We have absolutely destroyed our potential to become the leader in the world.

I want to give an example of one company, Petro-Canada, which is an abuse of the ordinary taxpayer, our uncles, aunts and friends, people who are at the end of the shovel and who believe that governments should do what is right. I believe, Mr. Speaker, that the Liberal Cabinet has breached the fiduciary responsibility they have to the people of this country. When the Cabinet set up that Crown corporation they borrowed money in foreign markets to give tax breaks to Petro-Canada which other corporations could not take advantage of. One of the senior deputy ministers was on the board of Petro-Canada and they put through a special debenture to take advantage of a tax loophole and the Government closed the loophole within 10 days so no one else could take advantage of it. That is how they financed Petro-Canada.

Petro-Canada then went out and took over Atlantic Richfield, Pacific Petroleum and Petrofina. They paid far more than the market would have dictated, which created an enormous benefit to the shareholders of those companies. They then used the money, not to build plants or anything like that and create jobs, but to buy government treasury bills. They made an absolute killing at 19.5 per cent of that fiscal year, 1981-82 or 1982-83, rather than create jobs.

There are the 100 per cent owned subsidiaries of Petro-Canada, Mr. Speaker. Arctic Pilot Project Inc., Canertech Inc., under which you have Canertech Conservation Inc., Pacific Enercon Ltd., Mechron Energy Ltd., 107744 Canada Inc., Omnifuel Gasification System, Petro-Canada Consulting Corporation, which is now inactive, and Petro-Canada Inc.. Under that we have Asher American, Inc., Big Eagle Oil & Gas Ltd., Aquilla Holdings Ltd., and Fifth Pacific Stations Ltd. They say that company is now inactive but remember as I list these corporations they each have to have a president, a board of directors and secretaries. These people are not there for the creation of new wealth or the finding of new oil; they are there to sustain the infrastructure, the bureaucracy. When the oil and gas industry, those 700 companies that were owned by our fellow citizens, come in and tell us that at one time they had three geologists and one accountant on their staff and now they have three accountants and one geologist, they are telling us the truth. That is how we have destroyed the oil industry.

Some more subsidiaries, Mr. Speaker: GMI Co. (Bahamas) Limited. What is Petro-Canada doing in the Bahamas? Opal Oils Limited, under which we have Commodore Oils Limited, First Pacific Stations Ltd., Second Pacific Stations Ltd., Third Pacific Stations Ltd., and Fourth Pacific Stations Ltd.. That reminds me, Mr. Speaker, that when Petro-Canada bought Petrofina it paid twice the market value for a few oil and gas leases and 1500 service stations, most of which are too close to Petro-Canada's own stations, and they are having to sell them. But Petrofina got to keep the petrochemical plant, which is where the future of the oil industry is. It is not the retail pump, it is in the petrochemical plant. Petrofina was paid double the market value of the shares and they got to keep the most important part of their operation. It is a criminal act.

Then we have Pacific Pipelines, Inc., Pacific Petroleums (Overseas) Limited, Petro-Canada Drilling Inc., Petro-Canada Enterprises Inc., and under that we have Independent Fuels & Lumber Ltd., Joseph Elie Limitée, Marc Dufresne (1979) Inc., Petro-Canada Chemicals Inc., Petro-Canada Petroleum Inc. Under that is Arctic Islands Resources Ltd., Petro-Canada Ventures, Prairie Leaseholds Ltd., Prairie Minerals Ltd., and Xychem Inc.

Then we have a bunch of them incorporated by numbers. They have so many they cannot find names for them. First is 106616 Canada Inc., 106617 Canada Inc., 106618 Canada Inc., 106619 Canada Inc., 106620 Canada Inc. and 106621 Canada Inc. All of these are incorporated companies sitting on the shelves ready to go.

When the Minister of Finance (Mr. Lalonde) goes over to Indonesia he will tell them: "We will send Petro-Canada over to help you". They will then activate one of these companies and the taxpayers' dollars pay for it. Ordinary Canadians will then have less money to spend; it will be taxed away from them. There are seven separate federal taxes applied to oil from the time it leaves the ground until the time it gets into your gas tank. That is wrong. It is a tax grab and it leaves less money for the individual to decide how to spend. My view, Mr. Speaker, is that I will decide how to spend my money and I am not going to give it to a bunch of Grits over there to spend it. Canadians are coming around to that view and they are going to have to defeat individual members in order to get this changed.

There are more companies, Mr. Speaker. We have Petro-Canada Espanola S.A.. We are drilling in Spain. Petro-Canada Norway A/S. What are we doing in Norway? Petro-Canada Oil and Gas Inc., Petro-Canada Products Inc., Petro-Canada Resources Inc., Petro-Canada (U.K.) Limited. I guess we are drilling in the United Kingdom. Petroleum Transmission Company, Petron Petroleum Ltd., Rocair Limited, Tri-Mountain Petroleums Ltd., Value Serve Stations Ltd. We have Venezuelan Canadian Oils, which was confiscated from them by Venezuela, by the look of it. We have Venezuelan Pacific Petroleums, 103912 Canada Inc., and then we have Petro-Canada International Assistance Corporation. Those are companies owned 100 per cent, and I have a list here of subsidiaries held at 50 per cent to 99 per cent, and associates held at less than 50 per cent. It goes on for page after page.

If the Liberal Cabinet wanted to put up its own money to set up this corporation, I would have no trouble at all with that. But they are using your money and mine, Mr. Speaker, and they are not using it responsibly according to the trust the Government owes to the governed.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I think it is time we had a look at Crown corporations. I am delighted that we have had a suggestion and a motion, if accepted, that this Bill be given a six-month hoist.

You may or may not remember, Mr. Speaker, that the Government, at about the same time it produced Bill C-24, put forward a brochure entitled *New Legislative Proposals for the Control and Accountability of Crown Corporations*. The opening paragraph is revealing in that it says the federal Government believes that new measures are now required to strengthen the control and accountability of its Crown corporations. This can best be done by clarifying the roles and responsibilities of Parliament, the Government, boards of directors and managers of Crown corporations.

● (1620)

What does the Government do? The next paragraph tells us what the Government is going to do. It is going to amend the Financial Administration Act in order to strengthen the controls and accountability of Crown corporations. The Government is going to amend the Financial Administration Act, Mr. Speaker? I ask you, surely there should be what is known in French as *la loi cadre*; I do not know whether we have the same term in English. That is an acceptable term in legislative proceedings in France. It is a law which provides the base on which further constructions can be erected. It seems to me there ought to be *la loi cadre* for Crown corporations. Goodness knows, there are enough of them flying around. My friend, the Hon. Member for Lethbridge-Foothills (Mr. Thacker), listed at least some of the subsidiaries of Petro-Canada. Incidentally, he stole a bit of my thunder, Mr. Speaker, because I was going to do that. However, they are on the record and we may come back to them.

It strikes me that amending the Financial Administration Act is quite the wrong way to go about dealing with such an important aspect of Canada's economy today. Goodness knows, it needs amendment, but there should be a basic Crown Corporations Act as there once was, I would remind you, Mr. Speaker, as I mentioned in my earlier intervention during second reading of Bill C-27. It might very well have served as a better model for *la loi cadre* for Crown corporations.

I do not know for sure whether you have had a chance to look at this Bill, Sir. It is quite lengthy. It deals with the Crown corporations in a most extraordinary way. By rewriting in one particular place, it removes Part VIII of the existing Financial Administration Act, which is entitled "Crown Corporations" or "*corporations de la couronne*", and replaces it with another section which is called Part XII, "Crown Corporations" in English or *sociétés d'état* "in French. This is really an amendment. It appears in Bill C-24 following Part II in the Financial Administration Act. Then it goes from page five to page 53. The insert is the amendment, Part XII, which deals with Crown corporations. That in itself ought to be, if it contained all what the Government were planning to do and did it properly, *la loi cadre*.

It seems to me, and I think to all clear-thinking parliamentarians, that we should have a basic law for all Crown corporations, of which there are an innumerable quantity. I use the word "innumerable" deliberately because my friend, the Hon. Member for Mississauga South (Mr. Blenkarn), mentioned that there were some 49 subsidiaries to CN. I have just been counting through this document and I come up with something like 75. Therefore, "innumerable" is probably the right word

to apply to the number of Crown corporations that exist. I think there should be a basic law on which we can hang the incorporation or creation of new Crown corporations. I find it most offensive that one of the largest Crown corporations should have come into existence even before the amendment to the Crown corporations notion through the Financial Administration Act has been voted upon in Parliament.

Two years ago, Mr. Speaker, you may recall that there was brought into being an instrument called the Canadian Development Investment Corporation. It was first incorporated on January 12, 1982. Now I see that Bill C-25, which is the Bill immediately succeeding Bill C-24, tries to put a little bit of legality, and parliamentary legality particularly, into this series of Orders in Council starting January 12, 1982. I suppose there could be one going through today for all we know, maybe taking over another Crown corporation.

On May 25, 1983, the CDIC legislation was given first reading in the House. There is a year and a half. That is extraordinary when you come to think of it. Here we are a year later and we still have not had the CDIC legislation brought before us for second reading.

There is some jiggery-pokery going on about Crown corporations. I think I mentioned on an earlier occasion I was rather surprised that the Minister of Justice (Mr. MacGuigan) should have this sort of legislation brought forward to the House. His advisers are consultants in the matter of drafting legislation and he should have approved the legislation in this form.

This brochure that was issued in anticipation of the arrival of Bill C-24 mentions as well that the Government will be responsible for the strategic and budgetary decisions of all parent Crown corporations, and through them their wholly-owned subsidiaries, and for any directives the Government issues. These directives will be tabled in Parliament. That strikes me as being a far cry from the Crown corporation notion as it first came into being.

I see, Mr. Speaker, that you are signalling that my time is running out. However, Mr. Speaker, I would commend to you and to anyone interested in Crown corporations between now and six months hence, when we shall be examining this Bill again after committee hearings to look very carefully at the brochure issued by the President of the Treasury Board (Mr. Gray) in March, 1984 entitled *New Legislative Proposals for Control and Accountability of Crown Corporations*. They are not legislative proposals for Crown corporations; they are amendments to the Financial Administration Act, which I think is quite the wrong way to proceed, Mr. Speaker.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order. It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Vancouver East (Mrs. Mitchell)—Indian Affairs—(a) Tabling of legislation to remove discrimination against women. (b) Position of Minister; the Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie)—Copyright—(a) Provision of Canadian Broadcasting Corporation—material for schools. (b) Procedure followed in United States.

● (1630)

GOVERNMENT ORDERS

[*English*]

FINANCIAL ADMINISTRATION ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Ouellet (for Mr. Gray) that Bill C-24, an Act to amend the Financial Administration Act in relation to Crown corporations and to amend other Acts in consequence thereof, be read the second time and referred to the Standing Committee on Miscellaneous Estimates, and the amendment thereto of Mr. Crosbie (p. 3688).

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, once again I wish to say a few words on Bill C-24, and I support the amendment to put this matter over for another six months.

Of course, the purpose of the Bill is to amend the Financial Administration Act to provide greater Cabinet control over Crown corporations and to provide greater accountability to Parliament. That is a real task. As we have pointed out repeatedly, the Bill does not have enough teeth.

The Hon. Member for Esquimalt-Saanich (Mr. Munro) referred to a recent document which was put out by the Treasury Board entitled *Crown Corporations and Other Canadian Government Corporate Interests*. Having looked through this publication, I find the number of Crown corporations and their subsidiaries to be almost unbelievable. It is a clear indication that there is absolutely no control of their growth. It seems that everyone sets up his own little Crown corporation.

In 1962, there were only 28 Crown corporations controlling $8.4 billion in assets. Today there are over 300; at least we think that is the figure. We really do not know because we cannot obtain an exact number. Today, these over 300 Crown

corporations are supposed to be controlling $67 billion in assets.

The problem we have with Crown corporations is the lack of precise figures. Interpretation is an integral part of the problem. Assets change hands, responsibilities shift and lines of accountability are often difficult to trace.

I should like to refer to the decentralization policy of the Government. It wants to move Crown corporations out of Ottawa. The way some officials of Government are talking, Ottawa will become a ghost town. I will deal with that shortly in more detail.

Many corporations are subsidiaries of other Crown corporations with more than 50 per cent of them federally owned or associates with 50 per cent or less federal ownership. They do not report directly to a government Department or a Minister of the Crown, let alone to Parliament. Employment in Crown corporations totals about 263,000 people. Federal Government Departments, by comparison, employ 239,000, not counting the 84,000 members of the Armed Forces. What is causing a lot of confusion in Ottawa with Crown corporations is the Government's decentralization policy. It wants to move Crown corporations and government Departments out of Ottawa. Some of the candidates for the leadership of the Liberal Party have stated that they will disband certain government Departments or Crown corporations. We do not know which ones. That is also causing much concern in the Public Service in the Ottawa area. It is making it most difficult for Crown corporations and others to function properly when they do not know whether they will be disbanded or moved.

The Minister of Energy, Mines and Resources (Mr. Chrétien) is a very strong supporter of decentralization. He is prepared to move many Departments and Crown corporations out of Ottawa. The Minister of Employment and Immigration (Mr. Roberts) has said that he will do away with three government Departments. We do not know how many public servants will be losing their jobs with the decentralization plan, how many will have to move or how many will be able to move. There is no end to the concern in the Ottawa area. I hope we will receive some clarification or some clear-cut statements on how many public servants will lose their jobs, how many will have to move and how many will have to look for jobs in other Departments and so forth, because they are protected under the Public Service Act and do not have to move.

The householder which was distributed in Ottawa Centre by its author, the Parliamentary Secretary to the President of the Privy Council (Mr. Evans), is also causing much confusion. He has clouded the issue considerably in this his latest householder. I picked one of them out of a trash can in the lobby of my apartment block. Perhaps after people read this document, it goes into the trash can. The Hon. Member for Ottawa Centre pointed out in this document the serious problem in the economy in the Ottawa area. He indicated how the Sparks Street Mall would be affected if Crown corporations are moved out of this city. I am sure Crown corporations are in a state of confusion right now. Many of them do not know what to do with their employees. It is difficult to make any long-range plans.

Members of Cabinet and John Turner, who stated that he will cut $15 billion and do away with a lot of government Departments and public servants, should indicate which Crown corporations will be moved and which ones will be disbanded. That would help us in dealing with Bill C-24. Certainly it would be a great help to the Crown corporations. They rent space. They have contracts with local contractors and consultants. These vague and wild statements about emptying Ottawa and moving out government Departments and Crown corporations should be clarified.

It is very strange that the Hon. Member for Ottawa Centre has not explained John Turner's position in this document, as he is involved in his campaign. I hope there will be a clarification of the decentralization policy of the Government to the citizens of Ottawa Centre. They should know what will happen to them, which ones will be moved, how many will lose their jobs, and how many will be transferred. They cannot operate properly with these vague and wild statements of candidates going across the country trying to bribe voters. They say, "Vote for me and I will give you a Crown corporation", "We will move one to Winnipeg", "How would you like one in Newfoundland?", and "We will move everything out of Ottawa across the country and you will feel more at home in Canada". I hope the Hon. Member for Ottawa Centre will clarify that for his constituents, the majority of whom are public servants.

Mr. Evans: The majority are not public servants; that is how much you know.

An Hon. Member: He knows much more than John Turner.

Mr. McKenzie: Of course, with regard to Mr. Turner, I cannot comment. Time will not allow me to cover all his positions. I simply do not have the time to deal with all his positions.

I see Mr. Speaker is giving me a signal. I hope the Hon. Member will clarify this for his constituents and correct the statements in his little booklet, which I picked out of a trash can. I hope the Government and the whole House will support a six-month hoist on this Bill.

Hon. John M. Reid (Kenora-Rainy River): Mr. Speaker, we have now had 78 speakers on this Bill. Bill C-24 is designed to try to deal with some of the problems of Crown corporations and to try to provide an accounting system for the House of Commons to get some control over them. What fascinates me in terms of this Bill, for which the Opposition has called, is the Opposition's determined opposition to the House of Commons getting control over Crown corporations.

I certainly understand the ambivalence of members of Her Majesty's Official Opposition. It is because when they were in power they were in power they were one of the most enthusiastic developers of the concept of Crown corporations. In point of fact, if we look back in history at people who put together

Canadian National Railways, we find that it was neither the Liberals nor the socialists. It was the Conservative Party.

Miss MacDonald: And the CBC.

Mr. Reid (Kenora-Rainy River): As the Hon. Member for Kingston and the Islands (Miss MacDonald) points out, the CBC and whatnot.

Mr. McDermid: The Bank of Canada.

Mr. Reid (Kenora-Rainy River): The Bank of Canada as well.

Mr. McDermid: The National Film Board.

Mr. Reid (Kenora-Rainy River): Yes, the National Film Board. The issue that we are dealing with is not to question corporations, whether we should have them or not. We are going to have them. Her Majesty's Official Opposition likes them, supports them and uses them. We are not talking about eliminating Crown corporations. We are talking about bringing them under some form of parliamentary control. That is an entirely different matter.

● (1640)

Listening to the speeches of the Hon. Member for Mississauga North (Mr. Blenkarn), Winnipeg-Assiniboine (Mr. McKenzie) and other Members over there, I say, my God, there is no way one would know that that subject was being debated in the House of Commons. They talk about how evil Crown corporations are, how rotten Crown corporations are, and how destructive Crown corporations are. It is difficult to remember a time in the House when Members opposite have actually opposed in as rabid a fashion as they are opposing this Bill the establishment of any Crown corporation that we now have. The reason is simple. Crown corporations are a pragmatic response by governments in Canada to the peculiarities of the Canadian psyche, Canadian geography and our economic system.

If we want to do certain things, we have to mobilize capital in a big way. If we are going to mobilize it in a big way, normally we have government involvement. Take for example, the CPR. The CPR is the bastion of what the Conservative Party says is right about the free enterprise system. If one looks at the way in which the CPR is put together, one finds that it is the original Crown corporation put together by a 19th century government. Who was it that financed CPR? The CPR could never have built those railways had it not been for the funding that Sir John A. Macdonald's Government provided. He did not take equity. He took debt, and he provided grants. By and large, that is what Crown corporations are all about. The issue is not whether we will have Crown corporations. We are going to have them. We will have Crown corporations with the full support of the House of Commons.

What is the issue? Obviously the issue is how to bring them under control. How do we provide parliamentary control? How do we provide parliamentary input into control over and above that control which we now have and over and above the control which the Government has through the Cabinet to the Cabinet committees? That is what this Bill is about and that is what the subject of debate ought to be. The last two times the Bill has been debated, those issues have never been touched in a serious way by Her Majesty's Opposition. Instead, we have had catalogues of complaint about this, that and the other thing.

Let me give a few ideas, for which I take no credit. They were discussed in the special committee that looked into parliamentary reform. One issue that we examined in a very real way was the question of Crown corporations. How can Parliament get its finger on Crown corporations in a way that will be seen to be useful and effective? We have two problems.

First, you do not want to take Crown corporation inspections and investigations out from under the committee of the House of Commons that has relevance in that area. It would not make much sense to set up a special committee on Crown corporations, have the committee look at Air Canada, and not have the Transport Committee look at Air Canada as a Crown corporation as well. You cannot look at air transport in Canada unless you look at Air Canada. The consequence is that we have to find a way to look at Crown corporations in a way which would make some sense with regard to the role which they play in our economic system and in our governmental system, as well as look at Crown corporations as a vehicle in themselves.

We talked about how to accomplish this duality. How could you look at a Crown corporation as an instrument and an institution to see whether we had gone too far or whether the Crown corporation had expanded too far? How do we look at the issue of whether the time has come to sell a Crown corporation or parts of it? What is the time to split them and re-combine them in different ways?

The House of Commons by and large has shown very little interest in those subjects. The House of Commons is an extremely reactive body. It is not a leadership body. We have never really had debate in terms of asking about Crown corporations in this way. Even the debate that we have had so far on Crown corporations has never really dealt with those questions.

Let me outline some possible hypothetical solutions which have to be tackled, probably in the new Parliament, if we want to get a grip on Crown corporations. First, we should set up a special committee of the House of Commons directed toward looking at Crown corporations as Crown corporations, not from the point of view of their activities. I believe that can best be done by the various standing committees that have an operational interest in a particular field. For example, the Transport Committee should look at Air Canada, the Energy Committee should look at Petro-Canada, and so on. You can run down the whole gamut in that way.

I believe it would be worth while to have a special reference to establish a special committee to look at Crown corporations so as to examine at least two matters that trouble me about Crown corporations. The first matter is the enormous variety of Crown corporations. If you look at the recent list of Crown

corporations published by the President of the Treasury Board (Mr. Gray), you will not find any common denominator as to what is and what is not a Crown corporation. There are Crown corporations that involve the last post fund to Petro-Canada, to subsidies of Petro-Canada, to Air Canada and so on. One of the first things we need to know is what is a Crown corporation. The Crown corporations in which Members of Parliament are most interested at this point are those that intervene in some way in the economic affairs of our country.

The second question that has to be looked at in such a committee is the impact of Crown corporations in monopoly situations, such as Northern Power Commission, Northern Transportation, and Air Canada, CP Air policy, and the Petro-Canada situation with respect to the other oil companies. We have to examine the role that these companies play where there is a competitive factor. Then we have to look at Crown corporations from the point of view of where we have a monopoly operation. Canadair and Air Canada are classic examples. We also have to provide some guidelines as to the risk that we ought to take in our Crown corporations. When you go into business, establish a new corporation or buy someone else out, you take on some very real risks. Nobody can foretell the future. It means that each Crown corporation is up against its own form of risk.

We do not debate those issues in the House of Commons, mainly because we do not provide ourselves the time to do it. We in this place probably manage our time in the most incompetent way of any legislature in the world. If Members are interested in these very real points of policy, then we have to provide time to debate them. In addition, we have to find a mechanism which would force us to pay attention to the facts or the problem in front of us, instead of wandering all over the map, as we do now.

This is why I suggest that we set up a special committee to examine the question of Crown corporations. This should be examined from the three points of view I have mentioned. The committee should spend some time trying to develop guidelines it expects the Government to follow in terms of the creation of Crown corporations in the future. Also, when it examines Crown corporations, there should be guidelines for this examination both on the floor of the House and in committee. If we were able to agree on a platform and pay attention to that when we come back after the next sequence of elections, we would have served everybody very well and this debate might have been of some use after all, after having gone through 79 speeches.

Mr. Gordon Taylor (Bow River): Mr. Speaker, isn't it wonderful that a Member of the Government finally got up to defend its legislation? A Member on the Government side has finally had the courage to stand up and support this government legislation. That is wonderful, just wonderful! If the Hon. Member has such a wonderful suggestion, why does he not persuade his colleagues to bring in the amendment so that we can look at it?

• (1650)

Members of both opposition Parties have been talking about accountability and responsibility. That is what we want for our corporations. We are not saying that all corporations are bad, because they are not all bad, some are good. However, There should be accountability. The people should have the opportunity to know what these Crown corporations are doing rather than going on year after year with no one, not even the Ministers, knowing what they are doing.

I would like to deal with some important points regarding this Bill. I shall begin by reading six points contained in a letter which I think must be noted very carefully. They are:

1. First and foremost, a statute overrules any Standing Order. This, in my judgment, means that the House should take a very hard look at any Bill which would have this effect, and should pass it only if very solid proof is advanced that such a provision is essential for some indispensable public purpose.

It would take a great deal to convince me that any such provisions are ever required. I suppose it is conceivable that, in a great war, or something of that sort, they might be justifiable; but, plainly, no such situation is involved here, at least as far as I can see.

I think the Opposition should raise Cain on this.

2. Specifically, section 2.2(3) is almost incredible. Surely, never before has any statute invaded the rights and privileges of the House of Commons by providing for a committee and then forbidding a motion to concur in its report. This is plainly a matter for the House itself to decide. If it wants to forbid motions for concurrence, it can of course do so. And, even if it does not, a motion for concurrence is not obligatory. If no one wants to move it, all right. But to forbid a motion for concurrence is an emasculation of the rights, powers and privileges of the House of Commons.

The Government should be made to stand and deliver on this. It is, on the face of it, a most gross invasion of the rights, powers and privileges of the House.

Heaven knows the House has little enough power now. But this, "Hang your clothes on a hickory limb, But don't go near the water," is intolerable. What possible excuse can there be for this?

3. Passage of this provision could provide the Executive with a very dangerous precedent. It could try the same game again, forbidding motions to concur in the reports of other committees, and pleading, in justification, "Well, you accepted it in Bill C-24".

4. What justification can be offered for section 154(4)? The powers of the Joint Committee on Regulations and Other Statutory Instruments are already feeble enough. There are too many exemptions, and too slipperily worded, now. Why add to them? Why add to the secrecy which the freedom of information legislation was supposed to help us escape from?

5. There is one piece of very sloppy drafting: section 155(3), which speaks of a "committee of Parliament". There is no such animal. There are Committees of the House of Commons; there are Committees of the Senate; there are Joint Committees of both Houses. But Parliament consists of the Queen, the Senate and the House of Commons . . . How can you have a Committee of the Queen?

6. Section 155 provides that the motion contemplated shall stand referred to such committee as either House (or both) may designate. As I read it, this means it must go to a committee. But the committee is allowed only thirty days to consider and report. If it has not finished its job in thirty days, the Government can then move the motion to authorize the transaction under section 100, and this must be disposed of after only seven hours' uninterrupted debate.

This is another limitation on the powers of committees.

The Government should be pressed to justify it, pressed very hard.

"For ways that are dark and tricks that are strange—"

The six points which I have just put on the record were contained in a letter from Eugene Forsey, a former Senator and a man learned in the law. That is what he thinks about Bill C-24. I thought it was very important that that be put on

the record, particularly coming as it does from a man of the stature of the former Senator, Mr. Eugene Forsey.

I would like to deal with one other point, Mr. Speaker. The Hon. Member for Kenora-Rainy River (Mr. Reid) mentioned the fact that Sir John A. Macdonald brought in the CPR. Sure he did, but that was a different proposition entirely. The CPR had one big job to do. It was to build a rail line across the country in order that B.C. could come into Confederation. Sir John A. Macdonald made good provisions for that to happen. It was not Sir John A. Macdonald who nullified those provisions or who refused to live up to those obligations. For instance, passenger train service was promised forever. The CPR made definite promises. Why is it not accountable to the committees of the House?

What about Canadair? I am all in favour of building airplanes in Canada. I deplore the fact that the once strong shipbuilding industry in the country has gone to wrack and ruin because of the attitude taken by the present Government. Canadair is on the way to wrack and ruin. We can build good planes, but we do not have to okay indebtedness, sloppiness, carelessness, and a lack of accountability. The directors of Canadair and the Senator who is supposed to be responsible for it have all been reappointed in spite of the facts that they are losing money left and right, that they do not report to the House, and that they do not have any accountability at all. I do not call the reappointment of those people accountability.

What did Joel Bell, the new President of the Canada Development Investment Corporation, have to say when he began to look the corporation over? He found that it had 22 vice presidents.

Mr. McKenzie: All Grits.

Mr. Taylor: Yes. He did not say how many directors there were, but he did say that there were so many vice presidents that he got rid of 10 of them right away. For how many years has that situation been going on? The Government does not know what is going on. We are opposed to that type of thing. We are opposed to extravagance when spending the people's money. We are opposed to those who say: "Let the people pay; it does not matter how much is wasted or what is done with it, because the people will pay".

Joel Bell then found that Canadair had so many employees that he was able to discharge 338 of them. How long were those 338 employees sitting on cushions, or on whatever else they sit over there, doing nothing? For how long were they being paid with the people's money only for their good looks while a million people were unemployed and living under the poverty line?

We are opposed to those kinds of things, Mr. Speaker. We want accountability for Crown corporations. We want the people to know what the Crown corporations are doing, and we want full value for every dollar spent.

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, I suspect that this will probably be the shortest speech on record, but I do want to be on that record as supporting the six-months' hoist amendment that has been proposed by this side. I think that that is a very constructive idea.

Normally when a six-months' hoist is moved, it is moved for dilatory purposes. However, under the set of circumstances with which we are faced today, I think that the idea of allowing this matter to stand over for six months—by which time we will in all probability have a new Progressive Conservative Government—will enable us and the people of Canada to bring to bear on this question our views and our expertise.

[*Translation*]

The Acting Speaker (Mr. Guilbault): Order. It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

• (1700)

PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*Translation*]

The Acting Speaker (Mr. Guilbault): Shall all orders and items preceding No. 101 stand by unanimous consent?

Some Hon. Members: Stand.

The Acting Speaker (Mr. Guilbault): Stand.

* * *

[*English*]

GOVERNMENT EXPENDITURES

ADVISABILITY OF ESTABLISHING COMMITTEE TO REVIEW ESTIMATES

Mr. Don Blenkarn (Mississauga South) moved:

That a Standing Committee of this House be appointed and that it be empowered to review annually, and from time to time as may be necessary, the total amount of any Estimates or Supplementary Estimates to determine whether the Estimates or Supplementary Estimates in their totality exceed the ability of the country to pay the moneys required and to priorize such estimates of expenditure of the government to ensure that the moneys appropriated by Parliament for operations are appropriated to those needs of the people of Canada in the order of their priority.

He said: Mr. Speaker, the whole question of coming to grips with the budgetary deficit of this country has occupied not only Members of Parliament from this side, but Members of Parliament from the other side. Indeed, the leading contender for the leadership of the Party forming the present Government has said that there must be some system of priorizing the expenditures of the country.

The problem is this: Our present system of clearing Estimates is that the Estimates are presented in the blue book and are sent to the standing committees of the House. At the present time, Members who sit on the Standing Committee on

Health, Welfare and Social Affairs are people generally interested in issues concerning health and welfare; Members who sit on the Standing Committee on Communications and Culture are people interested in communications; and Members who sit on the committee dealing with Indian affairs and northern development are people interested in those concerns. The tendency is not to cut back on an item of government concern in which Members are interested. In the whole presentation of Estimates, we have Estimates coming forward in which no effort is made to priorize, no effort is made at frugality, and no effort is made at determining what should be an expenditure that is appropriate for the Government.

As well, we have budgets coming forth and we have borrowing authority Bills coming forth. Members from all sides of the House rise and say that it is too much and that the Government is spending more than the country can afford. But when the Estimate comes before the Standing Committee on Fisheries and Forestry, Members on that committee want to spend more money. We have the strange notion that Members of Parliament are saying, "Cut expenditures. Let us priorize it. Let us be frugal. Let us stay within our ability to pay the bills for the taxes received", and at the same time are asking for greater expenditures.

We have had debates in this session demanding increased expenditures for education, for health, for pensions, for forestry, and so on. Those are all valid concerns and things for which we as Members of Parliament are receiving demands from our constituents.

The fact is that we are only able to collect about $70 billion in the current years. We are going to spend approximately $100 billion. Therefore, there will be a shortfall of approximately $30 billion. Obviously, we are going to try to spend ourselves rich and spend on programs that we cannot afford in total. That is because as Members of Parliament we have not been honest with ourselves; we have not directed our attention to the things we want, to what we want from government, and to what priority we want them to have.

I do not think there is any question, certainly from my point of view, that the senior citizens in this country must be well looked after. We must also ensure that there is an education system which will train our young, and even our not-so-young, so that they can participate fully in the economic activities of the country. There is no question that we must provide for a proper defence of Canada. However, even these things must be placed in priority. Where do we place these things in priority when we are looking at a debt of $147 million, money which has been set aside as a subsidy to insulate people's houses? Where do we put the $187 million—that is the money, if my memory serves me correctly, that was set aside to pay people for new furnaces in order that they could convert from oil to wood, natural gas or something of that nature? Where do we put a program which provides for almost $2 billion this year to drill holes for oil, when the price of oil is dropping and when, in fact, we have all sorts of resources that are already known for example, in the tar sands area in Alberta? Where do we put that $2 billion that is paid to companies, not for finding oil, but largely on the basis of their shareholding and whether that shareholding is Canadian? Even though the tulip show in the national capital is absolutely magnificent, where do we put the $107 million that was set aside for the National Capital Commission? That budget, I would say, is almost equal to the total budget of the City of Mississauga for parks, administration, education—for everything put together. What priority do we give to these amounts?

Our attention has not been called and we have not been asked, "Now look, do you want $900 million to go to the CBC or do you want to pay senior citizens this amount of money in a pension?" If the choice were there, where would we put our priority? For too long we have said that we want our cake and we want to eat it too and, thank you very much, put ice cream on it as well. It is the obligation of Members of Parliament to be responsible, but this House has not been responsible.

Therefore, what we ought to have in this House is a committee—you might call it a Treasury Board type of committee—that would look at the total ambit of government activity, every estimate coming forward, and that would put a priority on it. Some things are absolutely necessary, some things are perhaps not as necessary, and some other things have a pretty low priority. They are perhaps desirable, but not necessary.

We have the ability to charge our citizens taxes. What we have tended to do is not only to take the money in taxes, but charge yet unborn citizens taxes for expenditures made by us through the use of the borrowing system. It may be proper for us to borrow against the income of the taxes that will be paid by citizens yet unborn, but that should be a question of priorizing.

• (1710)

What this motion attempts to do, Sir, is to bring to the attention of this Parliament the obligation of Parliament to take a look at the various expenditures of Government, come to grips with where the money should be spent, and make Parliament responsible for the order in which the money is spent. Almost all of the money we spend in that blue book of ours has some value. It is perhaps money well spent. However, is it well spent in priority?

If this Parliament had a committee which deliberately looked at these things, I suggest, Sir, that we would not have the kind of situation where a leadership candidate such as the Minister of State for Economic and Regional Development (Mr. Johnston) is going around the country saying that he has grave doubts as to the value of the DRIE program and that he thinks his own Ministry, MSERD, should perhaps be abolished. We have had other candidates for the leadership of that Party saying that perhaps they could eliminate three whole Departments. Parliament would have dealt with these matters on a priority basis. Why would Parliament have done that? Because Parliament and its committee would have been charged with making sure that the money which is available is spent in priority. We would then quite apparently have a situation where Parliament would say, "Yes, it is important

that we have an aircraft industry, but not so important that we do not pay proper attention to the pensions due to our senior citizens and do not pay proper attention to the money required to finance post-secondary education".

The Government may say that it is the obligation of government to determine these things. Yes, government is absolutely and in final form responsible for the spending which it presents to Parliament. However, government expenditures must be approved by this Parliament. In that regard, this Parliament should have a committee to go over government expenditures so that this Parliament, representing as it does all sides and representing the people of the country, could say to government, "Yes, expenditures are important but here is our priority; this is what we say you should spend the money on first, and this is what we say you should spend the money on second; here is where we fit the $1.2 billion or so you are going to give to Canada Mortgage and Housing Corporation; and here is where we see social housing as against family allowances or child tax credits".

No one can have all the pie, Sir, and all of the ice cream and all of the things one would like to have. In our own families we must determine whether mother gets a new coat and whether that coat is a mink or an ordinary cloth coat. At the present time, the tendency is that expenditures are made up in a budgetary envelope system, and expenditures in those envelopes are allowed to creep up by some sort of a percentage. But there is no priorizing by Parliament between envelopes. There is no determination as to whether we should spend more money on defence and less money on external affairs and foreign aid. The fact is that we spend more on both. Is that the proper priorizing of where we should be going? Surely, it is not good enough to have budgets and Estimates presented to us where every Department receives 5 per cent, 8 per cent or 9 per cent more, and those that really squeak receive 13 per cent or 14 per cent more, but everyone gets more? Surely when revenues are not there to cover expenditures, there must be a situation where Parliament is called in to judge whether CIDA money is more important than housing money, or whether subsidies to the Export Development Corporation are more important than subsidies to some municipality to supply urban transportation.

We cannot have all of these things, and it is up to this Parliament to determine which of these things we can have. Those broad determinations must be made and should be made by a separate committee of the House charged with that concern.

Mr. Maurice Foster (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I am happy to have an opportunity to make a few comments this afternoon on Motion No. 101, which was put forward by the Hon. Member for Mississauga South (Mr. Blenkarn). I believe that the basis of this motion really relates to government expenditure and deficits. As I listened to the Hon. Member's argument about the idea of having one committee of Parliament which would priorize government spending, I thought back to the two elections of 1979 and 1980. If you recall, Mr. Speaker, the Conservative Party won the 1979 election. In that election, one of the concepts of that Party, I believe, was that it would lower taxes by some $2 billion, but it would buy new ships for the navy, and it would also grant home owner relief of a couple of billion dollars a year. That is not new because most Parties at election time do make promises which involve the expenditure of money.

The 1980 election, I believe, was very significant—perhaps because it was just nine months after the 1979 election—because, for the first time that I can remember, at least the two major Parties in our country were being very careful not to promise anything which was going to cost very much money. I recall that the Liberal Party promised a $35 a month increase in the guaranteed income supplement, a promise which it kept, but the total expenditure for this was very carefully calculated. I believe that the Conservative Party did the same. That election was significant because everyone was remembering back to the 1979 election and with every promise by both Parties, the news media, and independent observers carefully calculated, exactly how much money was being promised by each Party. Everyone realized that because of the financial straitjacket we were in as a country it would be difficult to keep those promises.

Remembering back to that election makes me conscious of the concern which the Hon. Member has expressed. However, the problem I see with the motion to set up a committee which would be a sort of superduper estimates committee is that it would change our basic parliamentary system. The Government proposes legislation or expenditures. It is up to the President of the Treasury Board (Mr. Gray) and the Minister involved to prepare a blue book and spending Estimates, and for the Government to set the priorities as it sees them and then propose them to Parliament. Parliament ultimately disposes of these Estimates and decides whether it will accept or reject them.

• (1720)

In our parliamentary system we have a very highly disciplined caucus system. If there is a majority Government, the Estimates are generally carried. If there is a minority Government, such as we had in 1972, very often within eight months or one year the Government may well be defeated, either on its budget or on its spending Estimates. Of course that is a matter of confidence, and so the Government can be defeated. Yet under our system the responsibility for making proposals to Parliament remains with the Government.

The motion which the Hon. Member for Mississauga South proposes is in some ways a very radical motion. It suggests that the House or a committee of the House would somehow have a responsibility in determining exactly what the spending Estimates would be for the Government. Unless we change our whole parliamentary system to one where the House would operate on a congressional system, I believe that this proposal would not be acceptable. It is not really clear to me exactly how that system would work. I suppose we could have a committee which could make recommendations, but it seems

to me that the responsibility must ultimately remain with the Government as to the amount of its expenditures, deficits and so on.

In addition, Mr. Speaker, I would like to review some of the steps which the Government has taken in recent years to strengthen accountability and management throughout the Government and its relationship to Parliament in general. I would like to underline at this time that while these measures have been significant indeed, they have respected, they have been consistent with, and they have complemented the existing parliamentary traditions. The focus has consistently been on making these conditions work more effectively, rather than on throwing the traditions themselves into question. This approach is in fundamental conflict with the idea of the Hon. Member for Mississauga South.

In our system, Parliament is responsible for three main tasks; to legislate, to grant supply and to authorize taxes, and, finally, to support or not to support the Government of the day. These tasks are traditionally performed by granting, or refusing, assent to measures proposed by the Government after they have undergone public scrutiny and debate. The responsibility for governing the country is vested, not in Parliament, but in the Ministers of the Crown. Parliament is responsible for the continuous scrutiny of the Government's implementation of the measures to which Parliament has given assent.

There is a view held by some that Parliament should play a greater role in actually framing the measures put to it by the Government. It is this belief which appears to underlie the motion before us and which is the reason why it represents such a radical break with existing parliamentary traditions. Fundamental to the role of Parliament as a body to which the Government must be accountable is the need for Parliament to approve the Government's expenditures and Parliament's powers to review these expenditures. These powers are currently exercised through the Public Accounts Committee and through several standing committees of the House studying Estimates. Significant improvements in how the Government reports to these various committees have been implemented in recent years. I will be reviewing some of these a bit later in my remarks in order to illustrate how accountability has already been significantly strengthened.

Several noteworthy proposals to alter the existing committee structure and powers have been put forward in recent years. The Royal Commission on Financial Management and Accountability, the Lambert Commission, made a number of recommendations in this regard. Members of Parliament, such as the Hon. Member for Capilano (Mr. Huntington) and the Hon. Member for Rosemont (Mr. Lachance), placed a set of proposals before the Special Committee on Standing Orders and Procedures in November of 1982. This set of proposals would see the creation of four new standing committees with expanded powers. In particular, these committees would be empowered to become involved in the actual formulation of expenditure proposals and counter-proposals rather than being restricted to the scrutiny of measures put forward by the Government. Parliament would itself become directly involved in the financial operations of the Government under these proposals. Indeed, the Huntington-Lachance report itself concluded that if its recommendations were accepted, it is obvious that these committees would become the foundation of the financial operation of the Government of Canada.

I would point out that implicit in these proposals is the creation of an extensive parliamentary bureaucracy which would require substantial resources for its operations in order to support the work resulting from the expanded committee mandates, a bureaucracy which would parallel that already in existence to support the Government in the formulation of its own spending proposals.

These measures proposed in the motion before us are obviously very similar and close in spirit to those of the two Members.

The Special Committee on Standing Orders and Procedures itself based its seventh report largely on its consideration of the Huntington-Lachance proposals. Interestingly enough, however, Mr. Speaker, the committee's recommendations, while accepting the establishment of new standing committees, backs off substantially from empowering these committees to become directly involved in the operations of government. Indeed, the committee report states emphatically that, "It is important to stress that this committee is seeking for Parliament an increased influence in the analysis of Governdment policies, not direct control of the Government. The committee fully accepts that the executive must be free to make its judgments and to govern, subject, of course, to maintaining the confidence of the House of Commons".

This clearly illustrates that there are different roads to parliamentary reform and that indeed strong differences of opinion now exist among parliamentarians on the subject. The motion before us is clearly premature and is being put forward without an adequate context within which its pros and cons can be weighed.

Before concluding my remarks, I would like to elaborate on some of the background necessary for a fuller consideration of these issues by reviewing some of the measures implemented by the Government in recent years to strengthen accountability and management generally, particularly in its relations to Parliament.

In 1975, the Government made manifest its intent to improve the management and control of its expenditures and of Government more broadly by establishing the Royal Commission on Financial Management and Accountability, the Lambert Commission. The terms of reference of the Commission as set out by the Government clearly reflect its concerns. These terms referred to unprecedented demands placed on government by the growth requested by the public in its responsibilities and programs, a desire to ensure efficiency and probity in the Public Service of Canada, a serious concern about the adequacy of financial administration in government for establishing effective control over, and accountability for, public funds, and the need to use resources effectively, avoid waste and increase productivity in government.

Even before the Commission began its deliberations and until the present, the Government has been taking a range of steps to respond to these concerns and thereby strengthen management and accountability throughout the Government. I would like at this time to touch briefly on some of the major initiatives of the last few years in this regard.

There has been the introduction of the policy and expenditure management system, the envelope system, and the associated fiscal plan over a multi-year horizon. This was a major step forward in that it alters fundamentally the stance from which the Government reports to Parliament on expenditures and other fiscal matters and adds significantly to the information provided to Parliament concerning the Government's overall spending plans. It provides an expenditure management framework that sets multi-year levels for both total outlays and for various envelopes or policy sectors. It established policy committees within Cabinet to undertake policy development and decision-making within the discipline of the envelope system.

• (1730)

While the previous Conservative Government introduced portions of this system, the current Government has provided its consolidation and final implementation. I would also remind Hon. Members that the developmental work on the envelope system was undertaken before the previous Conservative Government was in office.

The current fiscal plan, made public in the Budget of last February, is only the most recent illustration of the fact that the Government has recognized the view, expressed by the Lambert Commission among others, that such a fiscal plan can provide Parliament and the public with an opportunity to consider the Government's total fiscal plans and its underlying priorities. It also provides a clear fiscal context within which parliamentarians can situate the Estimates, both Main and Supplementary.

Policy expenditures and management system, PEMS, another way of describing the envelope system, facilitates expenditure planning on a top-down basis, employing the functional envelopes set out in the fiscal plan. The system has been designed to achieve closer integration of the government's priority setting, policy development and expenditure management decision-making processes; decentralize decision-making authority, in recognition of the increasing range and complexity of government responsibility and the interrelated policies and programs designed to discharge them; increase ministerial direction and control over the policy, planning and expenditure decisions of the government; and provide adequate time for the planning process, so that Ministers can review existing policies and programs and bring about desirable changes in the use of resources to reflect changing priorities of the Government. Most important, perhaps, it makes transparent to Parliament and the public the processes through which the Government establishes its priorities and the over-all fiscal constraints within which this is done.

A key elaboration of PEMS has been the introduction by the Treasury Board of the multi-year operational planning system. This system is aimed at fostering more integrated resource planning, budgeting and management throughout the Government. Two key concepts, budgeting to results and budgeting for management, underlie the multi-year operational plans submitted to the Treasury Board. The first concept is designed to facilitate practical but systematic budgetary analysis based on concrete program outputs and inputs. The second is aimed at providing a clear understanding throughout the Government of the responsibilities of Public Service managers and how these responsibilities translate into budgetary requirements.

The office of the Comptroller General, created in 1978 in response to a central recommendation of the Lambert Commission, assists in the establishment of sound management practices in the federal government by developing policies and standards and by promoting and monitoring improvements in financial and operational management. Over the last four years, 30 or so Departments have participated in one of the Comptroller General's key initiatives called improvement in management practices and controls, or IMPAC, which is directed at the internal management process of individual departments. IMPAC has resulted in the establishment of action plans for over 100 major projects to improve organization, planning, internal and external reporting, automation, program delivery procedures, audit and program evaluation. Almost 80 per cent of the work on these projects has now been completed, and there is clear evidence of the ongoing yields that are the result.

It is interesting, Mr. Speaker, that the Comptroller General's office is the one department of Government, although it is gradually working through practically all Departments, to implement a much more effective system of improvements in management and control practices. In fact, the number of man-years is being reduced because these procedures have been implemented in many Departments.

Mr. Speaker, I would now like to review another important achievement of this Government in relation to strengthening accountability—its strong and continued commitment to improve the information which is provided to parliamentarians and, through us, to all Canadians on the spending plans which we ask Parliament to approve.

The initiatives already described, such as the policy and expenditure management system and the improvement to management practices and controls, project IMPAC, are, in a sense, internal mechanisms used by the Government to better plan its proposed spending and to better manage and control funds once they are approved by Parliament. However, central to effective financial control is the presence of appropriate financial and management accountability information to Parliament. Our progress in providing better information to Parliament has strengthened the role of Parliament and increased the ability of Parliament to hold the Government more accountable for its performance.

The Government's Estimates, which are tabled in this House, represent only the visible tip of a comprehensive and complex process of priority setting and trade offs, which ultimately produce the spending plans of the Government. And yet it is a crucial element in the equation of parliamentary control and governmental accountability.

When the Lambert Commission recommended that the government improve the nature—

The Acting Speaker (Mr. Guilbault): Order, please. The Chair regrets to interrupt the Parliamentary Secretary but his time has expired. For debate, the Hon. Member for Western Arctic.

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, was it not Aristotle who said that the logical conclusion of democracy is chaos? The reason for that conclusion, Sir, reached by a much greater observer of constitutional affairs than myself, was that there is an inclination in everyone to try to get more out of a system that they put in it. You can see that in Canada today. Ask any Canadian walking down the street and he will agree that government expenditures must be reduced. They have got out of hand. But they do not want financing for their own pet projects reduced in any way. Everyone figures that they should get a tax break that is a little better, that the bridge in their locality should be built, or that their pension should be increased. Therefore, we have to find a system within the democratic workings of government—because I would not want to see that system go by the board—which would allow us to put a ceiling on government expenditures. For that reason I was pleased to second the motion of the Hon. Member for Mississauga South (Mr. Blenkarn).

I agree with what the Hon. Member for Algoma (Mr. Foster) said in the first part of his speech. It was most interesting, indeed delightful to listen to. That was when he was thinking for himself. But in the second part of his speech, when he started reading from a text undoubtedly prepared by bureaucrats in the Department of Finance, I must admit I lost a little interest. However, he rightly pointed out that were the idea presented here today to be adopted in its entirety, we would have a system much more akin to that in the United States where negotiations go on between the executive branch and the legislative branch as to what the ultimate budget is going to be.

One of the problems we have is the system of compiling budgets and Estimates. Each sub-branch of a government Department figures out how much it has spent last year, what it would like to do in the following year, then it adds it all together, adds another 10 per cent for the slush fund, and passes it along to the next level of government. That level then consolidates and adds a little more. And so you go up the totem pole, until the Minister of Finance has to take all these amounts and present the bill to Parliament. When the bill is presented in the form of the Estimates and the blue book, with which we are all so familiar, there is practically nothing that parliamentarians can do to change it. At that time, to all intents and purposes the final figure is cast in stone. There is very little that parliamentarians, in government or in opposition, can do at that time.

I notice there is one Cabinet Minister in the House this afternoon. She would probably confirm my suspicions that every pressure put on a Cabinet Minister is to expend more money. This pressure comes from the Department for which the Minister has special responsibility. Whatever you ask of departmental officials, the inevitable response is that they need more person-years and more money. Whenever a Cabinet Minister talks to the responsible people, they always want more services. They want Government to spend more money on more things. Sometimes they want reductions in taxes, which amounts to the same thing in the end, I guess. So I certainly understand the difficulty facing government Members when they try to keep expenditures under control.

• (1740)

Many Members of Parliament and Cabinet Ministers are concerned with their own Departments and have little impact on over-all government financial policy and expenditures. Most of us tend to look upon ourselves as spokesmen for regional interests. I am as guilty of that as anyone. Or else we look upon ourselves as spokesmen for departmental or sectorial interests. On many occasions the Minister of Agriculture (Mr. Whelan), when answering questions, presents himself as the spokesman for the agricultural industry, trying to get more and more from his colleague, the Minister of Finance (Mr. Lalonde) to spend on a very important part of our life and economy. But the Minister does not look at all government expenditures and the difficulty of keeping them under control. He has this one sectorial interest, an interest shared by many other Cabinet Ministers, especially the more junior Ministers. What we should do, Mr. Speaker, and I say "we" as government in the broadest sense, encompassing the executive and the legislative arms, what we should do is, first of all, decide what the maximum aggregate expenditure is to be. Once that is decided, then the next decision you have to make concerns how much each Department can have for its purposes. This is not done now.

The proposal put forward by the Hon. Member for Mississauga South at least brings forward the possibility that we might begin to look at affairs in that light rather than the way we do at present. If you go back in history you will see some of the concepts which have been brought into being to try to deal with this problem in times past. Treasury Board was one of the first ideas. However, at present that does not seem to be that effective, nor has it been for many years. The Lambert Commission recommended the envelope system. This was put into effect in 1979. I am beginning to have some doubts about the efficacy of the envelope system. The Treasury Board system has not worked, and now the envelope system does not appear to be working properly. What we are doing is to add more layers of bureaucracy to the system. In effect, you are slowing things down and making them more expensive than they would have been without these mechanisms and devices of control. These were admirable ideas, but they do not appear to be working in the way they were intended to.

Presumably it would be Parliament that would be called upon to endorse the recommendations of the committee of which the Hon. Member speaks in his motion. That means that Parliament as a whole would determine the maximum aggregate expenditure. I do not know what types of tests we would have to use, but a logical criterion for ascertaining the maximum would be a percentage of Gross National Product. We would find out in advance what percentage of the GNP should be used for federal purposes. That then gives us the figure which would be distributed among the competing demands. If priorization were to be applied by committee and Parliament, it would impose a sense of responsibility on individual Members of Parliament, which at present appears to be somewhat lacking. Of course, it would be very difficult, but it would make MPs act responsibly. They would no longer be able to hide behind the Government or blame someone else if their pet project were not funded. If it were found that a road in one part of the country had priority over a road in another part of the country, the two Members concerned would have equal responsibility for the final decision on where the money was to be spent.

With these thoughts in mind, Sir, it is my pleasure to be able to support the ideas presented today by the Hon. Member for Mississauga South. If implemented, I am sure they would do much to restore to Parliament its true historic role as a protector of the public purse.

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, at first blush the motion seems rather appealing to parliamentarians. Given a quick reading, one would think the motion would expand the role of Parliament in expenditure control and increase the level of accountability, which is of course a buzzword for Members of Parliament. After all, keeping the Government accountable is the *raison d'être* of Parliament. Parliament is a talking shop, but the debate has to have a point. The purpose of our debate is to ensure that the programs we approve are well directed; that the policy thrust is sound; and that the targeting of programs is accurate. What I mean by that is that we must ensure that the money we appropriate goes to where it is needed most. Once these programs are in place, Mr. Speaker, it is Parliament's task to see that they continue to be implemented in the way approved by Parliament; that they do not become diverted; that the programs do not in some way change course and go beyond the spirit and will of Parliament.

The task of program evaluation is a difficult one to impose upon politicians. If that were our task, even in the enlarged and expanded committee proposed by the Hon. Member, then we would need a great deal of expert help in program evaluation. That is my difficulty with the motion. I see it as being somewhat too narrow in its scope. It is primarily concerned with the amounts expended. However, if we are talking about accountability in all its aspects, it means ensuring that the programs on which funds are expended continue to meet the Government's priorities and objectives as approved by Parliament.

• (1750)

For a long while now the Government of Canada has recognized the importance of its own internal accountability system. The Hon. Member for Algoma (Mr. Foster) quite rightly drew attention to this system. The people of Canada should know that there is and has been developing within the Government of Canada quite an admirable program evaluation system. It has been on going since the 1960s. It has been improved upon ever since. For example, we now have the Office of the Comptroller General. We now have the policy and expenditure management system, known as PEMS. We have Estimates now which are much easier to work with. They are more enlightening for parliamentarians working in committee and examining them. The Treasury Board has provided resources in all Departments for this evaluation activity to go on. While this activity goes on, there can be adjustments and corrections as required. The Auditor General, himself a servant of Parliament, has been interested in this entire process. He calls it "measuring cost-effectiveness".

These evaluation activities in government were not always as satisfactory as they are today. Today there is a requirement in every Department of government to evaluate not just the new programs which come into effect but all programs on a regular three-year to five-year cycle. They must show that moneys spent are applied efficiently and effectively in pursuit of the objectives of the Government as approved by Parliament. The oversight of all this activity is of course carried out by the Comptroller General whom I mentioned earlier.

I would like to review very quickly what this program evaluation system requires of each Department. There are three requirements: first, a need for programs in terms of the current, social and economic environment and current government priorities must be examined; second, an actual performance of the program in achieving desired objectives; and third, a potential for enhancing the cost effectiveness of programs through redesigned and improved operations, in other words, to upgrade efficiency.

Lest it be thought in this House or in the country at large that the program evaluation process, which has been improving all along, is still not very effective, let me remind Hon. Members that very recently a former Comptroller General, Mr. Harry Rogers, received recognition for his excellent work in that office in the area of program evaluation. In 1983, he was the recipient of the Myrdal Award for Government from the International Evaluation Research Society. A growing number of other government officials have been coming to Canada to see what we are doing. They have been impressed, and we have received a good deal of recognition.

In his 1983 report, the Auditor General included a chapter on program evaluation. I recommend to Hon. Members that they take a look at it. It recognized the significant improvements which have been made in this area. We must remember that this is a servant of the House who reported. In his report he recognized that improvements had been made and supported fully the Government's approach to evaluation. However, he noted that there was still room for improvement and that

the quality of the studies conducted by evaluation units in each Department could still be upgraded and improved. All this activity known as program evaluation has involved more resources from Treasury Board and more public servants working in these units. They have been praised for what they are doing, but there is still room for improvement.

What is done with all their work? This is where I come down to the evaluation from the point of view of Parliament itself. We know that Cabinet gains a great deal from the work of these evaluation units. It assists them in the design of new programs, doing away with programs which no longer serve a purpose whenever that happens.

Mr. Nickerson: When have they ever done that?

Mr. Penner: That is a good question. It seems to me that they could make better use of these program evaluations, especially in the latter exercise. However, here is where I come to my problem. The problem I have in assessing the work of these program evaluation units is that officials who appear before parliamentary committees will not share with us the results of their work. Why will they not take us into their confidence so that we can draw our own conclusions on how good a job they have done? Then we could stand in the House and make recommendations to the Government or say that a program is no longer serving the needs for which it was designed or that a program ought to be changed or changed more quickly.

The problem of parliamentarians in committee is that when officials appear before us, they are really unwilling to share with us in a clear, concise way what they have discovered. Public money has made the evaluation possible. The evaluation can be used by the Government and by Cabinet. The evaluation can be used by the Government and by Cabinet. Why should parliamentarians be unable to use it? Always when we call for this kind of information, when we would like to be taken into the confidence of the officials and know what conclusions they have reached, they plead with us to go through the Freedom of Information Act to obtain it. They hedge and they draw back, or they give long answers which tend to confuse parliamentarians and the committee. This frustration which we now have in dealing with the Estimates and in working with officials in committee has led the Hon. Member for Mississauga South (Mr. Blenkarn) to say that we need another committee, a more powerful and more sweeping committee, to undertake this task. If we had more efficient work in the existing standing committees, if more hard information were provided to us, we could do a good job and we would not need this super expenditure oversight committee recommended by the Hon. Member in his motion today.

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

Mr. Jim Schroder (Guelph): Mr. Speaker, I am pleased to have an opportunity to make a few comments on this motion. I, like my colleagues, find much in this motion which is attractive. However, the implementation of the workings of this committee would in a sense be redundant if we made better use of the instruments that are already in place in the House to cope with various situations.

We should look at what the Government is trying to do with respect to strengthening public administration and accountability. This is extremely important in terms of the expenditures and the fact that we expect to obtain the very most for what we spend.

The Acting Speaker (Mr. Guilbault): I regret to interrupt the Hon. Member, but we have reached six o'clock.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

INDIAN AFFAIRS—TABLING OF LEGISLATION TO REMOVE DISCRIMINATION AGAINST WOMEN. (B) POSITION OF MINISTER

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, on April 30 last I appealed to both the Prime Minister (Mr. Trudeau) and the Minister responsible for the Status of Women (Mrs. Erola) to give priority to the pending legislation which would repeal Section 12(1)(b) of the Indian Act which discriminates against Indian Women.

Section 12(1)(b) deprives Indian women who marry non-Indians and also their children of Indian status. In contrast, non-Indian wives of status Indians and their children gain Indian status. This provision, which was imposed on Indian communities by the white man's Indian Act, is clearly unfair and discriminatory. It is up to the Government of Canad to remove this discriminatory section which it imposed and which is contrary to our new Charter of Rights. This should be dealt with separately from the question of self-government.

In response to my question, the Minister responsible for the Status of Women agreed that the amendments to the Indian Act must come first and that this Bill should be dealt with separately from the self-government legislation. I urge her to continue to advocate this plan in Cabinet. I am sure that women parliamentarians of all Parties, who joined forces before to oppose Section 12(1)(b), will support her in working toward this priority.

The NDP strongly supports the concept of self-government for Indian peoples. The present patriarchal system must end. Self-government is long overdue. Surely, however, Indian women who lost their status as a result of non-Indian legislation should have the right to participate in this self-government process.

We recognize that procedures for re-registration for band membership may take time and that there is a process for appeal which is established by Indian people to aid in settling disputes. The Government must make a commitment in advance that extra funds will be provided for housing and services for reinstated persons who wish to return to their home reserves.

Many women who lost their status have indicated that they may not want to return to live on their reserves, but they do want to be Indian and they want their children to have a proud identity as status Indians. They ask that their children be registered and be granted aboriginal rights so that they can have access to educational grants in urban centres as well as the right to apply for band registration.

It is urgent that the Native Women's Association have adequate funding to put forward these views in the debate on the proposed legislation that will affect their lives. This week the conference hosted by the Assembly of First Nations is being held in Edmonton. Unfortunately, the Native Women's Association received only $10,000 to send delegates. They were forced to borrow additional moneys so that their voice will be heard in an assembly that represents a different point of view.

Funds borrowed to attend this conference must be replaced and Government funds for lobbying and legal advice must be made available if women who lost their status are to be heard by their people and by Members of Parliament. We urge the Government to approve additional funds from Secretary of State to cover these costs. I ask women parliamentarians in both Houses to join in a show of support for native women in their struggle for equal rights.

[*Translation*]

Mr. René Gingras (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, during oral question period on Monday, April 30, 1984, the Hon. Member for Vancouver East (Ms. Mitchell) raised the issue of removing from the Indian Act provisions that discriminate against women. On March 8 of this year, at the First Ministers' Conference on Aboriginal Rights, the Right Hon. Prime Minister (Mr. Trudeau) announced that the Government intended to table legislation in this respect as soon as possible.

Hon. Members will remember the announcement made by the Prime Minister at the time, when he stated that to amend the legislation, we must not only repeal paragraph 12(1)(b) but also eliminate all provisions that discriminate on the basis of sex. More specifically, as the Prime Minister said, the Bill will introduce the following changes to the legislation:

No Indian man or woman shall lose his or her status as a result of marriage, and non-Indian spouses shall not acquire that status through marriage.

Within certain limits, children and grandchildren born of marriages between Indians and non-Indians shall have Indian status.

Non-Indian spouses shall have the right to live on the reserve with their spouses.

Individuals who lost their Indian status as a result of discriminatory provisions in the Act shall be able to recover it, and their children shall have the right to be registered for the first time.

I am happy to confirm that the drafting of this Bill is already well advanced. The Government expects to be able to table the legislation this month.

I am sure that most Hon. Members will agree that legislation to eliminate from the Indian Act provisions that discriminate against individuals on the basis of sex should have been introduced a long time ago. We must therefore work together to adopt this legislation by the end of June. Only by enforcing this legislation in conjunction with sections 15(1) and 78 of the Canadian Charter of Rights and Freedoms will we be able to guarantee equality between Indian men and women.

● (1805)

[*English*]

COPYRIGHT—PROVISION OF CANADIAN BROADCASTING CORPORATION—MATERIAL FOR SCHOOLS. (B) PROCEDURE FOLLOWED IN UNITED STATES

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, for the past 13 years Canada's universities and schools have been trying to obtain access to CBC broadcasting materials that could be useful for educational purposes in the schools and universities across Canada. I directed a question to the Minister of Consumer and Corporate Affairs (Mrs. Erola) today and received a most unsatisfactory answer—one which was actually irresponsible. The Minister said that she is tabling a white paper on copyrights, and perhaps some time in the fall she might get around to finding a solution to this problem. The point I raised today was that the United States had solved the problem without making changes to the copyright laws; that is what I am asking to have happen here in Canada.

In 1982 the Minister of Communications stated that the matter relates to the copyright laws of the country, and that he and the Minister of Consumer and Corporate Affairs had set up a task force to look into the whole question. It was supposed to report in the summer of 1982. As yet, we have not received any statements from the Minister or from the task force.

In the United States, the favourable Sony decision which was handed down recently covers excerpts from the National School Boards Association of the United States. In a letter of March 1, 1984, to Mr. C. H. Whitney of the Canadian School Trustees' Association, it was stated:

> The Sony decision . . . is all we could ask for. It further protects our off air guidelines which means anything can be taped off air, held for 45 calendar days and viewed in class any number of times during the first 10 school days. The

U.S. Congress is not seriously considering any amendment to the copyright law. Therefore, the Sony decision will stand for some time.

In the United States, a solution to the problem was found without changing the copyright laws. I am sure we can do the same in this country.

I shall read some excerpts from the decision in the Sony Corporation of America, et al, versus Universal City Studios Inc.:

The average member of the public uses a VTR principally to record a program he cannot view as it is being televised and then to watch it once at a later time. This practice, known as "time shifting" enlarges the television viewing audience. For that reason, a significant amount of television programming may be used in this manner without objection from the owners of the copyrights on the programs. For the same reason, even the two respondents in this case, who do assert objections to time shifting in this litigation, were unable to prove that the practice has impaired the commercial value of their copyrights or has created any likelihood of future harm. Given these findings, there is no basis in the Copyright Act upon which respondents can hold petitioners liable for distributing VTR's to the general public.

The Copyright Act referred to is the one in the United States:

The Copyright Act provides the owner of a copyright with a potent arsenal of remedies against an infringer to his work . . . The two respondents in this case do not seek relief against the Betamax users who have allegedly infringed their copyrights. Moreover, this is not a class action on behalf of all copyright owners who license their works for television broadcast, and respondents have no right to invoke whatever rights other copyright holders may have to bring infringement actions based on Betamax copying of their works. As was made clear by their own evidence, the copying of the respondent's programs represents a small portion of the total use of VTR's. It is, however, the taping of respondent's own copyright programs that provides them with standing to charge Sony with contributory infringement. To prevail, they have the burden of proving that users of the Betamax have infringed their copyrights and that Sony should be held responsible for that infringement.

● (1810)

Fred Rogers, President of the corporation that produces and owns the copyright on *Mr. Rogers' Neighbourhood*, testified that the program is carried by more public television stations than any other program. Its audience numbers over three million families a day. He testified that he had absolutely no objection to home taping for non-commercial use and expressed the opinion that it was a real service to families to be able to record children's programs and to show them at appropriate times. If there are millions of owners of VTR's who make copies of televised sports events, religious broadcasts and educational programs such as *Mr. Rogers' Neighbourhood*, and if the proprietors of those programs welcome the practice, then the business of supplying the equipment that makes such copying feasible should not be stifled simply because the equipment is used by some individuals to make unauthorized reproductions of respondents' works. The respondents do not represent a class composed of all copyright holders. Yet, a finding of contributory infringement would inevitably frustrate the interests of broadcasters in reaching the portion of their audience which is available only through time-shifting.

The District Court findings lead to two conclusions. First, Sony demonstrated a significant likehood that substantial numbers of copyright holders who license their works for broadcast on free television would not object to having their broadcasts time-shifted by private viewers. Second, respondents failed to demonstrate that time-shifting would cause any likelihood of non-minimal harm to the potential market for, or value of, their copyrighted works. The Betamax is, therefore, capable of substantial non-infringing uses. Sony's sale of such equipment to the general public does not constitute contributory infringement of respondents copyrights.

It is all summed up, Mr. Speaker. In the United States they have found a solution to the problem. Universities and schools can obtain these educational films for viewing to assist in educational progress in the schools and universities. Teachers and professors across Canada have been asking for this for over 13 years now. Surely to goodness it is time the Government found a solution to the problem here in Canada.

[*Translation*]

Mr. Michel Veillette (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, in answer to the Hon. Member's question, since the Minister of Consumer and Corporate Affairs (Mrs. Erola) has left the House for the day, perhaps the Hon. Member will allow me to provide some additional information in response to the question asked by the Hon. Member earlier today.

After a second glance at the Hon. Member's question, it seems clear that the task force to which he referred is the one established in the Department of Consumer and Corporate Affairs three years ago, to examine various issues in connection with revision of the Copyright Act. The Committee reported to the Minister of Communications (Mr. Fox) in 1982. The Committee's recommendations, as well as several study reports prepared for the Department of Consumer and Corporate Affairs and the findings of a number of consultations with the public and private sectors, were used in preparing for the latter department a working paper containing all recommendations regarding revision of the Copyright Act.

One of the studies to which I was referring was about exemptions from the Act and concerned the use of broadcast material by educational institutions.

In fact, the White Paper contains all the Government's decisions in this area.

The attitude is to refrain from making general exception for the use of material in the educational sector. The reason is obvious: many programs and publications are specifically designed for use by schools. Eliminating copyrights for this type of use would have the effect of seriously discouraging authors from producing such material.

● (1815)

The problems the teaching institutions had with the CBC when they wanted to have access to the material were also mentioned. The CBC, like all the other broadcasting companies, does not always own the copyright of the programs it transmits. Broadcasting companies obtain broadcasting permits from the people who own the copyright for the programs,

and often this is where their powers end. It is therefore not up to them to allow reproduction of this material. Concerning the American solution mentioned earlier by the Hon. Member, I can assure him that the Canadian solution found in the White Paper is at least just as good.

It is said in the White Paper that, from now on, non-profit teaching institutions will be entitled to a special and limited exemption in the case of public representations for educational purposes, that educational broadcasters will be entitled to a limited exemption with requirements similar to those provided for educational purposes to facilitate the production of educational programs for internal use, that new collective copyright negotiation companies may be set up to protect certain rights for which individual negotiation is impractical, such as in the area of photocopying, which is especially important in the field of education.

The Acting Speaker (Mr. Guilbault): I regret to interrupt the Hon. Member, but his allotted time has expired.

The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order.

At 6.18 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, May 15, 1984

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—INTEREST RATE POLICY

Hon. John C. Crosbie (St. John's West) moved:

That this House is of the opinion that the Government of Canada can manage the economy in a way that would allow us to have lower interest rates than Canada now has and that we can have greater independence in interest rate policy despite the Government's failure to meet its commitment to so manage the economy.

He said: Mr. Speaker, the motion, of course, speaks for itself. In connection with the motion I shall quote a statement made by the present Prime Minister (Mr. Trudeau) when he was in opposition and in an election campaign. On February 10, 1980, in an interview with a reporter from the *Toronto Star*, he said:

It is my belief we can manage the economy in a way that would allow us to have lower interest rates than we have now and I think we can have greater independence in interest rate policy.

Our problems then were the same as they are now. As a result of eight or ten years then of poorly conceived and poorly carried out Liberal economic policies, the Canadian dollar was under great pressure, interest rates were rising and the Government that had succeeded that Liberal Government was left in that position by the Liberal Government that preceded it. Today, of course, the Liberal Government succeeded itself: there was only an eight-month interregnum. We have had the problems in a much worse form in the four and a half years that Party has been back in power. At that time, out of opposition, the present Prime Minister said that it was his belief we could manage the economy in a way that would allow us to have lower interest rates and we could have greater independence in interest rate policy.

What does the Prime Minister say now, Mr. Speaker, when he is back in power and has been for four and a half years? What the Prime Minister says now and what the Government says now is entirely different. If we look at *Hansard* for May 10, 1984, page 3594, we find that the Prime Minister, in response to a question posed by the Hon. Member for Kamloops-Shuswap (Mr. Riis), said:

I take it from the Hon. Member's line of attack that he and his Party are now prepared to concede that when the basic rate in the United States goes up, it is impossible for Canadian rates not to go up . . . we cannot divorce ourselves from the American money markets.

That is the statement of the Prime Minister after he fooled the Canadian people, got back into power and has held power for the last four and a half years. He takes the position that when the basic rate in the United States goes up it is impossible for Canadian rates to do anything else.

At page 3592 of *Hansard* we find the Minister of State for Finance (Mr. MacLaren) giving that line as well in response to a question from the Hon. Member for York-Peel (Mr. Stevens). The Minister of Finance said:

—but the Hon. Member opposite should understand that interest rates in Canada are a direct reflection of interest rates in the United States.

We have all heard the present Minister of Finance (Mr. Lalonde) and all the other lackeys of the Government mouth the same line time after time in the last four and a half years. The Liberals say one thing to get into power, but once they are in power they take an entirely different line.

In passing, I might refer to the President of the Treasury Board (Mr. Gray) who on February 7, 1980, on City TV, when asked: "Would you lower interest rates?", said: "Yes, I would". When asked: "Would you be prepared to resign your seat if the Government did not carry through on that policy?", he replied: "Yes, I would".

• (1110)

Of course, we also know that interest rates rose from 14 per cent to 22.5 per cent during that period of this Government, but the President of the Treasury Board never once offered to resign his seat, much less resigned it.

I visited India as part of a parliamentary group two weeks ago. In that country they still have the class known as the "untouchables". In Canada we have a government which should be called the "unspeakable"—unspeakable because of the deceptions it practised on the people of Canada before it came to power and the disappointments it has offered them ever since.

Where is the Minister of Finance today? He is out job hunting. In the *Toronto Daily Star* of May 14, an article appeared entitled "Lalonde heading for France to seek interest-rate relief—and a new job".

Mr. Cullen: You're a candid camera, John.

Mr. Crosbie: We are not allowed to show in this Chamber that the Minister is looking for a new job, according to the Hon. Member for Sarnia-Lambton (Mr. Cullen). The so-called best and the brightest of this Government, the present Minister of Finance, is supposed to be their saviour.

What is he doing? He has bailed out with parachute half open on his way to Paris with his campaign manager, the Secretary of State for External Affairs (Mr. MacEachen), looking for a job as Secretary General of the OECD. The Prime Minister weeps because we do not support his quest. Of course we do not support his quest. Why should that record of incompetence and economic failure be foisted on the 24 nations which comprise the OECD? Why should we support the present Minister of Finance of Canada who now attempts to bail out, leaving 1.5 million unemployed people behind in Canada? Of course we do not support this nomination for that position, nor does the United States of America support it. Why not? It is because they know that the present Minister of Finance was a leader of the interventionism of the Government in the energy sector of this country. He along with the President of the Treasury Board was the ferocious guardian of FIRA from 1980 to 1983 which did so much damage here in Canada.

The Minister is headed for France to seek interest rate relief and a new job. How does he want to get interest rate relief? He wants to blame everything on the United States of America. That is his excuse.

In connection with this motion, we agree that there is no easy, overnight solution to bring down interest rates, but we are also of the opinion that the economy can be managed in a way which will allow us to have lower interest rates than we now have and which would allow us to have greater independence in interest rate policy. This will take time. The results of 10 years to 15 years of incompetence and economic mismanagement cannot be overcome in a day or a week or a month. Perhaps it will take six months or longer to reverse the woeful lack of confidence which now exists in the world and in Canada with respect to our economic management. It will take time to reassure Canadian and foreign investors that sensible government and sensible policies have returned.

In February, 1980, when the Prime Minister made that statement, the Canadian dollar was worth 87.30 cents in terms of the U.S. dollar, the prime interest rate was at 14 per cent and inflation was at 9.5 per cent, so that real interest rates were about 4.5 per cent. The Canadian interest rate was 1.5 per cent less than the U.S. interest rate. Today the Canadian prime interest rate is one-half of a percentage point less; it is 12 per cent compared with 12.5 per cent in the United States. However, today the Canadian dollar is worth roughly 77 cents in terms of the U.S. dollar. It has depreciated in value over those four years. I do not have the calculation of the percentage decrease, but it has decreased by over 10 cents in terms of U.S. funds. Our assets in Canada today are worth considerably less than they were in February, 1980, as a result of the economic maladministration of the Government.

In the interim we have had interest rates of 22.75 per cent in this country. The lowest interest rate we have had since this Government has been back in office for the last four and one-half years has been 11 per cent. It is now up to 12 per cent and will be going up again. The inflation rate is 4.7 per cent. Therefore, the real rate of interest is 7.3 per cent. That indicates the loss of confidence in this country and in this Government; the fact that the real interest rate today is 7.3 per cent whereas four years ago it was 4.5 per cent. There is no confidence.

• (1115)

Why is there no confidence in this Government by those who have money to invest or by anyone else? The figures show it. There were 360,000 unemployed in 1968, 4.5 per cent. The present Minister of Justice (Mr. MacGuigan) calls that full employment. We had that when the Liberals came to power in 1968. When the Government came back into power in 1980, there were 967,000 people unemployed, an unemployment rate of 7.5 per cent. How good that sounds now! In April, 1984 the unemployment rate was 11.4 per cent. The number officially unemployed was 1,468,000. That record will show why there is no confidence in this Government or its economic stewardship.

Let me give the figures for the deficits we have had over those same years. In the 11 years from 1972-73 to 1982-83, the Government's deficits totalled $100.7 billion. The deficit started at $999 million. It increased every year except the year in which we were in power for eight months. In 1979-80, the deficit decreased from $12.2 billion to $11.4 billion. It started back up in 1980-81, totalling $12.6 billion. In those 11 years total Government deficits were $100.7 billion. Last year it was $31.4 billion. This year it is estimated it will be $29.6 billion. The Minister says that the deficits for last year, this year and the next three years will total $142.2 billion. In five years they will exceed by one and one-half times what they were in the previous 11 years.

We are told by the Minister that in the next five years he will have to go to the public markets to borrow $114 billion to help meet these debts, of which $109.1 billion will be used to pay interest debt charges alone. That is why the Canadian dollar is floundering. That is why there is no confidence. That is why the dollar is under pressure. We will have to borrow $114 billion for last year, this year and the next three years, and of that, $109 billion will be to pay interest on the debt alone.

We now borrow huge sums just to pay the interest on the debt. That is why there is no confidence. That is why we are in such economic trouble. That is living proof that greater and greater deficits are not the solution to our employment problems. They are not the solution to economic growth. They are causing our unemployment, the failure in economic growth and the weakness of the dollar. Until these ever-increasing deficits are corrected, this country has no economic hope.

Let us look at the warning from the Bank of Canada on March 20, 1980. This is reported in *The Globe and Mail*. The Bank of Canada warned the federal Government that its large fiscal deficit is discouraging business investments and holding back productivity gains in Canada. I quote from the article:

> "The fiscal deficits absorbed savings that could otherwise be channelled by financial markets into financing the expansion of plant and equipment", the central bank said in its annual report.

In March, 1980 the deficit was $12.6 billion for that financial year, and that was the warning issued by the Bank of

Canada. Today the deficit is double that. Last year it was almost triple that amount. Therefore, the warning given on March 20, 1980 is far outdone by what has happened since.

Just in passing, what happened once the Government was elected? I will give several brief quotations. On May 9, 1981, the then Minister of Finance, the present Deputy Prime Minister, had this advice:

—the Government would not bail out individuals facing mortgage renewals or first-time home buyers trapped by circumstances.

• (1120)

He said that it would be wrong for him to give advice to individuals as to how to manage their affairs. This was said after the interest rate had gone up to 18 per cent, Mr. Speaker. Of course, once that gentleman was in power, he could not give advice to mortgage holders and others as to what they should do in view of the higher interest rates.

What did that same Minister, now Secretary of State for External Affairs, say on November 21, 1980, not six months after the election and after the Liberal Party had said: "Vote Liberal and oil prices will come down"? As reported in the Montreal *Gazette,* he said:

Canadians will have to accept a lower standard of living to adjust to the higher energy prices—

That is the attitude of this Government once it has been elected and will be in power for five years. The advice it gave after oil prices went up is that Canadians would have to accept a lower standard of living to adjust to higher energy prices.

Finally, the same Minister, on December 12, 1980, just six or nine months after the Prime Minister had said we could be independent of U.S. interest rates, said as reported by *The Globe and Mail* of December 12, 1980:

Canada has little control over interest rates, which have jumped 39 per cent since the federal Budget was introduced on Oct. 28, but thanks to steps taken by the Governor of the Bank of Canada, Canadian rates are not locked to U.S. rates, he said.

He cannot have it both ways, Mr. Speaker. Either Canada has control over interest rates and it therefore can take some of the independent actions which he says were being taken, or it has not.

In that article the Minister is reported as saying that Canadian rates are not locked to U.S. rates. Today the Minister of State for Finance, following his master the Minister of Finance, says: "Yes, of course we are locked to U.S. interest rates". Yes, we are locked to U.S. interest rates, Mr. Speaker, because of the incompetence, lack of caring and imbecilic economic policies of the Government.

At the moment we are locked into U.S. interest rates. The question to be asked is whether or not we can unlock ourselves. Can we free ourselves? Can Samson break the chains? I say yes. We can break the chains of this dependency if we put into office a government that is going to change this tragic march toward ever and ever greater deficits. That is the only way it can be done, Mr. Speaker.

The situation cannot be changed through a refurbished Liberal Party, a Liberal Party that is like a boa constrictor changing its skin. Mr. Turner is now in charge of the skin-changing operation for the Liberal Party. He is in charge of making the Party look different. We are told that the Trudeau caterpillar must be turned into the Turner butterfly so that the Party will have a new look. It does not matter what new look it has because, as I have just shown, we cannot believe a word members of the Liberal Party in this country say.

The net debt of the country at the end of March, 1984 was $150.9 billion, 38 per cent of the GNP. It will be $181 billion at the end of this year. Every Liberal Minister of Finance for the last 12 years has promised to reduce the debt. On June 28, 1982 the present Secretary of State for External Affairs said it all in his Budget Speech. I shall read from that speech as reported on page 18883 of *Hansard*:

Some say the Government should print more money. Others say it should let the deficit rip.

But that would fail miserably. Inflation and unemployment would get worse. Interest rates would rise even more. Canada would price itself out of world markets. Recovery would be postponed.

That was a painting of the consequences of allowing the deficit to go up. What did the Minister do? He let the deficit go up. He let the deficit rip and what he said would happen did in fact happen.

What else should we look at with alarm, Mr. Speaker? The weakness of the Canadian dollar is caused not only by the Government's internal deficits but by our external borrowing and our capital outflow. Equity grade capital is leaving the country and is being replaced by high-cost hard currency debt market borrowing abroad. This has been accompanied by a tremendous increase in the debt service burden of the country.

Every year since 1977, large capital outflows have made imperative Canada's hard currency borrowing abroad. Do you know, Mr. Speaker, that in the period 1977 to 1983 our cumulative current account deficit was $16.3 billion but our capital outflow or money that left the country totalled $50.9 billion so that we needed foreign borrowings of over $65 billion?

That is what has placed the downward pressure on our exchange rate and caused us to have huge foreign borrowings and high interest rates. We are losing low-cost equity capital. It is being replaced by high-cost debt borrowing. Let me cite the figures. In 1973 Canada has an external debt of $16.4 billion, which was 13 per cent of the GNP and 53 per cent of our exports. Today we have an external debt of $127.4 billion, which amounts to 33 per cent of our GNP and 118 per cent of our exports in any one year. During that period we have had capital outflows of $2.6 billion in 1977, $5.3 billion in 1978, $4.4 billion in 1979, $3.8 billion in 1980, $20.3 billion in 1981, $5.6 billion in 1982 and $8.9 billion in 1983. That is because of the hostility the Government has toward the investor, private and domestic. That is why this capital has left Canada.

• (1125)

Our interest payments outside of Canada have gone from less than $2 billion in 1973, which was about 5 per cent of our export earnings, to over $14 billion last year, which was about

13 per cent of our export earnings. That is why the dollar is under pressure and its value is down to 77 cents. That, in turn, is why we have the high interest rates which are choking off our economic recovery and putting Canadians in the kind of dilemma that the IMF described in its report, "Fiscal Policy in Major Industrial Countries", which was released this month.

The IMF pointed out the position of Canada in relation to the current value of national output. By far, the largest interest payments are those paid by Italy and Canada, equivalent respectively to about 9 per cent and 7 per cent of GDP. In the United States it is only 4.5 per cent to 5 per cent; the United Kingdom is the same. It is about 3 per cent in France and the Federal Republic of Germany. The IMF states that the presence of such large and intractable budgetary costs is a major obstacle to current efforts of most national authorities to reduce their fiscal deficits. The IMF says that Canada and the other industrial countries have an unwelcome set of options: one, to increase revenue sufficiently to cover the greatly expanded interest payments; two, to make equivalent downward adjustments in other types of public expenditure; or three, to permit the additional interest charges to be pyramided into faster growth of debt in the potentially vicious cycle of interaction between interest expenditure and indebtedness.

The third option is what this country has chosen for the 4.5 years of this regime and for the years from 1972-73 onward. The Government is permitting additional interest charges to pyramid into faster growth of debt in a vicious cycle of interaction between interest expenditure and indebtedness.

How do we know that? We know that simply by looking at the interest costs of the Government. Those interest costs this year will be over $20 billion—

The Acting Speaker (Mr. Guilbault): Order, please. The Chair regrets to interrupt the hon. gentleman but his time has expired. He may have more time in which to make his remarks during the ten-minute question and answer period which is provided. Any questions?

Mr. Crosbie: If there is consent, could I finish my remarks?

The Acting Speaker (Mr. Guilbault): Is there consent for the Hon. Member to terminate his remarks?

Some Hon. Members: Agreed.

Mr. Crosbie: Thank you, Mr. Speaker. This is a large subject and difficult to cover in 20 minutes. I will simply refer to the public debt charges. This year they will be $20.3 billion, which is 20.8 per cent of the spending of the federal Government on public debt charges alone. The Minister tells us that it will increase over the next three years to $24.7 billion in 1987-88, or 21.4 per cent of all government spending. Of course, that estimate is certainly far too low. If we have to spend 21 per cent of all revenue on interest, we cannot spend it on improving conditions for ordinary Canadians, we cannot spend it on improving social programs, and we cannot spend it on economic development. That is the dilemma in which this Government has now placed us.

In concluding, which unfortunately I must do quickly, what is the solution? I would like to speak for 20 minutes on the solution. The solution is the reversal of the economic approaches taken by the Government over the last 10 or 12 years in particular. We must overcome the deficit problem, which will certainly take, Mr. Speaker, four years or five years, I would think, by a variety of measures both on the revenue side and on the spending side. There must be tighter control of spending. There must be an increase of revenue. We must cease to intervene, as the Government has done, in the private side of the economy by welcoming foreign and domestic capital. FIRA, Mr. Speaker, should not be the Foreign Investment Review Agency. That implies that we do not want the foreign capital and do not need it, when today that is just what we need if we are going to have economic growth and more jobs. I suggest a change of name to the "Foreign Investment Reception Agency". Let us make it plain that we want to receive foreign investment, although there are certain areas where we may not want the foreign investment to go.

• (1130)

We must have privatization wherever possible; clarification of our own economic position, *vis-à-vis* the United States; a tremendous emphasis on export trade, and a restoration of confidence to Canadian investors. These are the people who are moving their money out and creating pressure on the dollar. Canadians who feel unwelcome to invest in their own country have been moving sums of capital out these last three years or four years in particular. We must make them feel welcome again, show them that we have a government which is going to operate on proper economic principles. Finally, Mr. Speaker, we must have federal-provincial co-operation and partnership, not the kind of cold war and civil war which we have had in the last number of years.

This is not just a Conservative position, Mr. Speaker. It is a position which is adopted by half the candidates in the present Liberal leadership campaign. Mr. John Turner, the likely winner of course, wants to cut the deficit by $15 billion by streamlining social programs, eliminating redundant services and running a more efficient bureaucracy. He has lacked specificity. No one can persuade this gentleman to give us more details on how he is going to do it, so specificity is not his long suit. However, his intentions are good. His policies are ours. He would bring in, Mr. Speaker, a budget with the same principles as the Crosbie Budget of December, 1979 which this Government now regrets ever having interfered with because that was the start of the movement towards the pitiful economic position in which we now find ourselves.

An increase of 1 per cent in interest rates adds $885 million to the government debt charges. That is how important the interest rate increases are to our own Government.

I thank the House for allowing me several extra minutes, and in conclusion I say that we in this Party are of the opinion that the Government can manage the economy in a way which will allow us to have lower interest rates, that we can have greater independence in interest rate policy. We decry the

failure of the Government to meet that commitment. That was a commitment made by the Prime Minister who has reversed himself and swallowed himself, as he has done so often in the last four and a half years, with the help of all the Liberal leadership candidates who are now all out swallowing themselves as well.

We believe that can be done. It will not be easy, Mr. Speaker, but we can do it. If we had not been interrupted by a selfish, grasping Liberal Party, helped by its unindicted co-conspirators, the New Democratic Party, in December of 1979, we would have done it and Canada today would be that much better off than it is now.

The Acting Speaker (Mr. Guilbault): Are there any questions or comments relating to the remarks of the hon. gentleman?

Mr. Althouse: Mr. Speaker, the Hon. Member rightly accused some of the Liberal leadership candidates of lacking specificity in their solutions to the economic problems. The second item in the Hon. Member's program to reverse government policy was that there would have to be an increase in revenues which, I understand, means an increase in the amount of taxes collected.

I would like the Hon. Member to be a little more specific now and to tell us whether he is indeed talking about increasing taxes. If he is simply making a vague reference to increasing the size of the economy, could he tell us how he intends to approach that particular problem so that we can, in fact, have increased revenues? Where is the Hon. Member going to get the increased revenues? By which method?

Mr. Crosbie: I tried to explain in my brief remarks, Mr. Speaker, that one would have to look both at the expenditure side and the revenue side. The New Democratic Party always advocates tax increases. As a matter of fact, in this House in recent days I have heard the hon. gentleman's Party urging a speculator's tax, whatever a speculator's tax is. If there is such a thing as a speculator's tax, I suppose that could be looked at. However, the kind of revenue increases which we prefer to think of are the kind which will come naturally and inexorably from a better Government which gives confidence, which in turn results in economic growth. That will reverse the decline in revenue which we now see happening in the economy.

There may well have to be other revenue increases. One would have to be in the Government to be able to look carefully at all sources to see which would be most conducive to economic growth or the least damaging to economic growth. One would have to look to see what is the exact economic condition at the time. Are we going to be in government in a month's time? Or are we going to be in government perhaps not for another year? The hon. gentleman must remember that members of this Government can sneak and skulk in their offices around Ottawa. They do not have to call an election until March of 1985. I do not know what the economic conditions are going to be in March, 1985, although I fear they will be a lot worse than they are now.

Therefore, I cannot say now what I would do in March of 1985, not knowing the economic conditions in March of 1985. Will those Hon. Members opposite continue to cower in their offices, afraid to meet the electorate, afraid to go to an election, breaking all the parliamentary conventions, showing their lack of responsibility? Or will they call an election in June and let us take office in August? When will they choose to get out and let someone else get in? When I know the answer to that, I will tell the hon. gentleman with great specificity from where the revenue increases might come.

I am not like John Turner. John Turner knows that he is going to be in power by the middle of June. As soon as the Liberal convention is held, John Turner is anointed. The Turner butterfly takes over from the Trudeau caterpillar. He knows what the economic conditions are now. He can be asked properly and reasonably to be more specific. As a matter of fact, if the Liberal delegates were worth a darn, they would be pinning him down by asking: "What are you going to do?" They should be asking him: "What social programs are you going to streamline? What redundant services are you going to do away with? How are you going to be more efficient? You are going to be in office in June".

Mr. Evans: What would you do?

Mr. Riis: Mean and nasty things.

Mr. Crosbie: And Mr. Turner knows what the economic conditions of the day are. Despite my burning desire to show more specificity, I cannot do it until I know when the hon. gentleman will call an election. Then I will be as specific as you like.

The Acting Speaker (Mr. Guilbault): Are there any further questions?

Mr. Althouse: Mr. Speaker, I believe I am beginning to understand a slightly different meaning for the word "specificity" as a result of the Hon. Member's answer. Again, following up on an attempt to understand what "specificity" means, I wonder if the Hon. Member could clarify for us—since it was one of his criteria for reversing the current government approach—the matter of Canada-U.S. relations and restoring confidence among businessmen in Canada. That statement did not tell us very much. I wonder if the Hon. Member could take a couple of minutes to clarify and expand and, if possible, be specific as to precisely what sort of programs he is proposing to ease relations between Canada and the United States and to make businessmen feel welcome in this country. Perhaps the Hon. Member could also tell us just which areas of government policy are now causing businessmen to feel unwelcome and what sore spots exist between Canada and the United States which are hurting our economy.

Mr. Crosbie: Mr. Speaker, our relationship with the United States has, of course, improved a little since Mr. Hyde turned himself into Doctor Jekyll. We had the present Minister of Finance in his Mr. Hyde character role when he was Minister of Energy and brought in a so-called national energy policy

which imposed changes in the rules and taxation retroactively. That wrecked the oil and gas industry of Alberta and Saskatchewan and put this country back tremendously in the last several years. I remember in February of 1980 the Prime Minister promised to do the big projects. We have not had a bid project done since. The biggest project we have had was the elevation of Ann Cools to the Senate. That is the only big project we have had since. The oil sands or tar sands plant went out the window. The Cold Lake heavy oil project went out the window. The Labrador Hydro development went out the window. We have not had a big project since because of the NEP and these other programs.

• (1140)

Our relationship with the U.S. has improved a little. Mr. Speaker, when we eliminate the NDP from the House of Commons altogether in the next election, or reduce them to two or three Members, when the United States, the business world and Canadians generally know that there is no longer a possibility of a vicious coalition between the NDP, the socialist lunatic-fringe element of Canadian life, and the Liberal Party, and that we are going to be in office for five years and sensible economic policies are going to be applied, then, of course, there will be a restoration of confidence and better relationships between the U.S. and Canada. I am glad to see the Minister of Fisheries and Oceans (Mr. De Bané) is here because he knows how desirable that is. He knows how important the U.S. is to us for the marketing of fish products. He had the good sense to appoint my brother to the board of Fishery Products International Limited. He is now the interim chairman. I congratulate the Minister of Fisheries; he is almost non-partisan.

To get back to the question, I would like to see—

Mr. De Bané: Mr. Speaker, I rise on a point of order. I would like to say to the Chamber that I am very fortunate that Mr. Andrew Crosbie has accepted to act as chairman of that very important company which is going to be the engine of the fishery in Newfoundland. According to every person who works for that company, he is the most competent Newfoundlander.

Mr. Crosbie: Except for his brother.

Mr. De Bané: Obviously, of course, he is not of the same political Party as my friend.

The Acting Speaker (Mr. Guilbault): Order, please. Would the Minister come to his point of order, if any?

Mr. De Bané: Mr. Speaker, my point is that the Hon. Member for St. John's West (Mr. Crosbie) should try to follow the path of his brother and become as responsible and competent as his own brother.

Mr. Crosbie: Mr. Speaker, he and I are no longer brothers so there cannot be any conflict of interest. The Minister tried to accuse me of a conflict of interest because I asked a question about that company. He can put my brother in every company the Government has but it will not stop me from asking questions, Mr. Speaker. In any event, the only person in Newfoundland whom it would have been better to appoint than my brother would be myself. However, since I was not invited, I could not accept.

The Acting Speaker (Mr. Guilbault): There is one minute left in the question period.

Mr. Riis: Mr. Speaker, I have just a quick question for the Hon. Member. He mentioned that John Turner's policies were the same as "ours". Could he elaborate on what he meant by that? Is he saying that what Turner is saying is basically Conservative policy?

Mr. Crosbie: Mr. Speaker, I am saying that John Turner exhibits every sign of having the same views with regard to the general direction the Government should move in as a Conservative would have. He is adopting the points that we have been making in the House since 1980. Why he would stay in the same Party that has ignored those views all through these years is beyond me. Let me give an example. Mr. Turner has said—

The Acting Speaker (Mr. Guilbault): Order, please. The question period has come to an end. The Hon. Member for Kamloops-Shuswap (Mr. Riis) on debate.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, it is a pleasure to have an opportunity to follow the hon. Finance critic for the Progressive Conservative Party and to provide another viewpoint as to why our country is experiencing serious economic problems these days. I will perhaps make some responses to some of the comments made by the Hon. Member.

I would like to read once again the motion put forward by the Hon. Member for St. John's West (Mr. Crosbie). It is:

> That this House is of the opinion that the Government of Canada can manage the economy in a way that would allow us to have lower interest rates than Canada now has and that we can have greater independence in interest rate policy despite the Government's failure to meet its commitment to so manage the economy.

We agree with the intent and principle of this motion. We believe that we can have a much more independent interest rate policy, a much more independent economic policy, that we can become less than totally dependent upon people like Paul Volcker, the chairman of the Federal Reserve Board in the United States, and that there are a number of areas in which Canada could be moving independently at the moment which would begin to reduce interest rates.

At the outset, Mr. Speaker, I would like to say that while discussion today focuses on interest rates, surely it is more related to the tragic situation of the high unemployment levels which exist in Canada. Presumably we are debating interest rates today because, as Members of Parliament, we are concerned with the very serious plight faced by so many Canadians in all parts of the country. Perhaps one of the difficulties which we have in the House, and which the Government has generally, is that we normally refer to the unemployed in

statistical terms. We became concerned because the unemployment rate in Canada moved from 11.2 per cent to 11.4 per cent. The figure of 11.4 per cent was bandied around in the House of Commons and throughout the country as indicative of the problem facing the Canadian economy today. Or we may talk in terms of 1,468,000 Canadians unemployed today.

Mr. Speaker, I believe that to a certain extent those statistical terms do not give us a real understanding of this problem. If we appreciated just how devastating and tragic this situation is, I am convinced that the Government would be inclined to take some action. I believe the Government would take steps toward the reduction of interest rates or the capping of them at their present level, toward introducing programs which would provide relief to those sectors of the economy which are especially hard hit as a result of interest rates, and toward providing some encouragement and relief to those sectors in which job creation could take place. I refer specifically to the small business sector.

Perhaps another way to appreciate what the unemployed in this country really represent is to view them as being parts of other political jurisdictions. For example, if we took all of the people in the Yukon Territory and the Northwest Territories and added to that group everyone in the Provinces of New Brunswick, Nova Scotia and Prince Edward Island and a few more people from Newfoundland, we would have the number of people in Canada who are presently looking for, but cannot find, work. That does not include their sons, daughters or spouses.

Another way to look at it, Mr. Speaker, is if we took everyone in the cities of Edmonton, Calgary, Saskatoon, Regina and Winnipeg, that would represent the number of Canadians who want to work today but cannot find work. That is an incredible number of people, Mr. Speaker. There are nearly two million Canadians who, under normal conditions, would be working today and circulating money through their large and small communities. They would be buying goods and services and revving up the economy. Of course, with that number of unemployed, it is impossible. That is why we are primarily discussing interest rates today. It is the interest rate policy being pursued by the present Government which keeps interest rates tracking those in the United States. It keeps interest rates today at a prime rate of 12 per cent.

• (1150)

All indications are that this rate will likely increase in the weeks and months ahead. The assumption that we make in the New Democratic Party is that at these present levels, let alone the escalating levels in the weeks and months ahead, it is impossible to have sustained economic recovery in Canada. It will be absolutely impossible to consider a recovery continuing with interest rates at these or higher levels. It is in that atmosphere that we believe that independent action must be taken.

I do not want to spend too much time this morning talking about Liberal policy because I believe we are well aware that the Minister of Finance (Mr. Lalonde) and the Prime Minister (Mr. Trudeau) have said that the Liberal Government is impotent, like financial eunuchs, and that there is very little it can do to set us apart from Paul Volcker in the United States. Mr. Volcker, as chairman of the Federal Reserve Board, is essentially setting our interest rates in Canada which means that an American bureaucrat is deciding what economic action will be taken in Canada. It is a sad day when the Minister of Finance, the Governor of the Bank of Canada, the Prime Minister and the Canadian Cabinet set aside their responsibilities and look to that American bureaucrat in the United States to decide what we do in Canada. I suspect that there are not many other countries whose governments have sat back and depended on another country for guidance in policy decisions in their country, or to let a foreigner set critical economic policies.

I do not believe much can be said about Liberal policy. It is well understood that Canada is tracking United States interest rates. The Liberals are continuing to implement a tax system that sees our deficit grow at each Budget. Naturally, if taxes are not collected as they should be, the deficit will go up. If all kinds of hand-outs are given to individuals or corporations which do not need those hand-outs, of course the deficit will rise. That is the point our Party has been attempting to make. Our tax system is a major contributor to fuelling the deficit situation which exists today.

Deferred taxes to corporations amounted to approximately $25 billion in the past year alone. That is virtually the entire deficit of Canada just in deferred corporate income taxes. While I know it will be said that these taxes will be paid back, I recently read a quote from one of the senior executives of Consolidated Bathurst who, when asked about these deferred taxes and when his company intends to pay them back, made the very specific and short answer: "Never". I believe many people hold the assumption that these deferred taxes from year after year and decade after decade will never be paid. That is only one example.

We can talk about the PIP grants to the oil companies. I suggest that the oil companies may almost be embarrassed about receiving billions of dollars from Canadian taxpayers who pay such an exorbitant amount of their exploration costs. I suspect that those in the corporate board rooms are almost embarrassed to be taking the Canadian public for such a ride.

Mr. Epp: You supported it.

Mr. Riis: The New Democratic Party never supported PIP grants.

Mr. Epp: The National Energy Program.

Mr. Riis: I could ask who supported PIP grants when they came to the floor of the House.

Let me deal with the Tory policy. I listened with interest to the Hon. Member for St. John's West and I must say that I never heard so much bafflegab. I would like to call it another word that begins with "b", but it would be unparliamentary.

Mr. Crosbie: You mean baloney?

Mr. Riis: It is not baloney either, as suggested by the Member for St. John's West.

I hear the Conservatives talk about the deficit. I must give the Hon. Member credit when he said that one of the major solutions is to reduce the deficit problem by cutting spending and increasing revenues. However, he lacks specifics in dealing with those solutions. I am perplexed because month after month I see members of the Conservative Party rise in their places to say that $300 million is needed now to assist the West Coast fishery and $500,000 is needed for the East Coast fishery.

Mr. Lewis: Are you against that?

Mr. Riis: I am not against that but this is what I hear from the members of the Official Opposition, that money is needed now for the fisheries on the East and West Coasts. They say that additional hand-outs have to be given to the small business community to assist it in job creation and that more money must be spent on the Armed Forces to develop our Navy, Air Force and land forces. They say that more money must be given to the farming community. Furthermore, they say that more tax rates should be given to the farming community, the large and small business community and there should be more tax breaks for artists. They talk about these requirements day after day and they amount to billions and billions of dollars.

However, in the next breath they say that the deficit must be reduced. What our Party wants to know is where they will cut the spending and from which existing programs. All that I ever hear is that the Conservatives want to add more money and I have yet to hear a single area where they will cut. I hope that Hon. Members sitting here today will correct me during the question period and say that there are areas and indicate where they will make cuts. They have yet to give a specific example from the federal deficit where they would make serious cuts. Eventually, I gather, the Hon. Member for St. John's West will have the opportunity during the election campaign to describe what he meant when he said that they will do all sorts of mean, nasty and unpleasant things when they get into power. I am not sure what "mean, nasty and unpleasant things" means but I suspect that I do. However, I do not want to put words into his mouth because he can do that himself.

Mr. Crosbie: Mr. Speaker, I rise on a point of order. I want to ask the hon. gentleman to correct his quotations. I never said that we will do mean, nasty and dirty things. As I recall, I said that any government that is serious about overcoming the present situation will have to do things that might be considered mean, nasty and whatever the other word was. It is not that we would do them; we would never do anything mean, nasty or otherwise.

The Acting Speaker (Mr. Guilbault): Order. The Hon. Member for Kamloops-Shuswap (Mr. Riis) could probably disclose to the House what he would intend to do but should refrain from interpreting what other Members have said.

Mr. Riis: Mr. Speaker, I would never interpret what other Members have said. I will quote specifically what they said. As a matter of fact, it was in *The Toronto Star* on February 18, 1984, one of Canada's major newspapers. I do not want to speculate on what the Hon. Member might have said; I will quote quite specifically what he did say. He said:

> You have to be tough, mean and nasty and do all kinds of unpleasant things.

I am simply quoting from the newspaper and I assume it was correct.

The Hon. Member then referred to the crowding out in the money markets that was taking place today as a result of the high deficits. While the Hon. Member does attend the Finance Committee from time to time, I wish he had been there on March 22 when Governor Bouey appeared before the Finance Committee. His colleague from Etobicoke Centre (Mr. Wilson) asked the Governor of the Bank of Canada if the deficit as it is presently put together will result in crowding out in the money markets. The Governor of the Bank of Canada said no. It was his opinion as Governor of the central bank that there was no crowding out. Since the Hon. Member put so much faith in Governor Bouey, and since his Party must have a great deal of faith in him because they reappointed him when they were briefly in power, I simply say that the Governor of the Bank of Canada dismissed the idea of crowding out as a result of the deficit.

When I hear the Hon. Member, who presumably represents the Conservative Party, criticizing the existing procedures of the Government, I cannot help but recall a few other quotes that I happened to jot down during the past months. One quote is from the recent Conservative Finance critic from Etobicoke Centre. After the Premiers met, he said:

> One after another the premiers proposed reducing interest rates, while accepting the inflationary consequences of a lower Canadian dollar. They were convinced that the benefits of lower interest rates and increased economic activity would offset the negative effects of increased inflation.

This is the critical line:

> I do not agree with the premiers, I agree with the Liberal Party.

The Leader of the Conservative Party at that time, the Right Hon. Member for Yellowhead (Mr. Clark), is quoted in the *Toronto Star* on May 5, 1982, as saying:

> We have looked for a solution other than the government's, but we couldn't come up with an alternative . . . At this moment, I don't have a better solution.

The previous Finance critic and the previous Leader of the Party said that they were looking at the Government's policies and they agreed with them. We do not have anything to offer in lieu of what is already going on.

● (1200)

That seems to be quite contrary to the points which the Hon. Member for St. John's West was making previously. You wonder if it is possible in the Conservative mythology to walk down both sides of the street at the same time, Mr. Speaker. In one breath they say "We want to reduce the deficit"; in the next breath they say "We want to spend more money here and give more tax giveaways there". Then the Tories say "Yes, but we want an independent interest rate". Speaker after speaker

says "We must follow the United States interest rates. We agree with the interest rate policy of the present American Government". There is something fishy going on here, Mr. Speaker. There is something confusing in that kind of Conservative logic.

Mr. Crosbie: You are easily confused.

Mr. Riis: It may be an indication of what is to come if and when the Conservatives ever form a government in Canada. For example, in July, 1982 the Hon. Member for St. John's West was quoted in *Maclean's* magazine as having said: "If I told you what I would do, we would never get elected". That might give us a clue as to why the Hon. Member was a little vague in what he would do if the Tories were ever to form a government. Just before that, the Hon. Member for St. John's West in an interview for the *Watson Report* on television said: "Our leaders have to be a little less honest. We are not being devious and tricky enough". Again I wonder if that does not give us some indication of from where the Hon. Member is coming: the Tories have to be tricky and devious, a little less honest with the people of Canada. However, the crowning statement of them all from the Hon. Member for St. John's West came on November 25, 1983. In an interview with a reporter for *The Globe and Mail* he said: "We are not giving away anything. If you want to find out what our policies are, presumably, then you must elect us".

Do you think at a time when Canadians are hurting so much that they are prepared to buy a pig in a poke, that they are prepared to say: "I know you are going to do all sorts of mean and nasty things to us, I know you have to be tricky and dishonest. I hear that is what you are saying. We are going to support a political party that tells the people of Canada that is what they will do"? I do not think Canadians will buy that for a moment, Mr. Speaker.

Let me say what I think should be done about interest rates at this moment. I go back to the premise that at present levels, with the prime rate in the 12 per cent range and likely to go up in the next few weeks, what fragile recovery is under way today in certain parts of the country will not be sustained and what strong recovery is occurring in certain sectors will likely be aborted if these interest rates are allowed to track upward or to follow U.S. rates upward.

There are really two sets of policies which the Government could pursue at this time. One is to take some real gutsy action. When I say gutsy action, I mean recognize the severity of the problem and what it means to have nearly two million Canadians who want to work unable to find work. Recognize what that means particularly to the young generation of Canadians seeking work for the first time. The Government of Canada should direct the Governor of the Bank to take steps to reduce those interest rates. If there are some Canadians who would abandon their country, abandon the economic sector and take some speculative money and move it out of the country, I say they should have a right to do that. But they should pay a certain penalty for doing so. After all, we do ask people who move against the general interest of Canadian society to pay penalties. Major industrial polluters are asked to pay a penalty if they are contravening the environmental regulations which most Canadians suggest are appropriate. If drinkers drive and jeopardize the lives of innocent Canadians, we penalize them. If people want to move money out of the country at a time when it is desperately needed, they should have that right, but they should pay a penalty. That is why we suggest a speculative tax be considered if necessary.

In conclusion—

The Acting Speaker (Mr. Guilbault): Order, please. The hon. gentleman's time has expired. Are there any questions?

Mr. Evans: Mr. Speaker, I hate to contradict what my hon. friend and colleague from Kamloops-Shuswap (Mr. Riis) has said. The Leader of the Opposition (Mr. Mulroney) has made some statements as to where reductions would come in the deficit. Let me quote what the Hon. Leader of the Opposition said: "What would I do? I would cut everywhere and under every circumstance. I would cut consultants, outside lawyers, accountants, advertising, public service, compensation, waste, unproductive subsidies, travel, indexed pensions and fringe benefits, capital construction programs, capital overruns, and just plain bureaucratic excess, to name but a few examples". That was published in *The Globe and Mail* on August 2, 1982. The author was the Leader of the Opposition speaking about where he would cut to reduce the deficit.

I would ask the Hon. Member whether he has heard similar comments from the Leader of the Opposition. If so, would he confirm that this is what is really behind the Tory rhetoric about deficit reduction?

Mr. Crosbie: What about Turner's rhetoric?

Mr. Evans: Right now the Tories are not being specific, Mr. Speaker. But the specifics were put prior to the time the Leader of the Opposition took his current position.

Mr. Riis: Mr. Speaker, I notice the motion put forward by the Hon. Member for St. John's West says "we can have greater independence in interest rate policy". That does not necessarily mean the Conservatives will have. I think that is very important wording. Obviously the motion was worded with a great deal of thought.

I appreciate the comments made by the Hon. Member in terms of some specifics presented by the Leader. Let me elaborate on that. I want to give the Progressive Conservatives at least some benefit of the doubt, but since the topic has been raised I do recall some discussions, again highlighting the words of the Hon. Member for St. John's West. I hate to refer to the Member for St. John's West all the time when it comes to negative comments. However, I think he did make some reference to the possibility of a means test, cutting back on the universality of family allowance and pensions and that sort of thing. I think though that he might have done some backstepping on it some time ago.

With the support of the House, Mr. Speaker, I do have a few additional comments; probably two or three minutes would

be sufficient. Perhaps I could have unanimous consent to finish off some of the suggestions I want to make concerning how we can reduce interest rates.

The Acting Speaker (Mr. Guilbault): The Chair would suggest that the Hon. Member has the floor during the time allotted for questions and comments. He may use that time to add additional remarks.

Mr. Riis: I will keep it very brief, Mr. Speaker. I do not want to cut off questioning; I just want to take two or three minutes. I did suggest there was one major area in terms of reducing interest rates which the Government of Canada must look at, and the sooner the better. It has to do with Governor Bouey being directed to reduce interest rates. If that requires a new Governor of the Bank of Canada, so be it. Mr. Diefenbaker appointed a new Governor a few years ago when he felt it was appropriate. This is certainly the time to consider doing it again.

Another area we should consider is the concept of agri-bonds. The Government presently has that concept in the system. It could move on it very quickly if it wishes. Agri-bonds are not a new concept; it has been tested in other parts of the world and found successful. The concept would provide real assistance to all of the food producers in Canada. The Government could move on agri-bonds immediately. Also the Government could reinstitute the Small Business Development Bond, the bond issue that encouraged small business to develop and expand.

Mr. Crosbie: How about mentioning the Hon. Member who introduced it?

Mr. Riis: I suggest, Mr. Speaker, that it is something we should consider once again in spite of who introduced it, the point being that it is in the system, it has been tested before and found to be somewhat successful.

Mr. Crosbie: Who is the father of it?

Mr. Riis: It is just the thing now that would provide much assistance to the small business sector.

I wonder whether it is time to adjust our tax system. If we are concerned about the deficit, and we all are, desperately concerned, is it not the time to adjust our tax system to establish fair taxes in the country so that upper income Canadians who pay no income tax at all today pay a fair share and all of the corporations that have made substantial profits in certain years should be expected to pay at least a minimum tax? I refer to such corporations as the Royal Bank of Canada, the Bank of Montreal, Shell Canada, Simpsons-Sears, the Hudson's Bay Company, Consolidated Bathurst, and a long list of corporations that made in some cases hundreds of millions of dollars in profits and did not pay a single penny of income tax in a particular year. That kind of tax system I do not think assists us in getting the economy back on track and proving to Canadians that we have a fair tax system which treats all people equally.

• (1210)

Before sitting down, I would like to suggest that some of our major financial institutions should co-operate and, in the words of the Prime Minister at Christmastime, bleed a little alongside the rest of Canadians. Most people have now pulled in their belts so tightly that their backbones are up against their belt buckles. It is time to ask the banks and the major financial institutions to set aside some low-interest money to assist the farming community, home owners and the small business sector. We must place more emphasis upon the small business sector, for it is that sector in which jobs will be created and we will be able to bring some relief to the nearly two million Canadians who are jobless today.

Mr. Lewis: Mr. Speaker, I noticed with interest that the Hon. Member for Kamloops-Shuswap (Mr. Riis) quoted at length the Hon. Member for St. John's West (Mr. Crosbie). One can only ascribe his increased knowledge to following closely the comments of my colleague.

This brings me to my question concerning a specific interest rate policy. On the weekend the Hon. Member indicated very half-hearted support for his Leader. He indicated that if and when his Leader lost the next election, people would be clamouring for his resignation. One could almost hear the Hon. Member for Oshawa (Mr. Broadbent) saying: "*Et tu, Brute*!"

My question to the Hon. Member is very simple. Is his reluctance to support his Leader based on his Leader's absolute ignorance of the interest rate structure or is it just general incompentence?

Mr. Riis: I do not know if that question deserves a comment.

Mr. Crosbie: Thank you. I have another question for the Hon. Member.

Mr. Riis: It was totally taken out of context.

Some Hon. Members: Oh, oh!

Mr. Riis: It was totally misrepresented. I said nothing of the sort. If the Hon. Member could read—and I suspect he can—he should read it a little more carefully.

The point I was trying to make was that, contrary to what some people were saying—

Mr. Crosbie: He is hopeless.

Mr. Riis: I hear a lot of bantering and braying coming from the Conservative benches. They have just gone from 62 per cent of the polls down to about 45 per cent or something like that.

Mr. Crosbie: It is more than 9.5 per cent.

Mr. Riis: It was an almost unprecedented drop in support as a result of their "non-policies". The point I was making was that I did not think the New Democratic Party would face any

defeat in the next federal election. We are about to pull off one of the most impressive upsets which we have seen in a long time in terms of what political pundits are suggesting. We will be returning with our present contingent and will be adding a number of new seats to our benches. With the kind of nonsense coming from the Hon. Member, he will eat those words six months from now.

Mr. Gamble: Mr. Speaker, this is not the first occasion that the Hon. Member for Kamloops-Shuswap (Mr. Riis) has referred to a speculators' tax. He referred to it with respect to the transferring of funds outside Canada. Let me delve into that issue at some length, if I may.

It occurs to me that the Hon. Member has identified the source of the revenue giving rise to the capital prior to the transfer outside the country. I wonder whether it would apply to a person who made no speculation in the sense that he had no capital transactions and simply saved the balance of his wages that he had not spent prior to retirement and decided to live outside Canada. Would that speculators' tax apply to that retired employee who decided to spend his retirement years in Florida or in other parts of the United States which have a less hostile climate?

If it were not to apply to that person, would it be necessary to appoint a barrage of additional public servants to supervise and examine in detail the development of the fund which would ultimately be transferred outside Canada? In fact, is it not possible that, as a consequence of the examination in detail which would be needed, he would in that way alleviate some of the great unemployment in this country? It would surely mean the hiring of an additional 10,000 or 20,000 employees in the Public Service to examine every dollar transferred out of the country to determine whether those moneys had in fact arisen as a consequence of speculative transactions—

The Acting Speaker (Mr. Guilbault): Order, please. The time allotted for the question period has come to an end.

Hon. Roy MacLaren (Minister of State (Finance)): Mr. Speaker, I have listened with interest to the statements of the Hon. Member opposite who presented the motion this morning in the expectation that since he offered criticisms of the Government's policy, he would suggest for his part what he thought should be done. I must congratulate the Hon. Member opposite for his consistency. He has managed to avoid saying for many months—for many years, in fact—what he would do if he were in government. He certainly lived up to that reputation this morning.

I should, however, be fair to him in that on one occasion he offered a comment on what he and his Party would do if in the unlikely event they were to achieve power. He said that he would do exactly what this Government is doing. He said that if he were in government tomorrow, he would continue with the general approach taken by the Finance Minister, that is, emphasize the need to reduce inflation and interest rates, support business and talk about restraint. There we have an endorsement from the Hon. Member opposite of what the Government is doing. He endorses the programs and policies of the Government and says in addition that the Finance Minister had little choice except to plan for a deficit in the $30 billion range. He added that a big deficit this year was necessary to encourage economic recovery. The Hon. Member for St. John's West (Mr. Crosbie) is engaging in his usual doom and gloom about the future, but at the same time he says that he would do exactly what the Government is doing, and endorses the economic policies which he attacks in his motion.

Let me say a word about the economic situation in the United States because it is key to understanding recent increases in interest rates in Canada, a central point in the Hon. Member's motion. What we have seen in the United States is a very large structural federal deficit which has put some pressure on money markets and contributed to the increasing interest rates there. That large structural deficit in the United States has coincided with economic recovery, rapid economic recovery, probably at an unsustainable rate but certainly economic recovery. The combination of a high government deficit and more borrowing by the private sector as part of the economic recovery has inevitably meant that interest rates in the United States have increased substantially over past months.

What effect does that have on Canada or indeed on any other industrialized nation? The effect is obvious. It is certainly obvious in the case of Canada. With a free flow of money across our borders, Canadian money will seek a higher rate of return wherever it can find it. That is understandable. Canadians save money and seek a higher rate of return. In such a situation the Canadian response can be one of two things. We can either see interest rates in Canada increase to offer Canadian savers the same opportunity of return on their savings as they can achieve in the United States, or we can see a reduction in the value of the Canadian dollar.

We on this side of the House have worked to moderate both those tendencies. However, it would be naive and foolish for any Member of this House to think that somehow Canadian interest rates can be made immune from rate movements in the United States unless, of course, one wants to subscribe to the sort of cloud cuckoo-land idea of the NDP that there can be some sort of currency restrictions, or what the Member opposite calls a speculative tax on the flow of currency, the flow of Canadian dollars in search of higher rates of return.

● (1220)

The situation is quite clear. The Bank of Canada well summarized the current position of the United States when it noted in its recent report, and I quote:

> Because of the dominant role of the United States in the world economy the U.S. fiscal deficit is of particular importance and has attracted widespread concern. That the fiscal deficit of the United States Government is currently much too large to be sustainable is widely agreed both within and outside the United States, but effective U.S. action has been prevented so far by the absence of sufficient internal agreement on how to deal with it, that is, to what extent to reduce expenditures and to what extent to raise taxes. Concerns about whether and when the U.S. fiscal deficit will be dealt with has for some time put upward

pressure on market interest rates both in the United States and around the world.

Let me pick up the last point "around the world". We have seen the same sort of thing happening in other industrialized nations that we have seen in Canada. The West German Bundesbank noted the other day that they had reached the limit of detaching themselves from U.S. currency rates and interest rates are at the lower end possible in Germany. It is evident that in other industrialized countries with open currency markets, as Canada has, the same sort of pressures are present. U.S. interest rates go up and they either put upward pressure on interest rates in other industrialized countries, or the currency of that country falls in value as people move their money out of the domestic currency into U.S. dollars.

Let us look at the evidence. Since February, short-term U.S. interest rates have increased about two percentage points. At the same time, most major trading currencies, including the Canadian dollar, have fallen against the U.S. dollar as speculation of further increases in U.S. interest rates fuelled a strong appreciation in the value of the U.S. dollar on foreign exchange markets.

Canada is obviously not the only nation faced with rising interest rates and a reduction in its exchange rate with the U.S. dollar. The short-term interest rates in most industrialized countries—I have already noted Germany—including France, Japan, The Netherlands, Switzerland and Britain, have all risen appreciably since the beginning of this year. Since February, when U.S. interest rates began to rise, the foreign exchange value of the French franc, the German mark, the Swiss franc and the British pound have all depreciated against the U.S. dollar. The depreciation in the value of the Canadian dollar has in some instances been less than that of other major trading currencies against the U.S. dollar.

However, we do have a situation in Canada where, despite the pressure of higher interest rates in the United States, Canadian interest rates have been maintained at levels that should be a source of reassurance to Canadians about their future economy.

During the second half of 1982, Canadian interest rates declined dramatically. During 1983, those rates remained remarkably stable while U.S. rates trended upwards. As a result of the divergent patterns that began to emerge, the difference in Canadian interest rates and U.S. interest rates narrowed. In late 1982 and through much of 1983, Canadian interest rates, contrary to the historical pattern, were equal to, and in some instances less than, U.S. interest rates. In the first four months of this year, the differentials between short-term rates in Canada and the United States have been roughly zero.

Despite the fact that Canadian interest rates were low in 1983 in comparison to those in the United States, there was nevertheless a net long-term capital inflow of some $2.8 billion into Canada. The Member opposite, with his usual gloomy outlook, said that there had been little foreign investment in Canada, that there had been little inflow of capital into Canada during recent years because of all sorts of nefarious practices that he ascribed to the present Government. If he would take the trouble to look at the facts, as I have cited, we have seen almost $3 billion of net long-term capital from abroad invested in Canada during the year 1983 alone. When the Member speaks of some terrible but unidentified events that led to a withdrawal of capital or a decision not to proceed with investment in Canada, he is simply talking through his hat. He obviously does not know what he is talking about.

Mr. Crosbie: The figures are there.

Mr. MacLaren: Yes, they are. The net inflow of long-term capital during 1983 was $2.8 billion.

We have a policy being urged upon us by Members opposite which suggests that somehow recent exchange rate and interest rate pressures are in some bizarre way wholly of our own making. Clearly they are not. To think that is the most naive and silly idea that the Member could have. He knows perfectly well what the situation is. He has stated it on many occasions. In 1979, when he was Minister of Finance, he said:

> In connection with the three recent interest rate increases, I have concurred with the Governor of the Bank of Canada in his decision.

In saying that, he knew that interest rates in Canada had to increase at that time for many of the same reasons that are present today. When he was Minister of Finance, he further said:

> We have a free market economy and the forces of competition will regulate rates.

The Hon. Member knows that. To come into the House today and say there is some sort of magic wand which can be waved and we will have in Canada a Canadian interest rate policy set entirely in Canada is simply nonsense. He knows that and yet he says—

Mr. Crosbie: Mr. Speaker, I rise on a point of order. I have listened repeatedly to the Minister misquoting me. I said specifically in this House today that there was no magic wand by which anyone could change this situation, that it would take time, and so on. The Minister said that I came in here today and said there was a magic wand which you could wave and change the situation. He has miquoted me repeatedly in his remarks. Would he stick to some kind of accuracy when he makes his speech?

The Acting Speaker (Mr. Guilbault): The Hon. Member for St. John's West has made his point. We will return to the Minister.

Mr. MacLaren: Mr. Speaker, I have not misquoted the Hon. Member. If he looks at *Hansard*, he will find he said there is no easy, rapid solution, that it might take six months. If he thinks that within six months, somehow Canada and every other industrialized nation can declare independence of major currency and interest rate changes within the United States, then he is again simply talking through his hat. He should know better than that. He must know better than that. I shall quote word for word what the Hon. Member opposite said in response to a point made in the House on October 25, 1979:

● (1230)

The hon. gentleman should read the statement of Governor Bouey today and see why interest rates have had to continue to go up; and why they have gone up in the United States—

The Hon. Member knows that. For him to come to the House today and say that in six months the situation could somehow be fundamentally changed is simply for him to engage in a fantasy.

In fact, Mr. Speaker, what we have had in Canada in recent years—

Mr. Crosbie: Mr. Speaker, I rise on a point of order. I would refer to this morning's *Hansard*, Mr. Speaker, since the hon. gentleman challenged my version of what I said. Reading from the "blues", I said: "—we agree that there is no easy overnight solution to bring down interest rates, but we are also of the opinion that the economy can be managed in a way which will allow us to have lower interest rates than we now have which would allow us to have greater independence in interest rate policy. This will take time". That is what I said, Mr. Speaker. I went on to say: "It will take time to reassure Canadian and foreign investors that sensible government and sensible policies have returned".

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

Mr. Crosbie: The hon. gentleman should stop misquoting me when the evidence is right here in the "blues".

The Acting Speaker (Mr. Guilbault): Order, please. Order. There seems to be a tendency this morning for Hon. Members to quote others and that is really not a point of order. For Members to disagree with one another is certainly a matter of debate. May I ask the Hon. Minister to resume his speech and try to stick to his proposals?

Mr. MacLaren: Mr. Speaker, I can well understand why the Hon. Member opposite is so sensitive about quotations. He endorses the policies of this Government and then on the other hand says that they are the wrong policies.

Mr. Crosbie: I have not done that, Mr. Speaker. I rise on a point of order.

Mr. MacLaren: I can understand why he would be upset about that.

Mr. Crosbie: This is really intolerable. I have never in my life said that I endorse the policies of the Government and the hon. gentleman cannot produce any evidence to prove that I did. All I ever said last November was that the general thrust of the April Budget was going in the right direction. However, that statement dealt with the April Budget of a year ago and not with the policies of the Government and its thousand failures since then.

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

Mr. Crosbie: I am an injured party, Mr. Speaker, a very injured party.

The Acting Speaker (Mr. Guilbault): Order, please. This last intervention by the Hon. Member for St. John's West is probably the best example of a false point of order. He may disagree with what the Minister has said but the Minister may interpret what others say. Please do not interrupt Members when they have the floor.

Mr. MacLaren: Mr. Speaker, before I was interrupted by a false point of order, I was about to say that in fact there are in Canada today a number of underlying factors which give every reason to reassure all Canadians of the continuing strength of the Canadian dollar and indeed of the likely trend of longer-term interest rates in this country. For example, many in the House have taken some understandable satisfaction from the fact that Canada showed a record trade surplus in January of this year and indeed showed a major trade surplus for the whole of last year while the United States trade imbalance grows larger month by month. In fact, the U.S. current account deficit already far exceeds any previously recorded level.

Contrast that with the situation in Canada. We have enjoyed record export sales over the past 14 or 15 months and there is every reason to believe that that situation shall continue. Why should this situation continue? It is because Canadians have succeeded in reducing inflation which in turn has contributed to a major increase in our productivity and international competitiveness. Canadian industries and workers responded to the Prime Minister's appeal for restraint. They responded to the Government's six and five program, a program largely emulated by the provinces and by the private sector, with the result that we have greatly reduced if not yet eliminated the inflationary bias in our economy.

Canadians working together have thereby increased our international competitiveness through greater productivity. Indeed, as a recent International Monetary Fund survey of costs and competitiveness in major industrialized countries noted, Canada is an example of a country that experienced a significant improvement in its international competitive position. It is clear, Mr. Speaker, that such an improvement contributes to an underlying strength of the Canadian dollar but it equally underlines the necessity for all of us in Canada to continue our fight against inflation.

I am pleased to note, as have so many Hon. Members before me, that we have experienced an impressive recovery from the recession of 1981-82. We have seen our Gross National Product, the measure of the total goods and services produced in the economy, increase significantly over the past two years. We have seen inflation go down and we see our corporate sector to be in a much healthier financial position with stronger cash flows.

There is no question that the Canadian economy is on the mend and well on the way to further growth. Instead of Opposition Members recognizing the facts, we have before us this silly motion put by the Hon. Member opposite who tells us that there are a whole variety of things that could be done to insulate Canadian interest rates and the value of the Canadian dollar—

Mr. Crosbie: That is what your Leader said.

Mr. MacLaren: —from U.S. pressures by—

The Acting Speaker (Mr. Guilbault): Order, please. The Chair regrets to interrupt the Hon. Minister but his time has expired. Are there any questions or comments?

Mr. Crosbie: Mr. Speaker, I have several questions. The hon. gentleman spoke of the strength of the Canadian dollar. I wonder if he could explain to the House how he can say that there is strength in the Canadian dollar when the Canadian dollar has fallen from over 87 cents U.S. in March, 1980 to its present status of hovering just above 77 cents U.S.? That has been a huge diminution in the value of the Canadian dollar and there are no signs that the pressure is off the Canadian dollar. I wonder if the Minister could explain to us, then, how he can say that we now have strength in the Canadian dollar?

At the same time, I wonder if he could explain to us where he gets the figures relating to our capital account performance. The facts are that we had principal capital outflows of minus $8.9 billion in 1983, both in direct investment and in the unidentified outflows. The unidentified outflows were $6.6 billion and the direct investment outflows were $2.3 billion net, making the total of principal outflows last year $8.9 billion. There is now and has been over the last six or eight years a major outflow of capital from Canada caused by both Canadians and Americans. How can the Minister pretend that this is not the situation?

Finally, would the Minister explain to me why he thinks the motion is silly when it is based upon a statement that was made by the Prime Minister (Mr. Trudeau)? The Prime Minister said exactly the same thing as this motion says on February 10, 1980. Is the indication that we can be independent of U.S. policy correct when it is made by a Prime Minister who is no longer in office but incorrect when it is made by a Prime Minister who is in office and spends four and a half years bringing in policies that cause to happen the exact opposite of what was said would happen? This motion is based upon a promise to the Canadian people which was made by the Prime Minister, a promise which he has broken repeatedly.

Mr. MacLaren: Mr. Speaker, I shall deal first with the value of Canadian currency versus the United States dollar. The Hon. Member opposite should recognize—and I mean this in all seriousness—that what has happened is that all major foreign currencies have in the recent years, on average, depreciated against the U.S. dollar, including the Canadian dollar. Why is that? In part, it is the result of the situation which I described earlier. We have seen that the United States Government has been running a major structural deficit. We have seen economic recovery occurring in the United States. The combined pressures for borrowing from both the Government and the private sector have driven up interest rates. Money coming from other countries into the United States—foreigners buying U.S. dollars—has meant an upward pressure on the United States dollar. The United States dollar has appreciated against most other major currencies over a fairly significant period of time, indeed during most of the period of time that the Hon. Member opposite has been talking about. The U.S. dollar has appreciated against the French franc, the U.S. dollar has appreciated against the Canadian dollar, the U.S. dollar has appreciated against the Italian lira, and the U.S. dollar has appreciated against the Japanese yen which is one of the strongest currencies, along with the Swiss franc, in the industrialized world. That is what is happening. The Canadian dollar is no way immune to those pressures any more than the German mark is or the British pound sterling.

● (1240)

With regard to the Member's questions about—and I think he was talking about this—long-term capital inflow into Canada during 1983, I would repeat that there was a net long-term capital inflow in Canada during 1983 of $2.8 billion. If the Member opposite wishes to have an elaboration of the numbers, I would be glad to send them to him.

The final point which the Member made concerned the statements of the Prime Minister with regard to our ability to have an interest rate policy fully, wholly and totally independent of the United States on the one hand, and, on the other hand, the recognition of the fact that today no such policy can be pursued by any industrialized country. He is trying to set up a straw man and knock it over. In fact, what the Prime Minister said was that we can close to a substantial degree the interest gap between Canada and the United States. If the Hon. Member recalls when the Prime Minister made that statement, interest rates in Canada were running well ahead of those in the United States. But over a period of time we have managed to bring down interest rates in Canada close to the point in which during some of 1982 and much of 1983, certain interest rates in Canada were lower or no more than those in the United States. The differential between Canadian and U.S. interest rates was largely closed. That differential was eliminated and Canadian interest rates were reduced as a result of good fiscal management on the part of this Government.

With regard to the current situation, the Hon. Member opposite knows perfectly well that the interest rates in Canada, as in any other industrialized country, are directly affected by interest rates in the United States. I think this is the third time I have made this point today. I suppose I will have to go on making it because the Hon. Member opposite believes and has convinced himself that somehow with the free and open money markets between our two countries—and we are each other's major trading partner—we can somehow isolate ourselves from interest rate pressures in the United States. That is simply not so. Anyone with an Economics 100 knowledge would certainly understand that elementary principle.

Mr. Lewis: Mr. Speaker, I would like to quote the Hon. Minister to make sure that I have it right. I believe the Minister said: "Interest rates have been maintained at a level which should reassure Canadians about their economy".

I have a very simple question for the Minister. When he made that statement, was he referring to the 22 per cent

mortgage interest rates of 1981-82, or the 18 per cent and 19 per cent prime rates at the same time? To use that "turn around Turner" term, could the Minister clarify which it is that the Canadian home owner, small business person and farmer felt more reassured by—the 22 per cent mortgage interest rate or the 19 per cent prime bank rate?

Mr. MacLaren: What I had in mind, Mr. Speaker, was the fact that the fiscal policies of the Government, as expressed in two Budgets and in other policy statements, have contributed to a reduction in inflation in Canada, have increased our international competitiveness and have strengthened the basic underpinning of the Canadian dollar. That has meant that we have been able to narrow the interest rate differential between our two countries. That is what I am talking about. I am saying that in Canada over the past couple of years we have, in effect, eliminated the interest rate differential that was such an omnipresent concern of Hon. Members opposite not very long ago. We have eliminated that. It has happened. That is what I am talking about.

Mr. Crosbie: Mr. Speaker, in asking my question, I would like to point out to the Minister how inaccurate he has been again. Does he realize that in March of 1980 Canadian interest rates were 1.5 per cent less than U.S. interest rates, and that today Canadian interest rates are only .5 per cent less? The interest rate in the U.S. today is 12.5 per cent. It would be 11 per cent in Canada if we were still as well off as we were back in 1980, but it is 12 per cent in Canada and 12.5 per cent in the U.S. Therefore, that is an inaccuracy.

The question which I would like to ask the Minister is this. He wants to pretend the Canadian dollar is stronger *vis-à-vis* other currencies and that other currencies are more affected by the U.S. dollar than we are. How does he explain the fact that the prime rate today in the United Kingdom is 8.5 per cent? It is not 12 per cent as it is in Canada. It is 8.5 per cent in the United Kingdom; 7.75 per cent in West Germany; 5.7 per cent in Japan; and just 5 per cent in Switzerland. To use those four countries as examples—West Germany and the United Kingdom in particular, as well as Japan and Switzerland—their interest rates are considerably less than ours. How can they have lower interest rates? They still have to contend with the U.S. dollar—

The Acting Speaker (Mr. Guilbault): Order, please. The question period has come to an end. Resuming debate, the Hon. Member for Simcoe North (Mr. Lewis).

Mr. Doug Lewis (Simcoe North): Mr. Speaker, I am pleased to rise and speak to this motion that the House is of the opinion that the Government of Canada can manage the economy in a way that would allow us to have lower interest rates than Canada now has and that we can have greater independence in interest rate policy despite the failure of the Government to meet its commitment to so manage the economy. The interesting thing about this particular motion is that it was a statement made by the Prime Minister (Mr. Trudeau) when he was campaigning in the 1980 election. It is a statement which has been completely abandoned by the Government over the course of the present term of the Liberal Party.

My colleague who preceded me went on to discuss at length things which he felt benefited the Canadian economy and Canadians. He completely ignored the fact that this Government has single-handedly set records for unemployment in the post-depression period. It has set records for high bankruptcies—farm bankruptcies, personal bankruptcies and business bankruptcies—and has set records for mortgage interest rates. This is a Government of record; there is no question about that.

• (1250)

The reason I am interested in participating in this debate is not to deal with this subject at the Governor Bouey level, as the Government would like to deal with it, and not to give obtuse arguments which are not understood by the ordinary people, but to tell it like it is where I come from. I return to my riding every weekend, Mr. Speaker. I have an opportunity on the weekends and either on Mondays or Fridays to see my constituents and discuss with them what the major concern is out there. What is bothering Canadians? Where are the areas of pressure? There is no question that at a constituency level, the level of the ordinary Canadian, the major concern is rising interest rates and the inability of the Liberal Government to do anything about it, its inability to manage its interest rate program in such a way as to protect Canadians. The home owners who are renewing their mortgages are concerned, as is the small business operator who is cutting back on his or her inventory. Employees who are, after all, consumers, are all cutting back on their major purchases. And this is because of the complete lack of action on the part of the Government.

These Canadians remember the Liberal recession of the 1980s. They remember very well the Liberal high interest rate policy which brought about that recession. There is a lot of apprehension out there. My people in Simcoe North want us to try to control our economic destiny rather than simply to watch the Government come in here day in and day out trying to explain away why it cannot do anything about interest rates.

All the while Government Members are saying they cannot do anything about it, the Canadian people know that it was not Ronald Reagan who bailed out Maislin. It was not Ronald Reagan who brought forward the Budget of 1981. It was not Ronald Reagan who built Mirabel. It was not Ronald Reagan who devised our national energy policy. It was not Ronald Reagan who had a slush fund approach to unemployment insurance. It was not Ronald Reagan who drafted the brochures put out by the Canadian Unit Office to publicize eight Liberal Members of Parliament from Quebec. Ronald Reagan had nothing to do with that. That mismanagement and misspending was completely the fault of this Government and the result of this government's actions.

Canadians know that the recession of the 1980s was a result of the Liberal high interest rate policy. There was great hurt out there, Mr. Speaker, and I am not talking about Governor Bouey. I am talking about people who lost their homes, lost

their farms and lost their businesses. There has been unheard of social and economic grief at the constituency level because of the failure of the Liberal Party.

There is a lack of investor confidence because of government policies. We have runaway deficits; $10 billion in 1980 and $31 billion in 1983. We have a national energy policy which drove out foreign investment. There was runaway inflation, and I refer to the Budget of 1981. I suggest to you, Mr. Speaker, that Canadians have had enough. They want a real change.

Members of the Government are now involved in a leadership campaign and it is like watching the *Titanic* sink all over again. The captain has left the ship, but he sits there in feigned indifference watching six of his former mates claim that they are now going to move the ship off the iceberg because they have some new ideas. Then there is the seventh, the one who has been AWOL for eight years. He is going to come back and save us all, the Bay Street lawyer who quit. He quit for one or two reasons. There is Mr. Turner's version and there is the Prime Minister's version. Then there was the clarification by Mr. Turner, which we all term as the "Turner turnaround". The old clarifier is back at it.

I would like to talk about interest rates. We on this side believe that to have interest rates as part of a policy we have to create a fiscal environment which will reduce interest rates without destroying our currency or reigniting inflation. That sounds impossible, but we suggest we would do it by strengthening the dollar, which has hit an all-time low, and by cutting back on the Government's $31 billion deficit. We suggest that we must create a fair and stable investment climate. That has not been the case under the present Liberal Government. It has gotten into the marketplace. It has interfered with the national energy policy. It has caused capital to fly from this country. Whether it was a dollar or an oil rig, it left.

We had the MacEachen Budget which made it unpopular to invest in Canada. Since 1980 $17 billion of direct investment capital has left this country. That is one of the major reasons our dollar has fallen from 88 cents to 78 cents. That decline in our dollar has forced the Bank of Canada to get into the market and to keep interest rates high.

We suggest, Mr. Speaker, that if we attract investment capital, it will strengthen the dollar. If we strengthen the dollar, interest rates will come down.

Mr. Evans: How are you going to attract capital?

Mr. Lewis: By providing the climate, my friend, not by driving investors out.

Mr. Evans: By keeping our interest rates higher than the United States interest rates. That is what we have always done.

Mr. Lewis: My colleague of the deficit, Mr. Speaker—

Mr. Evans: That is the way we have always done it for 40 years.

Mr. Lewis: —is trying to interrupt me. I refuse to be interrupted by economic rhetoric from that escapee from south of the border. We have a $31 billion national deficit. This Liberal Government borrows over $20 billion a year just to make the interest payments. What is this doing? It is demanding capital from the market. The demand of this Government for capital is consuming 90 per cent of the available capital from personal savings. That is money which could be put into the private sector rather than paying for the "Maislin bail-outs".

We are spending nearly one-half of the money which is available in Canada. This year, the federal Government is going to spend over $100 billion. Compare that to 1968. In 1968 it spent $12 billion. We have a deficit and what does that deficit mean? It means that the interest on government debt is climbing. It is now over $20 billion a year. That deficit is open to question because, as the Auditor General will tell you, Mr. Speaker, there are several ways of looking at it and he disagrees with the way the Government is looking at it.

Who is going to save us from the deficit? Well, there is the gentleman named Mr. Turner. He says that he is going to cut the deficit. Mr. Turner was Minister of Finance from 1972 to 1975. One will remember that that is when inflation jumped from 5 per cent to 11 per cent, the deficit more than quadrupled and federal spending more than doubled. According to a study made by the C. D. Howe Institute, three out of five John Turner Budgets actually widened the gap between the rich and the poor. After the 1973 Turner Budget, the richest families in this country were better off on average by $1,823 while the poorest families were better off by $134.

Mr. Turner has said he is going to cut the deficit. He does not say where. He has not even clarified it. Usually with Mr. Turner's statements, we are entitled to a clarification. We always receive a clarification from Mr. Turner. It may be the next day or it may be a couple of days later, but what he says is always clarified. But we have not had clarification of that. What we have had is Tom Maxwell, chief economist of the Ottawa based Conference Board of Canada, saying: "Maybe he is getting rusty under pressure". It was also stated, and I quote:

—he mistakenly said Friday that the Government's own projections call for the deficit's proportion of the Gross National Product to be halved by 1988.

Mr. Turner is obviously poorly briefed and poorly prepared for the anointment that Hon. Members opposite are getting ready for him.

I intend to carry on, Mr. Speaker, and discuss interest rates as they affect the housing sector of the economy. I would appreciate being able to call it one o'clock at this point and continue on afterwards on that particular area of my speech.

The Acting Speaker (Mr. Guilbault): It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

GOVERNOR GENERAL

PRINTING OF SPEECHES AT INSTALLATION OF JEANNE SAUVÉ

Mr. Speaker: In accordance with past practice may I suggest that the speeches of Her Excellency the Governor General and of the Right Hon. Prime Minister (Mr. Trudeau), given during yesterday's ceremonies, be appended to this day's *Hansard*. Is this agreed?

Some Hon. Members: Agreed.

Mr. Speaker: Agreed and so ordered.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

METRIC CONVERSION

IMPLEMENTATION BY ORDER IN COUNCIL

Mr. Bill Domm (Peterborough): Mr. Speaker, the Minister of Consumer and Corporate Affairs (Mrs. Erola) will revert to mandatory metric by Order in Council in July, 1984. The decision to impose enforced metric conversion, announced yesterday in a press release, was the direct result of the inability of Jack Halpert and Ray Christiansen to launch an appeal due to insufficient funds.

The Minister's decision to employ Order in Council, which she states will be passed by July of 1984, seriously contradicts her commitment to postpone compulsory metrication pending the outcome of the Government's appeal against Mr. Halpert and Mr. Christiansen. Therefore it is obvious that we can no longer depend upon the current Minister of Consumer and Corporate Affairs to allow this important issue to come before Parliament where it would receive the attention of all Members, and be discussed according to democratic principles. Instead, she fully intends to revert to mandatory metric conversion, enforcing prosecutions, which incur fines, confiscation of equipment, and possible jail terms for using imperial weigh scales.

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ADMINISTRATION OF JUSTICE

SENTENCE IMPOSED ON PENITENTIARY EMPLOYEE FOR DRUG CONVICTION

Mr. Garnet M. Bloomfield (Parliamentary Secretary to Minister of State (Small Businesses and Tourism)): Mr. Speaker, today I would like to comment on the sentencing of a former Millhaven Penitentiary employee on April 30 of this

year. On December 21, 1983, the RCMP charged a paint shop instructor at Millhaven with possession of marijuana and LSD for the purpose of trafficking drugs to inmates at the Penitentiary. On April 30 he was sentenced to 120 days, which could be reduced to 40 days for good behaviour.

In my view this is a serious miscarriage of justice in light of the crime committed. This instructor had the responsibility of teaching the inmates some valuable trade which might assist in their rehabilitation. Under normal circumstances, any breach in the trust given employees by Correctional Services of Canada is unacceptable. However, to break the law while breaching that trust is an even more serious offence, and the lawbreaker should be penalized harshly.

Surely by anyone's standards imposing a 120-day sentence on a penitentiary employee trafficking drugs to inmates is far too lenient. These criminals have been placed in our penal institutions to pay their debt to society, and hopefully to be rehabilitated. They should not have access to drugs which, if past reports have been accurate, have played a role in inciting prison riots, murders, and other serious disruptions. For those found guilty of supplying inmates with drugs, the penalties should be severe.

I object most adamantly that a judge would rule so leniently in such a serious matter. When such a flagrant break of trust has been committed, I question the wisdom of handing down such a decision. I personally believe that anyone involved—

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

* * *

FINANCE

INTEREST RATE LEVELS—EFFECT ON CANADA SAVINGS BONDS

Mr. Ron Stewart (Simcoe South): Mr. Speaker, this country needs humane interest rates. Farmers cannot survive on the FCC's rates of over 14 per cent. Small businesses cannot survive added interest increases. More jobs will be lost. Another rise of 1 per cent to 2 per cent will mean that most Canadians will not qualify for home mortgages. No wonder the people have lost confidence in the Government. While Canada's economy burns with high interest rates, our modern day Nero, the Minister of Finance (Mr. Lalonde), is fiddling for a job in France. Canadians are not the only ones who have lost confidence in the Minister. Ronald Reagan prefers a French socialist to a flawed Canadian socialist as head of the OECD.

Canadians are afraid, and are cashing in their Canada Savings Bonds at an alarmingly high rate. Last month's rundown of bonds reached $445 million, up from $217 million one year ago. From November 30, 1983, to April 30, 1984, redemption levels doubled to $2.13 billion from $1.19 billion a year ago. The Government's bankruptcy of policies has resulted in a policy of bankruptcies. Not surprisingly, Canadians are cashing in this Government.

S.O. 21

I urge the Government to bring down interest rates, to stop this run on Canada Savings Bonds, to protect farmers and small businesses from bankruptcy, and to enable Canadians to purchase homes. Will the cut-and-run Minister enact at least one humane economic policy so that history will not remember this Trudeau protégé as a total failure?

* * *

CANADIAN LABOUR MARKET AND PRODUCTIVITY CENTRE

OPPOSITION TO PROPOSED LOCATION IN OTTAWA

Mr. Stanley Hudecki (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, it is a matter of concern to me that the location for the new Canadian Labour Market and Productivity Centre is almost finalized as being the City of Ottawa. It is a concern because, once again, the policy of decentralization of various national institutes is being overlooked. I feel that it is unfair to many deserving industrial and business centres outside the capital which have equal facilities and better industrial, labour, and business environments than does Ottawa; Hamilton being one such city.

For example, important institutes of higher learning located within or near the Hamilton area include McMaster University, the University of Guelph, the University of Waterloo, and Mohawk College. They could provide a wide variety of input to the new Productivity Centre. McMaster University, in fact, has the only labour studies program in Canada. As well, nearly 70 per cent of all Canadian heavy industry and manufacturing is located within 150 kilometres of Hamilton. The Productivity Centre could therefore draw on the expertise, not only of our manufacturers, but also of a large number of labour leaders.

Hamilton and other cities like it need the benefits of national institutes which, at the moment, are increasing in number and which are being located in Ottawa. I am sure that years from now a decision will be made to move the Productivity Centre to a more appropriate location out of Ottawa. Unfortunately, that move will most likely be carried out at a high cost to the taxpayer, and at the cost of uprooted family lives for the employees of the Centre, as has happened recently with several federal agencies.

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NUCLEAR ARMAMENTS

EXPLOSION OF FRENCH NUCLEAR DEVICE IN SOUTH PACIFIC

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I read with profound regret this morning that France, headed by a democratic socialist Government, is reported to have exploded a nuclear device in the South Pacific for the second time in four days, according to a New Zealand Government seismologist.

All tests of this kind, Mr. Speaker, are an offence against the planet earth and against the future of the human prospect, no matter who carries them out and no matter how agreeable one may find other policies of the culprit Government. The fate of the earth is a matter which transcends national loyalty, longstanding friendships, and ideological affinities. Nuclear madness must be opposed and exposed wherever and whenever it is manifested, even when friends are the culprits. This is what mature friendship among nations is about. It is the ability to be honest and critical without fear of retaliation or rejection.

It is about time that Canada's friendship with the United States reached such maturity on both sides of the 49th parallel. I call upon the Government to do its part by developing a more independent foreign policy, and by trusting that if our friendship with the United States is true and mature it will survive such independence. If it does not, we will at least be released from illusion.

* * *

WESTERN GRAIN STABILIZATION ACT

INTERIM PAYMENTS URGED FOR FARMERS

Mr. Len Gustafson (Assiniboia): Mr. Speaker, after much prodding from the Progressive Conservative Party the Government has finally introduced Bill C-33, an amendment to the Western Grain Stabilization Act. With rising input costs and poor grain prices, western grain farmers have been caught in a severe cost price squeeze. Western grain farmers need financial assistance now. Further amendments to the Western Grain Stabilization Act are needed and should be enacted immediately so that an interim payment can be made, as well as a retroactive payment for the 1982-83 crop year.

We do not believe the Government can afford to put off making a payment until October, especially as the stated intention of the Liberal Government has been merely to pay grain farmers only part of their past contributions. A grain farmer who entered the program in 1979 would have paid a maximum of $5,700. If invested at bank rates, this amount would have accumulated to $8,000. The Government has indicated that the average payment will be $2,500 to $3,000. This is too little, too late. The Government is playing politics with the farmers' money.

• (1410)

Also, Mr. Speaker, in reporting from western Canada, I wish to say that the Weyburn Red Wings have very successfully won the Centennial Cup for western Canada.

Some Hon. Members: Hear, hear!

ST. LAWRENCE SEAWAY

DEMAND FOR ABANDONMENT OF LOCKAGE FEES

Mr. Joe Reid (St. Catharines): Mr. Speaker, water was the means of transportation that opened up our country to the explorers and to the economic resources that aided in the development of the country.

The statement by the Minister of Transport to the effect that the St. Lawrence Seaway should not have making money its top priority is very timely, as the subject of Crown corporations is presently before the House for further consideration.

Some Crown corporations, such as the Seaway, are the result of dreams of public-minded citizens as well as of entrepreneurs alike. It took generations of human effort to transform this natural waterway into a transportation artery linking the rest of the world with the heartland of North America. To maintain the economic benefits of the Seaway, a happy balance of user pay and public benefit must be achieved.

The Seaway Authority wants government policy direction. Business and commerce welcome the freeze on Seaway tolls. Lockage fees, however, were imposed for a specific purpose which no longer exists. They should be abandoned, and the accessibility of community ports around the Great Lakes to water transportation should be restored. Such an action would be in keeping with the original dream of this great waterway.

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EXTERNAL AFFAIRS

INTERNATIONAL EXPENDITURES ON ARMAMENTS

Mr. Bob Ogle (Saskatoon East): Mr. Speaker, in the last several days it has been brought to my attention that the international arms trade will pass $1 trillion within a year or two. I believe that this is one of the major sins and evils that now face the planet earth.

I would like the House, and every Canadian who can hear my voice, to become even more aware of the divergence that is taking place in the world at this time between those who seek military solutions to problems and those who live in utter misery and poverty. How is it possible that, on a planet with the sophisticated ways of life that we have, the funds which should be used for the well being and health of people are being turned into arms?

It is not only the superpowers that are involved, it is now many of the growing Third World countries. Brazil, Turkey, and Israel are also major arms shippers and major arms sellers.

I repeat that I believe that, in the name of humanity, the Government, this Parliament, and all Canadians must put their united wills together once more to see that this race stops, because it will not bring anything except total destruction. It will not bring anything except death and misery. We have no other choice but to see that it stops.

POLITICAL PARTIES

LIBERAL PARTY LEADERSHIP CAMPAIGN—STATEMENTS ATTRIBUTED TO CANDIDATE JOHN TURNER

Mr. Gordon Taylor (Bow River): Mr. Speaker, my statement today is about turn around, turn about, turn over Turner. When in government he introduced the Official Languages Act, but in Toronto, when making a pitch for the leadership, he cried: "Leave bilingualism up to the provinces". Later, when in Quebec, he stated: "I will continue the policies of Mr. Trudeau and Mr. Joyal in the area of official languages in Canada". A complete turn around.

Again, the ever turning Turner, when Minister of Finance, increased spending 99.8 per cent. He was an expert at emptying the public coffers, but now he will reduce government spending. Another turn about.

This hope of the Liberals, when in Quebec, said that he approved of Bill 101, that repressive, discriminatory piece of legislation because, he said, it is provincial rights. He introduced the Official Languages Act. Is that not federal legislation? Another spin around.

Our hero from Bay Street will reduce the deficit, but when he was Minister of Finance he introduced deficit spending and borrowing. As a result, Canadians now owe approximately $200 billion. Another turn about.

Guess what? The Liberals hope says that he is going to help the farmers of the West. As director of the CPR, he increased their freight to the point where farmers are going bankrupt. Even worse, he has again been appointed to the CPR board so that there will be another increase in freight to haul grain in July.

Will Mr. turn around, turn about, turn over Turner become Prime Minister of Canada? If he does, Canada will spin in circles. Heaven help us.

This sorrowful story will be continued on yet another day.

ORAL QUESTION PERIOD

[*English*]

FINANCE

INTEREST RATE LEVELS—EFFECT ON YOUNG HOME BUYERS

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, in the absence of the Minister of Finance, who, I gather, is in Paris job-hunting, I will direct my question to the Minister of State for Finance.

In 1981 and 1982 thousands of people lost their homes because interest rates soared to an all-time high. Young people in particular were badly burned, and either lost their homes or had to delay buying homes. Now, just as they are regaining confidence, they see the same thing happening again. They see interest rates heading upward. They ask what is happening

and whether they will have to put off buying a home for another five years. I want to ask the Minister what can I tell these young people.

Hon. Roy MacLaren (Minister of State (Finance)): Mr. Speaker, we have seen an increase in interest rates over the last few months. However, they are not of a magnitude that merits comparison with the increases that we saw approximately two years ago. The Hon. Member opposite knows perfectly well that interest rates in Canada and the United States, both of which have increased, are still at a level which is very much lower than those of recent memory.

With respect to the question of the Mortgage Rate Protection Plan, which I assume the Member opposite must have in mind, she will know from an answer that I gave in the House a few days ago that it is our intention to bring in the legislation for the Plan very shortly. That Plan will provide protection for those who choose to participate in it. It will be retroactively effective as of March 1. The rates that were applying at the time a mortgage was either taken out or renewed after March 1 will be at the rates which applied at that time.

Miss MacDonald: The Minister obviously is not aware of the fear and the concern that ordinary Canadians feel all across the country because of the way they have already been scarred by high interest rates. They see it happening again.

EFFECT ON UNEMPLOYMENT IN CONSTRUCTION INDUSTRY

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, there are approximately 700,000 construction workers in this country. Last month 200,000 of them were unemployed. They see a real slowdown in construction because of high interest rates. Developers are saying the same thing. People are afraid of losing their jobs or of not being able to create new ones. What assurance do these people have that if they start projects they will not have to be abandoned three or four months down the road because of escalating interest rates?

Hon. Roy MacLaren (Minister of State (Finance)): Mr. Speaker, I thought that I had answered the question, but evidently I did not. I intended to say to the Hon. Member that indeed we do not anticipate major increases in interest rates in Canada in the foreseeable future. But whether such rates do increase, the protection will be available through the Plan I described a moment ago, which was embodied in the Budget of last February. The Mortgage Rate Protection Plan offers to those who choose to participate in it, for the payment of a premium, protection against the very circumstances which the Hon. Member opposite has described.

In fact we have seen some real progress in the construction industry. When the Hon. Member opposite presents her rather gloomy picture of housing starts in Canada, she should bear in mind that in 1983 housing starts averaged 162,000 units, which was a 30 per cent increase over 1982. In the first quarter of this year there was a 6.3 per cent increase over the fourth quarter of 1983. Therefore we do see some growth in the housing construction industry. I am sure that the Hon. Member opposite will want to recognize that there is also the additional assurance of further growth in that industry through the use of the Mortgage Rate Protection Plan.

Miss MacDonald: What the Minister does not understand, and what the Canadian construction industry could tell him, is that every time interest rates go up by one percentage point, construction goes down by one percentage point. The Minister should also know that it is not only home owners or people in the construction industry who are effected; small business is also worried about interest rates.

• (1420)

EFFECT ON SMALL BUSINESS SECTOR

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, there were 80,000 small businesses which had to close their doors in 1982 because of high interest rates, and people see the same thing about to happen again. Construction workers, home owners, and small businesses see a direct link between high interest rates and the unemployment that will result. They do not want promises from the Minister that have been made for three, four, and five months. They want to know what kind of action the Government is prepared to take to keep interest rates down.

Hon. Roy MacLaren (Minister of State (Finance)): Mr. Speaker, the Hon. Member opposite must know by now, after having been in the House for the last few days, that interest rate increases in Canada are related to interest rate increases in the United States. That is an inescapable fact. Also there are some things we can do in this country to maintain moderate increases and to limit increases in interest rates. We can do this through increasing productivity, through the promotion of exports and, above all, through the reduction of inflation. On those three fronts the Government has acted, and acted consistently. We have moved to reduce inflation. We now see the CPI running at about 4.7 per cent, a low for inflation in Canada in a very long time. Second, we have seen record levels of exports which have been fulled by increased productivity in our economy, again as a direct result of some of the policies adopted by this Government.

We are in fact, Mr. Speaker, taking steps. We have succeeded in taking steps which do have a very real effect on limiting interest rate increases in Canada. But let us not be naive or fool ourselves. The basic reason that interest rates in Canada are increasing occurs outside our borders, in the United States. Unless the Member opposite wishes to suggest currency controls at our borders, then there is no way to avoid the longer term impact of interest rate changes in the United States.

LABOUR CONDITIONS

PLIGHT OF UNEMPLOYED—GOVERNMENT POLICY

Hon. James A. McGrath (St. John's East): Mr. Speaker, my supplementary is for the Minister of Employment and Immigration. Given the fact that it is now the stated position of the Government that the Government can do nothing about high interest rates, that the forces are outside our control because they are beyond our border, what advice does the Minister responsible for employment have for the Government to cushion the negative effects of high interest rates on employment in Canada?

We know that employment has not grown in the past three months. We know the unemployment rate is hovering around 11.4 per cent. We know that youth unemployment is on the increase, and we know that housing starts are down. We know all of these things. What we do not know is what the Government is going to do for the unemployed as a consequence of all this.

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, I think the general approach is still clear. The Government does believe that the private sector is the motor force for creating jobs in the economy. As the Budgets of my colleague, the Minister of Finance, have indicated, we have undertaken steps to create a context which encourages the private sector to create those jobs. Indeed, that has been happening over the past year. As the Hon. Member I think knows, there has been considerable job creation in Canada at a pace and a rate comparable to that of any other country, including the United States.

In terms of specific efforts, he has asked what advice would I give. I would suggest that we look at those programs which exist now, for instance, the Career Access Program which I believe the Hon. Member supports and, indeed, wants to see strengthened, and that in relation to youth employment; that we direct the young to use that program on the basis of support to private sector employers for the creation of jobs for young people and those entering the economy for the first time. There are a variety of employment creation projects under the administration of my Department or the Commission of Employment and Immigration—the Youth Job Corps Program, Canada Works Program, the LEAD Program, the Career Access Program, which I designed exactly to focus in on some of those employment problems on which the Hon. Member has just touched.

YOUTH UNEMPLOYMENT

Hon. James A. McGrath (St. John's East): Mr. Speaker, the Minister takes the position, and I do not quarrel with this, that the private sector is the principal vehicle for job creation. Let me say to the Minister that high interest rates are a disincentive to the private sector to expand. These high interest rates are happening at a time when there are over 500,000 young people unemployed, and that number is going up. They are about to be joined by another 400,000 young people from our colleges and universities, looking for jobs. That amounts to one million young people. If they cannot find jobs in the private sector because the private sector is cutting back as a result of high interest rates, I ask the Minister what is the Government doing? Specifically, what is the Minister doing to cushion the effects of high interest rates?

Hon. John Roberts (Minister of Employment and Immigration): My answer, Mr. Speaker, has to be somewhat repetitive. I am not sure whether the hon. gentleman was listening very carefully to what I said. No one, certainly no one on this side of the House, wishes to have higher interest rates.

He asked what was being done. I pointed out to him the Career Access Program. That Program does provide a contribution of up to 50 per cent of the salary or the wages of a young person, for up to six months and in some cases up to 12 months, to respond to that problem. We believe it is a much more effective program than the kind of tax deduction which the hon. gentleman and his colleagues have suggested, because the private sector employer receives immediately in his hands and at great advantage to his cash flow, *les subventions,* the subsidy, which will create a job rather than having to wait many months before having the impact of a tax deduction as suggested by the hon. gentleman. In other words, the approach which we are already using in the Career Access Program is a much more effective one than the alternative which has been suggested by the other side. It does depend upon the partnership and co-operation of the private sector, which we are finding increasingly we have.

The hon. gentleman asks what we are doing. The answer is the Career Access Program, which is an effective way of providing encouragement to the private sector to give a job opportunity to young people entering the labour force for the first time.

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HUMAN RIGHTS

REQUEST FOR ESTABLISHMENT OF PARLIAMENTARY COMMITTEE

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, my question today is for the Prime Minister. It emanates from a meeting which was held all day yesterday on Parliament Hill, sponsored by the parliamentary group on Soviet Jewry, concerning the situation of Soviet Jews. One of the recommendations was that a parliamentary committee be established on human rights to deal not only with human rights in Canada but internationally, including the situation of Soviet Jews, and especially that it would monitor the lack of respect for provisions in the Helsinki Accord. Would the Prime Minister tell us whether he favours the establishment of such a parliamentary committee, and whether he would at least give it serious consideration?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker I do not see personally why the subject could not be taken up

before the existing parliamentary committee on external affairs. The suggestion has not yet reached my desk but I will be happy to see if the House Leaders want to examine that possibility.

U.S.S.R.—RESTRICTIONS ON EMIGRATION OF JEWS

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, my supplementary question is also for the Prime Minister. It concerns the same meeting. One of the other proposals made at the meeting was for more vigorous action on the part of the Government. Not only should there be quiet diplomacy on the issue of human rights violations, and especially the stopping of exit permits on the part of the Soviet Government, but this matter should be raised more vigorously internationally and in bilateral discussions with the Soviet Government.

There was some criticism that the Canadian Government had not taken what opportunities it could, and it had not been as active on this issue as other western European Governments had been. Could the Prime Minister comment? Could he give us any undertaking that the Government would be more vigorous in dealing with this very important matter of human rights violations and our concern that people, Soviet Jews particularly, be allowed to emigrate to Israel for purposes of family reunification?

Right Hon. P. E. Trudeau (Prime Minister): I would comment gladly, Mr. Speaker, but I am afraid that the comment would be to the effect that the suggestions by the Hon. Member, or by whomever she pretends to be quoting, are quite inaccurate. We have proceeded by quiet diplomacy, as the expression goes, but we have also made statements publicly and very vigorously. We have made them in every meeting concerning and surrounding the Helsinki declaration. We have made them in Madrid. Before that we made them in Belgrade and, at the United Nations in New York. We have made many statements denouncing the unjust treatment of various minorities by the Soviet Union and, indeed, by other countries. That does not preclude the need for quiet diplomacy. From whatever experience I have had, I think the latter produces generally more results than the former.

* * *

● (1430)

[*Translation*]

HOUSING

REQUEST FOR DETAILS CONCERNING INTEREST RATES

Hon. Roch La Salle (Joliette): Mr. Speaker, my question is directed to the Minister responsible for Housing. The House is aware that future home owners and Canadians in general are worried about rising interest rates. The Minister has mentioned a mortgage rate protection program for which legislation is to be introduced very shortly and which will take effect retroactive to March 1. Could the Minister inform the House today, considering the program's retroactivity, whether new home owners will be entitled to obtain interest rates at the levels existing on March 1 of this year?

Hon. Roméo LeBlanc (Minister of Public Works): Mr. Speaker, we have made it clear—by the way, I expect the Bill will be before the House in a few days—that the rate to be covered by the Mortgage Rate Protection Program is the rate on the day the home owner renews his mortgage or takes out a mortgage on a new building or home. Therefore, there is no magic day. It will be the rate on the day the transaction is concluded. That is when the program becomes effective.

REQUEST THAT MINISTER PROVIDE MORE INFORMATION

Hon. Roch La Salle (Joliette): Mr. Speaker, the Minister will realize that Canadians are all anxious to pay the lowest rate possible. If I understand the Minister correctly, even if his Bill takes effect retroactive to March 1, it is far from certain that the interest rate prevailing on that date will be the one that will be covered under the Mortgage Rate Protection Program. In the circumstances, considering that interest rates are rising, it is quite possible, from what I gather from the Minister's statement, that Canadians will have to absorb rates that far exceed the rate prevailing on March 1 of this year.

I therefore wish to repeat my question, Mr. Speaker. Can the Minister inform the House very specifically whether the interest rates in his Bill will be those existing at the time the Bill is adopted on third reading or the levels prevailing on March 1? I think the Minister understands the relevance of my question.

Hon. Roméo LeBlanc (Minister of Public Works): Mr. Speaker, I agree the question is an important one, and we shall have to be very careful in formulating the answer when we bring the legislation before the House. From the outset, however, we wanted to inform Canadians who were interested in the program when it was announced in the Budget that, pending adoption of the Bill, if their mortgage came up for renewal or they had to take out a new mortgage on a new home, they would be eligible for the Mortgage Protection Program as of March 1. We did not want to leave anyone out. Of course, more specific details will follow once the Bill is tabled.

* * *

[*English*]

AGRICULTURE

INTEREST RATE LEVELS—REQUEST FOR PROTECTION FOR FARMERS

Mr. Lee Clark (Brandon-Souris): Mr. Speaker, my question is directed to the Minister of Agriculture. As the Minister knows, today's farmers are part of a capital-intensive industry. As a result, many of them have long-term and short-term

indebtedness in the $500,000 to $1,000,000 range. Every time there is an increase in interest rates of 1 per cent, their interest bill per annum increases between $5,000 and $10,000. Bearing that in mind, could the Minister of Agriculture inform the House what specific advice he has given his colleague, the Minister of Finance, with respect to policies that should be followed if today's farmers are to be protected from the Government's high interest policy?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the Hon. Member knows that I have very strong opinions on interest rates.

Some Hon. Members: Oh, oh!

Mr. Whelan: He really has no right to know the discussions I have had with the Minister of Finance concerning interest rates. Those discussions were private and confidential. We have had many meetings on how to work out programs. The Minister of Finance is as concerned about interest rates as anyone in the House.

FARMERS' CONCERN

Mr. Lee Clark (Brandon-Souris): Mr. Speaker, my supplementary question is directed to the same Minister. I heard him say that he has very strong opinions on high interest rates, yet we have seen nothing happen on that side of the House. Therefore I could only assume that unfortunately the Minister lacks influence with his colleagues.

Last week the Minister told me that high interest rates were not a problem for today's farmers, yet farmers in my constituency tell me that high interest rates, more than any other single factor, are forcing them off the land. Will the Minister now concede that farmers in western Canada, and indeed throughout Canada, know more about their problems than he does?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, if the Hon. Member claims that he knows very much about their problems, I would think that is an exaggeration. He should compare the amount of knowledge and concern I have for farmers and the things we have done for them, such as subsidizing interest rates—last year alone we spent $36 million on subsidizing interest rates—with what some of the provinces are doing. They should match what we are doing, because agriculture is a joint responsibility.

* * *

MEDICAL CARE

ADMINISTRATION OF HEALTH SERVICES IN ALBERTA—REPORTED PRIVATIZATION PROPOSAL

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. By now the Minister will be aware of the fact that the Progressive Conservative Government of Alberta is considering privatizing the administration of health care in that province.

Some Hon. Members: Hear, hear!

Mr. Blaikie: I hear Hon. Members to my right saying "Hear, hear", that that is a good idea. That is interesting. Could the Minister tell us whether she shares our view that any movement in this direction, toward the privatization of health care administration in that province, would violate one of the five basic principles of medicare, that of non-profit administration?

Hon. Monique Bégin (Minister of National Health and Welfare): Mr. Speaker, at this point in time we do not know what Alberta intends to do. The press reports which I read upon my return from Geneva spoke of the Alberta Minister studying how far he could go in using private management in the health system. All I can say and report on right now is that we made sure—and all Hon. Members of the House agreed unanimously—that Section 8 of the Act contained quite a long definition of what public administration must mean.

It is a fact that Nova Scotia had a tiny portion or an element of its management done under contract by MSI, a private management firm. Also Hawkesbury, Ontario, had an experience with private management. For about a year I have known that the Governments of both British Columbia and Alberta are monitoring the situation very carefully. Perhaps it is because of the philosophy of those two provincial Governments that they have pilot projects in the same direction.

We all know that the next attempt at trying to undo medicare will be through the door of the condition called "public administration". For the time being it is strongly defined in the Act, and I have no reason to fear anything.

Mr. Blaikie: This is not the first time the Minister has hedged on these kinds of questions concerning privatization. She did the same thing when I asked her about AMI at Hawkesbury last year.

MINISTER'S POSITION

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, does the Minister not regard the contracting out of health care administration in any province to the private sector as a violation of the principle of non-profit administration? There is no need to be ambiguous about that. Does she or does she not approve of that direction? If she does not, what will she do about it?

Hon. Monique Bégin (Minister of National Health and Welfare): Mr. Speaker, the Hon. Member displays the same impatience as he did four years ago when he joined the House. The net result of what I call the mysteries of life when I talk to him, because he does not seem to understand, is that it takes some time to know the facts, to collect information and to analyse the Act, the framework within which we must work. That did not preclude us from passing the Canada Health Act

with a strong Section defining the parameters which keep medicare under public administration. I will not be governed by the typical NDP line that, just because a Minister was reported in the newspaper as thinking of using a private management company, this implies a sin of some sort. There is nothing wrong with that. Let us wait and see.

* * *

[*Translation*]

AGRICULTURE

FINANCIAL AID TO VICTIMS OF 1983 DROUGHT

Mr. Marcel Dionne (Chicoutimi): Mr. Speaker, my question is directed to the Minister of Agriculture. Two weeks ago, on twenty-four hours' notice, the Minister agreed to meet delegations from the Lac Saint Jean, Mauricie, Lanaudière and Quebec City UPA's to discuss losses suffered during the drought in 1983. At the time, the Minister told the delegation that if the Quebec Minister, Mr. Garon, made an official request for financial assistance in paying compensation to these farmers, he would agree to co-operate. Can the Minister inform the House whether he received an official request from Mr. Garon, and if so, whether it is clearly a request for financial assistance from the federal Government?

● (1440)

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the Hon. Member speaks of a request from producers at a meeting that was arranged between some Members from la belle Province and the producers concerned. At that time I informed them that there had to be a request because of the agreements we have, and that the request had to come from the province. Since that time I have received a letter from the Minister of Agriculture for the Province of Quebec, not admitting any responsibility, not stating that this is a problem they would like to solve jointly, but giving several excuses, stating that the federal Minister of Agriculture should look after the needs of these farmers. The Minister of Agriculture for la belle Province uses fancy words and gives fancy descriptions of aid, but refuses to put his money where his mouth is.

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EXTERNAL AFFAIRS

UNITED STATES—OIL DRILLING LEASES OFF COAST OF BRITISH COLUMBIA

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question is for the Acting Secretary of State for External Affairs. The Secretary of State for External Affairs has already acknowledged that a diplomatic note has been sent to the State Department in Washington protesting the proposed oil drilling leases being put out to tender to interested United States petroleum companies in the area of the Dixon Entrance off the British Columbia northern coast. Can the Minister say whether that note covered the environmental as well as the sovereignty concerns of Canada, and is he prepared to table that note because it is of such concern to Canadians?

Hon. Gerald Regan (Minister for International Trade): Mr. Speaker, the actual contents of the note, as I recall, dealt with the issuance of the licences. I would have to examine the note to determine whether the question of environmental concern was included.

CANADIAN SOVEREIGNTY

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, it seems that the Government is unable to deal with these maritime boundary problems with the provinces, with our neighbours, or with France in connection St. Pierre et Miquelon. Has the Government ever put forward its claims, and the foundations for its claims on the East Coast, the West Coast, the Arctic, and south Newfoundland? If so, has it had a response? If not, why has it not done so?

Hon. Gerald Regan (Minister for International Trade): Mr. Speaker, the Hon. Member is rather global in his examination of territorial boundaries and the underwater area. He may be aware of the fact that negotiations have occurred with France in relation to the underwater boundaries of the St. Pierre and Miquelon area, here in Ottawa, in the past few days. In relation to what he has said about our ability to determine those boundaries, the Hon. Member will realize that, with the extension of territorial limits to 200 miles at sea in all parts of the world, new problems have arisen concerning the territorial boundaries in the underwater area between adjoining countries. Ours is no different from others in that regard. With reference to the Gulf of Maine, the Hon. Member will recall that Canada successfully negotiated an agreement with the United States administration, which the United States Senate then failed to ratify. Under the somewhat quaint Constitution of the United States, that has to occur before a treaty can become effective. That matter is now before the court at The Hague.

* * *

TRADE

SHOE IMPORT QUOTAS

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, I have a question for the Minister for International Trade. The temporary import quota for shoes, which is to expire in November, 1984, has become a matter of great concern between the industry and Canadian consumers. Has the Government made a determination regarding this quota?

Hon. Gerald Regan (Minister for International Trade): Mr. Speaker, we have had extensive discussions in Cabinet on this subject. Yesterday I had consultations with representatives of various segments of the shoe industry. There were further

discussions on the matter in Cabinet this morning. I anticipate that I will be able to announce a final decision from Cabinet next Tuesday.

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VETERANS AFFAIRS

ROLE OF CANADIAN TROOPS AT NUCLEAR TESTS

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, my question is for the Minister of Veterans Affairs. The Minister is in possession of a document from the British Government that was declassified after being top secret for 30 years. It indicates that British troops involved in nuclear testing were treated as guinea pigs. The Government willingly tested them under a variety of circumstances which led to exposure to radiation. Canadian troops were present at those tests. Will the Minister undertake to check with the Department of National Defence to determine whether our Government knew that the Canadian troops with those British troops were being treated in the same manner? Did our Government know that those Canadian troops were being treated as guinea pigs in that testing?

Hon. W. Bennett Campbell (Minister of Veterans Affairs): Mr. Speaker, I would like to acknowledge receipt of the document to which the Hon. Member referred. However, the document was only received by my office a half hour ago. Therefore, I have not had a chance to review it. With regard to the second question, yes, I will check.

FUNDING REQUESTED FOR RESEARCH

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, today in Ottawa a group of international atomic veterans met with the Minister of Veterans Affairs. Across this country, and in other areas, the plight of that group has fallen on deaf ears. Canadian atomic veterans need financial assistance to put together a case to argue with the Government. They are too small in number. They also need the study which the Minister caused to take place with the University of Ottawa. There is need for an advisory committee to work with that particular study, so that veterans' concerns can be included. Will the Minister undertake to search for funding so that atomic veterans in Canada can organize and put their case effectively to government? Will the Minister consider an advisory committee, made up of atomic veterans and their medical advisers, to provide input into the study which the Minister has commissioned?

Hon. W. Bennett Campbell (Minister of Veterans Affairs): Mr. Speaker, there are two parts to the Hon. Member's question, the first being the matter of providing funding to veterans' organizations. I think the Hon. Member knows the answer to that question. I have no mandate to provide funding to organizations. Funding for the Department is totally toward the provision of services and benefits to families. In terms of the study, the Hon. Member is aware that it is well under way. We expect to receive the results of that study by the end of August. We will welcome any input further to that study that organizations and medical advisers to veterans may wish to make.

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THE ECONOMY

COMPARISON WITH UNITED STATES

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, in the absence of the Minister of Finance my question is directed to the Minister of State for Finance. The Minister indicated today that there is nothing his Government can do to separate interest rates charged in Canada from those in the United States. In light of that, why can we not have the same employment record as the United States? For example, in full-time employment we are down 4 per cent from mid-1981, and they are up 4 per cent. With regard to investment, we are down 20 per cent and they are up 10 per cent. Why can we not have the same kind of performance? We have their interest rates; why can we not have their economic performance?

Hon. Roy MacLaren (Minister of State (Finance)): Mr. Speaker, the Hon. Member should realize that we in Canada have one of the fastest growing labour forces in the western world. The Hon. Member must realize that, as we create new jobs in Canada, we find that there are more and more people joining the work force, some of whom have traditionally not been members of the labour community in Canada, and others are joining the work force for the first time as the baby boom works its way through the economy.

• (1450)

In addition, as the Hon. Member should realize, we have in fact seen a further increase in employment in Canada. In the month of April employment grew by .2 per cent, a figure which represents about 25,000 to 27,000 additional jobs created in the economy. We are in fact experiencing some net increase in employment levels.

GOVERNMENT POLICY INQUIRY

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, the growth in our population and the growth in the number of new entrants to the labour force should increase our country's total productivity. The fact is that the Gross National Product is the same now as it was in mid-1981. It has not grown one bit. The fact is that the rate of full-time employment today is 4 per cent less than it was in mid-1981. The fact is that the American economy is on a roll. The fact is that the Canadian economy is still in a recession.

What policies does the Government have, from a finance point of view at least, which will turn the economy around? What will the Government do? Will it leave Canada to suffer with high interest rates? Is that the Government's entire answer? What proposals does the Government have?

Hon. Roy MacLaren (Minister of State (Finance)): Mr. Speaker, the Hon. Member is simply wrong if he thinks that there has been no growth in the GNP. In fact Canada's GNP has grown, and grown rapidly, in the past 12 months. During certain periods of time it has even exceeded that of the United States. We have experienced very real growth in the total production of goods and services in Canada.

Equally we have seen employment growth of a substantial nature matched, as I noted earlier, by growth in the work force. This is something of which the Hon. Member should be aware. Of course, if the Hon. Member is unaware of them, he should look to the last two Budgets for a clear indication of the policies which the Government is implementing both through a facilitation of private-sector job creation and direct job creation by government investment. This is having a very real and beneficial impact on Canada today.

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TRADE

TEXTILE IMPORT QUOTAS

Mr. Gilbert Parent (Welland): Mr. Speaker, my question is directed to the Minister for International Trade. I was very interested to note today that the Minister and the Cabinet will be discussing quotas for the shoe industry. May I ask the Minister if such discussions are going on with regard to quotas for the textile industry? Will these quotas be extended, or will they even be curtailed in some way? When can we expect a decision to be made on this issue, Mr. Speaker?

Hon. Gerald Regan (Minister for International Trade): Mr. Speaker, the Hon. Member's question regarding textiles is a much more complex one than the question regarding shoes. The Hon. Member will be aware of the fact that the global restrictions on textiles fall under the arrangements of the multifibre agreement, of which Canada is a signatory along with many other countries.

When supplies of certain kinds of textiles begin coming from a new source, it is necessary in each case for Canada and other countries receiving those textiles to negotiate with the importing country an agreed quota rather than have an uncontrolled flow. The problem is that in the last couple of years there has been a great proliferation of the number of sources from which various types of textiles have been coming. This is a very serious problem, and one which my officials have been addressing by way of negotiations with the importing countries. In most instances we have been coming to satisfactory agreements.

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AGRICULTURE

COST OF FARM FUELS

Mr. Jack Shields (Athabasca): Mr. Speaker, my question is directed to the Minister of Agriculture. Will the Minister explain to the House why Canadian farmers are forced to pay an average of 30 cents to 40 cents per gallon more for farm fuels than farmers in the United States? What is the Minister doing about this situation?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the Hon. Member is using figures which are different from those we have in our Department. If he used a wide range of figures from the United States, he could come up with nearly anything.

The Hon. Member has failed to point out that he did not ask the same question when farmers in the United States were paying 30 cents to 50 cents per gallon more than Canadian farmers were paying. The Hon. Member did not worry about that situation at that time. He did not mention that we have many kinds of programs for Canadian farmers which do not exist in the United States. We have a crop insurance program, and we have an interest-free advance payment program for farmers. Those kinds of programs do not exist in the United States. We in Canada have all kinds of programs for farmers which do not exist in the United States.

The Hon. Member knows about the National Energy Program. He knows that the premier of his province okayed the National Energy Program and in the last election he said that it was a wonderful program and that he was proud of it.

Mr. Speaker: The Hon. Member for Crowfoot.

Mr. Shields: Supplementary, Mr. Speaker?

Mr. Speaker: A short supplementary question then. There are many other Members seeking to be recognized.

Mr. Shields: Thank you, Mr. Speaker. The Minister should be reminded that I represent Canadian farmers and not American farmers.

REQUEST FOR REMOVAL OF TAXES

Mr. Jack Shields (Athabasca): Mr. Speaker, my supplementary question is directed to the same Minister. Will the Minister do something about the situation to which I have referred? The Hon. Member for Vegreville has put a motion before the Standing Committee to remove federal taxes on farm fuels. Will the Minister push that motion through?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I am sure that the Hon. Member is fully aware of the statements that I have made regarding taxes on farm fuels and fuel that is used for food production.

HANNA, ALTA.—WATER SUPPLY

Mr. Arnold Malone (Crowfoot): Mr. Speaker, my question is also directed to the Minister of Agriculture. I would like to ask him if he is aware of the very serious regional water problem which exists in the community of Hanna, Alberta, both with respect to supply and to quality. Has he signalled

the PFRA to take some action? What requests has he made in this regard? Is there some expectation that we might join a provincial program by cost sharing in the important development of a water supply for that community?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I am sure that the Hon. Member is aware that I was in Alberta yesterday and that I did meet with the Solicitor for the Town of Hanna who presented a new brief to me indicating what the town wants and how it intends to go about getting it. I have been requested to contact the Alberta Minister who is responsible for that program, as well as the former Minister of Transport for the Province of Alberta who, I believe, is now the Chairman of Resources. He has placed a call to me and I hope to return that call to him today. I might point out that there is no agreement with the Province of Alberta for those kinds of programs similar to the agreements we have with the Provinces of Saskatchewan and Manitoba.

Mr. Speaker: A short question from the Hon. Member for Kamloops-Shuswap.

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INDUSTRIAL AND REGIONAL DEVELOPMENT PROGRAM

APPLICATION FOR FUNDS TO MODERNIZE SMELTER AT TRAIL, B.C.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, in the absence of the Minister who is responsible for IRDP, my question is directed to the Minister of State for Finance. I am informed by the Member of Parliament who represents Trail, British Columbia, that the Cominco Corporation has put an application before IRDP for funding to enable it to modernize its smelter and become the biggest and best exporter in the world not only of materials from the smelter but also of technology from the smelter.

There is concern, Mr. Speaker, that so much money has been spent bailing out so many firms in central Canada. Will the Minister use his good offices to intervene and ensure that fair consideration is given to Cominco so that it may receive IRDP funding to modernize its plant?

Hon. Roy MacLaren (Minister of State (Finance)): Mr. Speaker, I do not have any details of the proposal described by the Hon. Member opposite. I should be glad to look into the question. I am sure that any such proposal will be given every consideration. However, I shall get back to the Member opposite about this question.

* * *

SMALL BUSINESS

INDIAN BUSINESS DEVELOPMENT FUND

Mr. John McDermid (Brampton-Georgetown): Mr. Speaker, my question is directed to the Minister of State for Small Businesses and Tourism. In 1981 the now Secretary of State for External Affairs, who was then Minister of Finance, announced with great fanfare a $345 million Indian Business Development Fund. Since that program now falls under this Minister's responsibility, could he tell us how many dollars have been lent from that Fund?

Hon. David Smith (Minister of State (Small Businesses and Tourism)): Mr. Speaker, a board was established late last fall to develop the criteria—

Mr. McDermid: Two years after the announcement.

Mr. Smith: That board was established about two months after my appointment. I do not think that I can be faulted on that point. That board was established to develop criteria. Those criteria were announced about five or six weeks ago. As a matter of fact that board is meeting in Winnipeg this week, and I expect that some of the first projects will be announced very shortly.

Mr. Speaker: The Hon. Member for Elgin, quickly.

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EMPLOYMENT

CAREER ACCESS PROGRAM

Hon. John Wise (Elgin): Mr. Speaker, I would like to direct my question to the Minister of Employment and Immigration. My question is supplementary to one which was asked by my colleague, the Hon. Member for St. John's East, earlier in Question Period, and is with reference to the impact of high interest rates on employment, and particularly on the employment of those young people who are between the ages of 15 and 24.

We know that some $300 million has been assigned to the Career Access Program. It is a good program, and there is no question about that. But in view of the fact that there already exist some 500,000 unemployed young people, as well as an additional 400,000 students unemployed, and in view of the $300 million which is assigned to the Career Access Program, does the Minister honestly think that it will make a serious impact on lowering youth unemployment? I wonder if he could tell me just how many jobs he expects to be created by the program with the $300 million price tag?

• (1500)

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, I did not hear the first part of the question, and I apologize to the Hon. Member. But I do believe that the impact of the Career Access Program will be significant both in terms of providing employment opportunities and providing longer term employment. The major difficulty which young people have, when entering the workforce for the first time, is the vicious circle of not having had work experience. Even though many of the jobs under the Career Access Program may turn out to be short-term jobs—I think

that the majority of them turn out to be longer-term jobs—but, even if they do turn out to be short-term jobs, that will provide the passport of experience which will then enable young people to find more attractive work opportunities downstream.

The difficulty with the Career Access Program is not so much the results, which are good, but the necessity of having the co-operation of the private sector in relation to it. Many companies coming out from underneath the recession, particularly the small and medium-sized businesses, are finding it difficult to provide the overhead costs which participation in the program requires. I will be happy to send the Hon. Member a specific indication of the number of placements we expect, or he might wish to attend the Estimates hearing which will be taking place on Wednesday and Thursday. I could then give him a specific number, if he wishes.

ROUTINE PROCEEDINGS

[*English*]

PETITION

MR. DANTZER—SQUAW VALLEY REHABILITATION CENTRE

Mr. Vince Dantzer (Okanagan North): Mr. Speaker, I rise to present a petition signed by 122 citizens of the Mabel Lake community in Lumby, British Columbia.

These people wish to register their objections to the proposed establishment of a rehabilitation centre in Squaw Valley by the John Howard Society with the support of the federal Department of the Solicitor General, Correctional Services Branch.

On behalf of the petitioners, I ask for serious consideration of this petition by the Government.

* * *

HERITAGE DAY

MEASURE TO ESTABLISH

Mr. Bill Yurko (Edmonton East) moved for leave to introduce Bill C-239, an Act to proclaim the first Monday in August "Heritage Day".

Mr. Speaker: Is it the pleasure of the House that the Hon. Member shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Yurko: Mr. Speaker, the purpose of this Bill is to designate the first Monday of August a national holiday called "Heritage Day" and to thus offer to all Canadians an occasion to express their appreciation and their pride in being part of a multicultural nation.

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

Mr. Speaker: When shall the Bill be read a second time? At the next sitting of the House?

Some Hon. Members: Agreed.

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[*Translation*]

CANADA LABOUR CODE

MEASURE TO AMEND

Hon. André Ouellet (Minister of Labour) moved for leave to introduce a Bill to amend the Canada Labour Code and the Financial Administration Act.

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

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[*English*]

BUSINESS OF THE HOUSE

NOTICE OF ALLOCATION OF TIME TO CONSIDER SECOND READING STAGE OF BILL C-24

Hon. Herb Gray (President of the Treasury Board): Mr. Speaker, I wish to inform the House that there have been consultations among the representatives of the Parties and it has not been possible to reach an agreement pursuant to Standing Order 80 or Standing Order 81 with regard to the allocation of time for second reading stage of Bill C-24, an Act to amend the Financial Administration Act in relation to Crown corporations and to amend other Acts in consequence thereof. Therefore, at the next sitting of the House I shall propose a notion pursuant to Standing Order 82 to allocate one sitting day to the said stage of the said Bill.

Some Hon. Members: Shame, shame.

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[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 422, 654, 686 and 787.

[*Text*]

IRON MOUNTAIN GOLF CLUB, MISSION, B.C.

Question No. 422—**Mr. St. Germain:**

1. Did the Iron Mountain Golf Club in Mission, B.C. receive any financial assistance from the Government under the NEED, or any other, program and if

so, (a) what was the total amount of assistance (b) was it a (i) loan (ii) forgivable loan (iii) grant?

2. Did the terms and conditions of the agreement between the Government and the Iron Mountain Golf Club specify the use of such funds and, if so, what percentage went to (a) salaries of employees (b) retire debts or shareholders' loans (c) administrative costs (d) the purchase of new equipment or property?

3. How many people (a) are employed by the Iron Mountain Golf Club (b) were employed by the club, as a result of financial assistance from the Government (i) what are their names (ii) are any of these people shareholders in the Iron Mountain Golf Club?

Mr. Jean-Guy Dubois (Parliamentary Secretary to Minister of Employment and Immigration): 1. (a) Financial assistance to the Iron Mountain Golf Club in Mission, British Columbia is being provided under the NEED program and amounts to $1,081,600. (b) A contribution.

2. The terms and conditions of the agreement between the federal Government and the Iron Mountain Golf Club specify that: (a) 66 per cent or an amount of $712,140 of net project costs is for wages and 6.5 per cent or $71,214 is for employee benefits; (b) None; (c) None; (d) 27.5 per cent or $298,246 is for the purchase of materials related to the improvement of the golf course and the purchase and maintenance of equipment.

3. (a) 128 individuals are employed by the Iron Mountain Golf Club; (b) 110 individuals are employed by the Iron Mountain Golf Club as a result of assistance provided by the Government; (i) names of project participants cannot be disclosed under the Privacy Act; (ii) there are no shareholders, since the Iron Mountain Golf Club is a non-profit organization.

DPW—LEASE ON BUILDING IN LONDON, ONT.

Question No. 654—**Mr. McKenzie:**

1. Does the Department of Public Works lease a building in London, Ontario located at 559 Richmond Street for the use of the Department of Agriculture and, if so (a) at what annual cost (b) on what dates was the current lease negotiated and agreed to and on what date does it expire?

2. Was there a previous lease for this property and, if so, what was the annual cost of leasing the building under its terms?

3. During what total period did the Department of Agriculture occupy this building and were there any renovations or improvements, paid for by the Department, made during that period and, if so (a) at what total cost, to date (b) under what authority was the expenditure made?

4. Did the Government conduct any study to determine if there was suitable and less expensive office accommodation prior to renegotiating the lease and (a) if so, what were the results (b) if not, for what reason?

Hon. Roméo LeBlanc (Minister of Public Works): 1. Yes, Public Works Canada does hold a lease at 559 Richmond Street, London, Ontario for the sole use by the Department of Agriculture. (a) Total annual rate—$163,000. In addition, the Crown is responsible for all operating and maintenance costs estimated at $85,000 per annum. (b) Current lease term began on November 1, 1983 and terminates on October 31, 1987.

2. The previous lease was held on a net lease until October 31, 1983, at an annual rental of $26,400. The operating and maintenance costs for 1982-1983 amounted to approximately $80,260 per annum.

3. Public Works Canada has had the subject premises under lease since 1966. (a) Renovation and general improvements to electrical and structural elements amounted to an estimated $200,000 from 1966-1983. (b) All expenditures were made under the authority of the lease agreement in which the Crown was responsible for all repairs.

4. Public Works Canada conducted a search by means of a public advertisement on May 25, 1983 for existing office space to be used for laboratory purposes for occupancy by Agriculture Canada.

(a) As a result of the tender, four bids were received and each was evaluated on the basis of: cost; delivery time. Based on client laboratory requirements and the nature of the experiments, the estimated cost of relocation to alternative premises would exceed $2 million for fit-ups alone (not including rent). Further, Agriculture Canada had estimated a cost of an additional $700,000 per year for lost research time.

Although Public Works Canada negotiated at a higher rate for the existing space, a new temporary relocation to alternative leased space until a new facility is constructed, was not technically or economically feasible.

(b) Not applicable.

CHILD HEALTH RECORD

Question No. 686—**Mr. Clark (Yellowhead):**

1. Are members of the Canadian Armed Forces and diplomatic corps required to use the "Child Health Record" announced by the Minister of National Health and Welfare in Parliament on September 20, 1983 and (a) if so, what is the (i) authority (ii) reason for the requirement (b) if not (i) is its use at the discretion of the personnel (ii) for what reason was it introduced?

2. Does the Government intend the "Child Health Record" to be used by public servants other than those mentioned in part 1?

Mr. Russell MacLellan (Parliamentary Secretary to Minister of National Health and Welfare): 1. No. (a) (i) and (ii) Not applicable.

(b) (i) The trial use of the record is entirely voluntary and involves only dependent children aged 16 years and under.

(ii) As follows:

To help parents keep a permanent record of the immunizations, growth and development of their child. Details of serious illness may also be recorded.

To improve continuity of care and prevent duplication of services in families with frequent changes of residence.

To enhance communications between parent, physician, hospital and health personnel and to encourage parents to be more aware of their child's health, growth and development.

2. No.

ADVISORY COMMITTEE ON LABOUR STATISTICS

Question No. 787—**Mr. Mazankowski:**

1. Is there an Advisory Committee on Labour Statistics and, if so, what (a) are its terms of reference (b) is the (i) name (ii) background or expertise (iii) term of appointment of each member (c) remuneration, such as salary or travel

expenses (i) do the members receive (ii) did the members receive to date (d) other funding, if any, is provided by the Government?

2. During the fiscal year 1982-83, did the Committee meet and, if so (a) how often (b) how often is it required to meet (c) what matters did it consider (d) what reports and/or recommendations were published?

Mr. Paul-André Massé (Parliamentary Secretary to Minister of Supply and Services): Statistics Canada reports:

1. (a) Terms of Reference: Yes. The Committee's mandate is to provide Statistics Canada with advice on the relevance and effectiveness of its labour data program. The terms of reference include providing counsel on the kinds of statistical information which will be required in the future, advising on analytic priorities, offering guidance on the use of statistical models, and suggesting ways in which Statistics Canada can strengthen its relationships with the labour data user community.

(b) (i) and (ii) Committee Members: The members have been selected for their expertise and not as representatives of particular communities or interest groups. Current membership is as follows:

Chairperson: Dr. Arthur J. R. Smith. Dr. Smith is an economist with a wealth of experience in both the public and private sectors. He is currently Chairman of Northern Professionals Group. Inc., a past President of the Conference Board of Canada, and former Chairman of the Economic Council of Canada.

Members:

Dr. Janet Norwood. Dr. Norwood is an international authority on labour statistics and the Commissioner of the Bureau of Labour Statistics, United States Department of Labour.

Mr. William Nevins, Chief Economist of the Canadian Construction Association.

Mr. R. Hainsworth, Director of Education with the Ontario Federation of Labour.

Prof. Frank Denton, Professor of Economics, McMaster University.

Prof. Bernard Fortin, Professor of Economics, L'Université Laval.

Prof. S. F. Kaliski, Professor of Economics, Queen's University.

Prof. Noah Meltz, Director, Centre for Industrial Relations, University of Toronto.

(iii) Each member has been asked to serve a three-year term.

(c) (i) and (ii) Remuneration: The travel expenses of each member are paid by Statistics Canada in accordance with Treasury Board regulations. In addition, each member is paid on honorarium of $500 per year. To date the members have received their travel expenses of the Committee's inaugural meeting held on January 16, 1984, totalling $1,178 and their honoraria (totalling $3,500).

(d) Other funding. Statistics Canada has contracted with Northern Professionals Group Ltd., whose Chairman is Dr. Arthur J. R. Smith, for the provision of services in support of the activities of the Advisory Committee. Such services will include the development of materials for meetings, the preparation of Committee reports and analyses of issues reviewed by the Committee and the provision of advice to the Chief Statistician based on the deliberations of the Committee. The total cost of these services, including expenses, shall not exceed $7,500 per annum.

2. (a) Meetings during fiscal year 1982-1983. None. The Committee's first meeting took place in Ottawa on January 16, 1984.

(b) Frequency of Meetings. It is expected that the Committee will meet twice a year.

(c) Matters considered. The Committee is an independent body which draws up its own agenda, and the first meeting was devoted to an exploration of topics to be addressed in future sessions. The areas discussed included: occupational employment statistics; labour compensation data in general, and fringe benefit statistics in particular; job vacancy surveys; work sharing statistics; development of a conceptual framework for labour data; flows into and out the labour force; standards of statistical accuracy; small area data; use of models as a source of new statistics.

(d) Published reports or recommendations. None to date—see 2(a) above.

[*Translation*]

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

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—INTEREST RATE POLICY

The House resumed consideration of the motion of Mr. Crosbie:

That this House is of the opinion that the Government of Canada can manage the economy in a way that would allow us to have lower interest rates than Canada now has and that we can have greater independence in interest rate policy despite the Government's failure to meet its commitment to so manage the economy.

Mr. Doug Lewis (Simcoe North): Mr. Speaker, when the House rose for lunch I was at the point in my speech in which

I wanted to review the chaos that the policies of the present Liberal Government has brought to the housing sector.

Since the time of the Budget in February, mortgage interest rates have risen from 12.5 per cent to 14 per cent. That will add $50 a month to the cost of servicing a $50,000, 20-year mortgage. That amounts to $12,000 over the life of a mortgage.

The climbing interest rates have affected the demand for new home ownership and have reduced the attractiveness of building rental housing. In April, 1984 housing starts declined to 126,000 a year on a seasonally-adjusted annual basis. In April, 1983 the rate was 179,000. The important thing to remember about the decline in housing starts is that for every housing start that is lost, 2.5 jobs are lost in Canada. In construction, the unemployment rate in April was 22.5 per cent on a seasonally-adjusted basis or 27.3 per cent on an unadjusted basis.

The real tragedy of the chaos in the housing sector the Liberal recession was what it did to real people: the people who were forced to foreclose; the people who went through power of sale proceedings; the people who were forced to sell their homes; the builders who stopped building and the people who worked for those builders who stopped being employed. I suggest that during that time we saw social unrest in Canada, disappointment, heartbreak and chaos.

The tragic thing is that during the time of high interest rates there was no remedy from the Liberal Government. There were no measures adopted by the Government which would protect Canadians from high interest rates. We in the Progressive Conservative Party continually call for measures by the Government which would assist Canadian home owners. We continually demand that the Government stop bail-outs and come to the assistance of people with homes.

• (1510)

We noted with interest the remedies presented in the Budget. The Liberal Party now pretends to be interested in the Canadian home owner. We suggest to you, Mr. Speaker, that it pays lip service only. What it promised in February has not come about by May 14. For example, in the Budget of February, mortgage rate protection insurance was promised. In mid-March the legislation was promised in a few weeks. Two weeks ago it was promised at the end of May. I suggest to you, Mr. Speaker, that if the Liberal Party were really interested in the Canadian home owner, it would bring forward a measure to protect the Canadian home owner.

Let us look at what the Liberal Government did promise. It promised mortgage interest rate protection, and I am quoting from the Budget papers, "based on protecting the interest rate which was the market interest rate prevailing for the relevant mortgage term at the time the mortgage protection is taken out". In other words, Mr. Speaker, protection of home owners with mortgages as at the date that they file their application is envisaged in the Budget.

As a result of the questions which the Progressive Conservative Party asked in this House, the Government has now backed down. It has watched mortgage interest rates increase from 12.5 per cent to 14 per cent and it has backed down. It has done that only because this Party brought to its attention the fact that if the Government stuck to what it said in the Budget papers, it would cost Canadian home owners 1.5 per cent on their mortgage protection. We in the Progressive Conservative Party take great pride in the fact that we have forced the Liberal Party to realize the damage which is being done to Canadian home owners by the very failure to bring in legislation—not to promise it, as was done in the Budget.

The Liberal Party also promised in the Budget to repeal Section 10 of the Act so that people who are now renewing their mortgages at high interest rates will have an opportunity to prepay their mortgages during the course of their mortgage term. I suggest to the Government that it is an interesting concept which would find a fair bit of favour on this side, providing we would get a chance to see the mechanics of it. Once again, Mr. Speaker, I suggest to the Government that the Canadian people are fed up with promises. They want to see the legislation.

With respect to the mortgage rate protection program, I suggest to the Government as someone who has practised real estate law for some time that I have a lot of concern for the mechanics of it. How is it going to work? The Government has told us: "Yes, we are going out to visit the banks. We will see five bank presidents, and based on what they tell us we will draft the Act". That is just not good enough for us in the Progressive Conservative Party, Mr. Speaker. We are interested in how that Act operates at the street level. Therefore, we will go out and talk to real estate lawyers and to real estate agents, because those are the people who deal with the Canadian home owner and the Canadian consumer. The Government worries about how it is going to go down with the banks, but I tell the Government that we in this Party have no concern about that. We are concerned with the people at the gut level, the people who are buying homes, the people who are being hurt by the policies of this Government.

Third and finally, Mr. Speaker, something else which the Government has only talked about in the Budget is getting into some set-up where we have long-term mortgages. I would offer the Government every encouragement to do that. However, I ask once again, where is this legislation? Where is this program? Everyone knows that is one of the problem with which Canadians are faced. They used to have 25-year mortgages, then the term went down to five years. Now they are looking at three-year, two-year, one-year and six-month mortgages. This is because of the failure of the Liberal Government to act. If it wants to put stability into the mortgage market, into Canadian home owners' minds, it will bring forward that legislation and it will bring it forward quickly so this Party has a chance to look at it.

In closing, Mr. Speaker, I listened to the Minister of State for Finance (Mr. MacLaren) state, and try to prove by the very statement, that the Government has no ability to control interest rates or to build a safety net to help those people affected by high interest rates. Well, there is just no one out

there who believes the Liberal Party on that issue or any other issue.

The Acting Speaker (Mr. Herbert): There follows a ten-minute period for questions or comments. If there is no one who wants to ask a question, we will go to debate.

Mr. Douglas Fisher (Mississauga North): Mr. Speaker, the other day in Saskatoon, the Minister of Agriculture (Mr. Whelan) said that if he were elected Leader of the Liberal Party he would see it as his job to put shoes on the baby and bread on the table. It seems to me we have seldom heard such a clear and succinct expression of the responsibilities of a Liberal Government. It seems to me that the expression of that sentiment sums up in one short statement the precise job we have to do as Liberals in government. It is our job, Mr. Speaker, to counteract unemployment, to cushion the most needy in our society, to stimulate job creation, to continue building a personal security network, and to encourage creative Canadians with new ideas for our future economy. We have done that, Mr. Speaker, through some of the toughest four years since the last great Depression. The Liberal Party has set those goals as our obligation, and we have followed and accomplished those goals.

The Tory attack on this record which we have been hearing today is a Tory attack on government help for business, for the unemployed and for those in greatest need. In the Tory speeches, particularly the speech just made by the Hon. Member for Simcoe North (Mr. Lewis), there is the impression that somehow we could insulate ourselves from the United States. In fact, that is the very spirit of the motion before us today. Since no one else around the world has been able to accomplish that, I have listened with great interest to see how the Tories would do it in our country. I have not heard any concrete proposals, although I do intend to return to the idea suggested to us by the Hon. Member for St. John's West (Mr. Crosbie) earlier in the debate.

I want you to know, Mr. Speaker, that the Tory ideas presented here today are wrong. The world currency market is a fluid market. The United States is the greatest player in that market, a huge magnet, and we would be misleading Canadians if we told them that we could indeed follow the warped policies which have been presented to us today by the Tories. In fact, from now on, when we refer to the Tories we can call them "the little blue rump of the NDP". For years we have heard the New Democratic Party propose these ideas, which have been laughed at by people, including the Hon. Member for Etobicoke Centre (Mr. Wilson). That Hon. Member must be cringing at this motion today. The Hon. Member for Mississauga South (Mr. Blenkarn) sitting over there asks questions about setting up barriers between Canada and the United States. He knows better.

Mr. McDermid: When was that?

Mr. Fisher: I heard his question addressed to the Minister of State for Finance (Mr. MacLaren) today. What a terrible question that was. It left the impression that Canada could opt out of the world. The Hon. Member for Mississauga South knows better than that.

On the weekend, Mr. Speaker, *The Toronto Star* ran a little article on whether Canada could lower interest rates. One official from the Ontario Government said yes. I needed guidance so I read that article with interest. I know the Ontario Tories are often responsible people, unlike the Hon. Member for Mississauga South who will say anything for a vote. This individual is reported in *The Toronto Star* as saying that we could lower our interest rates by three percentage points.

• (1520)

I read through that article with interest. I read his prescription for lower interest rates. At the end of the article I found that there were only two small price tags to pay for that. The first was a much lower Canadian dollar. The second was a little thing which he called a new tax on foreign investment portfolios which would, in his understated way, undoubtedly spring up if we were indeed to create a huge incentive to move our money out of the country. This man was going to tax that money out in order to prevent people from moving it. That is merely another method of currency control. That method would spring as many leaks as all the other plans which have been tried over the years. Let us dismiss this motion put forward today as the kind of pre-election politicking and hypocrisy that it really is.

We know that the Hon. Member for Etobicoke Centre was right two years ago when interest rates in Canada and the United States were up around 20 per cent. At that time he said that Canada could not do anything different from the United States. That is still true today. That kind of honesty should be the real Tory policy rather than the sort of hypocrisy we have heard here.

Supposedly there are ideas in this motion about the Liberal management of the economy. To this point I have described this management as humane, concerned and activist. Mr. Speaker, there are several characteristics of that management of the economy which I would like to discuss today. In our record you have seen a partnership between government and the private sector. That partnership is designed to create jobs and industrial expansion. That partnership was there in the recession, Mr. Speaker, when we provided help for vital but faltering industries such as Chrysler, Massey-Ferguson, Dome and the fishery. All of those industries came to the Government and with pride and compassion it was ready to respond and support them. We used the power of the Government to soften the blow of the recession and to stimulate the rebirth of our economy.

Just listen to the way we have helped small business, for example, Mr. Speaker.

Mr. Blenkarn: Tell us about it. Tell us about the bankruptcies.

Mr. Fisher: I will read the first sentence of a report from the Department of Regional and Industrial Expansion. "The

number of loans to small businesses under the federal Government's Small Businesses Loans Act increased to 25,696 in 1983, a jump of almost 49 per cent over the 17,254 loans made the previous year." Mr. Speaker, we all know that under the Small Businesses Loans Act government and business act as partners to build new businesses and new business expansion. There was an increase of almost 49 per cent in one year in that partnership. That is the way to be an active, concerned government.

The Hon. Member for Mississauga South (Mr. Blenkarn) is laughing. He thinks it is funny that government should be involved in helping.

Mr. McDermid: No, he is laughing at you.

Mr. Fisher: Let us look at the special recovery projects through which we have helped the economy come out of the recession. There was $4.5 billion committed to the special recovery projects in April of last year. This was not designed as a permanent intervention into the economy but as a one-time shot in the arm. It was aimed at our vital, weaker industries. It was, as well, a way to encourage our big new industries of the future.

Let us look at these specific details. With regard to tourism, we are building a new marina in Mississauga South. We have run an ad campaign right across the northern United States and Canada to develop tourism and to encourage people to spend their money in Canada. With regard to housing, there is the $3,000 grant for ordinary home owners. There is the social housing program which has built over 120,000 social housing units from coast to coast. There is a new mortgage insurance program on its way.

With regard to construction, in the city of Mississauga there is over $12 million of construction aid going into the Pearson Airport. There is assistance for the City of Toronto at Harbour Front. There is a railroad underpass being constructed in Mississauga North at Derry Road which is near Brampton-Georgetown. This story is repeated time and again in riding after riding across Canada as the Government has reached out to help construction, housing, tourism and other weaker sectors in our economy.

With regard to the promising sectors of the future, look at how we have spent our defence dollars over the last four years. The CF-18 program and the frigate program required huge investments of billions of dollars. We required our foreign suppliers to spend their money in Canada because we wanted to keep that money at home and, more importantly, we wanted access to technology and ideas of new developments in these vital sectors. In my city people who build computers, run machine shops, work in exotic metal or are in electronics businesses have all flourished under this Canadian purchase program. The same policy has been helping with the radar improvements program in Transport Canada. The new contract just given to Raytheon will give subcontracts to businesses from coast to coast. The coastguard icebreaker program, the centres of excellence program and the DIP program in defence are all examples of the spending of taxpayers' money in Canada in order to get the benefit for our economy and to share in the new technology.

The first point I must make, Mr. Speaker, is that there is a partnership between business and the Government. This partnership has cushioned business. It has helped to revive and rebuild business. This partnership is encouraging industry and new jobs.

The second point I would like to make about the management of our economy, Mr. Speaker, is that we have encouraged continuous personal security through some of the toughest times I have seen in the country. In the recession Canada was one of only two countries which refused to cut back on levels of personal security. In fact, we expanded it through our commitment to job creation, through job sharing, through the Canada-Ontario Employment Development Program and similar programs from coast to coast, through Summer Canada, Canada Works and a host of other job-creation programs aimed at people who needed help in the short term right away. During the recovery we have continued this commitment to personal security. We have continued it through our commitment to medicare and its improvement. We have reformed our pension plans.

Mr. Epp: How?

Mr. Fisher: We will have increased Guaranteed Income Supplements by over $50 a month by the end of this year.

Mr. McDermid: How did you reform the pension plan?

Mr. Fisher: That is a renewed commitment to personal security along with the rebuilding of our economy.

I hear the Member for Provencher (Mr. Epp), the Member for Brampton-Georgetown (Mr. McDermid), the Member for Mississauga South and the Member for Kamloops-Shuswap (Mr. Riis) all yelling out. I would encourage you, Mr. Speaker, to ask them to rise and inject some positive ideas into this—

Mr. Epp: Mr. Speaker, I rose on a point of order.

The Acting Speaker (Mr. Herbert): The Hon. Member for Provencher (Mr. Epp) on a point of order.

Mr. Epp: Mr. Speaker, I will wait for the Hon. Member to finish his comments. However, I do intend to rise and ask him a couple of questions.

Mr. Fisher: Mr. Speaker, that is unusually polite of the Hon. Member. I appreciate his intervention, unnecessary though it was. It is typically unrevealing of what he really thinks or means.

The third point I would like to make, Mr. Speaker, is that we intend to build our recovery on a strong base across the country. That is why we introduced the six and five program two years ago to help get rid of inflation in our economy. That is why in the summer of 1982 we passed the National Training Act in order that young and unemployed people would have access to retraining. That is why in trade we put an emphasis

on Canagrex, the Export Development Corporation, and the new aid trade scheme.

Mr. McDermid: That is why I am supporting Jean Chrétien.

Mr. Fisher: We put an emphasis on Canadian ownership. That is why we brought in the National Energy Program and the joint spending in defence programs which I described a few minutes ago. That is why we have refused to buckle Tory demands that we throw away FIRA and that we simply stand at the door and toss our money out to foreigners.

• (1530)

We have improved our transport system. We are seeing the improvements now with our air deregulation plans and we saw it in rail with our upgrading of VIA and the Crow rate.

Mr. Epp: You cut VIA.

Mr. Fisher: I looked at the list of priorities provided by the Hon. Member for St. John's West (Mr. Crosbie). They revealed nothing more than the traditional Tory love of money, a pandering to the provinces, a willingness to bow and scrape to any foreign influence, and a desire to run away from the kind of constructive partnership that I have described between the Canadian Government and the Canadian people.

Liberals put people first. We use the Government to soften outside blows.

Mr. Blenkarn: Liberals put people out of work.

Mr. Fisher: That is why we have refused to cut back our social security program during the recession period. We use government to encourage new ideas, and that is why we put in new tax credits for research and development. We use government to build new social security programs that are adequate to meet the future needs. That is why the last Budget brought in an emphasis on pension reform.

Let us go back to the motion that is in front of us. Let us look in detail at the Tory comments that some magic influence could somehow lower interest rates in Canada. All of us know that the Americans are experiencing the economic phenomenon known as crowding out. Their private and public sectors are competing heavily for the smaller pools of available capital that they have in that country. Their government spending is not like our government spending. It is not going in a recycled way back into their economy. Their spending is not dominated by transfer payments to individuals or to other governments. Their spending increases have been directly competitive spending increases in areas like defence. Second, we know that in the United States they have a much smaller pool of available personal savings.

Mr. Blenkarn: Nonsense.

Mr. Fisher: The personal savings rate in the United States, on a per capita basis, is almost half of ours.

Mr. Blenkarn: Absolute dribble.

Mr. Fisher: Canadians are saving well over 10 per cent of their available income.

Mr. Blenkarn: Apples and oranges.

Mr. Fisher: Again I hear the Hon. Member for Mississauga South (Mr. Blenkarn) yelling. Again I invite him to get up and offer his own ideas in a constructive way in a few minutes.

The Acting Speaker (Mr. Herbert): Order. I do suggest that we hold off for another two or three minutes. Members will have an opportunity to put questions. The Hon. Member for Mississauga North (Mr. Fisher).

Mr. Fisher: We know that in the United States the personal savings rate is almost half of ours. They have a higher rate of absolute spending and a lower personal savings pool on which to draw on a per capita basis. That has been pushing up their interest rates. The kind of competition that exists in the money markets in the United States has not been experienced here, but it has been affecting our interest rates because the United States is such a huge magnet on our interest rates.

I see you signalling me that it is time to finish, Mr. Speaker. I would like to take a look at some areas where I believe we should be putting some of our efforts in the future. I would emphasize a continued development of Canadian trade. I agreed with the Hon. Member for St. John's West when I heard him say that earlier. I believe that every Canadian recognizes that trade has been a vital part of our economic recovery. We have seen some particularly strong performances in that area over the last couple of years. It should continue as a high government priority.

I would personally continue to emphasize tourism. We run a deficit in this area that is too big. Being in a northern country, of course our people want to go south to Florida, the Caribbean and Mexico in the winter. But we must find ways to counteract the attractiveness of those areas in order to keep our people here in Canada and to draw Americans into this country so that we can turn a tourism deficit into a tourism surplus.

I would continue to emphasize the high technology and joint production that we have seen in such areas as defence spending programs. I believe that we not only need to share the technology and to offset the costs, we also have a far too great domestic deficit in that area. We are importing too much for our own good. We need to start sharing the technology, developing our own industry, and then exporting our own goods.

Finally, I agree that we need to lower the deficit. Later this year we will be introducing some new taxes at the federal sales tax level, but I do not believe that we need to lower the deficit on the backs of the poor. I do not believe that there is a magic formula that we can use to slash the deficit. It must be lowered carefully. Government spending must be reviewed, which is our obligation. At the same time such a review must be targeted and conducted with an eye on the impact of the cut on the lives of ordinary citizens. Those who stand up here and

say that they would cut the deficit by some blanket amount are wrong and insensitive.

Those are some of the positive steps we have taken for our economy. I look forward to hearing some of the ideas of some of the hecklers on the other side.

The Acting Speaker (Mr. Herbert): There follows a ten-minute period for questions and comments.

Mr. Epp: Mr. Speaker, the Hon. Member who just resumed his seat used as his financial guru the Minister of Agriculture (Mr. Whelan) and referred to his statements regarding shoes on babies and food on the table. Does he also agree with the statements made by the Minister of Agriculture last weekend as to what the Government should do about interest rates?

Mr. Fisher: Mr. Speaker, the Hon. Member has me at a disadvantage since I am an admirer but not a word-for-word disciple of the Minister of Agriculture (Mr. Whelan). I do not know what he said last weekend about this. However, I would rather put shoes on the baby and bread on the table than follow the advice of the Hon. Member for St. John's West who would be mean, nasty and toughminded and who is too frightened to expose his ideas to public debate.

Mr. Epp: Mr. Speaker, I would like to enlighten the Hon. Member on statements that his own Ministers make. On the weekend, the Minister of Agriculture said that he would cap interest rates. Does the Hon. Member subscribe to that philosophy?

Mr. Fisher: Would I do that? The whole point of my speech has been that I do not believe we can do that.

Mr. McDermid: Mr. Speaker, I have a question for the Hon. Member for Mississauga North (Mr. Fisher). Who took the shoes off the baby and who took the bread off the table? That is what I would like to find out.

Mr. Fisher: Mr. Speaker, I am sure that this is a topic that we will hear debated during the election at great length as people attempt to lay blame for the recession. I have no doubt that people would like to do that.

One of the recurring themes in my answer will be that people who attempt that sort of deficit cutting, slashing and hacking that was proposed by the Tory Party during those dark days would have made our situation far, far worse.

Mr. McDermid: During the Hon. Member's speech he mentioned something about not reducing the deficit. Do I take that to mean that he disagrees with the Hon. John Turner who said that he could slash the deficit by $15 billion within a three to five-year period? Does he disagree with that?

Mr. Fisher: Mr. Speaker, I am pleased to see that the Liberal leadership race has attracted such a wide range of interest. The fact that it has reached the Hon. Member for Brampton-Georgetown (Mr. McDermid) shows that it has indeed been a successful campaign.

The Hon. Member can check the "blues" or *Hansard*, but I said in my speech that I would lower the deficit. I believe that we can do that in three ways. First, we can do it by making the economic pie larger, which will simply increase government revenue. I am sure that we both agree about that.

Second, we can increase government revenues by increasing taxes. The Member for St. John's West said that this morning. As the Hon. Member knows, that will happen in the fall when some of the increases in federal taxes, particularly the federal wholesale tax, come in.

• (1540)

Third, I believe we can reduce the deficit by reducing spending, but only very carefully. That is what I am trying to emphasize to the Hon. Member. Some of that spending will decrease automatically as demands for unemployment insurance and as demands on the Canada Assistance Program and some of the other social transfer programs decrease. We have an obligation obviously to decrease it beyond that, but in order to do so we must be very careful and sensitive to the needs of the individual.

Mr. Crouse: Mr. Speaker, I wish to address a question to the Hon. Member for Mississauga North (Mr. Fisher). I enjoyed his comments in the House. However, I want to refer him to an article which appeared in the April 30 edition of *Fortune*. In that issue there is a table listing the world's largest borrowers. *Fortune* magazine lists Canada as owing foreigners an amount equal to 34 per cent of its Gross National Product. This puts Canada ahead of France, whose faltering economy was the basis of the article. It also puts Canada ahead of Argentina, which owes foreigners an amount equal to 30 per cent of its Gross National Product.

In terms of its external debt, Canada is described as a third world country in a report on Canada's foreign debt as prepared by William Mackness, Vice President and Chief Economist for the Bank of Nova Scotia. Does the Hon. Member for Mississauga North agree with Mr. Mackness' comment on our economy?

Mr. Fisher: Mr. Speaker, the Hon. Member is far more well read than I. I congratulate him for his wide source of information and obvious knowledge. I am told by my learned colleague here who is the Parliamentary Secretary to the Minister of Finance (Mr. Ferguson) that of the Government of Canada's obligations about 20 per cent are off-shore and 14 per cent are owed to entities such as the Ontario Hydro and provincial governments. I presume obligations to Hydro Quebec or Ontario Hydro would be fully secured loans.

Second, I would take a look at the credit ratings of all these borrowers. They seem to be in the top category. We do not have the World Bank demanding that we reschedule our loans. We seem to be able to meet our obligations quite comfortably and remain in the very highest credit category.

Third, I point out to the Hon. Member that, despite the size of our deficit—in fact I claim because of it—and because of the strong stimulation of the economy, Canada's recovery has

begun on a sound footing and is now carrying on reasonably well. If we take a look at our high credit rating, at the willingness of people to continue lending to us and at the positive reactions in our own economy, we would have to find that the Hon. Member is perhaps stretching the point a little.

Mr. Blenkarn: Mr. Speaker, my question is for the Hon. Member for Mississauga North (Mr. Fisher). In his criticism of the Opposition motion today, is he aware that the motion uses the same words as those spoken by our Prime Minister (Mr. Trudeau) on February 10, 1980?

Mr. Fisher: Sorry, Mr. Speaker?

Mr. Blenkarn: Mr. Speaker, I asked the Hon. Member for Mississauga North whether he was aware that the motion today uses the same words as those spoken by our Prime Minister in Toronto on February 10, 1980.

Mr. Fisher: Mr. Speaker, I was not aware that the Right Hon. Member for Yellowhead (Mr. Clark) said that about his own Government in December. Is that what the Hon. Member is trying to tell us, that the former Prime Minister felt that his Government was falling apart at the seams economically? I am sorry but I am a little confused about the advice the Hon. Member is giving to me.

Mr. Blenkarn: Obviously, Mr. Speaker, the Hon. Member for Mississauga North does not even know who the Prime Minister of Canada is. That is how competent he is. That is where he stands with his Party. I understand, Sir, that he is going around the country wearing a red jacket and that type of thing. He can do that for a while. But I was wondering whether he could tell us why, if interest rates are commanded in Canada by the United States, our employment is not at the same level as in the United States. Why can we not have the same kind of growth as is taking place in the United States? For example, in investment in machinery, ours is down 25 per cent from 1981, while that of the Americans is up 10 per cent. In business investment, ours is down 20 per cent while that of the Americans is up 10 per cent. Why are the Americans on an upward roll? Is it because they manage their economy sensibly? Is it because they do not have the wonderful National Energy Program and FIRA? Is it because the Americans have a government that pays attention to business?

Mr. Fisher: I will be very brief, Mr. Speaker. This question was asked during Question Period almost word for word of the Minister of State for Finance (Mr. MacLaren). I know that the Hon. Member for Mississauga South (Mr. Blenkarn), much as I love him, requires a certain degree of repetition before he remembers certain things. He fits Chairman Khrushchev's perfect description that repetition is the mother of all learning. In his case, that applies. I have to tell you, Mr. Speaker, that the Canadian economy has generally recovered past the 1981 levels. The Hon. Member should listen the next time when a Minister of the Crown gives him that assurance.

The Acting Speaker (Mr. Herbert): We shall now continue debate. The Hon. Member for Huron-Bruce.

Mr. Murray Cardiff (Huron-Bruce): Mr. Speaker, I am pleased to have the opportunity today to add my thoughts and comments to this discussion and to remind the Government one more time of the effect that its mismanagement has on the economy and what it is doing in areas of Canada, such as Huron-Bruce. My riding is like many across this country in that it faces similar problems.

The speaker who preceded me, the Hon. Member for Mississauga North (Mr. Fisher), talked of many partnerships the Government has had with various groups in Toronto and across the nation. However, he failed to mention anything about the partnerships with agriculture. One thing is certain. We have to keep reminding Canadians that unless we have a strong a gricultural community, unless we have food, partnership means nothing for those people. Canada's food producers have been doing amagnificent job not only for domestic consumption but also for export. In particular, I would like to discuss the way in which the Government's lack of a strong economic policy is forcing Canadians to accept higher interest rates than they would have to accept if the economy were stronger. Through the Government's high deficit and its inability to strengthen our dollar against the American dollar through increased exports and equity capital inflows, the Government is forcing itself into a position in which it must follow the American interest rate policy.

This should not have to be the case. Canada should be able to form its own interest rate policy. We have the wealth and we have the resources. We should not have to suffer made-in-America interest rates. We should be able to strengthen the dollar and reduce the deficit on our own. By doing that, we can lower interest rates in comparison with other countries rates.

During recent years, high interest rates on farm credit have greatly affected the profitability and even the viability of farm enterprises. At a time when many farms have experienced a declining cash flow due to the decline in commodity prices and the increase in farm costs, interest rates have been a major factor in increased farm bankruptcies, foreclosures and forced sales. They have also been a cause of family distress in farm communities. The increased rate of farm bankruptcies is the most noticeable indication of the harmful effect of high interest rates. By the end of March, 163 farmers had declared bankruptcy this year compared with 115 during the same period a year ago. These figures do not include voluntary liquidations, of which there are probably that many again. This is something of which we take no account but of which we are aware.

While the Government keeps insisting that farm bankruptcies are not that numerous, considering that there are more than 300,000 farmers in Canada, many well respected agricultural economists argue that the number of bankruptcies of which the Government is aware is minimal when compared with the large numbers of undeclared bankruptcies. The Farm Credit Corporation estimates that a full 15 per cent of farmers are likely experiencing financial difficulty.

Bankruptcies are not the only problem created by high interest rates. Many farmers are forced to work full time off their farms while they continue to farm just to keep up with their mortgage payments. Many times members of their families are working with machinery even though they are too young to be doing so. However, with their commitment to agriculture, this is the only way they can carry on and perhaps meet their mortgage payments as well as their other expenses.

● (1550)

Even when there is no immediate threat of bankruptcy or bank foreclosure, high rates of interest on both short-term and long-term loans force large numbers of farmers to operate at far less than a fair return or at a loss on their investment. If they were to break even, many of them would be happy at the present time, given the general economy, with their equity declining and their losses becoming greater. However, food producers are generally unable to pass on to consumers their higher interest costs, so it is very difficult for them to adapt to rising interest rates.

Agriculture is a major building block in our national economy. For it to be viable, we need a strong national economy which will allow lower interest rates. Lower costs of money will not only help farmers but will provide relief ot all producers and consumers in the country.

A fact which is often ignored is that agriculture does not exist in a vacuum. Assistance to farmers and a recognition of their inability to handle increases in interest rates will help all Canadians. Lower interest rates to farmers and in fact to all Canadians will help small businesses, small communities, consumers in general, as well as small towns and cities. The hundreds of firms which manufacture machinery, chemicals and numerous other farm inputs would benefit if more farmers could maintain their existing farms or start up new ones. Many farmers would just like the assurance that they will be able to hang on to what they have. For retiring farmers it is very difficult to find new purchasers. The small communities which support the agricultural sector by providing consumer goods for sale would be more viable if agriculture were made more viable.

The point which I am trying to stress is that farmers are not just producers. They are very important consumers as well. They buy manufactured goods, often in the form of very expensive farm implements. They buy clothes and food which they do not produce. They buy farm fuels and automobiles. The list goes on and on. If such a large sector in the economy as the agricultural sector is forced into a situation where it is unable to purchase the consumer goods it requires, the ripple effects throughout the rest of the economy will be enormous. It has and will continue to affect small communities which are already shrinking in size.

A declining agricultural sector would also have a huge impact upon our exports. Agriculture now represents about 40 per cent of the Canadian economy and accounts for 10 per cent of our exports. We should be able to improve our export position. We have the ability to increase production so as to become even more internationally competitive, but the economy must be strong if we are to do that. Agriculture has tried to serve better the international need for food. Our farmers have done a great job in expanding production and trying to remain competitive. However, they are being forced into uncompetitive positions because of the continuing lack of concern for the fact that farmers cannot indefinitely produce food for Canada and the world at unprofitable rates of return or at losses in many cases.

The Government speaks about finding new markets throughout the world, in the Far East or wherever. It talks about the need to expand agricultural exports, but it does not seem to realize or care that in order to expand our agricultural exports farmers have to be viable and have to be able to compete internationally on international terms. If our goods cost more to produce than those of the European Economic Community, for example, we cannot compete. With interest rates being a major input cost to Canadian farmers, any increase will further erode the comparative advantage they might already have.

Much of our recent trade performance has been disappointing. In 1968, Canada exported more than Japan. Today, Japan's share of world trade is twice that of Canada. We have fallen from fourth to eighth place in world ranking and continue to fall. With that decline, we lost jobs and prosperity.

While agricultural exports are not the only exports with which the Government should be concerned, their importance to our over-all balance of trade cannot be overlooked. Agricultural exports, particularly of western grain, are a major foundation of our national economy. They cannot continue to be eroded as they have been in the recent past. High interest rates and the state of the economy in general will not only hurt individual farmers; they will hurt all Canadians by hurting our balance of trade.

I urge that the Government examine seriously the effects of its high interest rate policy on everyone, not just on urban people. Agriculture is one of our most valuable natural resources. It must have the support of the rest of Canadians in times of economic difficulty. The Government of Canada, which represents the people of the country, is letting down the agricultural community. In so doing, it is letting down all Canadians who, I am sure, recognize how crucial it is to maintain a strong agricultural base.

I will turn now to the specifics of the Government's handling of those issues which most affect farmers. The Farm Credit Corporation recently increased its interest rates on loans to farmers from a flat 13 per cent to 14 per cent for a five-year loan and to as high as 15 per cent for a 10-year loan. I sympathize with the field workers of the FCC who have to discuss financing with farmers and food producers and tell them that the rate is 14 per cent or 15 per cent. That is not offering help. It is only offering a short-term existence until something else comes along.

I asked the Minister of Finance (Mr. Lalonde) how he could accept or justify this increase at a time when farmers are facing more serious difficulties than other groups. The Govern-

ment claims that the economy is recovering, but the bankruptcy figures which I mentioned previously show that certainly the economy in rural areas is not much to get excited about. The Farm Credit Corporation and other lending institutions are moving on powers of sale, probably more than we have ever experienced before.

I asked the Minister of Finance why the Farm Credit Corporation was charging 14 per cent on five-year loans when banks were changing farmers 13.5 per cent in the same circumstances and when home owners in the City of Toronto were obtaining mortgages at rates as low as 13.25 per cent. At the same time, five-year government bonds only pay 12.5 per cent. The Government pays 12.5 per cent for its money, then turns around and lends it to farmers at 14 per cent for the same length of time. I am alarmed by these facts because they indicate that farmers are on a lower level of priority than their urban friends. The Government seems to feel that it can keep that situation as it is.

The Minister of Finance responded in the House by saying that I had not checked my facts and that the rates charged by FCC were determined by how much the Government spent for its loans. He did not listen to me when I told him that the Government was not paying 14 per cent for five-year money. Also I was told in the House that the FCC was not making much profit. It should not be making a profit at all. Its mandate is to provide affordable financing to Canadian agriculture. I am generally alarmed over the state of the economy and over a situation which seems to be taking us back down the road toward drastic increases in interest rates.

We keep hearing that the increases in interest rates over the last while are not significant. We are told that they are so minor we have no reason to worry. The Government appears to be doing nothing to allow the Canadian economy to expand so as to become strong enough to have a more independent interest rate policy. We are told that nothing can be done about interest rates in Canada if American rates rise. We should be able to lower interest rates in themselves. The Government should be able to recognize that if interest rates do not come down to affordable levels, the country will be in a major crisis.

I have mentioned that the Minister of Finance seemed uninformed and unconcerned about the increase in FCC rates. I should also add that he appeared completely unwilling to reintroduce the interest rate rebate program which provided relief for many farmers during the last recession. Apparently he feels that such a program will not be necessary unless interest rates are over 20 per cent. I think he is wrong. When Ontario farmers alone are in arrears to the Farm Credit Corporation for $34,200,000, there is a necessity for some program of relief.

• (1600)

Another way in which the Government could help the agricultural sector right now is by swift action on the agri-bond issue. Again I must return to the biggest concern of all. While farmers would welcome and drastically need lower Farm Credit Corporation rates, an interest rebate program and the agri-bond or some similar measure, the most important factor is a responsible management of the economy which would allow all sectors of the economy to grow and to be profitable.

The Government must be prepared to make the sort of difficult decisions necessary in order to get our economy on track. It must strive seriously to decrease its deficit by a serious re-evaluation of its priorities. There are many areas in which spending can be cut. There are many areas in which Government expenditure can be re-channelled so that it is more productively spent. This Government can and must strengthen the economy so that all Canadians do not have to be beholden to American policy. This Government must strengthen the dollar by expanding the economy so that it does not have to keep driving up interest rates in order to maintain the value of the dollar.

There is one last point I would like to make about agriculture and the impact of the economy on it. There is a great push these days for stabilization. Stabilization is a crucial factor in the agricultural sector and must be available and practically administered, but stabilization should not be used as a substitute for careful management of the economy. Stabilization should not be used as a factor by which agriculture remains viable on a year-to-year basis. Stabilization programs should be insurance programs against unusually difficult years. The economy should be strong enough so that pay-outs do not have to be made on a regular basis under stabilization programs.

The economy must be strong. It can be strong because we are a nation of wealth. If the economy is strong, the dollar will be strong. We do not need to have these high interest rates which are drawing us further into economic disarray.

I urge the Government not to forget the people whom it has been elected to represent. I urge the Government to consider carefully what it is doing to Canadians. I would like to add a special request, that the Government not forget the producers of food which feeds this nation. Canadian farmers deserve a more positive outlook than they are now encountering. If the farmers in this country are viable, we will all be better off. Farmers have a strong commitment to producing food, not only for this country, but for many other parts of the world. We congratulate the farmers who do that. They deserve a much better break, or at least the opportunity to be able to do those things.

The Acting Speaker (Mr. Herbert): There follows a ten-minute period for questions or comments.

[*Translation*]

Are there any questions or comments? If not, we shall continue debate. The Parliamentary Secretary to the Minister of State (Finance) (Mr. Garant).

Mr. Alain Garant (Parliamentary Secretary to Minister of State (Finance)): Mr. Speaker, during the gloomy days of the recession, it was understandable that some people should make negative forecasts. After all, inflation and interest rates con-

tinued to climb, while all other indicators where we would have welcomed an increase, such as housing starts, employment, corporate profits and investor confidence, kept going down. It was hard to be an optimist. It was a real challenge to rise above the day-to-day problems of the recession, to remain confident and to remember Canada's immense potential and our own resourcefulness.

Mr. Speaker, the situation has been turned around, and quite spectacularly so, in many respects. Since November 1982, sixteen months ago, Canada has come out of the recession and made up for lost time. Canada has now made the transition to an era of growth and economic expansion. Unfortunately, there are people who have yet to change the way they react to improvements in our economic outlook. Mr. Speaker, there are still people who are so obsessed with what they see in their rear view mirror they refuse to look anywhere else.

• (1610)

You know as well as I do how important it is to have a balanced view of the situation when managing funds for which one is responsible. Only someone with a forward-looking but realistic attitude is able to assess, with any confidence, the risk associated with certain investments and the opportunities for getting a good return. Mr. Speaker, confidence is itself a determining factor in our economy. In fact, confidence can be just as profoundly satisfying as negativism. Conditioning ourselves for high performance through positive attitudes is not any harder than taking the negative view and letting our problems take over. I am not like some people who prefer to ignore the many encouraging signs of economic expansion we are seeing now, and who, for whatever reason, refuse to believe what they cannot see or touch.

Granted, some sectors in our economy still need further consolidation. However, I think more Canadians should stop indulging in this lack of confidence which is a typically Canadian pastime, and look at our successes instead. If we do, we will have some very real reasons to remain optimistic about our economic future.

Mr. Speaker, the best way to measure the consumer's confidence is to find out whether he is investing and where. Today, there are continuing signs that the confidence of Canadians is increasing. Canadians are spending more and more. The preponderance of automobile sales in the recent growth in the retail sector shows that Canadians have enough confidence in their economic future to make major purchases they would not have made during the recession or even at the beginning of our economic recovery. This increasing confidence is expressed in more than just a spending of accumulated savings. In fact, consumers now appear to be willing to borrow money to buy a car, something they would not have dreamed of doing only a few months ago.

Mr. Speaker, the increase in the number of jobs since the beginning of recovery has been exceptionally high. Since the end of the recession, 418,000 new jobs have been created. The latest figures confirm that the upward trend is continuing. In April, 25,000 new jobs were created. These last figures are particularly encouraging, because they are a sign that the growth in employment is broadly based. New jobs have been created in most economic sectors and in nearly all provinces. These jobs are occupied by Canadians in all age groups. We should not underestimate the exceptional progress we have made in job creation just because the unemployment rate is going down very slowly. The paradox of slowly declining unemployment combined with rapid growth in the number of jobs can be explained by the increasing number of Canadians who are joining the labour force. We are all aware of today's extraordinary impact of the baby boom on the size of Canada's labour force. Mr. Speaker, as the economy and employment are improving, the number of Canadians who have started to look for jobs has increased. If our labour force was not growing as fast as it is, our unemployment rate would drop far more quickly.

Mr. Speaker, the increasing number of women who have opted for a career testifies to the remarkable capacity of the Canadian economy to absorb additional workers. In 1968, 2,500,000 women were employed, and nearly one-third of women old enough to work were in the labour force. In 1983, 4,500,000 women are employed and more than half the women old enough to work are in the labour force.

Exports are one key to a healthy economy. Canada's export figures since the recovery reflect an unprecedented performance. In the past year, Canada showed the strongest growth in exports of all industrialized countries. We registered a trade surplus of over $18 million last year, which is almost a record. We see a similar picture if we look at the tremendous progress achieved by Canada in corporate profits, the fight against inflation, the balance of payments, housing starts and so forth. This is very encouraging, especially compared to the recent gloomy scenario during the recession. There are, of course, exceptions to the general trend, but the trend itself is more important than the exceptions.

Nevertheless, some people insist on stressing the exceptions and playing on the fears of the public. I condemn those who make a habit of magnifying the exceptions to this sound and positive trend and blowing them up out of all proportion, as though we were on the brink of disaster.

Mr. Speaker, since March 1, the value of the Canadian dollar has been depreciating against the American dollar, at a time when all international currencies have been registering a very strong downward trend. For a better understanding of recent developments on the exchange market, we must see these developments within the broader context of recovery and the international situation.

The value of the Canadian dollar on the international market is determined by both international and domestic factors. As partners in a global economy, all trading countries

are interdependent, and Canada is no exception. Our economy is particularly sensitive to the changes and tremors that affect the U.S. economy. Actually, the recent depreciation of our dollar against the American dollar is due to tensions originated by our neighbours to the south.

American interest rates have gone up in recent weeks because the U.S. recovery has been stronger than expected in the first quarter of this year and because unprecedented deficit levels are forcing the American Government to borrow extensively on the U.S. market. The United States monetary authorities have admitted that the American economy had been forced into a precarious position as a result of structural and trade deficits. Indeed, Federal Reserve Chairman Paul Volcker has sounded a public alarm about the co-existence of those two deficits which are a clear and genuine threat to the continued growth and stability of American and international markets. Since it was feared that American monetary policy officials might decide to tighten up credit, and since there was growing doubt about a quick decline in the American deficit, their interest rates moved up. That is why interest rates edged up slightly in Canada and our dollar lost a few points.

I am not belittling the strength of our dollar, Mr. Speaker. If we consider all other currencies, including the American dollar, we can only conclude that, all in all, the Canadian dollar has remained quite stable. In 1983, for example, the German mark, the French franc and the British pound all went down markedly as compared with the U.S. dollar, much more so than the Canadian dollar.

It must be understood that the wavering performance of the Canadian dollar cannot be traced back to a weakness in our economy's competitive position. On the contrary, Mr. Speaker, the basic components of our economy which sustain our currency have always been and still are very strong. Our competitive position is gradually improving. There has been a spectacular drop in wage settlements and in the inflation rate, productivity is much better, and our trade balance remains quite favourable. The increase in labour unit costs has slowed down considerably as compared with that of the United States. Our trade surplus has reached record levels, whereas our American neighbours did report a trade deficit. Mr. Speaker, those are all positive developments which have sustained confidence in our dollar during the first year of our recovery, and we have every reason to believe that this confidence will be maintained.

Of course, our aim is to ensure a lasting economic recovery while at the same time leading a strong offensive in the fight against inflation. Mr. Speaker, it would be easier to reach that target if our dollar were stable and if interest rates were stable as well, or even lower. However, the upward trend of American interest rates has put Canada before extremely difficult economic alternatives. Any captain navigating through dangerous and rough seas has to steer the safest possible course.

As we proceed along our course, Mr. Speaker, we hear the voices of those who are so far off the mark in their interpretation of the current situation and who give us such injudicious advice to improve it that, if we were to listen to them, we would soon be shipwrecked. They believe that we should disregard the rising interest rates in the United States and try to increase the value of the Canadian dollar and cut down our interest rates. That is sheer fiction which can only come from a naive outlook on a complex situation and which smacks of irresponsibility. Such a view ignores the economic facts which Canada, as a trading nation, must take into account in spite of the unstable international situation. But what are these facts, Mr. Speaker? On the one hand, we know that sudden drops in the exchange rate may result in inflationary pressures which it is essential to avoid. On the other hand, substantial increases in the interest rates would of course offset downward pressures on the exchange rate, but at the same time, they would destroy our potential for economic growth.

• (1620)

The Minister of Finance (Mr. Lalonde) and the Minister of State (Finance) (Mr. MacLaren) have therefore clearly explained on several occasions in this House that we do not want to cause a major drop in the value of the Canadian dollar, as that would have inflationary effects and would also in any case eventually result in higher interest rates. However, we do not want higher interest rates either, especially at this stage of our economic recovery.

We must therefore determine what method should be followed to cope with the pressures which recently were brought to bear on the rate of exchange and on interest rates. I must specify that our method is first of all a response rather than a remedy. Indeed, the current problem with exchange rate and interest rate instability did not originate in Canada at all. It is therefore impossible to apply Canadian solutions. We may however minimize all of its consequences by taking a middle course between substantially higher interest rates and a devaluated Canadian dollar. And this is exactly what we are doing by promoting a policy of moderation with respect to both the rate of exchange and interest rates.

Mr. Speaker, this is the most serious and the most effective method that could be used. It is also the one which will enable us to turn the present recovery into a sustained economic growth. Moreover, it will allow us to maintain the progress so laboriously achieved these last couple of years in our fight against inflation.

As we are fully aware of the pressures exerted on the interest rates and coming from the United States, we are closely monitoring the situation in that country. However, I would like to allay any anxiety which may have resulted from the rather predictable panic brought about by these events. At the present time, there is no reason to regard the evolution of

interest rates as a tendency which will accelerate in the months to come.

The Acting Speaker (Mr. Herbert): A period of ten minutes is now provided for questions and comments. If there are no questions or comments, we shall proceed with the debate.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Prince Albert (Mr. Hovdebo)—Western Grain Stabilization Act (a) Timing of pay-out to farmers. (b) Payment of interest; the Hon. Member for Hillsborough (Mr. McMillan)—the Administration (a) Liberal Party campaign—Role of contract employee. (b) Ministerial staff guidelines; the Hon. Member for Victoria (Mr. McKinnon)—Veterans Affairs (a) Nuclear radiation exposure—Demand for expert medical evidence. (b) Case law—Request for acceptance of precedent.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S.O. 62—INTEREST RATE POLICY

The House resumed debate on the motion of Mr. Crosbie:

That this House is of the opinion that the Government of Canada can manage the economy in a way that would allow us to have lower interest rates than Canada now has and that we can have greater independence in interest rate policy despite the Government's failure to meet its commitment to so manage the economy.

Mr. Otto Jelinek (Halton): Mr. Speaker, it gives me a great deal of pleasure to be able to participate in the debate today. In the few moments which I have at my disposal I would like to concentrate specifically on a very important sector of our economy, namely, small business.

One of the primary reasons for which I entered the political arena in the first place some 10 or 12 years ago was my concerns as a small businessman and the problems which were facing this very vital sector of our economy. When I came to this Chamber, the word "small business" was almost non-existent. But because of the efforts of many Members of Parliament on both sides of the House who came from business-oriented backgrounds, as well as of interest groups such as the Canadian Federation of Independent Business, COSB, the various Canadian chambers of commerce and the Canadian Manufacturers' Association, the importance that the small business sector has on our economy was brought to the forefront. Over the last decade, small business has indeed established itself on the floor of this House of Commons as a very important sector. Yet it is one of the most vulnerable sectors in Canada if government policies and government programs continue to affect it adversely as have the policies and programs of the Liberal administration during the past 10 or 15 years.

I would like to identify the three major problems which are affecting this sector: First, interest rates and the instability of interest rates, which is what we are discussing today; second, under-capitalization, particularly in the area of venture or working capital; and, third, government interference and involvement, such as government directives, controls and paperwork. There are solutions to the major problems facing the small business sector. I will return to those in a little while.

In the meantime I would like to address the point of interest rates and why it is so important that they be stable and, wherever possible, at the lowest possible rate in respect of small business. If a small-businessman does not know what amounts of money he will be paying for his loans three months from now or six months from now, let alone next Thursday—and interest rates can change on a weekly basis—he cannot make long-range plans as to his business operations respecting investment, productivity and other aspects of his operation. As a result, when interest rates suddenly start reaching unexpected highs—as they did in 1981 and 1982 when they reached record levels of 22 per cent plus—record numbers of businesses go bankrupt. When small businesses and businesses in general go bankrupt, unemployment starts to take place. Just when a recovery of our economy was taking place last year, suddenly this Government—which seems to be so insensitive to the problems of the small businessman—is again allowing interest rates to take off without any temporary or intervening measures to help or assist the small businessman in this country or to tell that small businessman what will happen to interest rates and what will happen to the economy.

We have changed predictions and changed budgets every six months. Business cannot operate under those conditions. The only thing that the Prime Minister (Mr. Trudeau) and the Minister of Finance (Mr. Lalonde) say in response to high interest rates is that it is happening in the United States. Why is it that in West Germany interest rates are at 7.75 per cent; in Japan they are at 5.7 per cent; in the United Kingdom they are at 8.5 per cent; and in Switzerland they are at 6 per cent? Why are government Members not saying that? Our interest rates are 4, 5 and 6 percentage points lower than interest rates in the United States.

The Liberal Government says that it cannot do anything because of the situation that exists in the United States. Let me ask the Liberal administration: How can it continue to plead innocence with respect to high interest rates and other economic activities? If, as the Prime Minister and the Minister of Finance say, the reason for high interest rates in this

country is the high level of the interest rates in the United States, how come all the other economic measurements in the United States have improved dramatically when compared to ours? Productivity in Canada, for example, since June, 1981, has increased by 2.5 per cent. You may say that this is not bad under current conditions. However, it has increased in the United States by 9 per cent. In this country, full-time employment has decreased since 1981 by 4 per cent. Yet in the United States it has increased by 4 per cent. That is an 8 per cent difference. Residential investment in Canada has decreased by 15 per cent and has increased in the United States in the same period of time by 28 per cent, a difference of 43 per cent. Investment in machinery has decreased in this country since 1981 by a staggering 25 per cent. Are we the same as the United States? No, because in the United States investment in machinery has increased by 10 per cent. That is a difference of 35 per cent. Average business investment in Canada since 1981 has gone down by 20 per cent. In the United States it has increased by 10 per cent in the same period of time. Personal disposable income in this country, the wealth factor, if you will, has decreased by 2 per cent. Yet in the United States it has increased by 11 per cent. That is a 13 per cent difference. The list goes on, Mr. Speaker.

• (1630)

Therefore, if this Government says that we must do the same thing as the United States in respect of interest rates, why are we not doing the same with regard to unemployment, productivity, investment and all the other important major economic issues which affect every Canadian in this country?

Those clowns who are out campaigning for the leadership of the Liberal Party are not dealing at all with the problems which are affecting Canadians today. Within a month and a half, one of them is going to be sitting here in this House as Prime Minister, with absolutely no answers except to echo what this Government says on a daily basis to us in the Conservative Party and to Canadians.

We in this Party ask these questions of the Minister of Finance or, in my case, as the spokesman for small business and tourism, of the Minister of State for Small Businesses and Tourism (Mr. Smith). Last week, for example, I asked the Minister what representations he had made to the Minister of Finance or to the Cabinet on behalf of the small business sector in relation to the increase in interest rates, which is taking place and which is so adversely affecting the small business community in this country. His answer is found at page 3594 of *Hansard* of May 10. I will read it, Mr. Speaker, and we will see if you hear an answer to the representations made to the Minister of Finance. The Minister of State for Small Businesses and Tourism said the following:

> Mr. Speaker, the Government believes very strongly in the role of small business in pulling the country into a period of economic recovery. That was the main emphasis of the February 15 Budget. The Minister included a number of items in that Budget specifically designed to assist small business. Through the Small Business Loans Act over 25,000 small businesses in Canada got loans last year which they otherwise probably would not have received. I think that is a pretty clear indication of a commitment to the small business sector.

I did not hear in that answer, Mr. Speaker, any specific response to my question regarding interest rates. He did not say whether he made representations to the Cabinet on behalf of small business for which he is responsible in this House. Therefore, I read into his answer that he has not made any representations to Cabinet and does not really care about high interest rates adversely affecting the small business community in this country.

When the Minister in his answer talks about 25,000 small businesses getting a loan under the Small Businesses Loans Act, it is all fine and dandy, but at what rate have those businesses received that loan? I will tell you at what rate. The rate is 8 percentage points higher than inflation. That is at what rate. I have nothing against the Small Business Loans Act. It is a very good piece of legislation. I wish, in fact, it would be expanded to include working and venture capital. But surely, no matter what lip service this Government pays to what it is willing to do for the small business community of what it intends to do for it, if interest rates are going to continue to be allowed to fluctuate on an upward trend, nothing this Government can do and nothing anyone can do is going to solve the problems facing the small business sector and, therefore, solve the unemployment problem.

Canadians are becoming sick and tired of this Government attempts to deal with unemployment, for example by throwing billions of tax dollars into temporary and unproductive make-work projects. That is not where jobs are created, Mr. Speaker. Jobs are created in the marketplace, in productivity. The federal Government should not pay someone a direct grant in order to work him for six weeks or eight weeks so that he can then turn around and go back on unemployment insurance. That is not the way to deal with the problem. We must create a healthy economic climate in this country so that businesses, generally speaking, and specifically the small and medium-sized businesses, can operate in an economic environment which is free of government involvement and interference.

I asked a supplementary question of the Minister of State for Small Businesses and Tourism about high interest rates and representations he has made, to which he replied this:

> —it is very interesting to hear the approach of the Hon. Member. He is a well known believer in the free enterprise system, in market forces, in the law of supply and demand, and one who does not believe in intervention. The Government, however, does believe in intervention in certain areas.

The Minister is right, Mr. Speaker, except for the fact that when the Government interferes so much in the private sector and creates such a negative burden for the entrepreneurs of this country, temporary steps must then be taken to protect such a vulnerable sector until the economy has been cleansed of this tremendous negative effect caused by Liberal policies. That is why I said, Mr. Speaker, that there are solutions for those three major problems facing the industry.

There are various options to consider with respect to interest rates. Why does the Government not consider again the initiation of the small business development bond program? This is a program which would virtually allow a small business operation to borrow money through a chartered bank at roughly

half the interest rate. I am not suggesting that this should be a program which goes on and on ad infinitum, Mr. Speaker, but it is a program which certainly should be considered when interest rates are increasing, small businesses are being hurt, and unemployment, as a result, is growing on a daily basis.

I have already touched on the subject of venture and working capital. Our Small Businesses Loans Act could be expected to include venture and working capital.

The third major problem facing the small business community, of course, is government intervention and interference. Surely the time has come for governments, generally speaking, to make note of the fact that a business operation does not want Big Brother looking over its shoulder all the time. Surely the people who run governments today must realize that the private sector industry, small business or otherwise, is going to operate a heck of a lot more efficiently on its own than in conjunction with government. All one has to do is to look at the operations of Canada Post to see how efficient an agency it is, one which is now a Crown corporation. One can look at Canadair, for example. By the end of this year taxpayers will have paid out over $2 billion through the Government to keep it afloat. This amount is sufficient to cover the total liabilities of the estimated 10,500 small businesses which went bankrupt in 1982 alone. It is also four times the amount that the Trudeau Government has spent on various small business program in 1982. That is just to keep Canadair afloat. That is just one example. There are many others which the Government knows about.

• (1640)

The time has come, Mr. Speaker. It is long overdue. I said at the outset that both sides in the House as well as the New Democratic Party have established the fact that small business does exist and plays a major factor in our economic way of life. We have seen a sudden advertising campaign by this socialist rump of the Liberals who suddenly find themselves at 10 per cent in the Gallup poll. They are panicking their way into the hearts of the small business community, which is not going to accept them at all. All one has to do is to listen to some of the responses of the leaders of the small business communities to those advertisements. They know what the New Democrats stand for and they are not going to buy it. As I said at the outset, Mr. Speaker, the fact that small business is important has finally come to the floor of the House.

What has not taken root in the House is the fact that the House should not interfere in the workings of the small business sector. The small business person does not want government interference, regulations, controls and directives. He wants to be left alone. If we cannot establish an economic climate in this Parliament which will allow small business people to operate in a free enterprise society, then we must come up in the meantime with programs such as the small business development bond program. We must come up with programs like the Small Businesses Loans Act and expand it to include working capital. We must do those things until we can clean up the bureaucratic mess in which the Liberals have put us. I know, as do the majority of Canadians, that the Conservative Party is committed to doing just that. We want to return the word "free" to enterprise so that the small business sector, the private sector, and Canadians as a whole can start producing and benefiting as a result of the policies of a true Conservative Government.

The Acting Speaker (Mr. Herbert): There follows a period of ten minutes of questions or comments. The Hon. Member for York-Scarborough (Mr. Cosgrove).

Mr. Cosgrove: Mr. Speaker, we on this side of the House would readily agree with the Hon. Member that small business indeed forms the backbone of employment opportunities in the country. For example, something like 80 per cent of working people are employed in firms which hire less than 20 employees. We have no difficulty with the analysis of the importance of the role of small business in the economy. However, I have some difficulty with the Hon. Member's reliance upon the private sector and his wish, on the one hand, that Government not be involved and, almost in the same breath, his invitation to the Government to support small businessmen.

The one sector in which I am particularly interested is small business in the area of housing. Notwithstanding the figures used for purposes of comparison with the United States, even at their lowest point, the number of housing starts in Canada has always been greater than that in the United States. Yet when the Party opposite had the opportunity of forming the government for a period of nine months, their consultant on housing made two recommendations. The first was that the Government get out of housing and privatize Canada Mortgage and Housing, which has had an enviable record of supporting small business in the production of housing in the country. The second reccmmendation made by the consultant, the former President of the National Conservative Party, was that we get out of co-operative and non-profit housing, which provided thousands of jobs for Canadians and housing for needy Canadians. I notice, Mr. Speaker, that the same Member has now been retained by the Leader of the Opposition (Mr. Mulroney) to give advice again. I am curious as to whether he is giving advice on housing and whether it would be the same advice as that which he gave to the Conservative Party.

What is the Hon. Member's position in terms of support of small business in the area of housing? Is it to get out of supporting the private sector?

Mr. Jelinek: Mr. Speaker, the Hon. Member quotes a number of my colleagues. Of course, I have not seen these quotes. By the way, Mr. Speaker, I think we should keep our comments and questions related to interest rates and to the motion which we are debating today.

With regard to interest rates and housing, I think that if the Liberals and the New Democratic Party had supported what this Party had suggested while we were in government and thereafter, specifically the mortgage deductibility program, we

would be in a far better position today with regard to home owners with high mortgage rates than we are. As a matter of fact, it is my understanding that the Government is in fact considering something similar to that type of situation. As you know, Mr. Speaker, when the Government introduces programs which they have copied from us, we support them, as we did last week on the partial deregulation of the airline industry. That is an idea which came from this side of the House of Commons.

The Hon. Member quoted Members on my side of the House with respect to housing. I should quote to him the Prime Minister saying a few years ago that he would want to manage the economy in such a way that interest rates would in fact come down, because then the economy would be administered more soundly. Or I could quote to him the President of the Treasury Board (Mr. Gray) who said that he would resign his seat if interest rates did not go down. I have a whole series of quotes of statements made by Liberals which have been totally ignored by that Party and by Canadians. Do not talk to me about quotes; talk to me about facts. The facts are that this Party would like to see the Government move in a direction which would utilize mortgage deductibility programs in order to assist home owners in the country when they are hit with high mortgage rates.

The Acting Speaker (Mr. Herbert): I would caution the Hon. Member that questions are supposed to be directed to the speech of the Hon. Member. He should, in some fashion, be able to relate his questions to the remarks of the Hon. Member. The Hon. Member for York-Scarborough (Mr. Cosgrove).

Mr. Cosgrove: Thank you, Mr. Speaker. I will direct my question to a point raised by the Hon. Member which had to do with the interest deduction policy. I understand from his comments that this is now the official policy of the Conservative Party and presumably would be offered to Canadians in an election campaign.

Mr. Jelinek: I did not say that.

Mr. Cosgrove: Mr. Speaker, the lowest estimate of the cost of such a plan is $2.5 billion. Where in the deficit would the Hon. Member cut the $2.5 billion, if indeed he is not going to add $2.5 billion to the existing deficit?

Mr. Jelinek: Mr. Speaker, I would like to make a clarification with regard to the statement on the home owners' mortgage deductibility program. My comments in response to the question were clearly my own, rather than made on behalf of the Party. When I speak about small business and tourism as the small business and tourism spokesman, then of course I speak on behalf of the Party.

The Minister asks where we would cut the deficit. This Party has outlined numerous ways and means of cutting the deficit. Perhaps I should go back to him as a Member who is involved in a leadership race to replace the Prime Minister as Prime Minister on a temporary basis and ask him where John Turner, the person who is leading the race, would cut $15 billion from the deficit.

• (1650)

The Acting Speaker (Mr. Guilbault): Order. Questions are supposed to be directed to the person who has made the speech. If there are no other questions or comments, continuing the debate will be the Parliamentary Secretary to the President of the Privy Council.

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, this debate has been taking place for many years and the issue of interest rates has been raised from time to time by the Opposition. This should be done because the question of interest rates is important to Canada and to any country in pursuit to economic growth. Economic growth is certainly a major objective of Canadian policy. It is the only method of achieving a higher standard of living and it is the only way we will be able to expand the social safety net that will be required when greater numbers of senior citizens will require pensions in the future. This increased requirement will necessitate different types of growth of government expenditure, which means that we need a greater wealth base from which to work. High interest rates tend to operate contrary to growth and the expansion of the wealth base.

Mr. Deans: You are absolutely right. We have agreed again.

Mr. Evans: There is no doubt about that. Hon. Members opposite are saying, "You are right".

Mr. Deans: No. One Hon. Member.

Mr. Evans: I did not need the Hon. Member for Hamilton Mountain (Mr. Deans) to tell me that I am right.

Mr. Deans: The trouble is that so far you are right.

Mr. Evans: I think he was talking directionally, not in terms of the correctness of my comments. I would suggest to him that the statements are right in the correct sense of the word and not in the directional sense of the word.

It is clear that the Opposition is saying today that the Government has, in essence, a policy of high interest rates which are exacerbated by the size of the federal deficit. They are saying that other domestic policies are causing the value of the currency to fall. That is the scenario that the Opposition is trying to establish today in an attempt to indicate that our present situation is the total responsibility and fault of the Government of Canada.

The Opposition is attempting to play down to the greatest extent possible the impact of external factors on Canada. We have heard very often that Canada is a trading nation which depends on trade for 30 per cent of our Gross National Product. Our biggest trading partner is the United States, which accounts for 75 per cent to 85 per cent of our foreign trade. This makes it difficult for me to believe that Members of the Official Opposition do not understand that we have a

very close relationship with the United States as a result of the extent to which we depend on the United States for our export trade and markets. If those Members do understand that, they certainly cover it up with statements that imply ignorance. We will need open capital markets with the United States so that that trade and flow of funds can move freely across the border. Otherwise, we simply cannot have an expanding export trade that will generate jobs in this country.

We heard a number of contrary views today. For example, the Member for Kamloops-Shuswap (Mr. Riis) indicated that perhaps we could free ourselves from the strictures of the international capital markets by implementing a speculator tax. Others have indicated other proposals to stop currency from flowing out of the country. The critical factor to remember is that without the ability of capital to flow between the borders of Canada and the United States and other countries, there is a reluctance on the part of those with whom we trade to undertake that trade.

Those with whom we trade must have the ability to receive payment in their own funds. For instance, when the Japanese sell cars, they would like to have Japanese yen in payment for those cars. Therefore, we must exchange Canadian dollars for Japanese yen. In that case, money flows out of the country. When we sell computer products, aircraft parts or indeed automobiles to the United States, that country will exchange their money for Canadian dollars in order to pay us in our currency. If we are going to facilitate foreign trade upon which Canada depends so heavily for our standard of living, we will need an open and freely flowing capital market. The simple fact that we depend so heavily on trade for our standard of living and our hope for a rising standard of living means that we should reject any notion that we can put strictures or constraints upon the flow of funds across the border.

Furthermore, one should consider the impracticality of attempting to apply exchange controls or a speculative tax, with all of the inherent administrative problems that they carry with them. I suggest that Members of the House should abolish that notion once and for all. It is not a realistic solution for an advanced trading nation such as Canada. It simply will not work. Rather, it would cause us great damage in our ability to conduct trade and generate exports. Consequently, this will hurt our ability to create jobs for the unemployed in this country for whom I believe we have the greatest concern.

If we are to have open capital markets, it follows that when the heart and soul of the world's capital market, the United States, undertakes policies that will cause interest rates in that country to rise, there will be a natural tendency for other countries to flow money into the United States to take advantage of those higher interest rates. Of course, this means that the interest rates in other countries will tend to rise or the value of their currencies will tend to fall. That is basic, fundamental economics. An analogy would be two tubs of water connected by a tube. When water is poured into one tub it will form an equal level in both tubs. Similarly, interest rates in Canada and the United States will tend to find the same level. Any attempt to keep interest rates in Canada substantially below those in the United States will cause a leak and result in a drop in the value of the currency. On the other hand, if we make our interest rates higher than those in the United States, currency will flow here and the value of our currency will tend to rise. Those would be the effects if we were able to do that artificially. With an open and free capital market it is very difficult, if not impossible, over any sustained period of time to push one's interest rates below the rates prevalent in the major capital market country, which is the United States, or to hold one's interest rates appreciably above the rates prevalent in the major capital market country, again the United States.

• (1700)

Again we have a unique situation in Canada in that we depend very heavily upon the United States for trade, which influences our standard of living very heavily. Canadians are simply not prepared to take the reduction in the standard of living that would go along with any serious attempt to divorce ourselves from that capital trading market in the United States. Canadians will not tolerate it, nor should they.

Anyone who suggests these fancy, quick solutions to the interest rate dilemma in which we find ourselves or to the value of the currency situation in which we find ourselves is deluding himself or herself and is trying to delude Canadians into believing that there is a solution to the interest rate situation that is costless and painless. There is not. That should be self-evident, Mr. Speaker, and anyone who understands the mechanisms of international capital flows, the trading system in the world, will not put forward some of these nonsensical solutions we have heard. I think the Hon. Member for St. John's West (Mr. Crosbie) understands that very well.

Quite frankly, I think the Hon. Member was quite embarrassed by having to introduce such a motion here today and backing it up at the same time with rhetoric that was really contrary to what I know he believes and to what I know he understands in his own heart. It was political rhetoric and it was a good attempt by the Hon. Member, but I think it fell short, as many of my colleagues on this side have been able to point out over the last two to three hours. The Hon. Member for St. John's West, I think, has failed miserably in trying to make political miles with an issue in which he really did not have his heart. He knew what the problems were with the motion he put forward. He knew the unreality of the suggestions he was making, but he did it anyway in an attempt to make some short-term political gain. I suggest that the attempt has backfired. When asked, in a question from one of my colleagues on this side, to be specific as to what he would do, the essence of what he said was that he could not be specific today. Nor could he be specific about 1985 since conditions would be different in 1985, he said. The Hon. Member cannot be specific today. He cannot be specific about the future. I can only imply from that, Mr. Speaker, that the Hon. Member does not have any policy suggestions to make other than what he said a year ago or at the time of the April Budget last year, which was, "I generally agree with the direction in which the Government is going. I generally agree

with the economic policy being implemented by the Government." I think in his heart of hearts the great Newfoundlander, if he were really honest with us and if he were really speaking from the heart and getting away from the political rhetoric, would have to say today, "If I were Minister of Finance and were faced with the same problems with which the Government is faced today, if I were faced with the kind of deficit interest rate situation with which the United States is confronting Canada today, I would probably do just about what the Minister of Finance (Mr. Lalonde) is doing". If the Hon. Member were really honest and if we were not so close to a general election, that is the kind of thing which the Hon. Member for St. John's West would be saying, because he said it last year, Mr. Speaker.

When you analyse the facts and the situation, we are confronted with a very very difficult situation as a result of the kinds of policies followed in the United States. For the first time in recent history—in fact in my memory—the United States has become an importer of capital. The United States has been a capital exporting nation for generations. It has created a wealth base, massive growth, and it has exported capital to the developing countries. The Americans have exported capital to Canada and to the European countries. The Americans have exported capital to the developing countries where they have built plants and equipment and have created jobs. For the first time in history that I can remember, the United States this year will become a capital importing country. When the United States runs a deficit that verges on $200 billion—it might be somewhere between $150 billion and $200 billion—that is a massive deficit when it is compared to the savings rate in the United States. Let me elaborate. There is the Government borrowing requirement and a very low savings rate in the United States relative to most other countries in the world, and at the same time there is a very rapidly growing private sector—

Mr. Blenkarn: A well managed organized economy putting people to work.

Mr. Evans: —that is putting heavy demands on the capital markets. The only thing that can happen is that interest rates will go up. I hear the Hon. Member on the other side. Let me answer him by saying that those are the free market forces working. Interest rates go up. Why are they going up? They are going up to try to attract new funds into the market to be made available either to the U.S. Government for its borrowing requirements or to the private sector which is placing heavy demands on it. If those savings funds are not generated internally by the U.S. economy, which is the situation the U.S. is facing today because of the low savings rate, then those high interest rates will cause funds to start to flow in from other countries. The effect of that will help to stabilize the U.S. interest rates. However, at the same time, it will put upward pressure on interest rates in every other country from which those funds are being transported into the United States. That is the situation we face. If the United States savings rate were higher and if the United States were generating internally funds sufficient to finance the U.S. federal deficit and to finance the rapidly growing needs of a business community, where the economy is growing at over 8 per cent, there would not be the kind of upward pressure on interest rates in the U.S. There would not be the kind of upward pressure on interest rates that we are finding here in Canada as a result of the fact that money is naturally flowing into the United States to be invested where interest rates are higher.

Traditionally this country has attracted capital to finance the very rapid growth of development we have had over the last 40 or 50 years. I think Hon. Members will agree that traditionally the way we have done that, which goes on to illustrate my point about the free flow of funds and the effect thereof, is that we have held our interest rates about a half a point above the rates in the United States. That higher interest rate here has caused funds to flow into this country for investment purposes. Because of the great concern this Government and the Governor of the Bank of Canada have had over the last year and a half, we have held our interest rates at the same rates as those in the United States, or somewhere below theirs. Indeed, today in general, our interest rates are about half a point below those in the United States.

Mr. Blenkarn: Tell us about the German rate and the Swiss rate.

Mr. Evans: As a result, we are seeing an outflow of funds, and that is what has put downward pressure on the Canadian dollar. The dollar has dropped because we have tended to keep our interest rates about half a point below those in the United States. We know what high interest rates can do to small business and to individuals who wish to buy a home, to farmers and fishermen and to those people who need to borrow money. We are trying to hold the rates down to the lowest possible level consistent with some stability in our system.

That is the problem with which we are faced, Mr. Speaker. Hon. Members opposite, I am sure, really understand what the situation is. They know that the choices, apart from the options which the Government is currently following, are horrendous from the point of view of our trade, from the point of view of open and free capital markets, and from the point of view of the confidence which the international community will have in Canada as the trading partner, as a source of capital and as a use of capital. It does not do anything for the understanding of Canadians to have Members of Parliament rise in the House and spout rhetoric about what should be done and about how terrible the Government is because it does not take immediate action to reduce interest rates by three percentage points or other actions which Hon. Members of the Opposition know full well would be disastrous in terms of jobs and the standard of living of average Canadians. They know in their hearts, as does the Hon. Member for St. John's West, that if they were in the same position as we are, they would be doing just about what the Government is doing now.

• (1710)

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

Mr. Blenkarn: Mr. Speaker, the economist from Ottawa Centre knows that if the Americans went in the hole for a deficit of $150 billion, that would be equivalent to a $15 billion deficit in Canada. The trouble is that we borrow twice as much as the Americans. The Hon. Member should know that we have a surplus of trade which would normally push up our dollar. Normally it would not be at 77 cents. It would be at 82 cents or at 83 cents, but the Government manages the situation in such a manner that our dollar is down to 77 cents.

We have had a great lesson in economics. The fact is that cash is leaving the country for opportunities in the United States. This is why the Government keeps pushing up interest rates. It is trying to get the cash to stay home. This is also why the dollar falls. It has to let the dollar fall to discourage Canadians from cashing in their Canadian dollars for American ones.

I would like to know why the Hon. Member is such an apologist for the Government when he knows about its mismanagement, the effect of the national energy policy and the effect of the discouragement of foreign investment all of which have driven down confidence in Canada and consequently driven up interest rates. If the situation were reversed, he knows that the Canadian dollar would be strong and we would have very much lower interest rates than we presently have.

Mr. Evans: Mr. Speaker, the Hon. Member is simply wrong on a number of counts. The first area in which he is wrong is when he relates the United States deficit to the Canadian deficit without taking into consideration the differences between the U.S. and Canadian savings rates. The savings rate in Canada is at least three times that in the United States. In relative terms, the U.S. deficit is not half the Canadian deficit. However, when we compare it with the GNP, other personal income and so on, its deficit is slightly below the Canadian deficit.

The key figure is the savings rate. The fact is that Canadians are saving at a rate which allows the deficit in Canada to be financed without putting substantial upward pressure on interest rates domestically. Also, our internal demand for funds in the private sector is nowhere near as vigorous as that demand in the United States. Not only do they have large U.S. borrowing but they have a very large and growing demand from the private sector. At the same time, they have a savings rate which is only a third of the savings rate in Canada. That explains why our deficit has to be looked at in that perspective and why our deficit, while it is certainly substantial and needs to be reduced over time, is not the same problem domestically as is the United States deficit in that country.

When we think in terms of the over-all magnitude of the deficits in absolute dollar terms, a $150 billion deficit will be a massive drain not only on the United States economy but on most other economies in the world. This is because of the size, in dollar terms, of that country's deficit and the amount by which it exceeds that country's ability to generate internal savings. That is the problem.

In terms of the trade surplus, yes, we have a trade surplus. Yes, we are doing well in terms of our ability to export and sell goods and services abroad. This is precisely why we have been able to hold our interest rates below those in the United States. We have generated export surpluses. We have done very well in that regard. Our industry is becoming more and more competitive. We are doing well in international markets. That has helped us to hold interest rates below those which exist in the United States for the last while.

We have suffered to some degree with a declining dollar. Recently there has been a declining dollar, primarily because we have kept our interest rates below those in the United States. This has been minimized by the fact, as the Hon. Member said, that we have a trade surplus. We are doing well in international trade, something about which the United States simply cannot brag.

Mr. Blenkarn: Let us get the record straight. Interest rates in Canada are a full 1 per cent to 1.5 per cent higher than those in the United States. Treasury bills were sold in the United States this week for just slightly in excess of 10 per cent. We paid 11.74 per cent last week. The prime rates in Canada do not mean the same as those in the United States. Market rates are lower in that country than they are here. It is somewhat strange that the booming, bustling economy in the United States is suddenly the reason that interest rates are so high in Canada. The Americans are doing well. Should we be saying that they should not be doing well, that they should not put their people to work, that they should not have full employment, that their factories should not be bustling or that they should not have jobs because they are making Canada look bad? The Hon. Member had better believe that we look bad. We look terrible.

What is the Hon. Member's answer in that regard? Where does he stand? How will he make our economy a growing one again? Why does he not read the Budget of his own Minister in which he commented about the necessity for interest rates to be restored to more normal rates of interest in capital markets and which he said that if nominal and real rates of interest were to rise significantly from current levels, recovery would be at risk over the immediate term? He knows that it is at risk. He knows that housing starts are falling and that business investment is off. He knows that consumer confidence is gone and that unemployment is rising.

Why can he not come up with a program which somehow separates us from what the Americans have? If our economy has to be the same as that of the Americans, let us have such an economy. If that is the reason for the difference in interest rates, let us have the employment, the growth and the investment which the Americans have. Why do we not have something from his Government instead of weeping and crying over why the Americans are doing so well, borrowing so much and using so much money to buy resources and to build their plants, offices and houses?

Mr. Evans: The Hon. Member has given me so many points of attack that it would take at least a day to pursue the various areas of folly and fallacy which he has put forward. The fact of the matter is—and this fact is substantiated by my economic colleagues in the United States—that the U.S. is living off the savings of other countries. Economists in the United States will attest to the fact that the U.S. is not generating funds to finance its own growth and development. It is imposing high interest rates on every other country in the world, higher than would otherwise be the case, in order to finance its own internal growth and consumption. That is the problem which the Minister of Finance and the Ministers of the European Economic Community have been discussing and complaining about to the United States for the last six months to nine months. That is the fact of the matter.

If the Hon. Member does not understand what we have been talking about, if he really believes that there is some set of policies which we can implement painlessly that will insulate Canada from the rest of the world, then he is living in Never, Never Land. Obviously he knows that he is putting forth a total ruse. He is misleading, in a general way, the people of this country. I am sure the Hon. Member for St. John's West is upstairs watching this on television. I am sure he is sitting there saying: "The Member for Mississauga South is off on one of his political rhetorical tangents, because he and I both know that if we were in the position of the Government today, we would follow just about the same policy the Government is following".

● (1720)

The Acting Speaker (Mr. Guilbault): Order. This ends the question period. Resuming debate, the Hon. Member for Hamilton Mountain (Mr. Deans).

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I have a sense of *déjà vu* when I rise to speak on this day on this issue. I have spoken about this so many times that it becomes perhaps boring and certainly repetitious. It is, I think, the single most important question that faces us in Canada at the moment. It is the cause of much of our economic difficulty. In part, if not in whole, it is the reason why we have such high levels of unemployment. It has been the Achilles' heel of our farming community. It has resulted in bankruptcies of small business the likes of which we have not seen in this century. It has played havoc with the dreams of many people and families as they attempt to plan their future as best they can.

The Hon. Member for Ottawa Centre (Mr. Evans) says that having high interest rates is not the policy of the Government. I have heard that phrase on numerous occasions over the course of the last four years. The Government's policy may not be to have high interest rates, but it certainly has inflicted high interest rates on the people of Canada.

Everyone says that high interest rates are a result of the policy set by the administration in the United States. Listening to the debate, you feel that there is nothing we can do about it, that it is our lot to suffer from that policy, that as an independent nation there is very little if anything from a legislative or economic point of view that we in Canada can actually embark upon that will in any way assist us. High interest rates in Canada have followed to a large extent the movement of interest rates in the United States. My colleague, the Hon. Member for Mississauga South (Mr. Blenkarn), quite rightly said that our interest rates no longer follow those in the United States but in fact lead them. For some time they have led interest rates in the United States. Interest rates have been the main vehicle used by this Liberal Government to strengthen or at least stabilize the value of the dollar over the United States currency.

Every time we raise the question, we are confronted with the same answer: "There is nothing we can do about it". Frankly, I do not accept that. Although I recognize that any actions that we might take would be difficult and although I recognize that any actions we might take would have certain repercussions, the policy that we are now following is difficult and has repercussions. The one thing that I know for certain is that whatever the consequence of our actions, if we want to take actions to lower interest rates, they could not possibly result in more chaos or hardship for Canadian families than the policy being pursued by the Government today of following lock-step behind the United States administration.

This is not an anti-U.S. speech I am making. I want to make that quite clear. Frankly, I do not much care what economic policy the United States follows within the United States. I do not think it is much of my business what policy the United States administration decides to pursue in what it deems to be its own best interests. However, I do care when we in Canada do not have either the will or the desire to attempt to establish for ourselves an independent path that will result in some form of autonomy, in a fiscal and economic sense, for Canada in the future.

If we are going to pursue lock-step the policies of the United States, we are doomed to face these situations over and over again. If we are to tie our interest rates and therefore tie our economy, job creation, ability to house our nation, ability to deal with the question of financing for our small businesses and farming community, if we are to tie all of that to decisions of the United States at every single turn, the consequence can be nothing other than that if they manage their economy badly, we suffer, and if we make the wrong decisions, we suffer. That is unacceptable. I did not get elected to Parliament in order to accept without question the direction being thrust upon us by the United States. Neither did I get elected in order to try to satisfy the demand of the United States for additional capital year after year, as will no doubt be the case in years to come.

I know as I stand here that the people of Canada would be prepared, if need be, to take and hold certain consequences to themselves in the short run if they were assured that the Government had a program which would divorce us economically, to the extent that that is possible, from the fluctuations that continue to occur within the United States as a result of an administration gone wild.

I say to the Hon. Member for Ottawa Centre that I do not expect people to rush forward and embrace us if things do not turn out exactly right. However, I do know that I would rather lose my seat in Parliament trying to create a better society, with a degree of independence, run by Canadians for Canadians, than hold my seat in Parliament trying to satisfy people's desires based on policy made in Washington.

People in Canada cannot afford high interest rates. That is the bottom line. Farmers, small business people and those who might become home owners, and at this point in time are not home owners, cannot afford the high interest rates. Those who will be faced with renewing their mortgages, notwithstanding the scam that is about to be inflicted upon them by the Government in the form of some mortgage insurance program, cannot afford the high interest rates.

I put it to the Minister that the interest rates of today can be identified by any reasonable, sane individual as being high interest rates. The only political statement I will make in a partisan sense is that it worries me when I see the Conservatives offering this motion. I say to my friend, the Hon. Member for Mississauga South, that it worries me because I do remember hearing the former finance critic saying to the Montreal Board of Trade that the high interest rate policy being pursued by the Government was in fact the only policy to follow. I do remember the year 1979 when the Conservatives were in office and interest rates rose week after week almost in the same fashion as they are rising now and as they were in the years 1981 through 1983.

• (1730)

A certain question of integrity arises in the minds of the people when members of the Conservative Party suggest that somehow or other they have seen the light. It is a little bit like the conversion of Saul on the road to Damascus. Conservative Members have now seen the light and recognize the error of their ways. I would accept that if they would state categorically that they had in fact supported the Government's policies in the first place and have now changed their minds. However, they will not say that.

When we were arguing for lower interest rates, we were being chided and chastised by the Conservatives to our right at every single turn. We were being told that what we were pursuing, although desirable, was not practical. In my opinion, what is desirable must be made practical in this instance. We must accept the responsibilities, whatever they may be, and we may discuss the nature of those responsibilities as time passes. However, we must accept the responsibility for managing the nation and its economy and we must accept that responsibility with the full knowledge that if we follow the interest rate policy of the United States, then the opportunities for growth, for people to own a home, for people to open new businesses, for farmers to start up farms and for those who are already engaged in all of those activities in Canada, become considerably reduced.

I would put the argument to the Hon. Member for Ottawa Centre that, as he knows full well, I believe it is neither necessary nor desirable to set the interest rate every Thursday. I think that that creates chaos and slows down the movement in—

Mr. Evans: It is set every day in the marketplace.

Mr. Deans: It is set every day in the marketplace but it is led by the Bank of Canada at every single turn. By shaking his head no, the Hon. Member shows a degree of naivety that I would not have attributed to him.

On Thursdays, the Bank of Canada quite clearly establishes the benchmark, and that benchmark influences the decisions made by every single financial institution in Canada. It may well be that the interest rates fluctuate somewhat around that benchmark, but when the Bank of Canada started to bring interest rates down in the year 1983, every single financial institution followed suit. When the Bank of Canada rate began to rise in late 1983 and into 1984, every single financial institution, banks and others, moved their interest rates up almost lock-step. The only difference between the increase in the bank rate by the central Bank and the increase in the bank rate by the chartered banks and other financial institutions was the usual difference. Those financial institutions increased their rates more than the central bank raised its interest rates. It has always seemed to be the attitude of the financial institutions that if they can gouge a little deeper, then they will gouge away.

The Hon. Member is shaking his head again, but I can produce the statistics to show that this is true for mortgages as well as for other debts. Until last Thursday, the interest rates on mortgages alone rose more than the interest rate set by the central bank. However, that rate rose almost every single week as the bank rate inched ever so slowly to its present high rate.

Mr. Evans: What term of mortgages?

Mr. Deans: The Hon. Member, in an interjection, has said that the rate depends upon what the term of the mortgage is. However, the truth of the matter is that it does not depend on what the term of the mortgage is.

Mr. Evans: Yes, it does.

Mr. Deans: No, it does not. One of the biggest difficulties we have in the country and one of the things for which the Government must stand accountable is the fact that in 1968, the Government eliminated for all time mortgages that were amortized over 20 years or 25 years and were payable at a fixed interest rate. At that point in time, the Government responded to the lobby of the Senate Banking Committee and decided that it would eliminate for all the establishment of a criterion that would guarantee people the ability to take on the responsibility of a mortgage and to pay it off in their lifetimes and still have money to spend.

Mr. Evans: Section 8 of the Interest Act, it has been there since 1896.

Mr. Deans: In 1968, that Act was changed.

Mr. Evans: No, it was not.

Mr. Deans: Yes, it was. However, we will argue that point at another time. Between 1966 and 1968 that matter was debated, and the change to the Act took place in 1968.

Mr. Blenkarn: The Bank Act change.

Mr. Deans: Yes, that was the Bank Act change.

Mr. Evans: The banks were lending mortgage money—

Mr. Deans: We will argue that point at another time. That is not what I wish to argue at this time. All I am saying is that at that point in time, the Government allowed things to happen which impacted detrimentally upon the mortgage situation of the country, to our everlasting regret. I put it to you, Mr. Speaker, that that in itself was a move by a preceding Liberal administration which has caused tremendous hardship over the years.

What worries me of late is looking at the economy as a whole. A great deal of what the Hon. Member for Ottawa Centre has said is true. I concede that he has followed an economic theory that is borne out by statistical evidence. However, I say to the Hon. Member that I have an opinion that is again borne out by some statistical evidence and by some economic theorists.

We could argue the theories of one economic theorist over those of another. However, although I am not an economist, my analysis of the situation at the moment is quite simple. The dollar is down as against the U.S. dollar because of a number of factors, not the least of which is the lack of economic activity in Canada. That decline in economic activity is evidenced by the fact that there are so many people unemployed and by a number of other factors. I put to the Hon. Member that if our interest rate policy were to create considerably lower interest rates, it would strengthen the consumer economy.

There is no doubt that if people could afford to buy homes, they would buy homes. If people could afford to take on such responsibilities at lower interest rates, they would take them on. We saw that happen in the last few months when interest rates decreased. People did in fact have the feeling that things were getting better and they did in fact begin to consume a little more. That feeling was reflected in the growth of the Gross National Product. Although it was a small growth, that feeling was nevertheless reflected in the growth. We are now undermining that growth.

If we were to have a lower interest rate policy, it would inevitably result in a stronger consumer marketplace, and that stronger consumer marketplace would inevitably result in a stronger manufacturing sector, which would result in more jobs and more tax dollars for the Government. That would result in investors seeing activity in Canada and being prepared to put their money into that activity rather than into bonds or high-interest yielding papers. That would result in further economic stimulation, which would result in a stronger dollar. I suggest that that cycle is an intelligent one and it happens to be the only cycle over which we in Canada have complete control.

I say to the Hon. Member, through you, Mr. Speaker, as I say to the Government, that the policy to which I have just referred is the only policy that creates for Canadians both a sense of our own worth and an opportunity to participate in our own recovery. Even if certain downward trends were to develop in the flow of capital over a short period of time, the very fact that economic stimulation would take place would quickly reverse that trend. I say; through you, Mr. Speaker, to the Hon. Member for Ottawa Centre that I am not interested in people who want to invest their money in Canada simply to get a high rate of return from various pieces of financial paper. That is not helping Canada. If that money is flowing back and forth, as the Hon. Member indicates, when it flows into Canada and then flows out again, it takes with it, sucking away at every turn, the interest that was created in Canada. We do not get the economic benefit of long-term stable investment from the high interest rate structure. The money flows out, and that is why the money flows out. That is why we have such a drain on our finances. By following the United States and by not having the money invested in economic activity in the country—manufacturing and otherwise—and by not having the money directed and put into those areas where the economy is growing, the money goes into paper. By going into paper, it simply drains from Canadians more and more of their expendable capital. We get nothing in return.

• (1740)

I suggest that there is an economy theory—thank you, Mr. Speaker, I see you signalling that I must stop—that is opposite to the one which the Hon. Member for Ottawa Centre pursues and opposite to the one the Government pursues. It is as valid as the economic theory of the Government. It may not be acceptable, but it is as acceptable to those who believe in it, and that includes this Party and many other intelligent people in this country. It is as acceptable to us and to many others as is the economic theory of the Government acceptable to the Government. I am asking that the Government not lose sight of the fact that there is more than one way to deal with this, and the one way that we—

The Acting Speaker (Mr. Guilbault): Order, please. I regret to interrupt the Hon. Member but his time has expired. There will now be a ten-minute period for questions and comments. The Parliamentary Secretary to the President of the Privy Council (Mr. Evans).

Mr. Evans: Mr. Speaker, I would like to comment on two matters. The Hon. Member has referred to paper. He says that money flows around and creates paper. It does not. Paper is created as the representation of a debt. That debt represents an investment by somebody in something real. People do not borrow money simply to have money to hold in their hands. People borrow money to invest in something. They give another person a piece of paper that says "I owe you" and indicates that they are willing to pay interest in exchange for the money that they will put into something real—whether it

be a house or a factory, or something else. They invest in real things. When money flows into Canada and we give the people who put the money here a piece of paper, it is because we want the money to do something real. We use the money to build a CPR tunnel or to expand the railways—these types of things. It is a fallacy that it is just paper flowing around.

On the second point, I would like to ask the Hon. Member a question which the Prime Minister (Mr. Trudeau) has put to his Party over the last several days. That question is: If, let us say, tomorrow the Bank of Canada indicated that interest rates were not 11.5 per cent or 11.7 per cent, but that they were going to be 8.7 per cent, how would we force the people who have the money—the savers, all the way from the little person who puts money in a bank up to corporations; the whole spectrum—to lend their money at 8.7 per cent when they can get 11.7 per cent?

The reason people save is to build a nest-egg for the future. They are simply not going to give away three percentage points in interest because of some philanthropic notion. The Hon. Member knows that. I know that. How do we do it by decreeing lower interest rates? How do we force people to save and to give us money at a rate that is below what they can get elsewhere?

Mr. Deans: Mr. Speaker, to begin with, the vast majority of people in Canada have never invested a penny outside of this country in their lives. They have never once looked at shipping their money across on a handcart at the border and putting it into a bank. Neither have they opened bank accounts here in U.S. dollars, although that—

Mr. Evans: You would be surprised.

Mr. Deans: I would not be surprised. Whether the Hon. Member believes it or not, the overwhelming majority of Canadians invest their money in only one of two or perhaps three ways: they buy Canada Savings Bonds, and they are now paying something like 10 per cent—

Mr. Blenkarn: They are 9.5 per cent.

Mr. Crouse: They invest their money in Florida motels.

Mr. Deans: They are 9.5 per cent, as my hon. friend indicates. My colleague from South Shore says that they invest in Florida motels. He is only talking about his own friends. I will have you know that my friends do not buy Florida motels. Maybe Conservatives do, but most New Democrats do not.

However, the majority of people go to the bank and put their money into a Canada Savings Bond; some of them buy guaranteed investment certificates, and some of them put their money into savings accounts. That is the overwhelming majority of people. They put it in at whatever the rate happens to be at the time. If the Bank of Canada, over the course of the next three or four months, brought interest rates down, people would still put their money in the bank. They would still buy Canada Savings Bonds and they would still put their money into guaranteed investment certificates. They would look for the best possible way within the area in which they travel. Most of them travel within a very small area.

I suggest that the Prime Minister (Mr. Trudeau) is talking about his friends in Mount Royal. He is talking about the people he comes into contact with who do not give a damn about Canada. I am talking about the people who work in the Steel Company of Canada, who put their money in the credit union, in the bank, and in certificates. The amounts are small. Those people will continue to do that whether the interest rate is 8 per cent or 18 per cent.

Mr. Evans: Well, let the credit unions lower their rates.

Mr. Deans: The credit unions cannot lower them because they sit next door to the bank. Clearly—

Mr. Evans: We sit next door to the United States.

Mr. Deans: Do not be ridiculous. The Hon. Member knows full well—

The Acting Speaker (Mr. Guilbault): The period is supposed to be for short questions and short responses. Both the Hon. Members have made long statements. Is there anyone else wanting to ask a question? The Hon. Member for Mississauga South (Mr. Blenkarn).

Mr. Blenkarn: Mr. Speaker, I believe that the people who work for the Steel Company of Canada are a little more sophisticated. They do shop around and they do put their money into credit unions and the like which are organized. They put their money into pension funds which are organized to buy shares in companies and which invest in stock market paper and so on. Directly or indirectly, they are involved in that kind of investment.

I was wondering if the Hon. Member felt that we operated our economy in such a fashion as to encourage people to invest in Canadian equities and encourage foreigners to bring their money into the country. That was happening when the Hon. Member for St. John's West (Mr. Crosbie) was the Minister of Finance and the Canadian dollar moved from 83 cents to 87 cents. People at that time were enthusiastic about investment in Hibernia and in the tar sands projects. At that time Canada was looked upon favourably as a great place to put money into, and the country was starting to grow again. Was that what he was talking about when he said it would tend to make it possible to have lower interest rates in Canada, because there would be money coming into Canada for the opportunities and jobs that are in Canada?

Mr. Deans: No, that was not what I had in mind.

Mr. Evans: Mr. Speaker, maybe the Hon. Member has given us the vehicle by which to get him to understand the point.

Mr. Deans: Oh, I understand it.

Mr. Evans: He said—in response to a comment I made—that credit unions could not lower the interest rates by 3 per

cent in isolation because if the people next door, the banks and others, did not, all the people would move their money out of the credit union and put it into the bank because they would get a higher rate of return. Let us take the analogy of the credit union sitting next to the bank, and the credit union artificially lowering the interest rates that it is paying on deposits and the money goes out of the credit union and into the bank. Now, let us draw a bigger analogy and say that the credit union is Canada and the bank is the United States. If Canada lowers its interest rates artificially, what happens? The same thing that happens when the credit union tries it. Money goes out of this one and into that one.

• (1750)

Mr. Deans: Mr. Speaker, the Hon. Member's argument is interesting, but wrong. If that were to be a good analogy, how then does the Hon. Member explain the capacity of West Germany to hold its interest rates below those of the United States? How does he explain Sweden holding its interest rates below those of the United States?

Mr. Evans: They are not as close and they are not as tied.

Mr. Deans: The Hon. Member says that money flows easily, and he knows that is true. However, money does not flow by people walking from one town to the next to put their money in. If the Hon. Member is going to use that kind of analogy, would he try to explain to me how it can be that Sweden, Japan, West Germany and Australia can hold their rates down? How can it be that other countries around the world have been able to do that? More important, how can it be that right within the United States itself instruments can be established to provide money for mortgages at rates considerably below those in Canada? I want to put to the Hon. Member that his analogy, although interesting, is wrong.

Mr. Evans: It is not wrong.

The Acting Speaker (Mr. Herbert): That is the end of the ten-minute period for questions and comments. We will continue debate.

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I could not help but draw another analogy as I listened to the debate on the difference between interest rates in Canada at the present time and those in the United States. I consider how lucky we are that we live in Canada and are tied to a society which does care for the people, certainly at the federal Government level, when I see that the interest rates, for example in Mexico or in Portugal, are over 40 per cent. We must consider ourselves very fortunate, indeed. I could not help but think, though, a little earlier on, about the areas from which a provincial Conservative Government raises its money. In the Budget of the Province of Ontario today the OHIP fees are raised. That Government already collects 91 per cent of its contribution to medicare through OHIP fees, and they are raised again, which will cost the Ontario taxpayer $69 million in the next year. The Conservative Government also made a big thing out of cutting its deficit by $350 million, although it is interesting to note that the federal Government transfers to the Province of Ontario will increase by over $300 million in the next year. It is wonderful what you can do with smoke and mirrors, particularly if you are a Tory. However, the Government of Canada does like to lay its facts right on the table.

I should perhaps comment on a reference which was made by my colleague, the Hon. Member for Mississauga North (Mr. Fisher), when he made the statement that 20 per cent of Canadian borrowings are from outside of Canada. That is the average of both the provincial and federal Governments. The provincial borrowings are about 30 per cent from outside of Canada, whereas the borrowings of the Government of Canada coming from outside of Canada are between 6 per cent and 7 per cent. I thought I should perhaps set the record straight on that so it could not be misconstrued. Incidentally, those figures are the most recent available from the Bank of Canada review and relate to December 31, 1982. They may have changed marginally since that time.

We have before us today, Mr. Speaker, another sterile Opposition motion which is really devoid of any ideas but is heavy on rhetoric, complaining generally that our economic performance is not good enough. The motion implies that since Canada is living in a difficult economic world, we should just opt out of it and go it alone by putting a wall around our national economy. It conveniently ignores the fact that the rest of the world contributes 30 per cent of our national income through trade, and that without this income we would be facing nothing short of a financial disaster.

Our recent performance in international trade has been particularly impressive. During the past year, Canada has recorded the largest growth in exports of any industrial nation. Our trade surplus for 1983 alone was more than $18 billion, approaching an all-time high, and for the first quarter of this year it was running at an average annual rate of $16 billion. The surplus in January alone was equal to an annual rate of $25 billion. That is a pretty impressive record for a nation of just 25 million people.

It is obvious that to maintain this kind of performance, Canada must adapt to the rapidly changing world economy and become even more competitive. It is not a case of opting out but rather of opting in. This means greater emphasis on becoming more productive, more innovative and more flexible in responding to new opportunities. It means keeping our costs under firm control and developing better relations between labour and management. It means a continuing need and greater opportunities for new investment by Canadians and foreign investors. It means putting a concerted long-term emphasis on reducing the need of the public sector for borrowed capital, and increasing the scope for expansion of the private sector where most new jobs will be created in the years ahead.

At the same time, it means greater attention to the vital and mutually rewarding economic relationship between Canada and the United States. It means continuing efforts by each country, individually and in concert with the international

community, to improve the international economic climate within which our economic progress must be achieved.

Canada's economic recovery continues to exhibit the strength which has made the North American recovery a world leader since the recession. From the fourth quarter of 1982 to the fourth quarter of 1983, real GNP rose by 6.6 per cent in Canada in comparison to only 6.2 per cent in the United States. It has been assumed that the firm but more moderate pace of growth of the fourth quarter will continue in Canada, unlike the situation in the United States where a burst of growth has been indicated. Yet our early figures for 1984 show impressive strength in a number of areas, including retail sales, manufacturers' orders, merchandise trade and, in aggregate, gross domestic product.

Recent indications of a firming pace of recovery in the rest of the industrial world are a source of welcome encouragement. For example, the United States Conference Board reports leading economic indices with annual growth rates at 13 per cent in France, 11 per cent in Japan and 9 per cent in West Germany, similar to the 12 per cent and 10 per cent readings for the United States and Canada respectively.

With more than 30 million unemployed in the industrialized nations of the world, job-creation continues to be a world-wide priority of some urgency. Canada is fully in accord with the need to build lasting solutions to the job challenge through encouragement of private sector expansion and the building of basic economic strength. As a nation which relies on exports for a significant proportion of its jobs, Canada shares fully in the commitment to international action to solve economic problems.

Canada's job-creation pace has been similar to that in the United States. However, our labour force has grown more rapidly. The result is a continuing rate of unemployment in excess of 11 per cent. Youth unemployment is of particular concern in Canada, as it is in the United States. We are projecting gradual but steady reduction in unemployment rates for all age groups, as well as a continuation of fairly rapid labour force growth in the years ahead.

Despite strong evidence of continuing growth, there has been an attempt by some to paint Canada's economic growth rate as faltering as compared to that of the United States. In fact, the recent edging upward of interest rates in both Canada and the United States reflects the concern that economic growth now exceeds a sustainable pace in the United States. This fear is, of course, closely related to concerns about the U.S. Government deficit and to the risk that overly rapid growth would create both rising inflation and rising interest rates.

Canada's competitive position has been improving since the recovery began, assisted greatly by a dramatic fall in the rate of inflation. For example, the rate of inflation, as measured by the GNP deflator, reached 3.8 per cent in the fourth quarter as compared to 4.2 per cent in the United States. Productivity has risen substantially. It is up 3 per cent in the fourth quarter as compared with a year earlier. Manufacturing productivity rose by almost 7 per cent, the best performance in 13 years. Unit labour cost increases have been moderating to a level of only 0.4 per cent higher in the fourth quarter over a year earlier, as against 2.5 per cent in the United States.

Canada's over-all current account continued to show strength in 1983 with a $1.6 billion surplus, the second highest on record. This is also in contrast to the experience in the United States in recent times. Clearly, the recent downward drift of the Canadian dollar against the U.S. dollar is not a reflection of a fundamental weakness in domestic economic performance.

The Acting Speaker (Mr. Herbert): Order. I regret to interrupt the Hon. Member.

[*Translation*]

Order. It being six o'clock, it is my duty to inform the House that, in accordance with the provisions of Standing Order 62(11), the proceedings on the motion have expired.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

WESTERN GRAIN STABILIZATION ACT—TIMING OF PAY-OUT TO FARMERS. (B) PAYMENT OF INTEREST

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, amendments to the Western Grain Stabilization Act have been presented to the House of Commons in the form of Bill C-33. What a disappointment they have turned out to be. The New Democratic Party has indicated that it would pass the Bill as quickly as possible if that would guarantee a quick payment to the grain producers. Instead, the Government has come up with a series of amendments which will not allow a payment until November, or so. The farmers need some extra cash flow now rather than in the fall after harvest.

Also, the Government has not put into the Bill the specifics of the formula which will make the stabilization plan useful for the next five years. Instead, the Government has chosen the amount of $250 million and is busily designing a formula which will trigger a pay-out of that amount. In other words, the Government's concern is not so much for the farmers as it is about the money it will have to pay out. The Government wants to keep the payment as low as possible so that only farmers' money will be returned to them. In the last five years farmers have put in $300 million. The Government is manipulating the formula to ensure a payment of $250 million. Not only will the Government not return the farmers' money with interest, it will not even return the farmers' money. No wonder many farmers want out of this stabilization plan.

My question is therefore a request for clarification, Mr. Speaker. Before the Government tries to push these amendments through the House, will it make the following guarantees? Will it guarantee to establish a secondary pay-out triggering mechanism that will be effective now, next year and for many years to come, and which will be sensitive to producers' needs, as it was intended?

Will the Government put into the amendments a retroactive feature which would allow payments for the 1983 calendar year? The Government could make this possible by an Order-in-Council. The Government was able to do that for the railroads. The Crow benefit was paid to the railroads before the legislation was passed and was made retroactive.

Will the Government put into the amendment an interim payment clause which would allow a payment to any time that a need is indicated and a pay-out is obvious?

Will the Government amend an initial deficiency in the Act and allow the Act to make pay-outs on a regional basis when the circumstances show such a need?

Will the Government arrange and put before the House, or the appropriate committee, an assurance that the cost of operation and its relationship to income will be a major factor in the decision to make a pay-out? Will the individual farmer's net income be a factor in the formula?

In establishing the formula will the Government also address itself to recognizing that there are problems generated by successive crop or market failures which would not otherwise be a problem?

Will the Government also add an insurance factor for crop or market failures for specific crops? If the bottom falls out of the flax market, it affects specialist farmers. The stabilization plan could trigger a payment for those farmers dependent upon that market.

The small amount which the Government intends the amendments to this Act to generate, an average of $2,500 per farmer, will not bail a farmer out of bankruptcy. However, it may buy the fuel or chemical for spraying or harvesting this summer or fall. This Bill could be a good start to an income security plan for the grain farmers. Will the Government move in that direction when it presents this Bill to the appropriate committee?

● (1805)

[*Translation*]

Mr. André Bachand (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, in answer to the question raised by the Hon. Member for Prince Albert (Mr. Hovdebo), I agree that making interim payments under the Western Grain Stabilization Act may seem attractive. Many western farmers are now short of cash, and it is true that funds to help them under the Grain Stabilization Program are available.

However, the picture changes if we take a closer look at the issue. First, interim payments are usually made when the present formula for calculating costs and income indicates the need for such payments. That is not the case now, for the year 1983. In fact, that is why, on May 10 of this year, we tabled a Bill to amend the Western Grain Stabilization Act. The proposed changes should, we hope, result in substantial payments for 1983-84.

To be able to make these payments, the Bill must first be enacted. Furthermore, as the House is aware, the legislation provides that payments cannot be made until the end of the year, which will be the end of July if the Bill is passed in its present form. The new legislation was designed to accelerate pay-outs. We are, in fact, suggesting that the crop year be used instead of the calendar year as the period over which receipts are to be calculated. Thus, farmers will be entitled to receive payments in October or November instead of having to wait for nearly ten months after the end of the calendar year, as is the case under the present program. As a result, interim payments will no longer be such a vital issue.

We must also consider the administrative problems that would be caused by such payments under the new legislation. July deliveries may fluctuate enormously, and it is hard to make a reliable estimate. Furthermore, July 1 is the reference date used by Statistics Canada in calculating expenditures under this program. Final results are not available until two months later. Furthermore, it is difficult to evaluate the expenditures in these figures.

Finally, I may recall that if our Bill is passed, at the end of October farmers will probably be entitled to payments totalling about $300 million. Such payments would come at a time when most farmers are proceeding with major banking transactions. The approximately $6,000 each farmer will receive under the program would therefore be very welcome. That is why I hope every effort will be made to expedite passage of this Bill so that payments can be made at that time.

[*English*]

THE ADMINISTRATION—LIBERAL PARTY CAMPAIGN—ROLE OF CONTRACT EMPLOYEE. (B) MINISTERIAL STAFF GUIDELINES

Mr. Tom McMillan (Hillsborough): Mr. Speaker, on Monday, April 30, 1984, I posed two questions to the Minister of Justice (Mr. MacGuigan) concerning the continuing involvement of one Jim McDonald in the Minister's Liberal leadership campaign as principal organizer or manager, at the same time that Mr. McDonald is also serving as a contract employee in the Minister's office as a speech writer. There is at least the appearance that the taxpayers of Canada are subsidizing, through the back door, the Minister's partisan activities. In this case it is his bid to become the leader of the Liberal Party of Canada. Such an arrangement between the Minister and Mr. McDonald is not only immoral but also against the Prime Minister's (Mr. Trudeau) guidelines on that subject.

Indeed, on April 11, the Prime Minister told the House in reply to a question from the Hon. Member for Durham-Northumberland (Mr. Lawrence) that there should not be any

involvement of any ministerial staff, permanent or otherwise, in a leadership candidates' campaign in any important way, in the Prime Minister's words, "without that staff either resigning or asking for a leave of absence."

The guidelines are clear enough. In the case of Mr. McDonald, he can either resign as the Minister's campaign manager or he can step down as a contract employee from the Minister's office. He cannot do both, but he is doing both. This is a clear affront to the law as laid down by the Prime Minister himself.

• (1810)

In response to my questions, the Minister said two things. First, he said Mr. McDonald is not employed in his office, but rather a company in which Mr. McDonald is involved has a contract with the Minister's department. Second, the Minister said the contract in question, though it will continue until after the Liberal leadership convention in mid-June, had been entered into by the Government of Canada before the Minister became a leadership candidate and it must now be honoured until the original expiry date. That was the claim by the Minister. He argued that the contract was with a company in connection with which Mr. McDonald had some activities, but that the signing of it was before the Minister became a candidate and, therefore, everything was fine.

There are two things wrong with the Minister's two-barrelled reply. To begin with, while it is true that the contract in question is with Mr. McDonald's company and not technically with Mr. McDonald himself, the reality is that the company is Mr. McDonald. The company is called Nunavut Communications, which is simply Jim McDonald incorporated for the purpose of his conducting business with clients. Certainly, he has a small staff, and in that sense, the company is more than Mr. McDonald alone. But the company centres on Mr. McDonald; it revolves around him. For all practical purposes it is Mr. McDonald himself. So the Minister was misleading the House in suggesting otherwise.

Moreover, any contract of the kind about which we are talking would have to be honoured by both parties under normal circumstances, as the Minister stated. No question about that. A contract is a contract no matter what might ensue after its signing. Any contract, however, can be broken or nullified with the agreement of both parties. And given the clear conflict between Mr. McDonald's partisan activities and the Prime Minister's guidelines—-the incompatibility between the two—the Minister should insist that his campaign manager either resign from that post or resign from this contract position in the Minister's office. Mr. McDonald for his part, should oblige the Minister's order if only to preserve the Minister's reputation for personal integrity in the course of the leadership campaign. Otherwise we can only assume the worst, namely, that Mr. McDonald's contract arrangement is nothing more than a facade behind which he is hiding his true activities in the Minister's office and with the Minister as he travels throughout the country, at taxpayers' expense. His true purpose is the promotion of the Minister's candidacy for the leadership of the Liberal Party.

Mr. Al MacBain (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, in response to the Hon. Member's question of April 30, I would like to refer him to statements made by the Hon. Minister of Justice (Mr. MacGuigan) in this House on the same day, as well as to the response on May 1, 1984, of the Right Hon. Prime Minister (Mr. Trudeau) to a question put by the Hon. Member for Durham-Northumberland (Mr. Lawrence) concerning the employment of Mr. Jim McDonald. I should like to reiterate that Mr. McDonald ceased to be a contractual employee in the office of the Minister of Justice as of April 1, 1984, and did sever all personal contractual links with the Department of Justice as of that date.

Mr. McMillan: What about his company?

Mr. MacBain: Therefore no moneys were expended by the Government of Canada on his personal behalf beyond this date.

• (1815)

Regarding the two contracts in question with the Department of Justice, I should like to point out to the Hon. Member that one deals with the provision of speeches for the Minister of Justice on matters pertaining to his portfolio, as well as various legislative programs introduced by the Hon. Minister during the present session of Parliament. The speeches which are required for speaking engagements relating directly to departmental responsibilities of the Minister were written and are presently being drafted by a speech writer hired by that company. The other, which terminated on April 30, 1984, was for the Second People's Law Conference on the Family and the Law which took place in Ottawa on April 9 and 10, 1984. The conference brought together 250 delegates from all parts of Canada, including a large number of professionals experienced in various services dedicated to supporting and enhancing the family as one of the most important institutions in our society.

The company was contracted to organize and arrange the attendance of participants at this conference—accommodation, transportation and conference facilities which included the administration and operation of the conference as a whole.

I should like to state for the record that Mr. McDonald was not directly involved with these two contracts. Both these contracts were signed by one of the co-partners of the company of which Mr. McDonald is a participant.

VETERANS AFFAIRS—NUCLEAR RADIATION EXPOSURE—DEMAND FOR EXPERT MEDICAL EVIDENCE. (B) CASE LAW—REQUEST FOR ACCEPTANCE OF PRECEDENT

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, on May 10, I asked the Minister of Veterans Affairs (Mr. Campbell) why he does not accept that there is a connection between nuclear radiation and cancer. In a supplementary question I

asked him to accept the common law principles of precedent decisions and case law. Those two questions and answers were picked up by Associated Press of Salt Lake City and were published under a headline entitled "Cancer victims win N-test ruling". In part the article read:

A federal judge ruled Thursday that the U.S. government was negligent . . . and ordered it to pay $2.6 million in 10 cases where he blamed fallout for causing cancer.

The article continued, and in the last two paragraphs it noted what was going on the House of Commons in Ottawa as follows:

In Ottawa, Conservative MP Allan McKinnon, . . . pressed the compensation claims of Canadian servicemen who developed cancer after exposure to radiation.

The Victoria MP asked Veterans Affairs Minister Bennett Campbell why his department continued to demand expert medical evidence from every claimant despite having recognized the link between cancer and radiation in other cases.

For some years Members of Parliament have been asking the Minister to take action to ensure that all Canadian veterans exposed to radiation at the nuclear tests in Nevada, or at the Chalk River clean-up, be located and the state of their health determined. Repeatedly the Minister has assured the House and these veterans that he was taking action in this regard.

The Minister is really putting us off with promises of studies under way and recommendations forthcoming. Last week in response to my question he said:

We expect to receive a total analysis of their case, and a recommendation arising from the study, later this fall.

This afternoon he said that the study would be ready in August. We are making progress. Perhaps, if we keep asking him, he will be able to produce a report within a week.

Meanwhile, veterans are suffering, and some of them are dying as a result of radiation-induced cancer. It is understood that the interpretation of the governing legislation, the Pension Act, follows common law principles. These principles are based upon the concepts of precedent decisions and case law. The Canadian Pension Commission has failed to follow these principles by requiring every veteran who comes forward with an application for a disability pension for cancer related to his exposure to nuclear radiation to establish, yet again, that there is a connection between his exposure and his illness. The Commission requires that the veteran produce expert medical evidence, from a recognized authority in the field, that his cancer is related to his exposure to nuclear radiation.

This should not be necessary. Not only is it difficult for veterans who live outside Canada's major cities to locate one of these recognized experts, but they should not be required to re-invent the wheel for the benefit of the Commission.

How many such veterans are there in Canada? My understanding is that 600 servicemen took part in the Nevada tests. Another 400 servicemen took part in the Chalk River clean-up. That makes 1,000 veterans who were subject to nuclear radiation. We need to know how many of them developed cancer.

• (1820)

The Pension Commission has the names and addresses of these thousand servicemen who took part, which I understand it received from the Department of National Defence. I understand that is nearly all of them. Others went around on training exercises teaching people to use geiger counters some 20 years ago. They were forced to carry cobalt sources so they would have something to test. If the Department is unable to get in touch with these 1,000 veterans, but is kind enough to give me the names and addresses, I will get in touch with them.

[*Translation*]

The Acting Speaker (Mr. Herbert): Order, please. The Hon. Parliamentary Secretary to the Minister of Veterans Affairs.

Mr. Jean-Louis Leduc (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, the question raised by the Hon. Member is an interesting one. The relationship between nuclear radiation and cancer has re-opened the debate, not only in Canada, but also in other countries.

The Canadian Pension Commission has already taken steps to obtain information on some aspects of the issue. The Hon. Member is certainly aware that the Commission is financing a study on nuclear radiation and its effects. The Epidemiology and Community Medicine Department of the University of Ottawa Medical School has been asked to carry on this study.

Under this contract a research team has begun to examine the impact of these factors on the death rate. The first thing was to find the members of the Armed Forces who had done decontamination work in Chalk River in 1953 and 1958, as well as those who had attended atomic bomb testings in Nevada and Australia during the fifties.

With the assistance of the Department of National Defence, the researchers were able to trace about a thousand people who took part in those operations. They were also given a list of veterans whose occupation, status and age were roughly the same as those of the people who had been exposed to radiation.

Mr. Speaker, a computer tape with all this information recorded was sent to Statistics Canada, where the data is now being compared with the files on the Canadian death rate up to 1981 inclusively. We hope that this stage of the study will be completed by the end of June. This analysis of the data by computer will enable the University of Ottawa to submit its report by August 31.

The Minister of Veterans Affairs (Mr. Campbell) and the Canadian Pension Commission had hoped to get the report some time ago, but it was very difficult to trace such a large number of veterans.

The Hon. Member for Victoria (Mr. McKinnon) is well aware that, in the meantime, there is nothing to prevent a veteran who believes his health to have deteriorated because of

his having been exposed to radiation to apply to the Commission for an allowance. However, once this study has been completed, we hope that its findings will enable the Pension Commission to develop guidelines that will be used to process all allowance appliations related to nuclear radiation and its medical effects.

Adjournment Debate

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

At 6.25 p.m. the House adjourned, without question put, pursuant to Standing Order.

APPENDIX

THE PRIME MINISTER'S ADDRESS AT THE INSTALLATION OF JEANNE SAUVÉ AS GOVERNOR GENERAL OF CANADA OTTAWA, MAY 14, 1984

[*Translation*]

Your Excellency:

(or should I say "Madame", the title the French have used to address their Sovereign?)

It is a privilege and a great pleasure for me to offer you the best wishes of the Government, Parliament, and all the people of Canada on the occasion of your installation as Governor General. As your first official gesture, I would ask you to send Her Majesty, the Queen of Canada, a message assuring her of our loyalty and affection.

[*English*]

After being represented in Canada by men for such a long time, it is right and proper that Her Majesty should finally have a woman representative here. And I am happy and proud to participate in this momentous event, the installation of our first woman Governor General.

We are gathered today to celebrate a remarkable person but also a welcome evolution of our society. In fact, for this historic event to take place the natural candidate for the position had to be available at the appropriate time.

The time is appropriate, because our modern society is increasingly aware that women's qualities of mind and heart are every bit as valuable as men's, and that we need their fresh approach and commitment to peace and mutual support in order to establish a more humane society in Canada and throughout the world.

The time is appropriate especially because, for some years now, outstanding women have been challenging and conquering old taboos. With skill and determination, they have won access to the highest positions in the land. By freeing themselves from the restrictions that circumscribed their situation, they have inspired us to shake off our old prejudices and practices.

I am thinking here of pioneers like Emily Murphy, Nellie McClung, Louise McKinney, Irene Parlby, Henrietta Muir Edwards, Thérèse Casgrain, and many others who waged an uncertain battle at difficult times in our history.

I am thinking, too, of Pauline Vanier, Norah Michener, Gabrielle Léger and Lily Schreyer, who have a special place in the hearts of Canadians because their strength and unselfishness have left their stamp on their husbands' tenures as Governors General.

Lastly, I am thinking of all those women who have opened the doors of our highest institutions to their colleagues, women like Agnes MacPhail, who in 1921 became the first woman elected to the House of Commons; Cairine Wilson, the first woman to be called to the Senate, in 1930; then in 1957, Ellen Fairclough, the first woman to serve in the federal Cabinet; Réjane Laberge-Colas, the first woman to serve on a supreme court, appointed in 1969; Muriel Ferguson, who in 1972 became the first woman to serve as speaker of the Senate; Sylvia Ostry, who in the same year was the first woman appointed to a deputy minister's position in the federal public service; Pauline McGibbon, in 1974 appointed the country's first woman lieutenant-governor; Constance Glube, the first woman to become Chief Justice of a Supreme Court, in 1982; and Bertha Wilson, who also in 1982 became the first woman justice of the Supreme Court of Canada.

As the first woman to occupy the chair of Speaker of the House of Commons, in 1980, and to become Governor General of Canada, 1984, you stand in the line of these pioneers. During your remarkable career, you have accumulated probably more "firsts" than any other Canadian woman.

However, it is not merely to add to your record, nor because you are a woman, that the office of Governor General befalls you today. You have been chosen because, in the opinion of all, you are the ideal candidate for the position.

[*Translation*]

The role of Governor General is essentially one of rallying Canadians around the ideals that form the basis of our will to live together . . . and who among Canadians could do it better than you, Madame?

First of all, you represent all the richness and diversity of this country. You were born in Saskatchewan and raised in Ontario, right here in Ottawa. After completing your studies in France and Great Britain, our two mother countries, you pursued a career in Montreal in French and English television, with both the CBC and the private sector. Later, you travelled the country from one end to the other as a federal Cabinet Minister. And, as if that were not enough, as Speaker of the House of Commons you were called upon to preside over some of the most fundamental debates in the history of Canada, at the time of the referendum and the patriation of our Constitution.

This long familiarity with Canada has given you a great love for it, a love that, more than anything else, you wish others to

share. No one can hear you speak of Canada without being struck by your deep sincerity. Moreover, the warmth of your personality embodies to perfection the ideals of open-mindedness and tolerance, the spirit of sharing and brotherhood, that the Fathers of Confederation dreamed of realizing in this land.

These, then, are the reasons underlying your elevation to the position of Governor General of Canada. All Canadians trust in your talents to strengthen the country's unity and to embody, with grace and nobility, that ideal out of which the Canadian federation was born and which continues to inspire it. I am sure they will not be disappointed.

I wish to thank your husband and your son for agreeing to share you with us. I hope they will enjoy helping you carry out your duties.

On behalf of all Canadians, I wish you happiness and good health.

Henri Rochefort said that France had thirty-six million subjects, not counting the subjects of discontent. Give or take a few figures, the statement also applies to Canada.

Madame, may you find the words to persuade us that, for 25 million Canadians committed to live together, there is no subject of discontent that we cannot resolve in our efforts to build this country with honour, justice and respect for our diversity.

May God keep you and inspire you.

REPLY OF HER EXCELLENCY THE GOVERNOR GENERAL TO THE ADDRESS OF THE PRIME MINISTER

[*Translation*]

Prime Minister,

In accepting the high office of Governor General of Canada, I will be honoured to convey to Her Majesty, Queen Elizabeth II, who has kindly agreed to my nomination, the message which you have entrusted to me, and with it, the assurance of the respect and affection of all Canadians.

I have been deeply touched by your words, Prime Minister. They have illustrated and emphasized your attachment to fundamental values and the importance which you place on the defence of rights and the assurance of equality. They are a testimony to the progress you have always sought to promote and preserve and to your love of this country. I also wish to thank you for having so sincerely and persuasively expressed your ideas on the significant contribution of Canadian women to the life and progress of our society.

[*English*]

In responding to that trust which you have conferred upon me, I follow in the footsteps of the multitude of women who, for 450 years, have served as the inspiration, and to a large degree, the artisans of this nation; those women by whose hands we have prospered and for whose spirit we have been praised. In the days and weeks ahead I will commit my efforts to the promotion of those ideals of unity, brotherhood and peace. Even then, my determination and commitment are but a small fraction and reflection of the many gestures of good will and affection I have received, and to all I am profoundly grateful.

We live in a vast land of plenty which has never been laid waste by natural or political catastrophe. Though we have our problems, they are not as tragic as those faced by people who live in destitution, by the hundreds of millions of human beings pushed to the brink of despair. We go where we like without anyone challenging our right to do so, we say what we like without anyone imposing a totalitarian philosophy or system upon us. Each person is free to follow their own star, hold whatever beliefs they choose, express their ideas and opinions without fear; goods move freely, and each individual can share in them. We are not immune to human suffering, but in Canada it is not as deep-rooted and pervasive as the heart-rending misery elsewhere in the world. Although we have to work hard, we do so in safety, and we have never been denied the right to hope.

[*Translation*]

It is for this reason that, from the smallest family unit to the largest gathering of our national community, we must forge a common purpose that will reinforce good will, bring together all our energies and proclaim the values we have inherited. These values are a reflection, first, of the achievements of our history, of the infinitely varied traditions preserved by our ethnic groups; in a more dynamic way, they are reflected in the long-standing effort by our nation to move along the path of modernization toward a humanism which will add to the common heritage so patiently and painstakingly built up over the years.

We have inherited a vast territory with well-established institutions, boundless resources and material wealth acquired at great sacrifice by those who have gone before, and it is our duty to fashion new tools for new hands; to go beyond our immediate horizons in search of a broader perspective; to scale new and as yet unimagined heights; and to move more quickly and surely toward the ultimate goal of expanding the potential of both the individual and the community. We must build in Canada a life to which people are not merely resigned but in which they will wish to participate fully.

[*English*]

Who are we and what do we wish to become? The answer is obvious. Despite our varied ethnic and racial origins we are Canadians determined to carry on the building of a great nation. We must go beyond even this ambition and aspire to set an example for the world by a deep involvement in global reconstruction, a reconstruction whose final objective is peace.

Peace is the ultimate goal from which we cannot digress as long as the world is inhabited by starving, mistreated people who are victims of the selfishness, indifference and cruelty of others. Peace should be our rallying cry, our foremost cause, and the most compelling objective of our common action.

Our commitment to peace must govern our state of mind and determine our approach to life and to work. This cannot be achieved in a nation of polarized thought and divided action. The desire for unity is, beyond doubt, the factor which inspires people to come together to create a truly human community.

In this spirit, we are fond of describing Canada as one big family. But what do we mean by family: a socio-political and cultural reality, an economic situation, a political status. All of these, of course, and also, I would hope, a common purpose to shape together the destiny of every member of the community. This can only be realized if we go beyond our borders and reach out to other nations to share with them the benefits of our efforts and research.

History and geography have determined where and how we live. We are aware how the challenges and obstacles they have provided have influenced our attitudes and our behaviour. What have we achieved through our efforts? I believe that after more than three centuries, our national character is beginning to take shape. All that remains is a final delineation of the traits by which other nations identify us. As Canadians in North America, historically and culturally linked to our countries of origin, we have won the right to determine our own future and to play a role on the international scene.

[*Translation*]

Should not our role be to return to fundamental values, to adapt to new ways of life, to review the basis of our private and public code of ethics and to utilize for the benefit of all the marvelous products of new technology. In approaching the new frontiers made possible by modern technology we must ensure that man does not become servant to the machine, but rather its master.

This, it seems to me, is a spiritual goal that can transcend mere insular nationalism and inspire us with the ideal of making the human adventure meaningful and filled with enthusiasm and hope. If Valéry was right when he said "we now know that civilizations are mortal", we should also realize that each civilization bears within it the seeds of its own regeneration and transformation.

This is the reason I have every confidence in my fellow human beings and in man's potential and it is this that impels me to make an urgent appeal to my fellow Canadians to reach out to each other. If they would only remember that without co-operation, any attempts at communication and understanding will produce only meaningless encounters and temporary truces.

[*English*]

As we approach the end of this century, we are not immune to the crises that buffet our world and threaten its stability. The effects of this turmoil will be suffered even more tragically by the next generation; living as they will in apocalyptic times when virtually everything will be subject to question. We have made great material progress and worked hard to secure this legacy for our children. We now have more money and more leisure time. Despite this fact, everything around us shows signs of impatience. Weakened by advertising, persuaded to claim, to demand, to receive and to take more, we act far too often like children who leave their broken toys to demand new and more exciting ones capable of rousing them from their state of torpid satiation.

Our mistake lies in our erroneous definition of humanity and the meaning of happiness. We have been seeking such happiness beyond the rainbow and it is now time to step back and reflect calmly, to take stock of our resources so that we can again set out on a voyage of discovery and find the meaning of the human journey.

When I ponder on the youth of this country, I am filled with pride and confidence. Their search for knowledge, their need for involvement, their dynamic nature and their strength of conviction assure us that in their own time they will carry out their role in determining the future. Their attitude shows us that they will be willing to accept the responsibility of mastering their own fate.

The day will come when they will replace us, when those whom we have tried to help will leave the paths we have laid out and go another way to build the city according to their own plans and to meet the new requirements of a new age. Would it not show an unforgiveable arrogance and lack of foresight on our part to try to forestall criticism of us at all costs by contriving to build and mortgage a world for the future which is not ours to create? There is a universal law that governs the progress of civilizations: one generation lays its stone, the next contributes another and, if the building material is always the same, the whole will reflect the vision, spirit and will of those who, one after the other, worked and died to build it. Although we have an obligation to build for future generations, we must not try to take their place and, in our feverish activity, give the impression that we do not trust them to be inventive and resourceful in their turn. We must prepare them for life, but we could be wrong to try to live their lives for them according to a model of our making.

As for myself, I have great faith in the youth of today. My past experience working with youth associations and my daily encounters with young people have revealed to me their spirit and potential. I am certain that when their time comes they will take up the challenge and shoulder it with success. As you yourself have said, Prime Minister, there are no insoluble problems, there are no situations that we cannot improve or correct if we unite our efforts; what we need to do is to talk to each other, to work together intelligently and honestly and let time, "the great sculptor", as Marguerite Yourcenar has so aptly put it, shape and refine the structure of our Canadian federation.

[*Translation*]

I believe in the strength of our people, in our collective strength, and in the power to recreate society through the practice of those time-tested virtues that have always led

people to surpass themselves and give the full measure of their faith, wisdom and courage. We must practise these virtues together. My task, which I take on publicly before you, is to become better acquainted with my countrymen, to meet with them, to seek them out wherever they are in this great land, and to instil in them the confidence that makes and seals destinies. Our common task is to promote tolerance, to help each other, and to reject imitations of freedom. This is the price of our happiness, but happiness will never be found in the spirit of "every man for himself"; it requires that we share our good fortune as Canadians so that we might benefit the many peoples of the world.

To carry out my duties, I need the help of each and every one of you now and in the future. We must be united in spirit if we are to go forward in unity and brotherhood on the exhilarating road that Providence has so generously laid out before us. As Ecclesiasticus says:

"... as the governor is, so will be the inhabitants of his city." (Eccl. 10:2)

I ask for your support in the days ahead. We share with each other a common inspiration for we have all at one time experienced the eternal truth expressed in the words of the psalm:

"If Yaweh does not build the house, in vain the masons toil..." (Ps. 127:1)

HOUSE OF COMMONS

Wednesday, May 16, 1984

The House met at 2 p.m.

• (1405)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

INDUSTRY

LOSS OF UNITED STATES MILITARY ORDER TO PORT COLBORNE PLANT

Mr. Girve Fretz (Erie): Mr. Speaker, it has come to my attention that yet another plant in my riding may be forced to shut down or lay off workers due to the loss of a market for its products. The company in question, Port Colborne Forgings, was informed recently that forgings from the company destined for use by the United States military would no longer be required as of May 24. This came about as a result of a directive issued by the American Government which indicated, essentially, that as of that date no defence contracts were to be let to companies outside the United States. This ruling affects a number of companies in Canada doing related work.

For the City of Port Colborne this sudden and arbitrary decision could mean the loss of another 25 jobs in a community already badly shaken by massive lay-offs at Inco. As their federal Member of Parliament I ask, on behalf of the company and the community, that officials from the Department of Regional Industrial Expansion and the Department of External Affairs take immediate action to ensure that this directive is softened or changed. By so doing, we could ensure that Canadian companies continue to be able to export products for the United States defence market, especially in light of the fact that we in this country are co-operating with our neighbours to the South in fulfilling our treaty obligations under NATO and NORAD.

* * *

INDIAN AFFAIRS

CALL FOR REPEAL OF LEGISLATION DISCRIMINATING AGAINST WOMEN

Mrs. Thérèse Killens (Saint-Michel-Ahuntsic): Mr. Speaker, I rise today to speak on the issue of Section 12(1)(b) of the Indian Act. I urge the Government to proceed with its stated commitment to repeal this flagrant discriminatory provision. I know I speak for all women of Canada, and indeed for all women in the House regardless of party affiliations. We must not be deterred from rectifying this long-standing historic wrong committed against Indian women. I call upon the Minister of Indian Affairs and Northern Development (Mr. Munro), and upon the Prime Minister (Mr. Trudeau), to follow through on this promise. I call upon them to act immediately to repeal Section 12(1)(b) of the Indian Act.

* * *

HUMAN RIGHTS

U.S.S.R.—DENIAL OF EMIGRATION TO JEWS

Mr. David Kilgour (Edmonton-Strathcona): Mr. Speaker, earlier this week members of all Parties in the House took part in hearings on the dreadful situation of Soviet Jews. Quite simply, official anti-semitism has been raised to the level of state religion in a godless society.

First, of an estimated three million Jews in the Soviet Union, an estimated 400,000 have made at least an initial attempt to leave. In 1979, 51,000 were permitted to do so, but during 1983 only 1,344 were allowed.

Second, since the Soviet Union signed the Helsinki Agreement, which includes the right to emigrate, the situation of Soviet Jews has actually deteriorated. Applicants face arbitrary dismissal from work or university, persecution of their children, telephone disconnections, non-receipt of mail, separation of families, and the constant risk of imprisonment. We heard eloquent case histories on Tuesday about Vladimir Slepak, Iosif Begun, and others.

One obvious conclusion I reached was that Canada must have a more human rights oriented foreign policy. The case of human rights cannot be served anywhere by silence. We, as legislators, must show more courage and leadership to our fellow countrymen on this important issue in the future.

* * *

INDIAN AFFAIRS

DISAGREEMENT AMONG NATIVE ORGANIZATIONS ON WOMEN'S RIGHTS

Mr. Jack Burghardt (Parliamentary Secretary to Minister of Communications): Mr. Speaker, today in Edmonton the Assembly of First Nations is meeting with the Native Women's Association of Canada to discuss a most discriminatory Section of the Indian Act, namely, Section 12(1)(b). Mention has been made of this particular Section already today.

S.O. 21

As Chairman of the Subcommittee on Indian Women and the Indian Act, it is of great concern to me that changes to this Section of the Indian Act might not be forthcoming as a result of disagreements among various Indian organizations.

Section 12(1)(b) legalizes discrimination, and it must be changed. It has caused pain and suffering for many Indian women who have lost their Indian status upon marrying non-Indians. These women and their children have been separated from their families, forced to leave their homes on reserves, and have lost all benefits accorded to our native people.

It is my hope that these differences will be resolved, and that legislation will be forthcoming to correct this most unjust treatment of Canada's native women.

* * *

FINANCE

CORPORATE TAX SYSTEM

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, in an effort to reduce the federal deficit, two approaches have apparently been overlooked by the Liberals and the Conservatives. One reason we have such a large deficit is because we offer billions of dollars in grants each year to domestic and foreign corporations operating in Canada. For example, is it not time to ask whether it is necessary to give out billions of dollars in bribes to oil companies to entice them to explore for oil and gas in our frontier areas? PIP grants are corporate financial hand-outs on a scale not found anywhere else in the world. Is it not time to stop this corporate giveaway madness?

If we hope to reduce the deficit, why not collect taxes which are rightfully due to the federal coffers? The billions of dollars of deferred corporate taxes virtually equal the federal deficit. If we had a fair tax system where every individual and every corporation paid their fair share of taxes, our deficit would be virtually eliminated. Therefore, if we are genuinely concerned about the deficit situation facing Canadians, let us stop the corporate welfare system and close tax loopholes, rather than raise personal income taxes and eliminate the universality of social programs.

* * *

● (1410)

POLITICAL PARTIES

LIBERAL PARTY LEADERSHIP CAMPAIGN

Mr. Doug Lewis (Simcoe North): Mr. Speaker, on Friday, March 23, 1984, I read to the House excerpts from a letter which we thought had been written by Bob Nixon, former Leader of the Ontario Liberal Party, to John Turner. The House will remember that the letter referred to the fact that turn around Turner had quit as an MP and had gone on to notoriety and fortune as a Bay Street lawyer. The letter also referred to turn around Turner's lack of familiarity with modern media techniques. The letter did not refer to his support for Bill 101 in Quebec. That came later, followed by the usual clarifications.

Mr. Nixon has since written to me to deny writing the letter. We do not know who would write such a letter, but MPs from ridings such as Trinity and Kitchener would probably suspect one of Jimmy Coutts' backroom operators. In any event, Mr. Nixon did not write the letter and I want to dispel any rumour that he, along with most provincial Liberals, is annoyed at turn around Turner for quitting in the middle of the 1975 Ontario election campaign. The fact that Mr. Nixon is supporting the Minister of Energy (Mr. Chrétien) rather than turn around Turner in the leadership campaign is, of course, coincidental.

* * *

CANADA POST CORPORATION

POST OFFICE BOX RENTAL CHARGES IN SMALL COMMUNITIES

Mr. Lee Clark (Brandon-Souris): Mr. Speaker, the Town Council of Souris in my constituency recently passed a resolution calling on the Canada Post Corporation to "institute a less discriminatory system of mail delivery in smaller centres". This resolution was brought about, in part, by the representations of a local resident, Mr. Bert Smith, who has for some time been making a strong case against the levying of rental charges for post office boxes in small communities.

The people of Souris, along with citizens of other small communities, feel they are being discriminated against by Canada Post. Unlike the residents of larger communities, they do not enjoy free home mail delivery; instead, they have to make their way to the post office to pick up their mail from post office boxes for which they must pay rent. The President of Canada Post recently explained to me in writing that those who rent post office boxes in small towns are buying a service which is beyond the so-called basic Canada Post service. I find that explanation difficult to accept.

The bottom line is that home delivery is preferable by most people's standards, and it is free, while picking up one's mail at a post office box is far less convenient and it costs money. I ask the Minister responsible for Canada Post to abolish post office box rental fees in small communities in order to rectify what is now very clearly an inequitable situation.

* * *

VIA RAIL

PROPOSAL TO DECLARE FLAG STOP AT RAYMORE, SASK.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, after nearly two years' absence VIA Rail service is going to be re-established between Winnipeg, Melville, Saskatoon, and Edmonton on June 3. The Town of Raymore, along with the support of a great many surrounding towns and villages, has proposed to VIA Rail that Raymore be declared a flag stop for those passengers who want to go east to Melville or beyond, or

west to Saskatoon or beyond. Since tickets have to be purchased in advance, computer notification to the engine crew would not be a problem.

Raymore is a point through which a lot of bus traffic passes each day. The users of the bus tend to be the same clientele who would use the train, except that they prefer to use trains for extended voyages. The connection and timing of the current bus schedule and the proposed train schedule are close enough to make Raymore a logical connection point between the two transportation modes.

Bus passengers from a collection area as far away as Norquay, Hudson Bay, Melfort, Tisdale, Watson, Wynyard, Wadena and points in between, come through Raymore and would have access to VIA Rail if their application currently before the CTC is accepted. I urge the Minister of Transport (Mr. Axworthy) to look with approval at this sensible proposal for an inter-modal connection at Raymore in order that service to the residents of communities in the Raymore passenger service area be improved.

* * *

FINANCE

SUGGESTED TAX DEDUCTIBILITY SCHEME FOR HOME OWNERS

Mr. Bill Yurko (Edmonton East): Mr. Speaker, the home owners of Canada need a break. The home owners are the only property owners in Canada who cannot deduct property taxes paid to a municipal Government from income, for calculating both the federal and provincial income taxes. This is unfair. This is not equitable. This taxing practice is unjust. This must be changed so that no taxpayer in Canada will be forced to pay income taxes on municipal taxes paid. Surely it is unjust to classify municipal taxes paid on home ownership as income for both federal and provincial income tax purposes.

• (1415)

The next federal Government, whatever its political colour, should make property taxes paid on the principal place of residence deductible when calculating income tax. To provide fairness between home owners, a maximum limit of $500, or even up to $1,000, may be placed on such deductions.

If the federal Government does not have the sense of justice to do this, I would then call on the provincial Governments to lead the way and provide deductibility when calculating provincial income taxes. Indeed, I urge and challenge the provincial Government of Alberta to lead the way toward fairness and justice in this regard.

ORAL QUESTION PERIOD

[*English*]

NATIONAL REVENUE

PAYMENT OF DISPUTED TAXES

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Mr. Speaker, as Hon. Members of the House will know, for three months now the Minister of National Revenue has had a stable of high-priced flacks on the public payroll who are looking for ways to improve the image of the Department of National Revenue. We on this side of the House are more concerned about how to improve the Department's treatment of taxpayers than about how to improve the Department's image. We have made some 76 recommendations for ways to do that. I would like to ask the Minister about one of those recommendations.

Will the Minister give Canadian taxpayers the assurance that, in future, disputed amounts of taxes payable that have been reassessed will not have to be paid until the taxpayer has had a chance to have a fair hearing?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, the Hon. Member knows perfectly well that a procedure already exists under which the tax payer does not have to pay the amount of tax payable right away if he is appealing his assessment. In fact, the tax payer can negotiate a guarantee with the Department of Revenue which will be accepted in lieu of case payment of the amount payable in the notice of assessment, in case of an appeal. One of the proposals in the report prepared by the committee chaired by the Hon. Member seeks to change completely our present practice and to go much further.

As I have said previously to the Hon. Member, the proposal has a number of implications, an important one being that there would be a substantial increase in the number of appeals and in the amount of tax payable, which is already very high.

However, and I have had occasion to discuss this with the Hon. Member, perhaps we could add to this mechanism a provision that would further improve the procedure. However, this recommendation, with others, is still being examined within the Department. I would like to repeat that instead of paying the full amount when there is an appeal, the tax payer can negotiate with the Department to provide a satisfactory guarantee as a form of insurance for the amount owing to the Crown.

[*English*]

ISSUANCE OF RUBBER STAMPED GARNISHEE ORDERS

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Mr. Speaker, I would like to ask the Minister about another of the task force's recommendations. The task force also pointed out that low-level collections officers in the Department with very

little supervision were using rubber stamps to authorize garnishee orders to seize people's pay cheques and bank accounts. Is the Minister prepared to take away those rubber stamps and ensure that, in future, all garnishee orders to seize a person's pay cheque and bank account must be signed by a senior official of the Department?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, steps have also been taken to deal with this particular problem, and I can assure the Hon. Member and Canadian tax payers that no garnishee orders are issued until a thorough review at management level has taken place, and often, in cases where the garnishee order is very substantial, at headquarters here in Ottawa. However, I may point out to the Hon. Member that in the case of occurrences in isolated areas, sometimes authorization has been given before the officer leaves the office. However, this happens only in exceptional circumstances and under direction of Revenue Office Managers.

[*English*]

REQUEST THAT FORMER EMPLOYEE BE REINSTATED

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Mr. Speaker, the Minister will know that in December a highly respected official of the Department who worked in the Kitchener district office, Mr. Darryl Cruickshank, resigned his job in order to press for better treatment of taxpayers. Since that time he has been unemployed. In view of the fact that even the Department now acknowledges that the charges that were made by Mr. Cruickshank were correct, will the Minister acknowledge Mr. Cruickshank's courage and integrity by requesting him to rejoin the Department and putting Mr. Cruickshank's talents to use in improving service to the taxpayers?

● (1420)

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I think that if Mr. Cruickshank is interested in working again for the Department, he can let us know through the usual channels. I think it is quite understandable that at a given point and for a given period a person may feel uncomfortable in his work, for reasons that may be entirely justified. I am sure that if he offers his services, his offer will be given very serious consideration by the Department.

[*English*]

REQUEST THAT MINISTER TABLE COMMUNICATIONS SPECIALISTS' REPORT

Mr. John Bosley (Don Valley West): Mr. Speaker, my question is directed to the same Minister, who would want Canadians to believe that his attitude and that of the Department have changed. My question may help in that regard.

The press reports that the draft report of his communications specialists appears to be ready. Will the Minister guarantee to the House that that report, which appears to suggest that public perception of Revenue Canada is more important than improving services, will be placed before Parliament in its entirety, unexpurgated, along with the Minister's responses and comments, so that Parliament may understand whether the attitudes and behaviour will truly change, or whether we will in fact be engaged in another public relations scam to try to persuade Canadians that something has changed which has not really changed?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I should think that the concept of attitude—and surely the Hon. Member will agree with me—is relative and applies to a group of individuals as well as to other groups. An attitude is not unlike a perception, and quite often a perception leads to changes in attitudes. I would not want him to minimize the significance of attitudes and perceptions.

As to the report of the communications group, I have already told the House that I will make that report public, and I will be pleased to do so as soon as I get the final report.

[*English*]

REQUEST FOR WITHDRAWAL OF AUDITORS' TRAINING FILMS

Mr. John Bosley (Don Valley West): Mr. Speaker, when asked earlier about the films entitled "Investigative Approach to Auditing", the Minister said that he would make no decision about those films until the task force had reported. Given that the report at least appears to be in draft form, which I presume he has seen, is he finally ready to exercise his ministerial responsibilities and withdraw those films which have the effect of persuading the people in his Department that taxpayers are not honest citizens? Will he now take his responsibility and tell the House today that those films have no place in the training of auditors in this country?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I have had discussions on that subject with my senior officials and I can assure the Hon. Member that the various training aids we use will be reconsidered so as to reflect a much more positive approach based on principles of education and respect for rights, while at the same time taking into account the responsibilities of the taxpayers.

* * *

[*English*]

NATIONAL SOVEREIGNTY

UNITED STATES' PROPOSED SALE OF OIL DRILLING LEASES OFF CANADA'S WEST COAST

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister. It concerns a decision by

the United States Department of the Interior to put up part of Canada for sale. I refer to approximately 400 square miles of land off the northern coast of British Columbia.

As the Prime Minister is aware, in 1903 there was an International Boundary Tribunal, half of whose members were Americans, which unanimously agreed that the West Coast Canada-U.S. border should be the 54.40 latitude. The land in question that the Americans are now trying to sell, after 81 years of accepting this boundary, is clearly within Canadian territory.

My question concerns the possible immediate problem if this land is sold in the United States to an oil company. An immediate, expensive, conflict-laden dispute will arise. In light of this, will the Prime Minister contact President Reagan as soon as possible to make it clear that the land that the Americans are trying to sell belongs to the people of Canada?

● (1425)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I think the Hon. Member is not talking of the land but of the seabed. If that is the case, he will know there is a dispute in those waters, and we have been trying to resolve it with the United States. I understand the Department of External Affairs has lodged a protest against this unilateral action by the U.S. I do not think the action, as I recall it, goes to the extent of the Hon. Member's description of putting up the land for sale. I think there is a dispute on the sense of what the Americans have done, and we have protested it. I do not see any need to phone President Reagan at this stage.

REQUEST THAT PRIME MINISTER MAKE REPRESENTATIONS TO UNITED STATES PRESIDENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I am a little disturbed at the rather complacent attitude taken by the Prime Minister. I tell him that the land is up for sale—no question about that. It could be purchased by an oil company any time in the next week. In fact part of the territory in dispute—not by us because we claim it as our territory—has been sold. They have sold part of the seabed in question to oil companies, and we do not know if part of it is land that belongs to Canada or if they simply sold their own territory.

Does the Prime Minister think it is adequate to have a very junior official in the Department of External Affairs file a softly worded expression of concern with his equivalent low level official in the U.S.? Why is the important question of Canadian sovereignty not dealt with where it should be, on a head of Government to head of Government basis, namely, through the Prime Minister correctly informing President Reagan of what the reality is?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we lodged a protest in the usual way with the Americans. If I were to phone President Reagan, or he were to phone me, every time there is a disagreement on something, we would spend all our time talking to each other. We have always managed our relationship with the United States well, and we will continue to do so. There is obviously some disagreement, but I think the Hon. Member is panicking a little bit if he thinks the United States is selling part of Canada. I wish he would come to his senses. We all recall the hucksters selling the Brooklyn Bridge. I want to tell the Hon. Member that if he bought the Brooklyn Bridge he would not have a clear title, nor would anyone who bought Canada's land.

Mr. Broadbent: Mr. Speaker, we are not talking about the Brooklyn Bridge. We are talking about part of Canada, and it is time the Prime Minister understood that.

CANADA-UNITED STATES UNDERSTANDING

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Prime Minister has said that the Government of Canada wants to deal reasonably, using normal procedures, with the Americans. Does he realize that the Americans have broken a clear understanding made last year? As part of the agreement to settle the East Coast dispute, it was agreed by the Americans and Canadians not to take any action in any other area which might come under dispute until that was resolved by the World Court in The Hague. The Americans have now blatantly broken that understanding, and the Prime Minister is idly sitting there, amused, saying we ought not to be concerned. Well, we are concerned. Why does he not speak up for Canadian interests?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the concern of the Hon. Member is at least several days late. This has been debated in this House. Almost a week ago I remember hearing the Minister of State for External Relations answering this question and referring indeed to the agreement we reached on the East Coast with the U.S. Administration. I am glad the Hon. Member and his Party are catching up to this fact. We have dealt with it already. We have dealt with it in Washington, and we are watching the situation.

* * *

● (1430)

[*Translation*]

CORPORATE AFFAIRS

GOVERNMENT'S INTENTIONS CONCERNING FORMER BILL S-31

Hon. Brian Mulroney (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs who must be aware of the strong opposition of Quebecers to Bill S-31. The entire Province of Quebec has voiced its opposition to the introduction of such a Bill because it is basically aimed at hamstringing Quebec's Caisse de dépôt et placement and drastically restricting the economic field of operations of many millions, of hundreds of thousands of young French-speaking Quebecers. Recently, Liberal Party leadership candidate John Turner said he was in favour of such a Bill. Does the Government intend to bring

that measure back before the House of Commons and the Senate of Canada?

[*English*]

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): No, Mr. Speaker.

[*Translation*]

REQUEST THAT MINISTER GIVE DETAILS

Hon. Brian Mulroney (Leader of the Opposition): Mr. Speaker, the negative impact of such a Bill on Quebec's Caisse de dépôt et placement as well as on 3 million Quebecers is well known. Considering that the Minister supports Mr. Turner in his bid for the leadership, could we know whether the subject of Bill S-31 was raised, because it is basically an anti-Quebec and anti-francophone Bill? I can assure her that if it is brought back, we will make known our strong opposition to the adoption of that Bill. Was there any reference to that Bill in her discussions with Mr. Turner? That is what we would like to know.

[*English*]

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Mr. Speaker, I find the rhetoric of the Leader of the Opposition absolutely appalling. Bill S-31 was in the interest of Canadians. It was not anti-Quebec. I would suggest to him that if he is to quote the men who are running for the leadership of the Liberal Party, he should follow these quotes more accurately. I believe that Mr. Turner said that the Bill was dead but the problem remained.

[*Translation*]

DEMAND FOR MINISTER'S OPINION

Hon. Roch La Salle (Joliette): If I may, Mr. Speaker, I would like to say that the question of the Leader of the Official Opposition is quite relevant. Keeping in mind the fact that the official CPR spokesman, Mr. Turner, did say that he would consider re-introducing that Bill before the House if he were chosen to lead the Liberal Party of Canada, could the Minister tell us whether she has raised that issue with John Turner and, if so, what was the Minister's opinion?

[*English*]

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Mr. Speaker, I find it very amusing that Members of the Opposition are trying to breath some life into a dead issue.

Some Hon. Members: Hear, hear!

Some Hon. Members: More! More!

Mrs. Erola: It seems to me, Mr. Speaker, that these people are desperately seeking a cause and are searching far and wide to find an issue. This has been something of a backburner issue for some time. I suggest that they look at some of the issues which are before Canadians and are of real interest to Canadians. I suggest that they fight the election on the real issues.

Mr. Hnatyshyn: Pierre, get up and defend John Turner.

[*Translation*]

REQUEST THAT MINISTER TAKE ACTION

Hon. Roch La Salle (Joliette): Canadian voters are not stupid! Practically at the same time, the Minister of Energy, Mines and Resources and the spokesman for Canadian Pacific, Mr. Turner, both said that they intended to discuss again and re-introduce a measure similar to Bill S-31. Mr. Speaker, I am quite pleased to hear the Minister say in the House that the Government has no such intention. Would the Minister tell us whether she is prepared to silence both Mr. Turner and the Minister of Energy, Mines and Resources with respect to a Bill which will not be brought back before the House?

Mr. Speaker: I must point out to the Hon. Member that such a question has nothing to do with the Minister's responsibilities.

* * *

[*English*]

CANADA LABOUR CODE

REQUEST FOR EARLY PASSAGE OF AMENDING BILL

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is for the President of the Treasury Board in his capacity as a co-sponsor of Bill C-34 which was introduced yesterday. There is widespread skepticism with respect to the timing of the introduction of Bill C-34 in the dying weeks of this session, if not this Parliament. The Minister of Labour is absent today and cannot answer any questions with respect to that Bill. Both my Party and the Conservatives are prepared to hasten the passage of this Bill. Therefore, would the President of the Treasury Board give a commitment to the House that the Government will ensure that Bill C-34 will come on stream very quickly and will be passed in all stages in this session, or in this Parliament, before the end of June?

Hon. Herb Gray (President of the Treasury Board): Mr. Speaker, I am glad to have the support of my hon. friend for this very important initiative of the Liberal Government which is carrying out another commitment in the Throne Speech of last December. The Minister of Labour is not here today but I believe he went directly from the press conference after the tabling of the Bill yesterday to the Labour Committee, to answer questions about the Bill. I am sure he will be prepared to do the same in the House as the Bill is debated.

I have noticed an interesting coalition. My hon. friend is speaking for both his Party and the Conservatives. I am sure the House Leader has listened attentively to this pledge of support. I hope this pledge of support will be reflected by the

organization of House business in order that this important Liberal initiative will soon become law.

REQUEST FOR GOVERNMENT COMMITMENT

Mr. Derek Blackburn (Brant): Mr. Speaker, my supplementary question is for the Government House Leader. Will he echo the answer of the President of the Treasury Board and give an undertaking today that Bill C-34 will pass all stages in this House and the other place before the end of June?

Hon. Yvon Pinard (President of the Privy Council): Yes, Mr. Speaker. It will be helpful if the Opposition Parties help me to live up to that commitment. A very short debate would make it easier for us to dispose of this Bill. Any co-operation on any Bill on the Order Paper will be most welcome. They are all priorities. We are willing to negotiate any legislation in order to facilitate their adoption. This Bill is included in that. However, it is not only up to the Government to ensure the Bill passes through all stages. We need a lot of co-operation from the other side of the House, and I am expecting it.

* * *

AGRICULTURE

ONTARIO-QUEBEC MARKETING OF TOMATOES

Mr. Robert Daudlin (Essex-Kent): Mr. Speaker, my question is for the Minister of Agriculture. Last year Ontario producers experienced a disruption of the traditional marketing of tomatoes to Quebec due to the raising of the four litre basket issue by Quebec. As a result of passage of Privy Council Order 2795 in 1983, the bookkeeping has been done at the federal level. Could he give assurances to the producers of Ontario that Quebec does not intend to raise that issue again this year? If he cannot give that assurance, will he undertake to enter into negotiations with his contemporaries in Quebec immediately to assure that we will have no such problem this year?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, as I understand it, the Member is correct in his assumption that all the regulations have been passed according to the rules and laws by which we must abide. All the other provinces are accepting this. Last year the Province of Quebec made objections because it felt the regulations had not been properly passed. If Quebec does not adhere to the regulations this year, I am told it will be contravening interprovincial trade. We are making that kind of representation. Our officials tell me that officials in Quebec are in agreement but they have to get approval of their Minister, and are following that up today.

• (1440)

FREEDOM OF INFORMATION

ROLE OF PRIVACY COMMISSIONER

Hon. Allan Lawrence (Durham-Northumberland): Mr. Speaker, in the absence of the Minister of Justice who, I assume, is away on his leadership campaign, my question is directed to the Acting Minister of Justice who, I believe, is the Solicitor General. Has the Privacy Commissioner, Mr. John Grace, who is a servant of this House and not of the Government, been giving legal or procedural advice to the Government or to Departments on how to refuse the release of records and information to citizens?

Hon. Bob Kaplan (Solicitor General of Canada): Mr. Speaker, I can certainly answer for my own relationship with him that I am not aware of any circumstances in which he has given advice to my Ministry. I will take the question as notice for my colleague. Let me remind the Hon. Member of the opportunity available, when the report of the Commissioner is dealt with, for Members of the House to put questions directly to the official concerned. May I remind the Hon. Member also of the support the Opposition gave for the process whereby this report is made directly to Parliament so that a Minister will not be answerable for the Commissioner in circumstances like those about which the Hon. Member has just posed his question.

AUTHORITY FOR TENDERING ADVICE TO DEPARTMENTS

Hon. Allan Lawrence (Durham-Northumberland): Mr. Speaker, my supplementary question is for the Minister of Employment and Immigration. When Members of the House passed that weakened, watered down government Bill, they expected that the Privacy Commissioner was to be on the side of the citizen, not of the Government.

The very serious allegation has been made in the national press today that the Department of Immigration, for one, has been the recipient of legal and procedural advice from the Privacy Commissioner which has allowed that particular Department to turn down legitimate requests for records or documentation. My question to the Minister, who has been the beneficiary of this alleged advice, is simply: under what statutory authority would the Privacy Commissioner be able to give to him or to his departmental officials such procedural or legal advice?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, the hon. gentleman's question is not at all clear to me. If he could be more specific, I would be happy to try to provide him with the information he is seeking.

PRIVACY COMMISSIONER'S POWERS

Hon. Allan Lawrence (Durham-Northumberland): Mr. Speaker, the allegation has been made today in the national press that a person now resident in Canada has had his request

turned down for information or documentation from the Department of Immigration, and the Department of Immigration has had to be led, hand in hand, by the Privacy Commissioner on how to turn down that request. My question is addressed to the Minister of Employment and Immigration. What statutory authority has the Privacy Commissioner, Mr. John Grace, who is a servant of this House, not of the Government, to give the Minister of Immigration, or his civil servants, that type of procedural or legal advice?

Hon. John Roberts (Minister of Employment and Immigration): Maybe, Mr. Speaker, the hon. gentleman should address his inquiry to the Privacy Commissioner.

Mr. McCuish: And you want to be leader?

Some Hon. Members: Oh, oh!

* * *

CROWN CORPORATIONS

DE HAVILLAND—PROGRAM TO ASSIST SALE OF DASH-8 AIRCRAFT

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, my question is for the Minister of Regional Industrial Expansion. It is further to a question asked in the House by my colleagues, the Hon. Member for Peterborough and the Hon. Member for Lethbridge-Foothills, regarding the possible loss of Dash-8 sales to three Canadian domestic airlines. The report that was leaked to a reporter for *The Globe and Mail* some weeks ago made reference to a program administered by his Department, which would provide financial support in the sale of Dash-8 aircraft to domestic airlines. Would the Minister outline to the House what the status is of that program, and explain why the program is not being used now to help these three airlines which are very close to purchasing competing aircraft from foreign suppliers?

Hon. Ed Lumley (Minister of Regional Industrial Expansion): Mr. Speaker, I am not aware of the question asked by the Hon. Member's colleagues that he alluded to in his question. We are looking at the possibility of putting in place a financing program for the sale of a Dash-8, maybe similar to the Enterprise Development Program we put forward for the sale of the Dash-7 for North American sales.

Mr. Wilson: Mr. Speaker, I think the Minister must know that these sales are very close to being made to competing airlines from other countries. Surely he understands that there could not be a more important time in the life of de Havilland, when 300 workers are being laid off and people are asking many questions about the future of the aircraft company.

APPLICATION OF PROPOSED PROGRAM

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, why is the Government prepared to commit these moneys on paper yet it is not prepared to follow through with its actions now to save those jobs, and to save the company at the most critical point in its history?

Hon. Ed Lumley (Minister of Regional Industrial Expansion): First, Mr. Speaker, I am happy to see the conversion of the Hon. Member to supporting de Havilland and the Dash-8 aircraft. That is very welcome on this side, and I am sure is welcomed by all employees of de Havilland.

With respect to something that was allegedly done on paper, Mr. Speaker, I have never seen the paper to which the Hon. Member refers, but I will make sure he is one of the first to know, if and when we decide to put a financing program forward.

* * *

NATIONAL REVENUE

REQUEST FOR RESTORATION OF MONEY SEIZED FROM TESLIN INDIAN BAND

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, my question is for the Minister of National Revenue. The Yukon Territorial Government owed the Teslin Indian Band some $100,000 for land which the Band surrendered to the Government in 1981, but $76,000 of that money was turned over to Revenue Canada, which had issued a garnishee order against the Teslin Slashing Company.

Considering that the Teslin Slashing Company is owned by individual band members, not by the Indian Band itself, and considering that the Yukon territorial Government now admits its mistake in helping Revenue Canada seize this money, will the Minister explain what grounds his Department had for seizing this money from the Teslin Indian Band? Will he order immediate restitution of this money wrongfully taken from a group of people with very slender financial resources and suffering 75 per cent unemployment?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, in his question the Hon. Member said that the Yukon Government had erred. I imagine that if the situation was not particularly clear to the Yukon Government, it might not be clear either to the Department of National Revenue. However, I shall certainly review the facts and shall then be in a position to explain the Department's position to the Hon. Member.

[*English*]

Mr. Manly: Mr. Speaker, I thank the Minister for his answer and for promising to look into this matter.

SUPREME COURT DECISION

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, in January, 1983, the Supreme Court ruled in the Nowegijick case that income paid by an employer situated on an Indian reserve was exempt from taxation. Since the head office of the Teslin Slashing Company is located on the

reserve, does the Minister agree that the Supreme Court decision should apply in that case, and will he instruct his Department to make sure that the decision of the Supreme Court will be followed in all cases so that Indian Bands and Indian companies are not further harassed?

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I want to assure the Hon. Member that we in the Department of National Revenue applied the decision of the Supreme Court in the Nowegijick case for all Indians working for companies which have their head offices on reserves, since that decision came down.

* * *

FISHERIES

CANADA-U.S.S.R. FISHING AGREEMENT—EFFECT ON NEWFOUNDLAND FISHERMEN

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Minister of Fisheries and Oceans. The Minister of Fisheries, in co-operation with the Secretary of State for External Affairs, has proudly announced a new fishing agreement with the U.S.S.R. under which the Russians will purchase $12 million worth of our fish products while they are permitted to catch an estimated $50 million worth of groundfish off the Newfoundland coast.

Fish processors in Newfoundland, and the Newfoundland Government, as a result of this agreement, are now protesting that the oriental market for their products will be seriously undermined, causing further unemployment. Why did the Minister take this action without consultation with the Government of Newfoundland, and without consultation with the fishing industry, when it is not in the interests of the people of Newfoundland and the fishermen of that province?

• (1450)

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Mr. Speaker, I am very pleased the Hon. Member has asked this question. During the negotiations with the U.S.S.R., the industry and the various provincial Governments, particularly the Government of Newfoundland, were constantly aware of the substance of the negotiations. I am happy to report to the Hon. Member that during the entire negotiations the representatives of the Government of Newfoundland never expressed any objection whatsoever to the negotiations.

The Hon. Member for St. John's West has a drydock in his riding, and the U.S.S.R. has been boycotting his shipyard. At the moment we signed the agreement, the U.S.S.R. Minister of Fisheries, Mr. Kamentsev, told me that he would give immediate instructions that U.S.S.R. vessels be repaired and maintained at that St. John's shipyard. After seeing the encouragement of the Hon. Member for St. John's West, I realize he is on my side.

NETTING OF CAPELIN—EFFECT ON COD AND HADDOCK CATCHES

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, the Minister's statement in response to my question is just about 360 degrees off when compared with the telegram I have in my possession from fishermen of Newfoundland.

In view of the fact that a small mesh net will have to be placed inside the cod end of the Soviet nets in order to catch capelin, how many tonnes of cod or haddock, which follow the capelin, will be caught as incidental catches over and above the 100,200 tonnes of silver hake, capelin, round-nosed grenadiers and argentines which he is permitting the Soviets to catch?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Mr. Speaker, because the Hon. Member has difficulty believing what I tell him, I should like to re-emphasize that during the entire negotiations the Government of Newfoundland had an official present. I am as surprised as, and perhaps even more so than, the Hon. Member. If the Government of Newfoundland has the slightest objection, why did its officials never bother to express it to my officials or me?

As for the species allocated to the U.S.S.R., they are strictly resources which are surplus to Canadian needs. This means that Canadian fishermen are not interested in catching these species.

* * *

CORPORATE AFFAIRS

PHARMACEUTICAL INDUSTRY—GOVERNMENT POLICY

Hon. Jake Epp (Provencher): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. It relates to the discussions with pharmaceutical companies that want a certain period of licensing for drugs in order to recover costs, and to the generic companies that are trying to put drugs on the market at costs less than those of the pharmaceutical companies.

The Minister will be aware that in recent days an agreement has been worked out in the United States whereby a *modus operandi* can be established. In view of the fact that the Minister has established a task force, and in view of that agreement in the United States, is the Minister considering that we should move more quickly so that we might not only develop research and development in pharmaceuticals in Canada but also manufacture them?

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): No, Mr. Speaker. I should like to correct a statement which was made by the Hon. Member. It is not a task force. It is a commission of inquiry headed by Dr. Eastman. I am sure the situation in the United States is one which he will observe very carefully and report on decisions and recommendations.

Oral Questions

COMMISSION OF INQUIRY—LENGTH OF PROCEEDINGS

Hon. Jake Epp (Provencher): Mr. Speaker, my supplementary question is directed to the same Minister. She is aware that various attempts have been made in Canada to develop a pharmaceutical industry beyond what we now have, and to try to recover not only jobs but some of the costs which are obviously involved in the health care field. It is an area in which we can in fact create jobs.

In view of the fact that this matter is evolving very quickly, could the Minister instruct that the time period of this inquiry be shortened so that, once again, Canadians do not find out that much of the industry and much of the investment have already gone by the time the decision has been made?

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Mr. Speaker, these interests were balanced very carefully when it was decided that we would indeed have a commission of inquiry. For that very reason the commission of inquiry will take only six months. We hope that six-month period will be sufficient to provide us with the information required to give us the correct course to follow, one which will provide for increased research and development and one which will provide Canadians with the proper consumer protection they expect.

* * *

METRIC CONVERSION

LABELLING OF FERTILIZER AND FARM CHEMICALS

Hon. Don Mazankowski (Vegreville): Mr. Speaker, my question is directed to the Minister of Agriculture. He will be aware that his colleague, the Minister of Consumer and Corporate Affairs, recently announced that grocery stores will be able to use both metric and imperial units in their advertising as a matter of public convenience. Will the Minister prevail upon his colleague to permit dual labelling of agricultural fertilizers and chemicals as a safety precaution to avoid costly mistakes? Would the Minister consider doing that on behalf of Canadian farmers?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the Hon. Member intimates by his question that there have been a lot of mistakes as a result of the use of metric. There have not been any more mistakes with metric than there had been with the old imperial system.

Some Hon. Members: Oh, oh!

Mr. Whelan: They make a lot of noise, but the record shows that there have not been any more mistakes. There were mistakes with improper use, especially before commercial operators were licensed to apply the product by the provinces. When they are using that as an excuse, it is to change the labelling or to have it in both. According to the surveys, it would be more confusing to have dual labelling. For example, a different operator of a machine on the next day may have to go from metric to imperial and make a mistake, whereas if it is one system the statistics show that it is safer. At the present time agriculture is 87 per cent metric.

Mr. Mazankowski: It is obvious the Minister of Agriculture is out of touch. I think he needs to go back to the land.

Some Hon. Members: Hear, hear!

REQUEST FOR DUAL MEASUREMENT LABELLING SYSTEM

Hon. Don Mazankowski (Vegreville): Mr. Speaker, my supplementary question is directed to the Minister of Consumer and Corporate Affairs. Would she take this matter under advisement and remove the discrimination which exists for farmers, particularly in view of the dangers and the costly mistakes as a result of the confusion arising from metric labelling only, and given the fact that most machinery and equipment are gauged in the imperial system? Would the Minister look at my motion No. 99, which calls for the application of dual labelling of fertilizers and chemicals purchased by food producers?

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Mr. Speaker, I leave that matter in the capable hands of the Minister of Agriculture.

Some Hon. Members: Oh, oh!

* * *

THE ECONOMY

NEED FOR FOREIGN CAPITAL INVESTMENT

Hon. George Hees (Northumberland): Mr. Speaker, my question is directed to the Prime Minister, whom I will not abandon as he goes out with the tide.

Some Hon. Members: Hear, hear!

Mr. Hees: The 1984 report of the prestigious European Management Forum on International Competitiveness indicates that Canada ranks twenty-second of the 22 principal industrial countries in receptiveness to investment capital from abroad. Our country desperately needs all the investment capital we can get to help us expand our economy and to provide the jobs which our people need. In view of those facts, why do the Prime Minister and his Government persist in making it more difficult than in any of the 22 other industrial countries for investment capital to come to this country and help us to do the job that so desperately needs to be done today?

• (1500)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I did not quite hear what authority the Hon. Member was quoting.

Mr. Hees: I will repeat it.

Mr. Trudeau: Before he repeats it, Mr. Speaker, I want to say it's baloney.

Mr. Hees: Mr. Speaker, my authority is the 1984 report of the European Management Forum on International Competitiveness. It has been quoted many times in this House. It is a well-known economic study group.

EFFECT OF FOREIGN INVESTMENT REVIEW AGENCY

Hon. George Hees (Northumberland): Mr. Speaker, I will ask a supplementary. Does the Prime Minister not realize that billions of dollars of potential investment capital have been driven away from this country by the unbelievable delays and bureaucratic bungling of the Foreign Investment Review Agency which he and his Government announced with such fanfare and praise just a short time ago? When is he going to get together with his Government and do something about that which is stopping badly needed investment capital coming to this country?

Right Hon. P. E. Trudeau (Prime Minister): No matter how you slice it, Mr. Speaker, it is still baloney.

Mr. Hees: The unemployed people of Canada will be interested to hear what the Prime Minister has to say about this very important matter.

* * *

PETITION

MR. DANTZER—SQUAW VALLEY REHABILITATION CENTRE

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Okanagan North (Mr. Dantzer) on Tuesday, May 15, 1984, meets the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

TELESAT CANADA ACT

TABLING OF LETTERS PATENT AMENDING OBJECTS AND POWERS

Mr. Jack Burghardt (Parliamentary Secretary to Minister of Communications): Mr. Speaker, pursuant to Subsection 33(2) of the Telesat Canada Act, I would like to table two copies of letters patent in both official languages amending the objects and powers of Telesat Canada to permit the company to supply satellite telecommunication systems, including elements thereof, and to provide services associated with the development, implementation and operation of satellite telecommunication systems in Canada or elsewhere.

PETITION

MR. PETERSON—TREATMENT OF SYRIAN JEWS

Mr. Jim Peterson (Willowdale): Mr. Speaker, I have a petition signed by 5,000 Canadians which deals with the grievous situation with respect to Syrian Jews. They have continued to be repressed, ghettoized, beaten, brutalized and murdered. I file this petition before the House today praying that Governments, and our Government, will ask the Syrian Government to adhere to traditional humanitarian principles. We can no longer remain silent.

Mr. Speaker: First reading of Senate Public Bills. Government Notices of Motions. Motions.

Mr. Gray: Mr. Speaker, I wonder if you could put the motion standing in my name.

Mr. Speaker: Government Notices of Motions. The President of the Treasury Board.

* * *

BUSINESS OF THE HOUSE

ALLOCATION OF TIME TO CONSIDER SECOND READING STAGE OF BILL C-24

Hon. Herb Gray (President of the Treasury Board): Mr. Speaker, I move, seconded by the President of the Privy Council (Mr. Pinard):

That, in relation to Bill C-24, an Act to amend the Financial Administration Act in relation to Crown corporations and to amend other Acts in consequence thereof, one additional sitting day shall be allotted to the consideration of the second reading stage of the Bill; and

That fifteen minutes before the expiry of the time provided for Government business on that day, any proceedings before the House shall be interrupted, if required, for the purpose of this Order and, in turn, every question then necessary in order to dispose of that stage shall be put forthwith and successively, without further debate or amendment.

If I still have the floor, Mr. Speaker, I would like to make some introductory remarks. Day after day—

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order. This is all very interesting, but you called Government Notices of Motions. I believe this is not a Government Notice of Motion. If you go down the order in the proper way and recognize Members on motions—

Mr. Speaker: Order. I called Government Notices of Motions and then I called Motions. I did not know exactly at which point the President of the Treasury Board was rising. He is clearly rising under Motions.

Mr. Beatty: Mr. Speaker, I rise on a point of order. It was very clear to you at the time, Mr. Speaker, as it was very clear to me, that the Minister was improperly rising under Government Notices of Motions. This motion—

Time Allocation

Mr. Speaker: Order. The matter can be resolved. The Chair will now call Motions and recognize the President of the Treasury Board.

Mr. Gray: Mr. Speaker, I move, seconded by the President of the Privy Council:

That, in relation to Bill C-24, an Act to amend the Financial Administration Act—

Some Hon. Members: Order.

Mr. Speaker: The President of the Treasury Board has been recognized under Motions.

Mr. Beatty: A point of order, Mr. Speaker.

Mr. Speaker: What is the point of order?

Mr. Beatty: As you know, Mr. Speaker, I sent you a note prior to the end of Question Period indicating an interest in moving concurrence in the fourth report of the Standing Joint Committee on Regulations and other Statutory Instruments. In addition, my notice of motion has been on the Order Paper for several days, unlike the Minister's, which was simply given orally yesterday. You knew it was my intention to call for concurrence on that. What the Minister attempted to do in getting up at the wrong time was to seize the floor and pre-empt the ability of other Hon. Members to exercise their right to move motions such as a motion of concurrence.

If the Minister is rewarded for that improper behaviour by being called now when he was not rising at the correct time, and when I gave you notice in writing of my intention to move concurrence in the fourth report, it will encourage such improper behaviour by Ministers in the future. Surely when an Hon. Member had written notice on the Order Paper for several days and sent you a note indicating it was his intention to move concurrence, and when the Minister rose improperly at the wrong time, priority should be given to the Hon. Member who had the motion on the Order Paper for some time. The Minister should not be rewarded for such improper action.

Mr. Speaker: The Chair is happy to have this opportunity to make a couple of observations. First, in the course of trying to preside over Question Period, I received in excess of 20 notes from Hon. Members. May I suggest that this has become something of an abuse. Hon. Members who want to be recognized send notes to the Chair, as well as those who want appointments afterwards. The Chair can only cope with a certain number of communications and still do a job in the Chair in presiding.

Notice was sent by the Hon. Member in writing just a few minutes before the end of Question Period. The Chair will ask Hon. Members, just as a matter of principle, whether there could be some relief from this. It is very difficult to do justice to all the communications sent to the Chair by messenger during the course of Question Period.

With regard to the other point raised by the Hon. Member, I quote from Bourinot's Fourth Edition "Precedents in Debate", which is quite clear:

It is usual, however, to allow priority to Members of the administration who wish to speak.

That has been an established principle. It was repeated by my predecessor Madam Sauvé. I can get some citations on that point; I have not had much opportunity to do research on the point. It is the understanding of the Chair that when two Members rise and one is a Member of the administration and the Government and the other a Member of the House, there is a priority given in the moving of motions to the representative of the administration and the Government.

• (1510)

As far as the Chair is aware, that has been the established practice of the House for some considerable time and it has also been the established practice at Westminster. In the circumstances, the Chair recognizes the President of the Treasury Board.

Mr. Gray: Mr. Speaker, I believe I have the floor—

Mr. Hnatyshyn: A point of order, Mr. Speaker.

Mr. Speaker: The Chair has recognized the President of the Treasury Board. The Chair will then recognize the Hon. Member for Saskatoon West (Mr. Hnatyshyn) on a point of order.

Mr. Hnatyshyn: I have a point of order.

Mr. Speaker: The Hon. Member for Saskatoon West on a point of order.

Mr. Hnatyshyn: Mr. Speaker, I would simply like to make the point that I appreciate very much the discussion with respect to whether or not a Government Member should be recognized for debate as opposed to a motion. In the situation here, there was a notice of intention to move the motion on the Order Paper. That is a completely new and novel point of order.

Mr. Speaker: The Hon. Member is attempting to reflect upon a decision of the Chair. The Chair's decision is clear. Members are recognized and the Chair cannot always read a Member's mind about what he will do when recognized. In this case, Government Notices of Motions were called and then Motions were called. There was some confusion. The Hon. Member for Wellington-Dufferin-Simcoe said that it was improper and the Chair then called Motions and recognized the President of the Treasury Board.

In accordance with established practices, when the Chair is to make a choice between a representative of the administration and the Government and another Member of the House, it is clear from Bourinot and from parliamentary practice that the precedence goes to the representative of the administration who seeks to be recognized. That is the practice of Parliament and I am a servant of Parliament.

The Hon. Member cannot say that there is a difference between being recognized for debate and being recognized for motions. The Chair was not recognizing anyone for debate at that point. Clearly Motions were called. The Hon. President of the Treasury Board.

Mr. Gray: Mr. Speaker, I move, seconded by the President of the Privy Council:

That, in relation to Bill C-24, an Act to amend the Financial Administration Act in relation to Crown corporations and to amend other Acts in consequence thereof, one additional sitting day shall be allotted to the consideration of the second reading stage of the Bill; and

That fifteen minutes before the expiry of the time provided for government business on that day, any proceedings before the House shall be interrupted, if required, for the purpose of this Order and, in turn, every question then necessary in order to dispose of that stage shall be put forthwith and successively, without further debate or amendment.

Mr. Speaker: Mr. Gray, seconded by Mr. Pinard, moves—Shall I dispense?

Some Hon. Members: Dispense.

Some Hon. Members: No.

Mr. Speaker: I shall read the motion:

That, in relation to Bill C-24, an Act to amend the Financial Administration Act in relation to Crown corporations and to amend other Acts in consequence thereof, one additional sitting day shall be allotted to the consideration of the second reading stage of the Bill; and

That fifteen minutes before the expiry of the time provided for government business on that day, any proceedings before the House shall be interrupted, if required, for the purpose of this Order and, in turn, every question then necessary in order to dispose of that stage shall be put forthwith and successively, without further debate or amendment.

Is it the pleasure of the House to adopt the motion? The Hon. President of the Treasury Board.

Mr. Gray: Mr. Speaker, day after day, members of the Official Opposition, during Question Period, on public platforms and during other parliamentary proceedings, have called for a better framework for the control of federal Crown corporations. When we gave them in the House the opportunity to help create such a framework, what was their response? Their response was exemplified by the Hon. Member for St. John's West (Mr. Crosbie) who moved an amendment to delay debate on second reading—

Mr. Hnatyshyn: I rise on a point of order, Mr. Speaker.

The Acting Speaker (Mr. Herbert): The Hon. Member for Saskatoon West on a point of order.

Mr. Hnatyshyn: Mr. Speaker, since we are becoming so accustomed to a precise reading of the rules, I know that there is a rule that you will enforce, Mr. Speaker, which indicates that Members of Parliament and particularly members of the administration are not supposed to read speeches in the House.

Mr. Evans: Absolutely incorrect.

Mr. Hnatyshyn: Absolutely incorrect is right.

Mr. Evans: If you read your rules, you would find you are wrong.

The Acting Speaker (Mr. Herbert): Order, please. There is nothing that says that the Minister is not allowed to read extracts. As the Minister has just begun his remarks, I have no idea whether he is reading an extract or reading a speech. I must allow the Minister to continue.

Mr. Gray: Mr. Speaker, I will certainly continue the usual practice of drawing upon my notes from time to time, particularly in the manner normally used by members of the administration, no matter what Party seems to be in power.

If I may continue, Mr. Speaker, the Hon. Member for St. John's West moved an amendment to delay debate on second reading of Bill C-24 for six months; in other words, to give it what is commonly known as a six months' hoist. This obstructive step, if it succeeds, will misuse the time of Members who are truly concerned about the important issues treated in this Bill.

I say that the Hon. Member's proposed amendment is just as much a six months' hoist of the best interests of the people of Canada as it is a six months' hoist of Bill C-24. No sound reason can be given by Hon. Members opposite for such a delay of proceedings and therefore the Government feels it must ask the House, pursuant to the rules of the House, to allocate an appropriate time frame within which we may complete debate on second reading of this Bill.

[*Translation*]

Mr. Speaker, the debate in the House on this important Bill, which is aimed at improving the framework for control and accountability of our Crown Corporations, has already taken up seven days or twenty-one and a half hours of debate. Hon. Members know perfectly well that at second reading, the purpose of debate is to discuss the principles of the Bill, not to make a detailed study of each clause. We have certainly had ample time to discuss the principles in question.

[*English*]

Eighty-five different Members have had the opportunity to speak in the House. The Progressive Conservative Party has put forth 66 different speakers and 14 members of the New Democratic Party have risen to speak on Bill C-24 as well as five Liberal members.

I think all Hon. Members will agree that a reform of the accountability and control framework of our Crown corporations is important for Canadians who want this improved framework to be in place very soon. Realistically, that could only be done if the business at hand progresses to its next stage which is a detailed study by the House of Commons Standing Committee on Miscellaneous Estimates. Only in this way can the detailed questions and concerns expressed about this Bill be answered and resolved. Not to allow this to be done is a distortion of the British and Canadian parliamentary tradition, which is that a measure should be discussed, and after a reasonable period of time for discussion, the elected repre-

sentatives of the people should be allowed to make a final decision about that measure.

Today, Mr. Speaker, we are not asking for a final decision on the Bill but only on its principles. In the Mother of Parliaments, the Parliament of Great Britain, the rules provide that even for the most important Bills, second reading must be completed within only one or two days. We have already had some seven days of debate on this Bill.

I believe this Bill must move forward to committee for a number of reasons.

[*Translation*]

First, I feel that after seven long days of debate, a general consensus has gradually emerged on the main principles of the Bill, as well as an understanding and acceptance of its essential strategic elements. Strong arguments in favour of amending certain provisions have nevertheless been raised, and they have been carefully noted.

[*English*]

As a result of many of these arguments, the Government is looking at possible amendments to the legislation. Of course, some of the arguments represent a different point of view or demonstrate what appears to be a misunderstanding of some of the provisions of the Bill. However, Mr. Speaker, the appropriate forum to discuss these differences in detail is the committee and we are anxious to see this happen. The only place where possible changes to the Bill could be considered is in committee, and to get the Bill to committee the House must make a decision on this second reading stage.

Second, Mr. Speaker, during the debate so far, opposition members have complained that they have not yet seen the regulations which the Government intends to make under the authority of the legislation if it is adopted by Parliament. However, the Government is fully prepared to table a comprehensive package of draft regulations with the Miscellaneous Estimates Committee at the very beginning of its consideration of the Bill. This will allow for careful scrutiny of the regulations and for their open discussion and debate.

Third, I believe it is clear that the Canadian people want the expeditious passage by Parliament of this Bill to better control our Crown corporations. It is a Bill which, by the conclusion of debate, will be the product of the best attention and consideration of all interested Members, and especially of those who share a deep concern for the continued vital contribution of Crown corporations to Canadian society and the Canadian economy.

● (1520)

The requirements for this Bill, its general provisions and approach, and the proposed mechanisms for achieving the desired ends of both better control and accountability, have found favour with many including the Auditor General and, I am told, the Canadian Comprehensive Auditing Foundation. That foundation has expressed an initial positive response to its members with respect to the audit provisions of the Bill.

In addition, there has also been much favourable comment by editorial writers. For example, Harold Shea wrote in *The Chronicle-Herald* of Halifax on March 20:

> It will be a major disappointment to Canadian taxpayers if, as an Ottawa projection suggests, a Bill to bring greater accountability into the operations of the Crown corporations dies on the vine without parliamentary approval this session. There is really no justification for delaying the measure's debate.

He went on to say:

> It would be a pity if the program to make the Crown corporations more responsive to public requests for operational detail were to be put aside and abandoned until a later time—

Those very important words were written by the key editorial writer of a newspaper which is not known for its support of proposals of this Government.

I believe that Mr. Shea is right. He makes an important point when writing about this Bill. The need to put a new and better regime in place to ensure greater control and accountability of our Crown corporations is a priority of this Government. The Official Opposition has also stated that it is one of its own priorities. It is an issue which has been studied for years by governments internally, by the Lambert Commission, by the Auditor General, by the Standing Committee on Public Accounts and by the Opposition itself. There is no doubt that a new law is needed. Resolution of the issue is, I would submit, of considerable importance to this country.

In conclusion, I would like to say that this is a House of debate, but above all, it is a place for decision. I think that it is time to make a decision on the principles of this Bill and to conclude second reading so that the Bill may come under detailed study in committee. I believe this is what Canadian people expect of us and I therefore ask the House to support this motion.

Mr. Evans: Mr. Speaker, I rise on a point of order. I would like to bring to your attention the question raised by the Opposition House Leader during the presentation of the Minister that the Minister was reading a speech and that that was not allowed. Mr. Speaker, you did not make a ruling and I would like to refer Your Honour to Citation 310 in Beauchesne which reads:

> Tradition has established exceptions to this principle, and these have been recognized by the Speaker from time to time. Ministers of the Crown, Leaders of Opposition Parties (and those speaking on their behalf), a Member speaking in a language that is not his own, and a Member making his maiden speech or using technical data or statistics are allowed a written text. In addition—

The Acting Speaker (Mr. Herbert): Order, please. I thank the Hon. Parliamentary Secretary. It had been my intention at this moment to read that citation. I appreciate the clarification. So that there is no doubt, when I spoke originally I had no doubt in my mind; I was intending to read exactly that paragraph.

Mr. Evans: Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. Herbert): On a separate point of order?

Mr. Evans: Mr. Speaker, it is on the same point. I would like to say that we would hope that from now on the Official Opposition House Leader would read his rule book—

Some Hon. Members: Sit down.

The Acting Speaker (Mr. Herbert): That is not a point of order. One cannot anticipate. The Hon. Member for Saskatoon West (Mr. Hnatyshyn).

Mr. Hnatyshyn: Mr. Speaker, I appreciate the fact that the Parliamentary Secretary to the President of the Privy Council (Mr. Evans) waited until I was outside the Chamber before he responded to the point raised. If in fact there is to be a ruling on this, I think we should not waste time and ensure that we get on with the business of the House. If you would like to have a full debate now and representations made, Mr. Speaker, I would be glad to make representations on that point. But I would—

The Acting Speaker (Mr. Herbert): Order, please. I do not see that there is any necessity for debate. When the point was raised originally, I made a remark which allowed the President of the Treasury Board (Mr. Gray) to continue. I had no concern whatsoever about what he was doing. It was my intention to produce, as I have done, the relevant paragraph to correct what I said initially. As far as I am concerned the matter is closed. It is quite clear.

For continuing debate, the Hon. Member for Wellington-Dufferin-Simcoe (Mr. Beatty).

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Mr. Speaker, Members on this side of the House have historically rejected attempts to gag Parliament and we reject this attempt to gag Parliament today. The motion which has been moved by the President of the Treasury Board (Mr. Gray) is totally intolerable.

Since 1972 the Government has talked about the need for improved controls on Crown corporations. Indeed, when the Government of the Right Hon. Member for Yellowhead (Mr. Clark) was in office, within seven months of coming to office it had tabled Bill C-27. That Bill would have created a new omnibus Crown corporations control Bill, brought Crown corporations under some control and allowed Parliament again to exercise authority over the tremendous number of Crown corporations. That Bill died on the Order Paper with the defeat of the Progressive Conservative Government. Since that time over four years have elapsed and the Government has done nothing to bring in controls on the scale that were envisaged in Bill C-27.

Suddenly, after dawdling and after a succession of scandals—including the scandals of Canadair and de Havilland most recently which indicated massive overruns which will cost the public treasury enormously—the Government has discovered an urgency for this legislation which is totally inadequate. It is dangerous legislation. It did not see the need to rush at all before. The Minister himself, for example, urged that the Government continue to pour tens of millions of dollars into Consolidated Computer Limited, and we have the correspondence between the Minister in his previous incarnation and his predecessor as President of the Treasury Board urging that more money be poured in; more good money after bad. He saw no urgency for controls over public investment then. Suddenly there is an urgency and this Bill has to be given priority over all other legislation before the House today. Suddenly it is essential that this dangerous Bill be passed prior to an election.

Members on both sides of the House are entitled to ask themselves: "Why did the Government suddenly discover such urgency in a Bill which they felt was not particularly important before?" I can cite two possible reasons. First, the Government indicates that it is determined to get Bill C-25, the CDIC Bill, through the House. The Government knows full well that that dangerous measure to create that Crown corporation tinker toy which will provide intervention for Jack Austin, Maurice Strong and Joel Bell, will be strongly opposed. It will be strongly opposed by Members on this side of the House and it will be strongly opposed by any Canadian who believes that there must be proper control over government intervention, who believes that the old NEP gang are not the people to promote that sort of proper control.

The Minister knows, and I invite the House to keep its attention to this point, that simply by deleting Clause 19 of this Bill when it goes before committee, the Government will have no need to pass Bill C-25. In fact, CDIC will have all the authorization it requires to continue to receive appropriations directly from Parliament.

The problem at the present time is the previous Speaker's ruling which indicated that the Government could not use Appropriation Acts to finance programs which had not been approved by Parliament. As a consequence, the Government was not able to put money directly into CDIC with the exception of half a million dollars which was extended under the Financial Administration Act. It was forced to rely upon subterfuges. In one instance it was forced to bleed money, $10 million, from Eldorado. That money did not properly belong to CDIC. It belonged to the Consolidated Revenue Fund. It was taken improperly and, I believe, illegally by CDIC. It was the desire of the Government to eliminate that obstacle and make sure that it could put money directly into the Canada Development Investment Corporation for Joel Bell and Maurice Strong to spend as they saw fit with virtually no parliamentary control whatsoever. That is why it is proposing the legislation. The Government has found a new way to eliminate the need to have a special Act for CDIC. All that it need do is force this Bill through the House and through committee, to delete Clause 19, and it has CDIC.

The second reason is that the Minister's friend, Dr. Ed Clark, is building a Crown corporation empire in the Treasury Board secretariat. From a relatively lean operation, he is reassembling the old NEP gang who are responsible for destroying the energy industry in Canada to deal with Crown corporations. Dr. Clark is in the process of asking for something close to 50 person-years to develop this establishment

within the Treasury Board. That sort of empire created for the edification of one bureaucrat, is simply not acceptable to Members on this side of the House. The sort of framework which is being put in place to justify the building of an empire by Dr. Clark is totally unacceptable to Members on this side of the House.

In addition to the person-years which he has asked for, he is also hiring $1,000 a day consultants. How can the Government seriously talk about the need for financial control when it allows its friend, Dr. Clark, to spend public funds in this way? If the Minister is serious about exercising control on spending and government activities, surely a good place to start would be in Dr. Clark's shop itself by indicating to Ed Clark that this sort of empire building at public expense must stop.

• (1530)

If this Bill is forced through, its first effect will be, notwithstanding the statements that were made by the Minister, that we will probably never again see in the House a special Act of incorporation for a Crown corporation. This Bill will allow the Government to do without those special Acts in the future and will formalize a procedure whereby the Government need not come back to seek parliamentary approval for legislation to create new Crown corporations.

This Bill would limit the ability of parliamentary committees to do their job. How extraordinary it is that any Minister of the Crown would expect Members of Parliament from any Party to accept a provision in legislation which explicitly states that after this Bill is passed a parliamentary committee would have no right to move concurrence in its report on a government Order in Council. How shocking it is that this provision was dreamed up and that the Government is attempting to sneak it through Parliament. The low regard that the Government has for Parliament is appalling.

It is equally shocking that this Bill seeks to exclude Orders in Council relating to these Crown corporations from the scrutiny of the Standing Joint Committee on Regulations and other Statutory Instruments. One of the responsibilities of that Committee is to look at the *vires* and legality of government Orders in Council, yet the Committee will be prevented from doing that because the Minister, in the name of improving accountability, wants to prevent Parliament from acting in that way.

I want to ask the Minister if he deliberately proposed legislation to Parliament that would have the effect, within 60 days of passage, of requiring the winding up of the Bank of Canada, the Canadian Wheat Board and the International Development Research Centre? That is exactly what this Bill does. Is it his intention to do that through the back door by this sort of measure, or is it a matter of extreme sloppiness on his part and that of his officials who drafted a Bill, the consequences of which they were not even knowledgeable? One of my colleagues will deal with this issue at greater length during the debate.

In light of the great national controversy over the comments by the Minister of Justice (Mr. MacGuigan) about the possibility of asking Governor Bouey of the Bank of Canada to take his leave, I find it incredible that the Minister would be so sloppy as to allow a Bill to be put before Parliament which would have the effect of winding up the Bank of Canada within 60 days of the Bill's passage. How grossly incompetent.

The Minister is probably prepared to make approximately 30 amendments to the Bill when it is before committee. He will no doubt cite this as a sign that he is prepared to co-operate with Members of Parliament in improving the Bill. More properly, this should be seen as a confession on the part of the Minister that the Bill is so sloppily and improperly worded that he has not done his homework. He should admit that he is asking Parliament to give approval at second reading stage for legislation that is grossly inadequate and should never have been brought before the House of Commons.

The Minister says that this legislation has met with the support of the Auditor General. Again, I find disgraceful the Minister's behaviour in using the Auditor General the way he did, by taking advantage of private correspondence sent to him by the Auditor General to claim his support. The Auditor General, just as Members of the House, did not have an opportunity to see the regulations we are talking about.

We are faced with legislation that undercuts Parliament and reduces our ability to do our job on behalf of the taxpayers of Canada. Far from improving accountability, it destroys and denies accountability. It is a bad Bill which will be strongly opposed by Members on this side of the House. Certainly time allocation, which is designed to gag Parliament and undermine its ability to hold the Government to account on this Bill, will be strongly opposed by every Member on this side of the House.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, in my response to the closure motion I want to indicate our reasons for our opposition to it. Since there is no doubt that the objectives of this Bill are valid, we believe there should be some discussion about the requirements of accountability over Crown corporations. There is no question that this Bill would be an improvement to the accountability process of these Crown corporations. However, the fundamental question we are considering with respect to this Bill is the definition of accountability, which is the principle that needs to be debated and studied very closely.

What is the meaning of accountability in Crown corporations, or in government for that matter? Parliamentary accountability means being accountable to the House of Commons. The primary responsibility in the House of Commons is to be accountable for the expenditure of taxpayers' money. This view, which is shared by the Auditor General, means that Parliament should vote on all of the expenditure of taxpayers' money. He has also said that this Bill is an improvement in the accountability for taxpayers' money. I will expand on that opinion in a few minutes.

Accountability also means the responsibility of a Crown corporation to fulfil its mandate. In this respect the Bill is

totally lacking. It does nothing to allow Parliament the authority to hold a Crown corporation accountable.

The accountability of a Crown corporation should include all public money that it spends and not only that which was approved by Parliament. There should also be accountability when a Crown corporation spends money for which Parliament may become responsible.

In the case of Canadair, we know that a lot of money was spent and the corporation went into severe debt. Although this happened through the back door, Parliament became responsible for that money. Canadair was given letters of comfort and had the authority to borrow money without parliamentary approval. This circumstance has not been dealt with in this Bill and therefore has not addressed accountability in that sense.

As the previous speaker indicated, we also know that the Government has suddenly become very concerned about this Bill because it is operating a full-fledged holding company illegally. CDIC is a corporation that has been operating illegally for almost a year. That holding company gives control and responsibility for a number of Crown corporations to one person or group.

One would think that, in an effort to introduce an accountability Bill in the House of Commons the Government would use the best possible model in its new holding company to show that it has the political will to control and be accountable for these corporations. Instead, the Senator from the other place comes before us and asks for the money to pay off the debts of Canadair and to be entrusted to use the money well. That is not accountability. That requires trust, which this Government has not built up in this House or in the country. I do not think that by its example this Government has developed the kind of confidence that we as Members of the House of Commons, as representatives of the people of Canada, can use in order to allow this Bill to go through without obstruction.

● (1540)

Before this Bill is passed, Mr. Speaker, all these accountability factors should be looked at very thoroughly. When the Auditor General said he thought the Parliament of Canada should be accountable for all taxpayers' money, he could have extended that, and possibly he did, beyond the money given to Crown corporations. Yesterday in this House the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) brought up a further area of accountability which I think needs to be looked at as well. We talk about accountability, so what about the money given to large corporations by the Government as tax breaks? Maybe we should look at accountability for that money.

Perhaps the Minister, who is present today, should add to his area of concern beyond the accountability of Crown corporations. We give out a lot of money in the form of grants to large corporations. How are they accountable? Why do we not require them to be accountable for the money in the same way we require accountability from our Crown corporations? I think we need a much more solid Act which will do what it is supposed to do rather than just touch the fringes. We need to extend accountability to every cent of taxpayers' money which is spent in any way.

I know that accountability, even within government departments, needs some looking at. What we really need to do is establish the type of economic planning which uses the money we take from the taxpayer and uses it well, not only in Crown corporations but in departments and in the assistance we give to large corporations. That is the kind of accountability we need to look at, Mr. Speaker. I agree we should take a lot more time to establish government accountability, and forcing this Bill through by closure is not the way we are going to do it.

Mr. Maurice Foster (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I am glad to have a chance to say a few words this afternoon on this motion under Standing Order 82 finally to draw to a close the debate on Bill C-24 which has been before the House for many weeks now. When we think that the British House of Commons passed in two days the legislation allowing the U.K. to join the European Common Market, and the fact that we spent six days on this Bill at second reading when the vast majority of the work on the Bill is really going to have to be done in committee, it just seems ridiculous that we go on day after day debating a Bill where all the major topics have been covered. I think 21.5 hours have been spent on this Bill and 85 Members have spoken; five from this side, 14 from the NDP and 66 from the Official Opposition. It just seems unbelievable that anything new or constructive can be put forward on this Bill at this stage. Therefore, it seems wise to move on to the completion of second reading, allowing one more day for consideration and debate, ultimately bringing the debate to a close and making a decision.

Clearly this is the place for debate. That is what it is all about. But after a reasomable period of time, surely there is need for a decision to be made. I thought we would have had a vote on Monday afternoon, but when you get a six-month hoist motion introduced after some 50 or 60 Members have spoken, it is clear that the Opposition do not want to debate the Bill, they want to obstruct it and block it. They want to prevent its passage and they will use any technique whatsoever to do that.

It is interesting to look back in *Hansard* for December 9, 1982, where we see that the then Leader of the Opposition, the Right Hon. Member for Yellowhead (Mr. Clark), brought in a motion urging the House to get on with this Bill. The motion reads:

> That this House condemns the Government for its deliberate proliferation of Crown corporations accountable to the Government rather than Parliament and the taxpayers who, in the words of the Auditor General, "have every right to consider themselves the principal shareholders of these corporations", and instructs the Government to immediately introduce a Bill substantially the same as Bill C-27 in the 31st Parliament so as to make such corporations properly accountable to the people.

This is what we have done, Mr. Speaker. As a matter of fact, this Bill is much stronger in many respects than Bill C-27. Now, almost a year and a half after this motion was put before the House, what do we see? Continual verbiage on this Bill with no decision being made.

Time Allocation

On December 9, 1982, the Hon. Member for Halifax West (Mr. Crosby) said this in the debate:

We have the statutory model already. It was mentioned in the motion introduced by the Right Hon. Leader of the Opposition.

He is talking about Bill C-27 introduced by the former Clark Government. He continued:

When he was Prime Minister he introduced Bill C-27, so we could start immediately to resolve the problem.

Where is the immediacy today, Mr. Speaker? All we hear is speech after speech, 88 speeches on second reading. He continued:

We could start with the enactment of the statutory provisions contained in Bill C-27, and we could start immediately on a parliamentary review of existing Crown corporations.

You will note that the motion introduced on December 9, 1982, talks a lot about the Auditor General. I will quote the Auditor General from an interview on March 16, at the time this Bill was introduced. The reporter was putting questions to him:

Are you confident that this new legislation will correct the problem?

He is referring to the lack of accountability of Crown Corporations. The Auditor General replied:

Well, it goes a long way to correcting it. I'm sure that any set of legislation can be improved upon but, basically, this does address all the questions or the majority of the questions that we were raising in our chapter two, two years ago.

He is referring to the Auditor General's report two years previously. The reporter then asked:

So we don't really know what these guys are up to. That's the real problem.

The Auditor General said that we will improve parliamentary control, Government control, board of directors control and so on. Therefore I think we can be assured that the Bill we have before us has had extensive consultation with many groups, including the recommendations of the parliamentary committee, the Lambert Commission and the Auditor General, and it does many of these things.

● (1550)

In discussions we have had with opposition members, we have made it clear that if they bring forward worth-while and constructive recommendations, suggestions or amendments at the committee stage, the Government is willing to consider and implement them if they will strengthen and improve the Bill. We cannot do that on second reading. We are hearing demands to discuss amendments at second reading and to see the regulations drawn to the Bill. That is work for the committee stage. We want to do that in committee stage. We want to go into great detail with the various groups and individuals who will be called before the committee to give testimony and to review the Bill. However, we must get out of second reading stage.

I wonder, Mr. Speaker, if the Opposition has gone into some kind of apoplexy because of the polls which came out last Friday. There was great consternation a couple of weeks ago when the Gallup poll came out. No one really believed the results. However, when the Carleton poll came out, which essentially substantiated that the Opposition was in a slide with regard to public support, they called a special committee—

Mr. Kilgour: A point of order, Mr. Speaker.

The Acting Speaker (Mr. Herbert): The Hon. Member for Edmonton-Strathcona (Mr. Kilgour) on a point of order.

Mr. Kilgour: Mr. Speaker, you will know that in the House we are forbidden to impute motives to people and that we have a rule of relevance which I guess is observed more in the breach than in the practice. I wonder if the Member for Algoma (Mr. Foster) would be so kind, through your direction, to follow the rules with respect to both imputing motives and relevance.

The Acting Speaker (Mr. Herbert): I would find some difficulty in recognizing that as a point of order. However, I will remind the present speaker that he has two minutes remaining for his remarks.

Mr. Foster: Mr. Speaker, I recognize that the Hon. Member for Edmonton-Strathcona (Mr. Kilgour) is very tender and nervous about the situation. I really would not want to impute motives. However, the Bill seemed to be moving along and we seemed to be getting to a stage where we thought we were going to have a vote on it late last week or early this week. I do not know whether there was a certain nervousness about the Bill as to whether it was going to meet the needs that people perceive for the accountability and control of Crown corporations. However, suddenly the Hon. Member for St. John's West (Mr. Crosbie) made the brilliant move of putting the six-month hoist on the Bill rather than voting on it to get it moved into committee. I think there are many Members on the other side who are very knowledgeable about this. I think they have some very constructive things to say about the Bill. They have some positive recommendations which will be very useful in the committee stage. However, we really cannot deal with amendments or detailed study at the second reading stage.

In conclusion, Mr. Speaker, I think the Bill does a great deal to meet the challenges for increased control and accountability for the many Crown corporations. We essentially have three big ones which have a lot of subsidiaries on which we want to exert parliamentary and government control. I hope that Hon. Members in the Opposition would join with us to move this Bill out of the House at second reading and into committee stage where we can deal with it in more detail and hopefully see it implemented in the next few months.

The Acting Speaker (Mr. Herbert): Order, please. Before recognizing the Hon. Member for Edmonton-Strathcona, and since he raised the point of relevance, I will tell the House that in this type of motion the Chair has been quite lenient. Both speakers so far have transgressed the rule concerning relevance. Since the Member has raised the matter himself, he might keep that in mind. Nevertheless, it has been habit of the Chair to turn a deaf ear, if I may use that expression, to the subject of relevance in this type of debate.

Mr. David Kilgour (Edmonton-Strathcona): Mr. Speaker, when I was making the point, I realized that I was going to be hoist with my own petard because a lot of things I was going to say are not totally relevant to the Bill. If I may withdraw that objection, I would be most obliged.

There will be two parts to my remarks. The first will deal with the question of closure. The second will deal with the merits of the Bill itself.

Before getting into those issues, Mr. Speaker, since this whole issue is one of accountability, I will make four points very quickly. With regard to the rules of accountability, I understand that since 1969 when the Government changed the rules, approximately $500 billion to $600 billion have gone through the House in terms of appropriations and spending. I am told that the grand total of $1,000 has been deleted from that $500 billion to $600 billion. In other words, Members of the House are no longer accountable for the moneys being spent through the estimates appropriation process.

Second, we have a $31 billion deficit this year. The President of the Treasury Board (Mr. Gray) is supposed to see that tax moneys are spent efficiently. The fact that we have a $31 billion deficit is testimony to the way in which we are accounting to the people whose money we are spending. At the end of this year we will have an accumulated deficit of approximately $160 billion. This week we heard that the International Monetary Fund is concerned about Canada's position with regard to financial responsibility. We heard today that the European Management Institute has placed us last of 22 industrial countries in terms of being confident, attracting investment and that sort of thing. I do not have to remind the House about the obscene levels of unemployment in Canada, particularly among young people. I believe our productivity is the lowest of 22 OECD countries. We are either dead last or very close to last in terms of our productivity in an increasingly competitive world economy.

Everyone who looks at this Bill knows that it should really be called a Bill to reduce further the limited control which Members of Parliament have over Crown corporations. Therefore, when the Government and spokesmen opposite talk about this Bill in terms of increasing accountability, I put it to you that that is to make a joke of what is going on here today.

With respect to the question of closure, it strikes me that in a figurative sense the time allocation or closure which has been introduced today is the legislative equivalent of one of the most dreadful of all nuclear weapons, the neutron bomb. In a figurative sense, it leaves the Chamber, the windows, the lights, the Speaker's chair and even the Members standing, but in effect our tongues have been taken out of us. Our right to speak on the Bill has, in effect, been blown away. The right to speak on a measure before the House, Sir, is the most fundamental right that any Member of Parliament has. Is it not going back to the days of Cromwell or worse when the Government says that it has heard enough of us? The last speaker said that we have been speaking too much on the Bill. By implication the Government and the Government alone decides when it has heard enough on the Bill and it will do what it wants with the House.

That is not what parliamentary democracy should be about. Time and again the Government has introduced closure. Shortly the people of Canada will have an opportunity to express their opinions on a government which has systematically abused their economic prosperity and the rights of Members of Parliament and is today telling us we can no longer be heard on a Bill about which many of us feel very strongly.

Lastly, I would like to discuss the merits of the Bill. It is a bad Bill for many, many reasons. In the very limited time available to me I will give perhaps six reasons. The Bill leaves the Minister as the *de jure* shareholder but requires the Cabinet to approve most major initiatives, such as the appointment of directors, auditors, chairmen and chief executive officers as well as the operating capital budgets, corporate plans and by-laws. In other words, Cabinet will exercise the burden of the shareholder's powers. Being accountable to many, in my view, and in the opinion of others who have looked closely at the Bill, Crown corporations will be responsible to no one. In other words, there is no change in the status quo.

• (1600)

Second, the Bill seriously erodes the practical powers and prerogatives of directors of Crown corporations and undermines the attempt to upgrade their duties and responsibilities. You will know, Sir, that the traditional functions of directors are now, under this Bill, to be exercised by Cabinet. Cabinet, for example, appoints the chairman and the chief executive officer and sets their remuneration. Cabinet appoints the auditor. I wonder how many auditors appointed by the Cabinet will be other than friends of the Liberal Party.

Mr. King: All of them.

Mr. Kilgour: There is no doubt about that. Continuing on, Cabinet will approve and rescind by-laws and may direct a board to approve a by-law. In other words, the Cabinet will take away much of the authority of a director of a Crown corporation. But who but a robot would want to be on the board of a Crown corporation? Who but somebody who wants the *per diem* or who likes to travel or wants to work his or her way up in a Party which is about to go out of office would choose to be a director of a Crown corporation under this Bill?

On the question of the proliferation of Crown corporations, you will have noticed I am sure, Mr. Speaker, that the parliamentary approval process will apply only to parent corporations and not to subsidiaries. You will thus know that that is the area where the greatest proliferation has occurred.

The juxtaposition of Section 100 with Section 155 appears to turn the prohibition on its head by allowing parent corporations to be set up under the CDCA with only Cabinet approval and a motion in Parliament. The Government will still be able to incorporate parent Crown corporations where an existing Act of Parliament allows it to do so.

Finally Bill C-24 could be interpreted, I put it to you, Sir, to suggest that Ministers as representatives of the Crown may not be bound by the prohibition of Bill C-24 on the creation of parent corporations.

My next concern about the Bill is the question of the scope of coverage which simply does not cover many of the major structural problems relating to Crown corporations today. It is silent on matters of internal government organization and it is silent on the privileges and immunities of Crown corporations. It is silent on public servants on boards of Crown corporations. It is silent on the extent of the Government of Canada accounting entity. It is silent on the creation of parliamentary oversight committees for Crown corporations. In addition, as I am sure you know, Mr. Speaker, the Bill covers only wholly-owned corporations. It does not apply to the more than one hundred mixed and joint enterprises.

My conclusion, and I hope it is clear from what I have said, is that the Bill is a dreadfully poor Bill. It represents a net step into the past. In my respectful submission, this House, and any House representing the views of Canadians, should fight as strongly as it can against the Bill.

Mr. Jesse P. Flis (Parkdale-High Park): Mr. Speaker, in my previous role as Parliamentary Secretary to the Minister of Transport I have had many dealings with federal Crown corporations—

Mr. McDermid: What do you do now, Jesse?

Mr. Flis: —one as recently as last week. Representatives of the Canadian National appeared before the parliamentary committee and gave us their annual report. At this committee hearing members of all three Parties are able to question the President and the Corporation has to account for every penny it spends of taxpayers' dollars.

Like any business when a recession takes place, a Crown corporation does not have a good year. If the year is good economically, a Crown corporation does better. I was very interested in the financial statement that CN gave the committee. In 1982 CN lost $223 million that year alone. But in 1983 CN had a net income of $212,333,000. Where do these profits go? To the shareholders. Who are the shareholders? The Canadian taxpayers. What is wrong with Crown corporations making profits for Canadians in order to keep taxes down? I see nothing wrong with that.

Mr. McDermid: Name one instance where this has kept the taxes down.

Mr. Flis: That is why I was a little disappointed when the Official Opposition tried to stop the President of the Treasury Board (Mr. Gray) making his motion under Standing Order 82 to move Bill C-24 to the next stage. Somehow the Official Opposition fails to respect the rules of this House which members of all three Parties have made. The rules are not made by the Speaker of the House. I was very disappointed that this type of obstruction was attempted again. I am pleased the Speaker did not allow the Official Opposition to get away with that kind of obstruction.

As was pointed out earlier, surely after 88 speakers on this Bill we are ready to move on to the next stage. If 66 speakers from the Official Opposition could not get their point of view across, then I do not think this can be done if the Official Opposition puts up another 40 speakers.

An Hon. Member: You have blocked thinking.

Mr. Flis: This is not closure, Mr. Speaker. This is not time allocation. The motion posed by the President of the Treasury Board was to get the debate moving to the next stage. In my two years as Parliamentary Secretary I had the very pleasant experience of putting Bills through, such as the Canada Ports Corporation, the Canadian Aviation Safety Board, the western transportation initiatives and the domestic air policy. The meat of the debates took place in committees. That is where the amendments were brought in. There were good amendments from all three Parties. The Government is expressing very clearly that we are prepared to accept more amendments on this Bill but we are not prepared to accept a frivolous amendment which would stall the debate for another six months.

The Hon. Member for Wellington-Dufferin-Simcoe (Mr. Beatty) asked what does the Government propose to achieve by forcing through this Bill? I think it is clear to everyone that the last piece of legislation on Crown corporations or any revision was over 30 years ago. Surely it is time to bring in legislation that would provide this Parliament with some control over Crown corporations, with some accountability by Crown corporations, and would provide sound management. I cannot see why the Official Opposition, which believes in private enterprise, would be opposing control, accountability and sound management in Crown corporations. I am sure the Official Opposition would want those three things operative in a private corporation, but somehow members of the Official Opposition block the proposals when we want to bring them into being for Crown corporations. Yet every day Members of the Opposition get up damning the Government on Canadair, Air Canada—

Mr. McKenzie: And de Havilland.

Mr. Flis: —because the Government does not have control and it did not see why so much was spent, why a Crown corporation went so far into debt. At the same time the Official Opposition is against a Bill that will ensure this control, accountability and sound management.

Mr. McDermid: It does not ensure it at all.

Mr. Flis: How can the Official Opposition be against the Bill whereby a statute of Parliament will be required to approve the creation, the mandate, the financing and the disposal of every parent Crown corporation?

Mr. McDermid: Parent.

Mr. Flis: I just had experience of the Northern Transportation Corporation. The Government is putting it up for sale because it is no longer needed to meet the national interests of Canada. This Bill allows for a sale of that kind, the disposal of a Crown corporation.

• (1610)

How can members of the Official Opposition be against a Bill which by statute will subject Crown corporations to a rigorous audit regime which not only meets but exceeds that normally applied to private sector corporations? How can they be against a Bill which by statute ensures that Parliament will be informed of the objectives of Crown corporations as set out in their annual corporate plans as approved by the Government? How can they be against a Bill which by statute ensures that Parliament will have a systematic flow of timely, pertinent information so that it can judge whether Crown corporations have met their stated objectives for each planning period? How can they rise and be against a Bill which by statute makes the Government responsible for the strategic and budgetary decisions of all parent Crown corporations and through them their wholly-owned subsidiaries? Any directive issued by the Government will be tabled in Parliament. Does accountability not rest with us in the House? If it does not, we are not fulfilling our responsibilities as Members of Parliament.

I was pleased that the Hon. Member for Prince Albert (Mr. Hovdebo) defined accountability for us. Sometimes we forget what it means. If this legislation goes through, hopefully before the House recesses for the summer, the board of directors will be more accountable; government, whoever is in power, will be more accountable; and the House which accounts for every penny of the taxpayers will be more accountable.

I notice, Mr. Speaker, you are indicating that it is time for me to wrap up my remarks. I want to stress again that we are not debating the Bill at this point. We are debating the motion of the President of the Treasury Board. He is not stopping or limiting debate. He is saying that we want to debate this Bill further in committee where we can hear the amendments of the New Democratic Party, the Official Opposition and Hon. Members on this side of the House. Then we could bring the Bill back to the House. Are they against that parliamentary process?

It is one thing to debate, but it is another to stall. After the first 10 speakers, 55 speakers were put up to stall debate. That is not what we are elected to do. That is not what the people sitting in the galleries, who pay our salaries, send us here to do. They send us here to participate in meaningful debate, to pass good legislation. Hon. Members opposite are afraid that if we pass this piece of legislation, the Government will look good and the Official Opposition will look bad.

Mr. John Gamble (York North): Mr. Speaker, the last speaker for the Government clearly indicated our task today. We are debating a motion of the President of the Treasury Board (Mr. Gray) to gag the House. I do not care what the Hon. Member for Parkdale-High Park (Mr. Flis) calls it; it has the effect of terminating debate in this place to which we are sent to represent our constituents.

I understand the theory of the herd mentality expressed by that Hon. Member. He indicated that 66 Conservatives had already spoken on this Bill and that there could not be anything of any significance which anyone else would care to add. I resent the suggestion that individual Members of the House, including myself—and I have not spoken on this Bill—do not have something valuable to contribute. If we do not, at least we have the right to exercise our privileges as Members of the House to express our views in this place. I shall do that regardless of the urgings of the Hon. Member for Parkdale-High Park.

Mr. Pinard: You can do that in committee.

Mr. Gamble: Now we are told by the Government House Leader where to do it. Of course, he would prefer that we do it in some place which is not public.

Mr. Pinard: The committee is public.

Mr. Gamble: I understand the Liberal Party wanting to practise politics in a closet, but that is not the position of my Party.

Mr. Flis: Mr. Speaker, I rise on a point of order. The Hon. Member is leading the Canadian public astray by saying that committees are not open to the public. Committees are open to the public.

Mr. Pinard: Right on.

The Acting Speaker (Mr. Herbert): Order, please. If an Hon. Member has a point of order, he must refer specifically to "Point of Order" in the little book.

Mr. Gamble: I might have said that had the Hon. Member for Parkdale-High Park spent more time in the House, he might understand the rules. However, I doubt that he will have that opportunity for very long.

I should like to deal with the features of this Bill which I quite frankly find offensive. This Bill was not designed, as it would lead us to believe by the provisions of Clause 1 thereof, to control Crown corporations. Rather, it was designed to create the skeleton on which, by regulation, the government of the day will determine all significant portions of the law as it applies to Crown corporations. Later I will refer at some length to the specific clauses in the Bill which deal with this matter in a very direct and improper fashion.

I am curious as to why the Government is so anxious to press forward with this piece of legislation. It is obvious to the Liberal administration that it is most appropriate to extend as far as possible the inroads of Crown corporation activities into the responsible functions to be performed by government itself. If perchance it can "Crown corporationize" every government department, the functions of the Ministers sitting in the front row of government benches will be reduced to performing no

services at all for the people of Canada. They certainly do not answer for the Crown corporations for which they are responsible.

Let me give a most recent illustration of this. On May 3, the Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie) directed a question to the Minister allegedly responsible for Canada Post. He drew to his attention comments made by the Auditor General, in particular those with respect to the storing without sorting of some 54 trailer loads of mail to which that Crown corporation had not attended. As reported on page 3376 of *Hansard*, the allegedly responsible Minister said:

As for the question asked by the Hon. Member, I shall refer it to the President of Canada Post Corporation.

Given the way in which Government Members would prefer to respond to issues, I can well imagine that they will be most satisfied when they are in a position where they can avoid any responsibility for any departmental function which they perform by creating Crown corporations out of those departments. Where they cannot or, where they can intrude into the private sector, into the free enterprise system which has produced the wealth that is sucked away by the Government to fund the folly of corporate activities, they are best served by their own manœuvres.

Mr. De Bané: Mr. Speaker, I rise on a point of order. Is the Hon. Member aware that the new corporation, the Canada Post Corporation, is no longer a burden upon the taxpayers of the country and that it has a balanced budget—

The Acting Speaker (Mr. Herbert): Order, please. I suggest that the Hon. Minister should speak to the Chair concerning his point of order, if he has one to raise.

• (1620)

Mr. Gamble: I commented earlier with respect to the last Liberal Member who spoke. I will respond in a similar fashion with respect to the Minister, who seems to be similarly unfamiliar with the rules of this House. I hope that my time will be extended as a consequence of these improper interruptions. If the Minister believes, when the people of Canada are paying an exorbitant cost for this mailing service, that they are not being overtaxed, the Minister should wake up, be it morning or afternoon, and recognize the serious burden that is placed on the taxpayers of this country by the Crown corporation of which I spoke.

One issue which surely must concern us as we examine this Bill is whether accountability is really brought to bear upon the activities of Crown corporations. One thing might have been done to achieve that alleged objective; that is, to define "auditor" as it appears in the definition clause as being the Auditor General and not as it appears "including a partnership of auditors".

When I served on the Public Accounts Committee, we encountered a great difficulty. It was that every commercial Crown corporation created by government desires to avoid the scrutiny of the Auditor General and have but a simple attest audit for all of its activities. It is so comfortable for that to be the case because private sector auditors have no responsibility to this House. They have but a responsibility to the board. They tell us that is where the responsibility lies.

If this Government is serious and really wants to make Crown corporations accountable to this place, it ought to amend this offensive piece of legislation to provide that the Auditor General of Canada is the auditor of all Crown corporations. Only then can Members of this House be assured that they will be in the position where they can extract the right information about the way in which the taxpayers' money is consistently being wasted.

I said that I would refer to a number of clauses which clearly indicate the way in which, by regulation only and not by laws passed in this House, the affairs of Crown corporations are to be governed. Let me refer to a few of them.

Under Clause 2.1, the very determination of the corporations to which this Act applies will be made by Order in Council. Subsection 202(1), Section 108, the powers of agents with respect to the disposal of the property of Crown corporations is determined by regulation. Section 118, the remuneration of offices and Section 134, budgets and operating plans, will be determined by Order in Council.

The suggestion by the President of the Treasury Board that he will submit a draft of the proposed regulations is of no comfort to the people in this place. Any draft submitted can be changed the next day. Every Member of this House recognizes that very simple fact. I urge that Members have some regard for the welfare of the people who are carrying the burden of this piece of legislation when they vote on it.

Mr. Gordon Towers (Red Deer): Mr. Speaker, it is with a great deal of disgust that I stand to speak to this Bill today because there are people speaking who really do not know what is in the Bill. They are so naive that they do not know what the President of the Treasury Board (Mr. Gray) is doing, especially to those in western Canada. If the Minister really had wanted to do something, he would have copied or compared an acceptable Bill, such as the one my colleague, the Hon. Member for Wellington-Dufferin-Simcoe (Mr. Beatty), presented when he was a Minister in the Clark Government. If the Government had brought forward a Bill like that, it would have been acceptable.

Members opposite forget that the insolvency Bill passed second reading of this House with one day's debate because it was as good a Bill as this House could put together. That was done by Members of all three Parties. We had input. This is where the Government is going wrong. It is going along on the same dumb pattern it has been following. It is as simple as that.

We are very distrustful of this Government. We had promises from the Government during the Crow debate. The farmers in western Canada know exactly what the Crow debate has done and is doing. It raises the cost of moving their grain. It is an expense that they can ill afford at this time. I quote Clause 17 of the Bill:

Notwithstanding section 100 of the said Act, where a parent Crown corporation is in existence on the coming into force of this Act and is not named in Schedule C to the said Act six months after the coming into force of this Act, the directors and shareholders of the corporation shall forthwith after the expiry of that period take all steps necessary to dissolve the corporation.

I do not suppose that you, Mr. Speaker, know what the Canadian Wheat Board is, as well as many Members opposite. In Schedule C we see Canagrex, the baby of the Minister of Agriculture (Mr. Whelan), the Canadian Sports Pool, the baby of the Minister of Fitness and Amateur Sport (Mr. Olivier), and Petro-Canada, the baby of the Minister of Energy, Mines and Resources (Mr. Chrétien). They are all there. Is the Canadian Wheat Board there? No, it is not.

When western farmers realize that this Government is tampering with the Canadian Wheat Board, there will be an explosion. We have known for years that the bureaucrats in Treasury Board want to manipulate the Canadian Wheat Board. They want to violate the secrecy of the Canadian Wheat Board. They, along with Members opposite, do not have a clue as to how the Canadian Wheat Board operates.

Some people in western Canada feel we can perhaps get along without the Canadian Wheat Board. However, the vast majority of western grain growers are aware of what the Canadian Wheat Board is having to do. If the Government wants to put something in its place, it will take several years. It cannot be done in six months, as this Bill will attempt to do.

This is why we have been debating this Bill. We cannot accept what this Bill is doing to the western grain producer, in fact, to all of western Canada. When you start messing around with the income of the grain industry, you mess around with the whole western Canadian economy. We have had too much of that already. We had it on the National Energy Program, on the Crow issue and now with this Crown corporation Bill.

I am not trying to protect Crown corporations. I know they have to be brought under control and held responsible. I recognize that there are 345 Crown corporations in Canada today, many of them not under the control of the Government. The Canada Council objects to Bill C-24. Why? I will read why:

Under the proposed legislation, the government of the day would be able to issue directives to the council. The government also would have the power to change the council's bylaws.

That means that the Canada Council could be another porkbarrel for this Government. We have been fighting porkbarreling since I came here 12 years ago, but it is getting worse as the years go by.

The President of the Treasury Board is misleading this House and the Canadian people when he says this is an improved framework. He speaks about principles. Members opposite do not have a clue what principles are all about, the way they treat western Canadians. That is why there are no Liberal Members from there and that is why there will not be any Liberal members from western Canada after the next election, whenever they have the nerve to call it. Therefore, Mr. Speaker, we cannot accept the Government's back door method of getting rid of the Canadian Wheat Board. It is not acceptable. There will certainly be an explosion in Western Canada when the news gets out that that is what the Government is doing.

• (1630)

[*Translation*]

Hon. Roch La Salle (Joliette): Mr. Speaker, I must comment on the Government's arrogance in presenting a motion to limit debate on a Bill that to us is not inappropriate but definitely inadequate. For years, Canadians have become increasingly conscious of this, and, of course, the Government as well, since its reputation has suffered as a result of its refusal to have controls that would allow the House to have some very real supervision over Crown corporations, controls that, if the Government had bothered to listen to what we have been saying on this side of the House for years, would have prevented a tremendous waste of public funds. And that is the issue today, Mr. Speaker. The Government and Government Members are aware of this, and with elections in the offing, they are in a hurry, and they are forcing us today to limit our speaking time, because they would like to improve the image they have ruined by failing to act responsibly in time, an image that, to the general public, is one of irresponsibility.

The Minister is asking the House to limit debate on this question. Mr. Speaker, we have been asking for parliamentary control over Crown corporations for a long time. I am referring to control over spending of tax payers' money, money paid by Canadians who elected us as their legitimate representatives. The Minister or the Government has decided that there has been enough debate. Having been elected legitimately in our respective constituencies, do we not have a responsibility to express our views in the House? Do we not have a duty to inform the House of the views of our constituents? Of course, I realize this is all very tiresome to the Government, which is in a hurry to try and create a more interesting image for the general public.

Mr. Speaker, I am truly shocked that the Minister responsible should try to shove down our throats a Bill whose inadequacy amply justifies the points raised by the Members of this Party. In fact, I want to congratulate them on taking advantage of the opportunity and the time they are normally allowed, I say normally to give voice to the interests of their constituents. That is the kind of democracy that should prevail in this House. And that is what the Government has been trying to destroy for a number of years. For sixteen years, in fact, Mr. Speaker, because it is not the first time I have heard motions of closure, or the guillotine or gag if you prefer. I repeat that, when the Government imposes closure, it is seen by the public as behaviour that is arrogant to the point of being obscene. And this is certainly not the way the Government is going to save its skin. I know the Government thinks that because it has gotten into the habit of imposing motions of closure, of gagging Parliament, the public will start to think

it is an entirely normal procedure. However, it is not, and on behalf of millions of Canadians, I want to condemn the antidemocratic attitude being displayed by this Government today. That is what we should condemn, Mr. Speaker. We have the right to express our views. That is what we are here for. And if our Members should go too far, they will be judged accordingly. We stand behind what we do and what we say. So, now the Government has decided once again that the Opposition has had its say.

The Minister is, of course, in a terrible hurry to upgrade his image, since he has acted irresponsibly.

And besides showing how irresponsible it can be where the protection of public funds is concerned, this Government is now demonstrating how clumsy it can be by imposing closure. In addition, it shows how unacceptably arrogant it is by denying the rightfully elected Members of Parliament the right to express their views on such an important matter! Billions and billions of dollars have been spent, not to say wasted, because we do not have the parliamentary control we are clamouring for as elected representatives. For years, the government has turned a deaf ear to our representations whenever we suggested that a tighter control and a more effective management were required for these government agencies.

There is no need to go very far, Mr. Speaker. As evidence, I refer to one statement where it is clearly said that the Bill gives the Minister the discretionary power to occasionally exempt a corporation from having to table its projections before the appropriate Standing Committee or before Parliament.

Mr. Speaker, how can we honestly be expected in this House to give the Minister such powers after what we have seen? How can we accept the Government's invitation? How can we trust this Government after seeing such irresponsibility and mismanagement? The Minister now believes that he has the power to muzzle the duly elected representatives of Canadians, Mr. Speaker! This is what we must object to in my opinion. However, I have not seen many Government Members. Of course, they are in such a hurry. They are waiting anxiously for someone to do something about control. We would no longer have any control. Bill C-24 was introduced to bring about a comprehensive reform. It is a comprehensive Bill! I, myself, have comprehensive solutions to suggest, but the Government will not give us any comprehensive explanation about its proposals. This is why Members on this side want to speak out and express their views. It is because they also have things to say about this. Of course, the Government will reply: "You can do nothing else but criticize us!" Well, Mr. Speaker, this Government deserves criticisms and accusations. You only have to go out and talk to people to realize how vulnerable this Government has become because of its mismanagement and poor administration. This is why today we are blaming the Government for deciding to impose closure. It is altogether unacceptable that the Government should succeed in muzzling us, Members of Parliament, myself personally and my colleagues, on issues as vitally important as the use of public funds, something which does not bother the Members on the other side that much. The importance of putting public funds to good use is beyond their understanding! The deficits are there to prove it. They prove mismanagement on the Government's part and those people deserve to see us rise in this House to condemn such manoeuvers and such plans.

For this reason, I hope that, based on the most elementary honesty, this Government will withdraw its motion so that we may finally see whatever true democracy it pretends to support, but which it was never capable of assuming because of its attitude and arrogance.

I am sorry if these words are a bit strong, but I truly deplore this attitude and the way this Parliament, and even more important this country, have been managed.

Mr. Pierre Gimaïel (Parliamentary Secretary to Minister of State (Mines)): Mr. Speaker, I was delighted to hear the Hon. Member for Joliette (Mr. La Salle) make a long speech about the fact that the Government seems to want to prevent Opposition Members from speaking to the Bill before the House. Many Members on his side of the House have already spoken to the Bill. All Members are entitled to do so, and I would like to point out to the Hon. Member that I do not think he himself spoke to the Bill in his speech. Yes, indeed, all Members have the right to do so! What I would like to emphasize, and I do not think the Hon. Member mentioned this in his speech, is that the Government would like to see this Bill referred to the Standing Committee as soon as possible.

• (1640)

The place for clause by clause examination of Bills is in committee. I have several times been a member of the Committee on Miscellaneous Estimates, the Committee to which this Bill will be referred. We examined some extremely important legislation, clause by clause, sitting for weeks on end, day after day. It will probably be the same with this Bill as well. If the Hon. Member would care to appear before the Committee with his colleagues, to explain his position . . . Perhaps we should explain to Canadians that in committee, important and less important aspects, main points and minor details of a Bill are examined, revised and amended before the legislation is reported back to the House for the final vote.

I found it rather difficult to follow the reasoning of the Hon. Member for Joliette (Mr. La Salle) who insisted that we keep the Bill in the House for a long time yet, after letting more than eighty Members speak to the Bill, and all this to keep the Bill from going to Committee, where the actual revision is done, on the basis of research by the research officers of each caucus or by individual members, the Departments involved and each corporation. This is where the Bill comes into its own, where it is amended to produce legislation that is accept-

able to Parliament and to the citizens of this country, legislation created as the need arises and developed accordingly.

I have just seen a fine performance, play acting worthy of his leader, the revered golden calf as he called it himself during the Progressive Conservative Party leadership campaign, in an attempt to make us believe that the Government wants to gag the Opposition. On the contrary, Members opposite are filibustering to gag Members who have something to say on this Bill and intended to move amendments. That is exactly what is happening.

Earlier someone tried to argue that Crown corporations are not responsible to anybody, which is not true, Mr. Speaker. Crown corporations are now answerable to Cabinet Ministers who, in turn, must account for those Crown corporations to their Cabinet colleagues and answer questions raised about Crown corporations in the House. In addition, they have to appear before the committees of the House when they are asked to attend. The drawback right now is that a Crown corporation is responsible to the committee which happens to be dealing with its field of activity. For instance, the CBC is responsible to the Standing Committee on Communications and Culture. But with this new Bill, there would be some kind of direct control by parliamentarians and the Canadian Parliament. We would systematically ask the corporations to appear before the committees and answer to parliamentarians, although they would still come under the jurisdiction of a Minister. And besides they would be operating within a structure which is more in keeping with the responsibilities which Canadian parliamentarians have set for the Canadian Government so as to hear what Canadians have to say and what they expect.

I must point out that this Bill is not before the House simply because the Government happens to like it that way. It is a fact that in recent years the Canadian Government has had to get directly involved in a good many cases concerning certain Crown corporations. Our country has been the scene of basic economic changes which forced the Government to step in in areas where it had never expected to intervene. The best example is Canadian Government support for the aeronautical industry. It is obvious that our aeronautical industry would never have left the ground and would not now have 7,000 or 8,000 jobs at de Havilland and Canadair if the Canadian Government had not become directly involved. To do so, the Canadian Government had to proceed through a Crown corporation which, in turn, took over these corporations by purchasing shares. Obviously, this requires special controlling organizations, such as the CDIC, which is funded by both private and public moneys and has the mandate to manage these corporations. This is a new process which has just recently been put into place and which has developed in the course of the last few years, stemming from the CDIC. And it is precisely to meet these new needs that the Government must come up with a bill such as this. Is it fundamentally bad for Canada and for Canadians that we should develop a truly Canadian aeronautics industry?

We in the Liberal Party believe it is not. We believe it is good for Canada, for the future of our country, to have a strong technology in this field. As for the Progressive Conservatives, they have demonstrated in the early sixties that they did not believe in the future of this industry when they simply destroyed the work that was being done in this area. They eliminated AVRO and some other aeronautics concerns which existed in this country at that time. Admittedly, this is expensive, but every nation in the world is doing it, most often under the disguise of military expenditures. We in this country are doing the same through public service, through corporations which are involved in the field of civil aircraft production, which is far better than the military cover. Moreover, there are now a lot of Crown corporations by the way with fairly large budgets. There is CBC for instance as well as Air Canada, a Crown corporation which is doing fine and which, without making enormous profits on the back of the Canadian people, has provided this country with quite an interesting air transport system which through its management is directly linked to the government I feel, therefore, that the government should introduce a new legislation thereby allowing Hon. Members to become more involved in the management of Crown corporations, for they are reaching each and every house of this country, whether through its television or radio stations, as in the case of CBC, or through various means of transportation, as in the case of the CN. Crown corporations provide facilities . . . Canada Post, which used to be a government department, was made into a Crown corporation a few years ago. All these corporations are increasingly assuming a greater presence in the everyday lives of the Canadian people. I feel it is good that these corporations should strive to meet the needs which Canadians are expressing and that they should do so following the financial and administrative guidelines defined by duly elected representatives of the Canadian people. I repeat what I said a while ago: I cannot understand the illogical response of the Hon. Member for Joliette who blamed the government for wanting to refer this bill without delay to the proper committee, so that Hon. Members may scrutinize it as soon as possible . . . Not only for each to deal with it in the House for ten minutes or so, but to examine in depth all its sections one after the other, with the power to amend it to meet the wishes and the will of the Canadian people to make it into something acceptable which will work for many years to come and which will meet the needs of our country. In addition, the sooner it is sent to committee, the sooner the committee will undertake a thorough consideration of the bill and amend it the way Canadians want it done, and the sooner it will be brought back for discussion and for a vote in the House. The government and Parliament will thus be able to provide the tool which the members opposite have been demanding for a long time and those corporations will be made

more directly accountable to the House of Commons than they are at present.

I do not understand, try as I may, the attitude of the Hon. Member for Joliette. I am just as anxious as he is to settle the issue and to move amendments if I want to or if my constituents ask me to. I am also eager to have it thoroughly considered. For the information of all Canadians, it should be pointed out that the study of all bills in committee, even if it cannot be seen by Canadians on television as are our proceedings, is important work and is done well. I would like to emphasize also the work done by the members opposite in the various committees, either by the NDP members or the Progressive Conservative members, the work done by our assistants, the research offices of each caucus which provide exceptional support to the members sitting on those committees. And one has to have spent many hours in committee to realize how at this point in time, the Canadian people can contribute under the constitution to the drawing up of bills and laws governing our country. I am proud of having been able to sit on those committees and attend regularly. I am also proud to tell Canadians this always goes on with the enthusiastic cooperation of Hon. Members from all parties, from both sides of the House.

And here is my heartfelt comment at this point, Mr. Speaker: Let us once and for all tell Canadians the truth about our work as members of Parliament, our ways of working. Let us tell them that legislation is referred to Committee because the majority of the work, is done in committee. It is the hidden part people do not see, because television is not there, but it is just the same open to the public and the press. There is something else to be said, for the benefit of Hon. Members opposite. We agree with the Government that one more day of in-House discussion of that bill is enough at this stage. The legislation should be referred to Committee as soon as possible, in order that as soon as possible Hon. Members, whatever their political affiliation, can go through that process of closer scrutiny of the way our Canadian Crown Corporations are managed, because they play such a major role in our everyday lives in Canada.

● (1650)

[*English*]

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, I was very interested to hear the comments of the Hon. Member for Portneuf (Mr. Gimaïel) with regard to this Bill and to hear him say that the Government will bring in amendments in committee. We want to see the amendments now. We have never heard of any proposal to bring in amendments at the committee stage. We want to see them now because this Bill is only window-dressing with no real substance at all.

Who in his right mind would trust the Government, especially the President of the Treasury Board (Mr. Gray) whose word means nothing? The House will recall the time prior to the last election when he was asked what he would do with interest rates. He said then that he would resign if interest rates were not brought down. Interest rates went up to 21 per cent. Did the President of the Treasury Board resign? Of course not.

I do not trust him. I do not trust him when he says that he really means to go after Crown corporations with this Bill. It is only window-dressing so that the Government can cover up. Who would trust the Government with anything? We want all the proposals defined now, not at committee.

Let us review what is happening with Canada Post Corporation. Dozens of Quebec businesses are giving the stamp of approval to the United States postal service which provides quicker service at lower cost. Truck loads of mail are going daily from Canada to the United States. Those businesses want to mail their letters from the United States. Furthermore, Canada Post is talking about pushing the postal rates up. If the current rates are driving mail out of the country by the truck loads, what will happen when the rates are raised? The Auditor General should immediately find out what is happening with Canada Post.

Approximately a week ago I raised questions with the Minister of Labour (Mr. Ouellet) who is responsible for Canada Post. I asked him about some very serious problems in Canada Post. For instance, it has been buying sorting equipment at a cost of $750,000. The corporation undertook to install a software patch. The patch was removed six weeks after its installation, and an internal analysis that led to the reversal indicated a drop in productivity. It was inefficient because of excessive handling and delays. The corporation had to disconnect this $750,000 piece of machinery.

I also asked the Minister of Labour to check into the reason why we are getting reports about trailers full of mail sitting on Canada Post lots. As many as 54 tractor trailers have been forgotten for up to and including six weeks. I asked the Minister to look into this situation. I received a smart alec answer from him, asking what I am doing as a critic in the Party. He said that he would pass the information on. He showed no interest at all in this mismanagement at Canada Post. It is just evidence of the attitude of the Liberal Government. If I had been in the Minister's position, I would have thanked the Member who brought this to my attention and would have taken immediate action to bring answers back to the House. If he had done that, he would have been sincere. But I just received a smart alec answer that he will pass it on or perhaps look into it. That is why we do not trust the Government's legislation. Canadians have no reason to trust the Government with respect to anything that is taking place in Crown corporations.

For instance, we see the problems with de Havilland. We are very concerned about its management. The Government waits until there is a total disaster before it moves in to determine what is going on there. However, we do not hear anything about these problems; we only hear that the people who are mismanaging the business are getting bonuses.

We have been asking for this Bill for years. It should have been introduced seven or eight years ago, because that is when the horror stories about these Crown corporations were told. For example, in 1976 and 1977 we began hearing about Canadair being on a disaster course. All we heard from the present Minister of Energy, Mines and Resources (Mr. Chrétien), who was the Minister in charge of Canadair at that time, was that its situation was never better and that sales were picking up. He said that we should not be raising questions about Canadair and that the Challenger was the greatest aircraft ever built. We could not convince the Government at that time that Canadair was heading toward a disaster course. All we got was a sales pitch in the House of Commons. That has cost us billions of dollars.

We do not want to see Canadair or de Havilland fold. Those Crown corporations should be developing new products. Yet they struggle with a product which they are having great difficulty selling.

When Ford developed the Edsel automobile, its sales were acceptable for a period of time. However, when it became evident that the public was not interested in buying it, Ford stopped making the Edsel and developed a new product that could sell. What the Government should be doing with respect to these Crown corporations is finding some Lee Iacocca to run them instead of Liberal rejects, has-beens and failures. The Government does not recruit the proper people to run these Crown corporations. That is why we will not rubber-stamp its legislation and will continue to put up speaker after speaker in order to get the point across.

We have always given constructive criticism. My friend from Red Deer gave excellent examples of what is happening with Crown corporations out west and how they are affecting the farmers. That does not constitute obstruction. When the Government introduces substantial legislation which includes a sound directive appointing the Auditor General to conduct a thorough and proper inspection of all those Crown corporations, then it will get our support. If it were a good Bill it would be difficult to argue against it day after day. We simply do not trust the Government. We will not rubber-stamp any more of its weak legislation.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I wish to take this opportunity to make some general comments. We are debating closure on an important Bill dealing with Crown corporations. The Canadian public should know that the Conservatives have helped to make the words "public enterprise" a dirty word. There have been ten years of Conservative and business propaganda about this issue. Let there be no doubt that if the Conservatives become the government they will do what Bill Bennett did in British Columbia and we will see all Canadians suffer the kind of pain that the working people in British Columbia are experiencing. They will try to sell the Crown corporations.

Mr. McKenzie: Who will buy them?

Mr. Waddell: My friend asks who will buy them. It depends on which Crown corporation you are talking about. There are some very healthy Crown corporations.

I want to comment generally on why this Bill is important and should be debated. I heard a Liberal member say that there have been many speakers and the debate has been just repetitive. I believe that this Bill and the one concerning the CDIC need to be debated because their importance is not fully understood. I do not believe that the press and some members of the public have realized the importance of these Bills. Very competent people like Joel Bell, Maurice Strong and Senator Jack Austin, the elite group, are really running the wheels of the country for the Liberal Government. That deserves some consideration.

I suggest that we have seen a breakdown of Keynesianism which social democrats, Liberals and some Conservatives had embraced. It has been replaced by individual resignation, a feeling that one cannot do anything, that one is alienated and that therefore one should just forget about it. It has also been replaced by a new neo-Conservatism. I must admit that one of the vibrant forces in debate today is neo-Conservatism. The left which I represent must take part in this kind of debate. That is why this debate is important. Ironically enough, I do not know whether we are seeing its collapse, but certainly the capitalist system in North America is in deep trouble. We are not getting a full growth economy, but we are getting high rates of unemployment. Yet you cannot advocate expansion of the welfare state any more because people, and I think there may be some truth to it, see that the modern state is out of control, centralist, bureaucratic and elitist. We need a different way of approaching the modern state, which means a different way of approaching Crown corporations. We need popular control over the state and over capital. We need to create in these Crown corporations some democratic socialist institutions.

● (1700)

We should be talking about worker ownership and participation. The most radical people in this country talking about these new ideas are the Catholic bishops. They talk about labour being a priority. We on the left talk about its being equal. We should be talking about worker ownership and decentralizing Crown corporations. We should be talking about accountability in different ways such as the ways American committees examine their legislation and keep the Government accountable. We should be talking about new types of boards of directors, not just Liberal hacks or even very competent career bureaucrats on the board. We should be opening them up to native people and women. We should be opening up hydro boards to environmentalists. But we have just one kind of person running the Crown corporations, so is it any wonder that they have become so far removed from the people and their representatives in Parliament?

We should be giving the Crown corporations a mandate and then assessing how they live up to it. Then you would not have things like Canadair and de Havilland happening. All these

things have to be debated and we have hardly touched on these issues. This is the debate of the future.

We are looking at popular and effective representation by people at the local, provincial and national level in governing themselves. The modern welfare has lost that ability. It has delivered a lot for us and put the safety net in place, but it needs to be reformed and we have to start with Crown corporations.

Many Crown corporations are uniquely Canadian and we can be proud of them and the things that have been done. But we have to zero in on some of the things I tried to bring out in the few minutes I have available to me. We should not be capping this debate; we should be expanding it and talking about worker ownership, as people have started to do in certain areas of Europe. We should talk about how we are going to amass the capital in the country for the people so we can take control of our own economy. It must be obvious to Canadians and to Members of the House that our economy is totally dependent on the Americans. We do not have an independent economy any more. We ask questions about interest rates every day and we get the same answer, that we are dependent on the Americans. We should be talking about using our Crown corporations to take control of our economy, much like the original mandate of Petro-Canada.

This Bill does not go far enough to make Crown corporations accountable, and they have to be. We need to have a plan of what they are going to do. We need to have their books independently audited. We need to have witnesses in front of a committee that has some real teeth. I sometimes ask, and my electorate may answer this after the next election, why we are here in the House of Commons if we cannot really examine these Crown corporations? We cannot ask questions on interest rates or control things. What is the role of an MP? It seems to me that we have a real role in debating and assessing these Crown corporations and making them accountable. We have great experience in Canada in this area. Members should look at what Saskatchewan did from about 1944 to 1964. We should also look at the following years perhaps, at some of the mistakes they made with the Potash Corporation and some others in getting away from the people.

We should not end this debate, because we have lots more to talk about. We have to talk about ways of making Crown corporations accountable to ordinary people in this country so that they will once again feel they have some control over their government. I would like to see them become democratic socialist institutions, which would be quite a radical change from the present situation.

Hon. John C. Crosbie (St. John's West): Mr. Speaker, it is hardly a pleasure to get up and speak on this motion because it is another example of the disregard of this Government for popular opinion and the rights of Members of this House. It certainly illustrates the fact that the Government's sincerity with respect to any need to control Crown corporations further is, at best, very suspect.

Before I touch on some other points I want to comment on the remarks of the Hon. Member for Vancouver-Kingsway (Mr. Waddell) who preceded me in the debate. If there is such a thing as a thinking socialist, he is of course one of them. There are very few of them in this country. Mind you, he is not a brilliant example, he is not in the tradition of, say, English socialism. We could not say that he is as brilliant as Michael Foote or some of the other English socialists. But he shines here in Canada among the socialists, certainly among socialist MPs, because he has a modicum, an iota, a small amount in any event, of intelligence. We heard some of it at work here today. The only thing I want to say to him is that he has a love for Crown corporations, but the trouble is, as the Member must understand, that they have no bottom line. We have just had a fantastic illustration of the effect of having no bottom line. When you have no bottom line, and when you have a Government with no shame, one which simply wants to stay in power and not be embarrassed as long as it can hide the facts from the public, and you combine those two, you get the Canadair and de Havilland situation. Those companies got into the tragic position in which they now find themselves, having lost several billions of dollars of credit and of money of the people of Canada, only because they had no bottom line. There was no discipline there. The ordinary private corporation would have sunk several years earlier. Their mistakes would have cost their investors several hundreds of millions of dollars, but they would have gone no further because no financial institution would have given them a loan or conveyed any financial assistance to them once they looked into the matter and saw that they were losing money, that they were poorly managed and that they had no prospects.

Canadair was producing a product which this country did not need produced, and no one else needed it. They could not produce a product which was going to be the best in the world in any event, and now we are in the position in which we find ourselves with Canadair. So there is no bottom line. All the Government did year after year was to turn its back and keep it secret by using letters of comfort. The Government did not even guarantee loans to those companies directly; it gave them letters of credit, which were not legally binding but were morally binding, which the Government will have to observe. They were advanced hundreds and hundreds of millions of dollars under letters of credit so the public would not know how much money was going into them or what they were doing.

There is no bottom line unless the Government acts responsibly, and the Government does not act responsibly because it does not want the public to know what has happened or how stupid it has been. And so that is how you end up with the tragedies we have had in those two companies.

Now the Hon. Member from Flis, or the Hon. Flis or the Hon. Member from Toronto somewhere, spoke earlier in debate. I forget his exact district.

Mr. Bosley: Parkdale-High Park.

Mr. Crosbie: Parkdale-High Park. He was praising CN. He said, "Look at the money CN has made". Mr. Speaker, it is to laugh. I distinctly remember that, since I came to the House eight years ago, we have forgiven CN the obligation of repaying hundreds and hundreds of millions of dollars in interest payments. The only reason that CN can now pretend it is making a profit is that it was relieved by the House of the responsibility to pay back hundreds of millions of dollars in principal and interest. Anyone could make money if the debts they owed were removed from them, as the CDIC now suggests should be done in the case of Canadair. In a year's time we will have the scoundrels telling us that Canadair is making money, because they will have removed from Canadair billions of dollars in debts and interest payments and left it with its assets. We will have these fools, these rogues, these scalliwags who are now forcing this Bill through the House, telling us in one or two years' time that Canadair has made money.

• (1710)

We need birth control for Crown corporations, Mr. Speaker. We need a system of contraception for Crown corporations so that they cannot spring up whenever someone in the Government gets a fantastic idea to inseminate a new Crown corporation. We need some method of automatic birth control, which this Bill does not provide. Under this Bill, once you have a Crown corporation it can spawn another dozen without coming back to the House. That is one of the weaknesses of this Bill. We want a Bill which will provide foolproof methods of birth control over the spawning of other Crown corporations.

VIA Rail is another example, Mr. Speaker. We have not yet had legislation before the House to establish VIA Rail or to lay down its guidelines. It is spending hundreds of millions of dollars and losing it. This is another example of the escape of responsibility of the Government.

The Minister of Fisheries and Oceans (Mr. De Bané) was here earlier. He is a fuzzy-minded socialist. He is even more to the left than our friend, the Hon. Member for Vancouver-Kingsway. The other day, the Prime Minister (Mr. Trudeau) asked whether we would prefer a French socialist to a Canadian Liberal as Secretary General of the OECD. Of course, the answer is yes. The French socialist would be far less likely to intervene in the economic conduct of society than would a Canadian Liberal. We would far rather have a French socialist than the present Minister of Finance (Mr. Lalonde) as Secretary General of the OECD. We would sooner have anyone. We do not want a failed Canadian Minister of Finance heading up that international organization.

The Minister of Finance has a Crown corporation called Fishery Products International Limited in Newfoundland. The Leader of the Liberal Party in Newfoundland has described our Minister of Fisheries and Oceans as a liar. I have never heard of this happening before, Mr. Speaker, and I do not know what it has to do with Crown corporations. "De Bané lied to shield Tory, top Liberal says". Mr. Neary is the top Liberal in Newfoundland. He is the Leader of the Opposition. I will quote from an article in the March 16 issue of *The Globe and Mail*. It says:

> Mr. Neary, during a dispute with Fisheries Minister James Morgan, said federal Fisheries Minister Pierre De Bané was a liar for denying publicly that Mr. Morgan had cried during talks leading up to the creation of the new super fish company in Newfoundland.

That is apparently where forming Crown corporations leads one. The Minister of Fisheries has taken over Fishery Products International—

Mr. Deputy Speaker: Order. It being 5.15 p.m., the two hours provided for the consideration of the motion now before the House under the provisions of Standing Order 82 have expired.

[*Translation*]

It is therefore my duty to interrupt the proceedings and put every question necessary to dispose of the said motion.

[*English*]

The motion is the following. Mr. Gray moves that, in relation to Bill C-24, an Act to amend the Financial Administration Act in relation to Crown corporations and to amend other Acts in consequence thereof, one additional sitting day shall be allotted to the consideration of the second reading stage of the Bill; and that 15 minutes before the expiry of the time provided for Government business on that day, any proceedings before the House shall be interrupted, if required, for the purpose of this order and, in turn, every question then necessary in order to dispose of that stage shall be put forthwith and successively, without further debate or amendment.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

Mr. Deputy Speaker: In my opinion, the yeas have it.

And more than five Members having risen:

Mr. Deputy Speaker: Call in the Members.

The House divided on the motion (Mr. Gray) which was agreed to on the following division:

• (1720)

(*Division No. 40*)

YEAS

Messrs.

Allmand	Bégin (Miss)	Bussières
Appolloni (Mrs.)	Berger	Caccia
Axworthy	Bloomfield	Campbell (Miss) (South West Nova)
Bachand	Bockstael	Campbell (LaSalle)
Baker	Bossy	
Beauchamp-Niquet (Mrs.)	Breau	
	Burghardt	

Time Allocation

Messrs.

Campbell (Cardigan)
Chénier
Collenette
Comtois
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
De Bané
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Guilbault
Harquail
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Landers
Lang
Laniel
Lapierre
Lapointe (Beauce)
LeBlanc
Leduc
Lefebvre
Lumley
MacBain
MacLaren
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Nicholson (Miss)
Olivier
Parent
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Roberts
Robinson (Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Tardif
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Weatherhead
Whelan
Yanakis—123.

NAYS

Messrs.

Althouse
Beatty
Benjamin
Blackburn
Blaikie
Blenkarn
Bosley
Broadbent
Cardiff
Clark (Brandon-Souris)
Clarke (Vancouver Quadra)
Coates
Cook
Cooper
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Dantzer
Deans
de Jong
Domm
Ellis
Elzinga
Epp
Fennell
Forrestall
Fraser
Fretz
Friesen
Fulton
Gamble
Gass
Greenaway
Gurbin
Gustafson
Hargrave
Hawkes
Heap
Hees
Hnatyshyn
Hovdebo
Howie
Jelinek
Jewett (Ms.)
Kempling
King
Knowles
Lambert
La Salle
Lawrence
Lewis
Lewycky
MacDougall
Manly
Mazankowski
McCuish
McDermid
McDonald (Ms.) (Broadview-Greenwood)
McGrath
McKenzie
McKinnon
McKnight
McMillan
Miller
Mitges
Munro (Esquimalt-Saanich)
Neil
Nickerson
Nielsen
Ogle
Orlikow
Patterson
Reid (St. Catharines)
Riis
Robinson (Burnaby)
Roche
Sargeant
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Speyer
Stewart
Taylor
Thacker
Towers
Vankoughnet
Waddell
Wenman
Wilson
Wise—91.

Mr. Speaker: I declare the motion carried.

OFFICIAL LANGUAGES, POLICY AND PROGRAMS

COMPOSITION OF STANDING JOINT COMMITTEE

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I have a motion that refers to the composition of the Standing Joint Committee on Official Languages, Policy and Programs. We have had discussions with the other Parties about this. I move:

That the quorum of the Standing Joint Committee of the Senate and of the House of Commons on Official Languages, Policy and Programs, be six Members, whenever a vote, resolution or other decision is taken, so long as both Houses, the Government and the Opposition are represented, and that the joint Chairmen be authorized to hold meetings, to receive evidence and authorize the printing thereof, when four Members are present so long as both Houses, the Government and the Opposition are represented; and

That a message be sent to the Senate requesting that the House do unite with this House for the above purpose.

Mr. Hnatyshyn: Mr. Speaker, there have been the consultations indicated. This motion is necessary in order to establish a quorum under the circumstances. I simply rise to indicate that we are prepared to consent to the motion being put and the passage thereof.

Mr. Speaker: Is there unanimous agreement for the Parliamentary Secretary to introduce this motion?

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion (Mr. Evans) agreed to.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 165, 166, 168, 566 and 790.

[*Text*]

ECC—NINETEENTH ANNUAL REVIEW

Question No. 165—**Mr. Mazankowski:**

Were 14 recommendations made to the Government in the Economic Council of Canada's 19th Annual Review *Lean Times* and, if so (a) which recommendations were accepted by the Government and what has been done to implement them (b) which recommendations were rejected and for what reasons (c) what is the status of the remaining recommendations?

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): No. Of the Council's 14 recommendations, three were not addressed to the Government.

(a), (b) and (c) Recommendations of the Economic Council represent important inputs to the Government's long-term policy considerations. However, the Council is one among a

variety of sources of advice consulted by the Government. The Government has, therefore, neither explicitly accepted nor rejected the recommendations, but rather has incorporated them within the framework of considerations bearing on policy.

ECC—REPORT "INTERVENTION AND EFFICIENCY"

Question No. 166—**Mr. Mazankowski:**

Were 31 recommendations made to the Government in the Economic Council of Canada's report *Intervention and Efficiency* and, if so (a) which recommendations were accepted by the Government and what has been done to implement them (b) which recommendations were rejected and for what reasons (c) what is the status of the remaining recommendations?

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Yes, although the recommendations were directed to both federal and provincial governments. (a), (b) and (c) See reply to question No. 165 answered today.

ECC—REPORT "IN SHORT SUPPLY, JOBS & SKILLS IN THE 1980s"

Question No. 168—**Mr. Mazankowski:**

Were 12 recommendations made to the Government in the Economic Council of Canada's report *In Short Supply, Jobs & Skills in the 1980s* and, if so (a) which recommendations were accepted by the Government and what has been done to implement them (b) which recommendations were rejected and for what reasons (c) what is the status of the remaining recommendations?

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): No. Two of the 12 recommendations were directed to provincial governments. (a), (b) and (c) See reply to question No. 165 answered today.

103912 CANADA INC.

Question No. 566—**Mr. Howie:**

To the knowledge of the Government is 103912 Canada Inc. a subsidiary of Petro-Canada Inc. and, if so, what are the (a) names (b) positions of the persons who occupy positions on the Executive and Board of Directors and, in each case, what amount was he/she paid in respect of that position in the fiscal year ended March 31, 1983?

Mr. Leonard Hopkins (Parliamentary Secretary to Minister of Energy, Mines and Resources): Petro-Canada Inc. reports as follows: Yes.

Executive of 103912 Canada Inc.

(a) Name	(b) Position
Mr. Kenneth G. Donald	President
Mr. David P. O'Brien	Secretary
Ms. Muriel Rhynes	Assistant Secretary

Board of Directors of 103912 Canada Inc.

(a) Name	(b) Position
Mr. Wilbert H. Hopper	member
Mr. Edward M. Lakusta	member
Mr. David P. O'Brien	member

The Executive and members of the Board of Directors of 103912 Canada Inc. are all employees of Petro-Canada and therefore are not paid in respect of their positions with 103912 Canada Inc.

EXEMPT STAFF OF SECRETARY OF STATE FOR EXTERNAL AFFAIRS

Question No. 790—**Mr. Hnatyshyn:**

1. Are any exempt staff employed by the Department of External Affairs and, if so, what are their (a) titles (b) positions (c) names?

2. Do any of the staff mentioned in part 1 receive income, financial assistance or other benefits related to their employment from sources other than the ministerial budget and, if so (a) which members (b) what are the details of the income, financial assistance or other benefits?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): No. The Secretary of State for External Affairs employs exempt staff as follows:

1.	(a) & (b)	(c)
	Executive Assistant	Kenzie MacKinnon
	Special Advisor	Sean Riley
	Special Assistants	Pearl Hunter Alfred LeBlanc Veronica Gillies Ronald J. MacDonald Moses Coady

2. No.

[*English*]

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

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

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

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

Mr. Speaker: Shall all notices of motions stand?

Some Hon. Members: Agreed.

Mr. Speaker: Orders of the day.

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order. I suggest that you seek the unanimous consent of the House to see six o'clock. We have had a very interesting day. The Government has once again rammed through, by closure, its intention. I am sure you could see the clock as indicating six o'clock. We will carry on tomorrow in a spirit of co-operation.

● (1750)

Mr. Pinard: Mr. Speaker, we agree with the suggestion made by my hon. colleague. Of course, if we had rammed something through, the Hon. Member would not have agreed to sacrifice 10 minutes of his time. However, we do agree.

Mr. Beatty: Mr. Speaker, I apologize for raising this matter at this point but I would like your guidance on this matter. If we call it six o'clock now, would it cut 10 minutes off the total amount of time allotted for debate, or would that amount of time be reserved?

Mr. Speaker: In the interpretation of the Chair, no time will be taken off the debate. Time will run in the normal course.

It being 6 p.m., this House stands adjourned until tomorrow at 11 a.m. pursuant to Standing Order 2(1).

At 5.51 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, May 17, 1984

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

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

Mr. Tom McMillan (Hillsborough) moved:

That this House condemns the Government for abandoning its commitment to alleviate regional economic disparities and thereby encouraging continued economic inequality between the Atlantic provinces and the rest of the country through a policy of gutting the Department of Regional Economic Expansion, slashing investment in regional development, and downgrading, for political purposes, federal-provincial development agreements.

He said: Mr. Speaker, few Opposition motions on any subject are as important as the one we are debating today. The motion strikes at the very heart of what Canada is supposed to be all about, namely a land of opportunity from coast to coast, from sea to sea.

The country's wealth is shared unequally from one region to another and from one province to another. Indeed, national myth notwithstanding, the difference in economic opportunity between residents of Prince Edward Island and Newfoundland on the one hand, and those of Ontario and Alberta on the other, for example, is analogous to the economic disparities between blacks and whites in the United States. It is as though we in the have-not parts of Canada were living in a separate country altogether from the land in which the wealthy provinces of Canada find themselves. Yet the current government has abandoned any commitment it had to alleviating regional economic disparity in Canada.

After 16 years in office, the Prime Minister (Mr. Trudeau) prepares to take his leave knowing, as he must, that regional disparities have not improved a whit in the time that he has been in office. The irony is that in his first election campaign in 1968, only days after becoming Leader of his Party, the Prime Minister made the elimination of regional economic disparity his major commitment and his only major specific promise. How the hopes and expectations of Atlantic Canadians were raised by him in that campaign!

Those sentiments were raised still higher when in 1969 the Government heralded the creation of the Department of Regional Economic Expansion. To be fair, and I want to be fair, I believe sincerely that at the time the Prime Minister actually was committed to the high-sounding objectives of the Throne Speech of the day in which the proposal for the Department of Regional Economic Expansion was made. However, like the North-South dialogue and now his peace initiative, the regional disparity issue was but a fad for him, something to entertain his mind until the next political fashion came along.

• (1110)

Certainly the record of the Government from the time of the establishment of DREE to the present has not been one of relatively stronger economic growth in Atlantic Canada. Rather, it has been one of continued economic disparity between the region and the rest of the country. When DREE was established in 1969, the earned income per person—personal income excluding government transfer payments like unemployment insurance—was $1,738 in the Atlantic Provinces. For the rest of Canada, the corresponding figure was $2,747. The personal income of people living in the Atlantic Provinces was only 63.3 per cent of the personal income of those living in the rest of Canada. In 1982, the last year for which data are available, the per capita earned income in the region was $7,312 compared to $11,455 for the rest of Canada, making a ratio of 63.8 per cent. There was an improvement of only one-half of 1 per cent in 13 years.

Similarly, in 1968, the first year of the Prime Minister's administration, there were 38,000 people unemployed in the Atlantic region and 320,000 people unemployed in the rest of Canada. The number of jobless in the region constituted 11.9 per cent of the number of jobless in the rest of Canada. In April, 1984, with 143,000 people unemployed in Atlantic Canada, the regional jobless figure is now 11.4 per cent of that of the rest of Canada. The disparity has narrowed, Mr. Speaker, only one-half of 1 per cent in 16 years. Indeed, the number of jobs in Atlantic Canada relative to the rest of the Canadian labour force has actually shrunk and not increased since the Prime Minister first took office. It has gone down from 8.5 per cent to 7.9 per cent.

Only 6 per cent of the jobs created in Canada in the last 16 years have been created in the Atlantic region. Yet the region contains over 9 per cent of the country's population. In 1968 the seasonally adjusted unemployment rate was 6 per cent in the Atlantic region compared to 3.9 per cent in the rest of Canada. In April, 1984 the seasonally adjusted unemployment rate was 15.1 per cent in contrast with the figure of 11 per cent for the rest of Canada. The ratio is exactly the same now as it was 16 years ago—one and a half to one, to the disadvantage of the Atlantic Provinces.

It is not at all difficult to identify what went wrong with the Government's regional development policies. There were two

main problems with those policies. The first problem was a failure of administration and the second was a lack of continued commitment to funding and programming. Programs were frequently ill-conceived. In my Province of Prince Edward Island, for example, DREE often supported industries that were doomed to failure from the beginning because they did not relate to the indigenous resources of the province or to the competitive advantages of the Island. I ask you, Mr. Speaker, if it is realistic to think that a province like Prince Edward Island with a population of only 125,000 people, a province that is situated a thousand miles away from any major metropolitan market, could ever sustain an industry which manufactured skis? DREE thought so but the marketplace did not. The result was calamity for both the company in question and for the workers whose jobs and dreams were destroyed.

• (1115)

The record of DREE throughout the Atlantic region is replete with such examples of departmental ineptitude. In other instances, genuinely worth-while projects initiated by DREE were undermined by other departments of the federal Government. It was not that the left hand did not know what the right hand was doing; it was that the left hand was chopping the right hand off at the wrist. For example, in the City of Charlottetown, the Department of Regional Economic Expansion invested something like $9 million for the redevelopment of the waterfront. It was one of the most innovative efforts in all of North America. The anchor of that ambitious project, that ambitious complex of public and private facilities and services, was to be the relocated headquarters for the national Department of Veterans Affairs. It was to be relocated on Queen Street on the city's waterfront itself. However, because of sheer bureaucratic bungling, officials of the Department of Public Works pulled the rug out from under its sister Department of Regional Economic Expansion. DPW did so by wrenching the DVA headquarters from DREE's waterfront project in favour of a city-core location which was isolated from anything in which the federal Government had a direct interest. In one fell swoop, one federal department risked the total collapse—certainly a major collapse—of the multimillion dollar efforts of another department.

Fortunately, the waterfront project, of which I have spoken, was given a much needed boost by the erection of a multimillion dollar convention centre on the spot where DVA was to be located. That outcome was made possible only by a last-minute federal-provincial funding arrangement. Meanwhile, the waterfront project was seriously set back and, to make matters worse, the federal Government now stands to lose a million dollar law suit to the developers associated with the original DVA waterfront site.

I mention that example because I think it graphically illustrates what went wrong with DREE as administered by this Government. Just as DREE programs were plagued by inter-departmental warfare within the Government, so also were they undermined by the failure of the federal Government to consult with the very governments most affected by those programs. The change in the DVA location from the Charlottetown waterfront to the city centre was made against strong representations, not only by the Province of P.E.I., but also by the city itself, not to mention local public opinion. The same type of insensitivity to provincial and local priorities was characteristic of DREE-related programs throughout the region—not just in Prince Edward Island but in New Brunswick, Nova Scotia and Newfoundland as well.

The second major problem with DREE was the lack of sustained funding and program support. There can be no doubt that, following an initial flurry of federal Government investment, regional economic expansion payments to the Atlantic provinces soon dropped steadily, to the point at which they all but ceased with the abolition of the department in 1982. In 1971, two years after the establishment of DREE, regional economic expansion payments to the provinces amounted to $473 million in 1982 dollar terms. Such payments remained around that level until 1979. From then on, support plummeted from $485 million in 1979 to $350 million in 1982. That represents a 41 per cent drop in support in four years.

What was even worse for the Atlantic provinces than the over-all decline in DREE funding was the region's declining share of the total. Originally DREE assistance was restricted to areas of Canada whose unemployment levels were constantly high, whose industrial base was low and whose hopes for improvement were otherwise remote. DREE money was intended to assist those areas in industrial development, the provision of essential services and in job retraining. However, Mr. Speaker, for purely electoral purposes this Government watered down eligibility criteria until almost every part of the entire country qualified for so-called regional development aid. Provinces like Prince Edward Island found themselves competing with parts of even wealthy Ontario for a share of the funds. As more and more communities from one end of the country to the other became eligible, we in the Atlantic Provinces had to scramble for our share of the pie. Given that the pie was originally intended for us, the outcome was nothing less than scandalous.

• (1120)

When DREE was established in 1968, Mr. Speaker, the Atlantic Provinces received over half the total money expended by that department across Canada. When it was abolished in 1982, that proportion was down to less than a third. Not only was the pie smaller, but our piece of the pie was smaller yet.

The truth is, Sir, as the Senate Standing Committee on National Finance concluded after examining regional disparities in 1982, the Government has turned its back on the goal of regional disparity. It was more interested in courting electoral support in vote-rich Ontario and other major centres than in honouring its commitment to assist the have-not provinces to achieve some degree of self-sufficiency. In fact, Mr. Speaker, the Government saw DREE as an obstacle to its re-election chances, because the provinces seemed to be getting credit for the expenditure of federal dollars, and none of the provinces was Liberal.

In Prince Edward Island, for example, the federal Government scrapped many established federal-provincial cost-shared programs in favour of direct delivery of federal services, often totally excluding the province from policy input. The result has been to render previously robust provincial departments of government—notably fisheries, agriculture and energy, and others which could be mentioned—mere shadows of their former selves, with attendant Public Service lay-offs and local service cutbacks. Even more significant, Mr. Speaker, the direct delivery approach has denied federal Government programs the local participation so essential to effective implementation.

With DREE folded into the Department of Regional Industrial Expansion as of 1982, and thereby effectively abolished, the Atlantic region has lost the one federal department, with all its faults, to which it could turn as a friend at court. Make no mistake about it, Mr. Speaker, in any competition between the twin but conflicting goals of the new department, national industrial objectives will win over regional development objectives ten times out of ten, at the expense of the Atlantic region.

The federal department has made an orphan of the Atlantic Provinces, leaving us increasingly to our own devices to survive. Not only has it abolished DREE and abandoned formal regional development programs of the DREE type, but it has also slashed support through broad fiscal and other programs. From 1977 to 1983, federal transfers to other levels of government have steadily gone down as a percentage of total federal expenditures, even excluding public debt considerations. Federal changes to Established Programs Financing for health care and post-secondary education has cost the Atlantic Provinces $90 million a year in lost revenue. Apart from those changes, the application of the Government's six and five program to the post-secondary education component of EPF in 1983-1984 and 1984-1985 will cost the region a further $32 million over those two years.

In such areas as transportation, so vital a part of the economic base of the region, the federal Government has left us high and dry, alone to fend for ourselves. In 1968 the Government subsidy under the Maritime Freight Rates Act was, in 1982 dollars, $57 million. In 1982 it had shrunk to a paltry $11 million, a drop of 81 per cent during the 16-year period in which the current Prime Minister was in office.

• (1125)

Sir, no part of Canada depends more on vital transportation links with the rest of Canada than does P.E.I. We have suffered, however, a steady loss of passenger freight and parcel express services, and railcar and railline repair and maintenance capacity. Having entered Confederation to save our railway, we see the federal Government dismantling it before our very eyes. Although the island is grateful for federal help towards such major projects as the Atlantic Regional Veterinary College and the Prince Edward Hilton Convention Centre, it is once again the classic story of the Government giving with one hand while taking with the other.

Sir, we in the Atlantic region are a proud, hard-working people, a people determined to be self-sufficient again. We were once self-sufficient. Before Confederation our region was actually quite prosperous. That is in fact why we were one of the first parts of Canada to become populated and settled. Successive central Canada-dominated federal Governments, however, have adopted policies undermining economic diversification in the Atlantic region and also in the west. This has weakened our economic strength and our morale. The region, once highly industrialized by the standards of the day, has now been reduced to producing staples. The production of those staples, for example potatoes in Prince Edward Island, does generate jobs, I grant you that. Much of the income, however, is then simply spent in central Canadian markets, mostly for manufactured goods. The same happens with federal transfer payments to provincial governments and individuals alike. In the Atlantic Provinces the money simply gets recycled back into the central Canadian economy.

Frankly, Mr. Speaker, I am not convinced that such regional servitude is exclusively the result of either accident or neglect. One cannot overlook the fact that it has served the interests of central Canada—and I am fond of central Canada—to have the Atlantic Provinces as a ready market for their manufactured goods rather than engage in manufacturing themselves. National policies like protective tariffs have consistently favoured Quebec and Ontario, the very provinces whose votes have enabled the Liberal Party of Canada to govern the country for most of this century.

What we need, Mr. Speaker, is a truly federal state, one that recognizes the enormous potential of the Atlantic region both to be self-sufficient and to contribute to the total weatlh of Canada. However, that will only come, Sir, with a new team of Canadians in charge of affairs here in Ottawa.

Mr. Deputy Speaker: A period is now provided for questions or comments.

Mr. Hopkins: Mr. Speaker, if I understood the Hon. Member correctly, he mentioned the DVA building was to go on the waterfront. It was then moved downtown and they were lucky to get the convention centre on the waterfront. I remember discussing this move at length with the late Hon. Dan MacDonald prior to the move. I recall his mentioning the waterfront versus the downtown location. Is the Hon. Member really saying at this stage that he would prefer to have DVA on the waterfront and the convention centre downtown? Is it really better to have a department downtown in a business section, or is it better to have the convention centre downtown? Does he disagree with the DVA being located where it is located at present?

• (1130)

Mr. McMillan: Mr. Speaker, the consideration of the comparative locations of the two projects in question, the national headquarters for the Department of Veterans Affairs on the one hand, and the Prince Edward Hilton Convention Centre on the other, is irrelevant. What is relevant is that one

department of government was favouring one location and another department was favouring another. They were working at cross purposes to the point where a multimillion dollar redevelopment project for the Charlottetown waterfront was being undermined by the Department of Public Works and a sister department, namely that of Regional Economic Expansion, had already invested millions and millions of dollars into the Charlottetown waterfront project.

In my speech I was making the point that it is terribly important for the left hand to know what the right hand is doing and to co-operate with one another. Time and again in departments of the federal Government we have seen one department doing one thing and another department doing something entirely different. They work at cross purposes to each other. I used the DVA location as an illustration of the point in question. We need harmony between departments within the same government and between federal and provincial governments. During the 16 years in which the Prime Minister has been in office, we have had discord rather than harmony, confrontation rather than co-operation. I think that is at the very heart of the problem with regional development policies in the country.

Mr. Waddell: Mr. Speaker, I have two questions if I have time. Where does the Hon. Member stand on the free trade issue? If we move toward freer trade with the United States and other countries, how will that affect Atlantic Canada?

Mr. McMillan: Mr. Speaker, I think a bit of history is in order here. When Prince Edward Island and the other Atlantic provinces were colonies, in their hey-day they had a good deal of what was analogous to free trade, largely between themselves and what is now the northeastern tier states to the south. When national tariff policies in Canada were devised under the national policy of Sir John A. Macdonald, and by every successive federal Government, the trade was artificially rerouted from north-south, as far as the Atlantic region was concerned, to east-west.

That is one of the prices that the Atlantic region has been prepared to pay to be part of the Canadian family. However, if we are to pay that price we must also get some compensatory advantages, for example, through freight rate policies. Instead, freight rate policies, which have been so important to trade, have gutted the advantages we once enjoyed. There are other examples of successive Canadian governments, mostly of a Liberal stripe, undermining our efforts to enhance our trade relations, not just with other countries, but even with other jurisdictions within Canada.

I myself am not a free trader, although I think there are some areas in which we can relax tariff and non-tariff barriers alike. However, I think that if we in the Atlantic region are going to pay the price of high tariffs in the country, there should be some corresponding advantages and those advantages have been in short supply, Sir.

Mr. Waddell: Mr. Speaker, I would like to ask the Hon. Member a further general question. It seems to me that if there is one Party in the House which is committed to survival of the fittest, to what is called social Darwinism, it would be the Conservative Party. It seems to me that Party would be the least committed to egalitarianism. How does the Member square that philosophy of modern conservatism with a policy of making special provision for the Atlantic region rather than abandoning it to fend for itself, as is traditional conservative policy? That is what modern conservatism is.

Mr. McMillan: Mr. Speaker, the premise of the question is totally erroneous.

Mr. Crosbie: Moronic.

Mr. McMillan: No member of this caucus or of the Progressive Conservative Party who could rightly call himself a Conservative in the country has advocated or ever fought for social Darwinism, the survival of the fittest among individuals, governments, or for that matter countries. I am proud to be associated with the record of Sir John A. Macdonald who did not hesitate to use the instruments of the state for the advantage of society as a whole, sometimes against the interests of the individual. I am proud to be associated with the record of Sir Robert Borden and Arthur Neighen, who forged some of the nation-building links which were inaugurated by Sir John A. Macdonald himself through the creation of the CNR. That was no lily-livered approach to stateism, Sir. I am proud to be associated with the record of John Diefenbaker who, in some ways, was the father of modern medicare through specific initiatives that he took.

There are other examples which could be cited at the provincial level. These include Leslie Frost, John Robarts and William Davis in Ontario. Look at the record of Richard Hatfield in New Brunswick. Has the Province of New Brunswick ever hesitated, in modern times, to use the instruments of the state for the advantage of society as a whole, sometimes against, perforce, the interests of the individual when the two were in conflict? I could cite similar parallels with the record of the province of which I am a resident.

The Progressive Conservative Party has a proud tradition of compassion and sensitivity to the welfare, the problems and the aspirations of individuals and provinces alike. For the Hon. Member to stand and ask the kind of question which he has asked reveals only that he does not know the history of the Conservative Party and, what is worse, does not know the history of Canada, either at the federal or provincial level.

Mr. Crosbie: He knows nothing.

Mr. Deputy Speaker: Are there further questions or comments? The House will now proceed to debate.

Hon. Donald J. Johnston (Minister of State for Economic and Regional Development and Minister of State for Science and Technology): Mr. Speaker, I must say that I enjoyed that exposé on Conservative philosophy. I have always known that Conservatives really cannot afford to believe in the survival of the fittest. If they did, of course, they would disappear.

Mr. Crosbie: You are having a job to survive.

Mr. Johnston: I saw the Hon. Member for St. John's West (Mr. Crosbie) squirming in his seat at the description of conservatism given by the Hon. Member for Hillsborough (Mr. McMillan). I must say that it is appropriate and rather ironic that the Member for Hillsborough would lead off a debate criticizing the federal Government with respect to its regional economic initiatives. I am surprised, in fact, that he has been able to make some of those tongue-in-cheek comments about the federal Government's participation in Prince Edward Island without blushing. Perhaps he will blush at some of the items which I will bring to his attention.

Only a few short days ago the sod turning for the veterinary college took place in the riding of the Hon. Member for Hillsborough. That is one of the most significant of the special recovery projects and it has been debated by the maritime Premiers for some years as to location. The cost of the project is $18.5 million.

He reminded us of the tremendous contribution which the Government has made through its decentralization proposals. One of the most significant of the decentralization moves has been the transfer of the Department of Veterans Affairs to Prince Edward Island. In fact, Mr. Speaker, I would say that of all the decentralization projects, with regard to the impact which they may have had on a particular community as that particular move to Prince Edward Island.

It is true that the Hon. Member has criticized the departments of the Government over the debate as to location. Surely that is a rather curious way of trying to undermine the validity of the efforts of the federal Government with respect to economic development on the Island itself. In fact, Prince Edward Island has benefited very substantially over the years from the initiatives of the Government.

• (1140)

I should point out to the Hon. Member when he starts citing figures that I am currently at the point of signing an economic and regional development agreement, which is one of the new series of agreements, with Premier Lee of Prince Edward Island. Premier Lee knows and the Hon. Member for Hillsborough knows that that agreement will maintain the historic funding levels from the regional fund with respect to Prince Edward Island. I will continue in a moment to describe the new arrangements and why they are in fact substantially better than the arrangements which existed in the past.

However, with respect to the regional fund itself which still exists, Prince Edward Island continues to have its fair share. I should also point out for the benefit of Members in the House something else which they probably know. When any of these subsidiary agreements are entered into under a general development agreement as in the past or by economic and regional development agreements in the future, it is clear that the cash flow tends to rise slowly at the outset, peak with respect to particular projects or agreements and then decline. Any decline in spending in any of the regions of Canada—I might say the pattern is consistent—is simply a natural result of the flow of funds with respect to projects and programs undertaken according to these subsidiary agreements. Clearly this will vary from agreement to agreement but it is transparently misrepresentative of the funding under a program to say that it has declined in the last several years, because of course it has declined in the last several years. The fact is that for all intents and purposes there should be no money spent at all toward the end of an agreement because the program is one that has a definite period within which it is intended to operate.

I am pleased to have the opportunity to appear here today to say a few words about economic and regional development. As the Hon. Member himself admitted, it is an area to which this Government has made a very strong commitment and we continue to have an even stronger commitment today. That is the reason for some of the reorganizations that have taken place and with which I will deal in a few moments.

A number of my colleagues here today will be following up with more specifics in some specific areas of funding.

Mr. Crosbie: Specificity.

Mr. Johnston: I see that the Hon. Member from St. John's is looking over here.

Mr. Crosbie: St. John's West.

Mr. Johnston: He is another obvious beneficiary of the economic and regional development programs of the federal Government. He knows full well the impact that they have had in his province.

Mr. Crosbie: Just wait until I get my chance.

Mr. Waddell: Two third placers.

Mr. Johnston: I think the Hon. Member for Hillsborough was referring to a new team. Surely a new team would not include the member from St. John's. He must be referring to some other new team and I will not go into that now.

The fact is that the whole issue of economic and regional development has received priority attention from the Government and continues to receive priority attention. That is why, as I mentioned a moment ago, the Government has taken significant steps to strengthen that commitment. I will outline a few of the measures.

The Hon. Member made reference to some historical evolution and pattern of development in this country. I suppose that it is true that Canada has been created against compelling economic logic, namely that it should have developed on a north-south rather than east-west basis as it has. I suppose as well that a triumph of Canadian history has been our ability to tie together, across this great, vast land, areas of such differing regional and economic opportunites and strength.

Of course, that has also developed over the years what the Hon. Member referred to obliquely as the so-called heartland-hinterland syndrome. The historical thrust of the past several decades has been to recognize this phenomenon and seek a solution to it. The creation of the Department of Regional

Economic Expansion by the Prime Minister's Government in the late 1960s I suggest was a daring, creative and innovative way of attacking that very issue.

What has DREE done? In my judgment, notwithstanding some of these rather silly criticisms about the location of buildings and so on, it really has been an outstanding success. That has been said to me time and time again by Members of Parliament from the Atlantic region. DREE undertook to put necessary infrastructure in place and that has been done.

Let me cite a few examples of what DREE has accomplished in the Atlantic Provinces. For example, in New Brunswick, the Market Square project virtually transformed the face of Saint John. The Village Acadian is the centrepiece of a growing tourism industry in northeastern New Brunswick. Silviculture infrastructure, such as tree nurseries, greenhouses and seed collection centres, has established the most intense forest management program of any province.

The member for St. John's might be interested to know and in fact knows very well that in Newfoundland a network of industrial parts has been established that expanded the industrial or commercial base of St. John's, Grand Falls, Carbonear, Corner Brook, Gander and Wabush. As well, there is a second industrial park for Corner Brook and industrial malls and parks in Port aux Basques, Pasadena, Windsor and Gander.

There are waterfront developments in Nova Scotia, such as the kind the Hon. Member mentioned in his own province, both in Halifax and Dartmouth. The Hon. Member from Halifax was here a moment ago. He is very familiar with and probably very proud of that particular program.

Coal reserves in Cape Breton were proven up as a result of these DREE finance projects. There was port and transportation facilities for communities in the Strait of Canso development. There was general improvement in agricultural production right across the province as a result of DREE initiatives. Again, there is forest management in Nova Scotia and of course there is the tourism industry.

Let us look at Prince Edward Island itself. I will not repeat some of the specific initiatives, such as decentralization which was not a DREE project, the special recovery capital projects program or all of the small craft harbour programs. These are all parallel and complementary to DREE. In the case of Prince Edward Island, DREE contributed to the construction of 20 schools and assisted in setting up industrial parks in Charlottetown and Summerside, funded three grain elevators, helped to construct some 350 miles of highway, and contributed to major projects in the core areas of Charlottetown and Summerside, including the waterfront project to which the Hon. Member made reference. DREE was instrumental in constructing the electrical interconnection cable to New Brunswick.

It was the Prime Minister's view, as expressed by the Government, that the time had come for another bold initiative to build on the accomplishments of DREE but in a way that would make all departments of government sensitive to the needs of the region. That is fundamental to the reorganization which was announced by the Prime Minister in January, 1982.

I must say that I get angry when I hear people say that this Government has in any way backed off from its commitment for regional development. Quite to the contrary, that organization is intended to make every single department, not just one such as DREE with responsibilities singled out for regional economic development, but all departments of governments represented in the committee of economic and regional development which I chair sensitive to the regional dimension. Furthermore, apart from the sensitivity that has been instilled in all of these departments and the putting in place of an economic development co-ordinator in each of the provinces, the regional fund has remained intact and has been singled out for the financing of specific projects and specific undertakings under the economic and regional development agreements in each of the provinces in order to maintain the historic spending levels.

I believe that the reorganization, as I refer to it, has marked a fundamental initiative to promote much more effective federal policies that serve the objectives of this nation, namely in building up the strengths.

The Hon. Member for Hillsborough made the very point that self-sufficiency is the thrust of solid economic and regional development. We are attempting to achieve self-sufficiency by identifying the strengths of the regions and by doing precisely what the Hon. Member has said, namely by designing our projects and our priorities with respect to each province to build upon the strengths of the region, upon the agricultural strengths of Prince Edward Island, upon the aquaculture strengths and upon the technology bases which are gradually springing up across the country. Of course, we see this at the University of Prince Edward Island and at the community college.

• (1150)

The whole thrust of the Government is to sit down and participate in joint planning with the provinces to determine together the areas of mutual interest. What areas could we identify with the Province of Prince Edward Island? We have done this in several ways. The first way, as we have done in each of the provinces, was to develop an economic development perspective, developed by the economic co-ordinator. In the case of Prince Edward Island, the co-ordinator is well known to the Hon. Member for Hillsborough, Mr. Doug Johnston, who is the senior federal Government economic presence in that province. There is one such person in each province of Canada. They are part of this reorganization.

One of the most important elements of the reorganization is that for the first time federal departments, which as I explained to the Hon. Member are supposed to be sensitive to the regional dimension, are now brought together horizontally in a regional council chaired by the economic development co-ordinator to address in a complementary fashion the economic development requirements of the provinces. As I said, in

the case of Prince Edward Island that council is chaired by Mr. Doug Johnston.

Based upon the input of all departments, based upon the input of local chambers of commerce, business communities and labour representatives, and based upon what we know about provincial economic development priorities, the economic development co-ordinator brings forward to me, as the Minister responsible in this case, an economic development perspective for the Province of Prince Edward Island. That is the case for every province in the country. The regional ministers responsible and members of Cabinet then have an opportunity to review that economic development perspective and to select the priorities in which various departments should be participating with respect to the economic development of a particular province. Thereafter we sit down—the departmental ministers responsible for areas which are of a clear priority and I—to determine what the provinces see as their priorities.

I am happy to say that in the case of negotiations with each of the provinces, there has been compatibility of economic objectives in nearly every instance. The whole thrust of the new reorganization is to permit both levels of government to move forward with complementary packages of economic development proposals; in other words, less of the so-called cost-sharing arrangements and more joint planning as well as parallel delivery. That has been the approach.

The presence of our economic development co-ordinators and the economic and regional development agreements which grow out of the economic development perspectives of course is key to the process. In other words, instead of backing off from regional development, we have opened up full throttle on regional development by bringing the entire resources of the Government of Canada, through the economic and regional development committee, to bear in terms of regional development itself. Apropos of that, I might say that what one sees in terms of what may come out of the regional fund for a particular province—and as I said, the historic spending levels will be maintained—is but the tip of the iceberg as to what the federal Government may be spending in a particular province through various line departments.

Let us not look simply at the regional fund. Let us look at other initiatives. In the case of Prince Edward Island I mentioned only two this morning. First I mentioned decentralization, which of course goes back some years. Also I mentioned the veterinary college and the $18.5 million. That is not figured into the calculation of the regional fund; that comes out of the special recovery capital projects program, the $2.4 billion allocated to capital projects across the country.

I did not mention the various small craft programs in Prince Edward Island. We have one at Graham's Pond for $1.9 million; Launching Pond for $1 million; Naufrage for $1.2 million; North Lake for $1.5 million; and the list goes on.

Mr. Forrestall: Whose ridings are they in?

Mr. Johnston: I could do the same thing with respect to Dartmouth-Halifax East, if the Hon. Member would like me to.

Mr. Forrestall: Don't bring that porkbarreling stuff on to the floor of this Chamber.

Mr. Johnston: I believe there will be an opportunity for questions at the end of my remarks, Mr. Speaker.

Mr. Deputy Speaker: Order, please. There is a period provided for questions and comments. The Hon. Minister has the floor to make a speech.

Mr. Johnston: Mr. Speaker, in view of the fact that I only have three minutes remaining, I would like to close with a few general remarks, leaving the specifics with respect to funding levels and other initiatives which have been taken to my colleagues who will be speaking today.

All Hon. Members should bear in mind that Canada is the sum of all the regions and it is represented by the Government of Canada. It is not a government for Ontario and Quebec; it is a government for Canada.

The establishment of the Department of Regional Economic Expansion was a very creative initiative. It was established to address this heartland-hinterland syndrome. It was a specific department with a specific fund to address infrastructure requirements, primarily of disadvantaged regions. That was done. As I said, I suspect that department enjoyed a fair degree of support from many Members on both sides of the House because of the initiatives which were undertaken.

However, is it right in the long term, once that infrastructure is in place, to say that there will be a department responsible for economic and regional development in the regions and to ask what are the responsibilities or mandates of the other departments? Of course it is not right. That department had a mandate and it was carried out. The time has come to ensure that the full complement of government departments is sensitive to, and plan for, all regions of Canada. That is what has happened, and it is the thrust which must be maintained and pushed forward. In the past departments have often been criticized for not being sensitive. Regional offices have said: "Well, that is DREE's problem, go and talk to DREE about that". This reorganization is attempting to bring all departments into a more coherent system, all with regional sensitivity. I suggest that that is being accomplished. Far from backing off from regional development, it is an initiative designed to move regional development forward further and faster than in the past.

Mr. McMillan: Mr. Speaker, could the Hon. Minister reconcile for the House his claim that the Government has not back-tracked from its commitment to regional economic development with two facts. First, in 1971-72 regional development expenditures constituted 1.8 per cent of the total federal budget. That percentage has gone down steadily ever since, to the point in 1983-84 where it is only .6 per cent. Second, and since he stressed the line departments, the Government has

steadily slashed its subventions to the Atlantic region in the line departments, for example, transportation and health. The Minister will have to reconcile his claim with the elimination of the revenue guarantee component in established programs financing in 1982, that elimination having cost the Atlantic provinces about $90 million per year in revenues they otherwise would have received.

Also he will have to reconcile his claim with the fact that the application of six and five to the post-secondary educational component of established programs financing in 1983-84 and in 1984-85 will cost the Atlantic provinces a further $30 million.

Will the Minister rise and admit to Parliament, and through Parliament to the people of Atlantic Canada, that while the Government has made expenditures on such projects as the relocation of the Department of Veterans Affairs and while it has made subventions to such projects as the Atlantic Regional Veterinary College, it has been a consistent pattern of giving with one hand and taking with the other?

• (1200)

Mr. Johnston: Mr. Speaker, I do not accept that at all. The fundamental regional support, of course, is through the transfers under the Fiscal Arrangements Act, which we did not even get into today. We have been talking about the regional fund. That fund, of course, is administered by the economic and regional development committee. We are talking about commitments under that fund.

The Hon. Member talked about the percentage of the budget today as opposed to 1971, or whenever the period was. He may be right; I do not have that number in front of me. But so what? Let us look at what debt service was in 1971. That is now part of our budget. I recall from the 1984-85 Main Estimates that of something like $98 billion, $20 billion is now going out on debt service. Clearly there has been a diminishment in all areas relevant to the total Government budget. Playing with figures in this manner does not accomplish anything. The question is whether there has been an increasing commitment to regional development both through a structural change and funding over the years, or there has not.

I suggest to the Hon. Member that the evidence is clear. It is readily apparent from the numbers which I have with respect to the regional fund that funding is being maintained at historical levels from the regional fund without even talking about the other initiatives in the line departments.

He mentioned the cutting of subsidies, as he referred to them. What about the multitude of programs of government that affect Atlantic Canada as they affect other regions? What about the Atlantic fishery? Should we talk about that in terms of how much money is going into regional development to restructure the fishery? Implementing the Kirby report, $198 million. I have not talked about that this morning. Let us not get into a battle of numbers of that kind.

Mr. Crosbie: Mr. Speaker, the Minister is certainly using specious reasoning. He does not want to accept the fact that the percentage of the budget spent on overcoming regional development has gone down shockingly to 0.6 per cent. Let me point out to the Minister that in 1979-80, for example, the Government spent $76.2 million in Newfoundland under the heading of DREE and regional economic development expenditures. That is the most that was spent in Newfoundland in any year since the program began.

The next year it went down to $46.5 million, the year after down to $36.8 million. In 1983-84, last year, the Government spent only $31.4 million, despite the intervening inflation. This year the estimate is that it will spend $28 million, about one-third of what was spent in 1979-80. That has nothing to do with the debt. This is total dollars. We have had inflation in the meantime. To spend the same this year that we spent in 1979-80, taking inflation into account, the Government would need to spend about $142 million.

Can the Minister explain this fantastic decrease in spending in Newfoundland, which is the province that suffers most from regional inequality? While doing that, can he also explain the failure to pay attention to the Everett Senate Committee, 21 Senators who last year presented a study on Government policy on regional development? They asked the Government to reconsider the decision to abandon the general development agreements. They recommended against eliminating the Department of Regional Economic Expansion. They said that the thrust of the federal Government was to get more profile for itself and that that was counter-productive. They asked who will champion the cause of the least developed provinces in Canada once DREE has gone. They said they were apprehensive. They said that the termination of the general development agreements was a serious mistake, that the Government's reorganization, while paying lip service to regional disparity, will be focused on the main chance megaprojects.

They had all these criticisms, all of which have been borne out in the case of Newfoundland and the Atlantic region. What is the Minister's comment on those two matters, the fantastic decrease in spending in Newfoundland and ignoring the Senate report?

Mr. Johnston: Mr. Speaker, starting with the Senate report, I have not ignored that report. In fact, I went into the Senate and, as I recall, discussed the report before the committee. If one looks at the report, it is clear that there was a misunderstanding of the Government reorganization. There was not an understanding of the role of the economic development coordinators, which I explained this morning. There was no wide appreciation of the development of economic development perspectives and the economic and regional development agreements that flowed from those perspectives.

I am not suggesting the Senate committee did it intentionally at all, but I do suggest that if it was to redraft that report today, the conclusions would be considerably different if it takes into account the testimony or the answers which I have given before committees of the House and Senate.

With respect to Newfoundland, we are again getting into a battle of numbers. My numbers do not seem to correspond with those of the Hon. Member. Let me point out that that too is falling into the trap which I tackled at the outset, namely that these sub-agreements under the general development agreements and agreements under the new economic and regional development agreements will all have cash flow which peaks at one time and then declines.

You have to look at the total spending over a five-year period. If you spend $30 million in year one, $50 million in year two and $75 million in year three, whatever it is, one would expect to see that tail off towards years four and five. For example, the regional development economic expenditures I have for Newfoundland show for 1980-81, $42.1 million, and in 1981-82, $39.3 million, the kind of decline I was speaking of as one comes to the end of the general development agreement.

The 1977-78 to 1981-82 average in Newfoundland was $53.5 million. We then move to 1982-83, according to my numbers, $49.3 million, 1983-84, $97.9 million and 1984-85 projected at $70.3 million. Once again, we are not talking here of all the other initiatives that have been taken in Newfoundland by various line departments, whether it is the National Research Council, the Fisheries Institute and so on.

Mr. Deputy Speaker: There is time for one brief comment.

Mr. Waddell: Mr. Speaker, the Minister gave an interview to Charlotte Montgomery which is printed on the front page of today's *Globe and Mail*. It states: "When Donald Johnston—"

Mr. Deputy Speaker: Order. It is not in order to quote newspapers in the way the Hon. Member is doing. Displays are not allowed in the House. I invite him to put his question directly and forthrightly.

Mr. Waddell: Mr. Speaker, the Minister made a speech in Halifax recently in which he was critical of the policy of the leadership candidates and the federal Government's past policies, the lack of economic policies and so on. The Minister came into the House today and said: "I get angry when I hear the Government has backed off its commitment to regional economic development". He feigns hypocritical anger. Is the Minister not being inconsistent in his speech today in view of his speech in Halifax? Is he not completely inconsistent? Is he not sort of like the piano player in a house of ill repute who, when found out, says: "I hear no evil and I see no evil; I just play the piano there"? The Minister has been in the Government. In Halifax he made a speech critical of the Government and then he gives a speech here for the Government. Is that not the height of hypocrisy?

Mr. Deputy Speaker: The Chair appreciates that the Minister may want to reply, but the time for questions and comments has expired. The Minister could reply only with unanimous consent.

Some Hon. Members: Agreed.

Mr. Johnston: Mr. Speaker, we are talking apples and oranges. Any speech I made in Halifax had nothing to do with the Government's policy on economic and regional development. The speech in Halifax speaks for itself. My comments this morning speak for themselves. The question is whether the Government has a strong and continuing commitment to economic and regional development. That is the thrust of the motion which has been presented by the Hon. Member for Hillsborough (Mr. McMillan). It is clear from the evidence that I have laid before the House this morning that it does have that commitment. That evidence will be supplemented by other Members on this side of the House during the course of the day.

• (1210)

With respect to the reference to a piano player, I do not know whether that was an oblique shot at me or not. However, I can say that there are a number of piano players on this side of the House. The Minister of Energy, Mines and Resources (Mr. Chrétien) and the Hon. Member for Sault Ste. Marie (Mr. Irwin) are piano players. I would only like to point out that there are piano players on this side of the House but there seems to be a lot of brass and a lot of wind on that side of the House.

Mr. Deputy Speaker: The House will now proceed to debate.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, speaking of brass and wind, the Hon. Member for St. John's West (Mr. Crosbie) just stood up to speak. For those who are tuning in to this debate, he will be speaking after me. They can then hear the brass section and the woodwinds. I know that his speech will be very interesting.

Mr. Crosbie: The bull fiddle is up right now!

Mr. Waddell: I have a few comments to make about regional economic development in light of the speeches that have already been made. I must say to the Minister that I hope he plays the piano better than he plays tennis. I noticed that his celebrated black eye is beginning to fade a little bit. I hope his leadership campaign is not doing the same thing.

Mr. Deputy Speaker: Order. May I invite the Hon. Member to address his comments to today's motion? He is talking about everything else.

Mr. Waddell: That is precisely what I am doing. I will talk about today's motion but I am just setting the stage, as it were.

I know that the Minister must leave the House, but before he goes I would like to say one thing to him. I think it does not matter if the program is called DRIE or DREE or DRIP or DRAG. The name of the program will not make any difference. What is basically happening is that the Government is throwing some token money into Atlantic Canada and then, through other policies, taking it out again. It is being removed by the transportation policies and even by some of the East Coast fisheries and by the bailing out of the Bank of Nova

Scotia. What is needed is a completely different regional development policy. It seems to me that some of the capital from central Canada must flow into the regions. The Minister can read my speech in *Hansard* as I will be offering him some suggestions on how he can do that.

The motion of the Hon. Member for Hillsborough (Mr. McMillan) criticizes the DREE program. He says that the Government's gutting of the Department of Regional Economic Expansion has been a failure. In principle, the idea of changing the Department of Regional Economic Expansion was not all that bad. The notion of spreading the problem throughout all departments of government because it was everyone's problem rather than having one ghettoized department was basically a good notion. It had some potential on paper. However, we must understand what the Government has done with the DRIE program. The Government has in fact created a way to pump money into Liberal seats in central Canada. It has created a way to increase grants in a political fashion and a way to pump money into seats that could be won in central Canada. The way the program has been implemented has been the real tragedy for the regions.

The Government changed DREE to DRIE in order to give Liberal incumbents a better chance by putting more money into their constituencies. Once again, those moneys have been concentrated in central Canada. The Government says that this is being done because different constituencies have different disparities and that is the way to give them money. However, this results in more money being channelled in a very political way. The DRIE program has been the most political of all programs and that has been its great failure. It has been a boondoggle patronage program. That is the sad thing about it.

The Hon. Member for Hillsborough correctly pointed out that regional development was a high priority of the Prime Minister (Mr. Trudeau) when he assumed office in 1968. However, that priority became warped and was then used for political patronage. From what I can gather, the people in Atlantic Canada should know something about political patronage. I am not from Atlantic Canada and I do not say this in order to downgrade Atlantic Canada, but it seems to me that successive Liberal and Conservative Governments have governed Atlantic Canada through the most gross forms of patronage and with the least amount of planning over the years.

I would like to say a couple of words about the speech of the Hon. Member for Hillsborough. He said that living in the regions of Canada was like living in a different country. I am glad that within that statement he included not only Atlantic Canada but western Canada as well. As a westerner, I can sympathize with that. We sometimes feel as though we are being treated almost as second-class citizens and foreigners in Canada. That has been one of the greatest failures of the Prime Minister's years.

There have been some successes in bringing the French language and the French fact to Canada and in giving it some real influence and power in Ottawa. I consider that to be the great success of the Prime Minister's years. However, one of the great failures of those years has been the increased alienation of the regions. It is not difficult to figure out why this has happened. The Government's policies have lumped all of the money in central Canada. In a moment I will discuss how some of the Atlantic regions have been hurt by that.

The Hon. Member for Hillsborough said he wanted to be fair. I would put a question to him about social Darwinism or the survival of the fittest. I do not know where he has been lately but he should listen to some of the dinosaurs in his own caucus. Day after day, Hon. Members like the Member for Assiniboia (Mr. Gustafson) and the Member for Bow River (Mr. Taylor) get up to speak. The Hon. Member for Hillsborough should listen to them. If he did, he would understand the kind of neo-conservatism that promotes the survival of the fittest companies without government intervention. That will not work in Atlantic Canada.

The Conservative Party advocates certain policies, but what are those policies? Conservative members wanted Senate reform for regional economic expansion. Although the Hon. Member did not mention it, that was one of the offerings of Conservative members. It has been mentioned in the past that Senate reform will somehow solve our regional problems. It seems to me that that will not solve anything.

Another suggestion made by the Hon. Member for Hillsborough was that the chairs be changed, as it were. He suggested that if we throw out the Liberal black hats and put in the Conservative white hats, it will suddenly make a great deal of difference. The reason I put the question of free trade and John A. Macdonald's policies to the Hon. Member is that it seems to me that over the years Conservative policies if anything have hindered the development of Atlantic Canada.

I would like to say one more thing about the Hon. Member's resolution. He bemoaned the lack of federal-provincial co-operation. We all want to see federal-provincial co-operation. Alexa McDonough, the Leader of the New Democratic Party in Nova Scotia, said that provincially and federally the NDP is committed to regional development based on co-operation controlled by and for the people of Atlantic Canada. This has been said by a number of people in a number of ways.

Since I do not come from Atlantic Canada, perhaps I can afford to be a bit more frank in this debate than some of the other Members. As I see it, the problem with federal co-operation with Atlantic Canada is that the provincial governments in Atlantic Canada are such bad governments.

Mr. McMillan: Oh, come on.

Mr. Waddell: They are very poor governments. They have never had very much of a concept of planning. Many of their policies are strictly based on patronage. I am not being holier than thou. I know we have not had the best governments in the world in the Province of British Columbia. To be frank, I would like to see regional co-operation and federal-provincial co-operation. However, when we have that kind of co-operation with the present goverments in Atlantic Canada, we end up with worse programs. I believe the record will show that.

Mr. McMillan: What is the record? Give me one example.

Mr. Waddell: The Hon. Member wants an example. Look at the growth record which he gave for Atlantic Canada and the economic problems which exist. The fact is that regional policies have not worked very well in Atlantic Canada.

• (1220)

Mr. McMillan: Give me one example of patronage.

Mr. Waddell: If the Hon. Member does not know one example of patronage in Atlantic Canada, he should go to the region during an election campaign. The last time I was in Nova Scotia during an election, it was getting very hot in the car because they were paving the highway beneath us. They paved it into the Hon. Member's riding because they wanted him to win.

With reference to the Hon. Member's motion, I would like to comment on federal-provincial co-operation. One of the great things which Atlantic Canada needs is capital inflow. What exists there is capital outflow. Nova Scotians, I am told, save much money. A lot of them, being of Scottish background like my ancestors and myself, are great savers. Much of the money that is invested in savings goes out of the Atlantic provinces. If we want real regional economic development, we must find ways of putting money into the Atlantic provinces.

Instead of talking about DREE and DRIE and debating what is happening in their particular programs, we should focus on putting money into the region. That means looking at the banks. The Minister of Energy, Mines and Resources (Mr. Chrétien) talked about that. He spoke about decentralizing the banks. He only touched on it, he did not go into that idea very much. I do not think it is enough to speak only of regional offices and banks. We should be talking about taking over public ownership of at least one of the major charter banks in Canada. Then we should direct that money toward those regions and toward the small-businessmen. That would be a change in economic development. That would be a really different regional economic development program.

Mr. Crosbie: A real Canadair that would be.

Mr. Waddell: Well, I suggest to the Hon. Member that when we consider the record in Atlantic Canada by both Conservative and Liberal Governments, we see what has happened since Confederation, and we see the outflow of brains and capital, it may be better to consider taking a more radical approach toward the area.

I would like to quote some remarks which were made at a regional meeting in New Glasgow by Mr. Jim Mayne, the NDP Leader in Prince Edward Island, Mr. Peter Fenwick of Newfoundland and Labrador, George Little of New Brunswick and Alexa McDonough of Nova Scotia. They issued a statement about economic development in Atlantic Canada and I would like to read parts of that statement. They indicated—

Mr. Deputy Speaker: Order. I am afraid the Hon. Member for Vancouver-Kingsway (Mr. Waddell) may find the present occupant of the chair rather obnoxious this morning because I have had to call him to order on a number of occasions. There is a rule regarding quotations in the House of Commons. The Hon. Member may, of course, want to quote and cite the source of his quote, but persons outside of the House are not part of the debate in the House. If the Hon. Member chooses to quote those comments that he has alluded to, he should make those quotations his own words. I should caution him about that.

Mr. Waddell: Mr. Speaker, you will note that I do not give my speeches out of a departmental memo, as Ministers do and then read them. I am incorporating, as part of my speech, some remarks and ideas made by people from Atlantic Canada. As I do so, I do so indirectly, and I will do that.

The idea which has been advanced is that the federal Government has given up the pretence of stimulating eocnomic development in Atlantic Canada as a federal priority. It has done this by dismantling DREE. I said that at the beginning of my speech. The difference between DREE and DRIE is that DRIE will stimulate more money for central Canada.

The people of Atlantic Canada deserve better than that. We require co-operation in Atlantic Canada in a completely different way. We must focus on different sectors of the area. That is the key which I have come to understand in western Canada. That is our key to economic growth. I think we should be focusing on the strengths of Atlantic Canada—on energy, shipbuilding, transportation and getting some manufacturing of primary resources into Atlantic Canada.

I would like to focus on shipbuilding. Shipbuilding has been our proudest tradition in Canada, and certainly in Atlantic Canada. If we carried more Canadian goods and required that more Canadians goods be shipped on Canadian-built ships, we could develop our shipbuilding industry. Offshore development will help the shipbuilding industry, but we must have a commitment and certain requirements that goods be purchased in Atlantic Canada and that shipbuilding be developed there. This country has been lacking a comprehensive shipping and shipbuilding policy. That is one area on which we could focus that would help Atlantic Canada.

With respect to transportation, if we want to develop the region, it seems to me that there must be a strong co-operative approach on the part of the Atlantic provincial governments to oppose any move to erode the Maritime Freight Rates Act. In my view it is their historic right under Confederation to have that assistance. It is of immense importance. It will maintain jobs and economic development in Atlantic Canada.

I have already made reference to the fisheries. I think it is scandalous that the Minister bragged about the money which is provided to East Coast fisheries, when $70 million of $90 million went to bail out the Bank of Nova Scotia. It is the same story—patronage, bail-outs, and the lack of dealing with the issue at root in Atlantic Canada. Energy is another area

which requires proper development and co-operation on the East Coast.

In conclusion, I would like to point out that it is the same in British Columbia and Alberta as it is in Atlantic Canada. We must have a commitment from the federal Government much like the commitment of the Prime Minister to give Quebec its rightful place in Canada. We must have a commitment to develop the regions. We must have a commitment from the federal Government to provide capital for those regions. That is why it will take more radical measures than is provided by changing DREE to DRIE. It will require provincial governments that are prepared to plan, not just sell out to the nearest multinational company that wants to come in, promise some jobs and milk the province for all it is worth. Perhaps these are not popular things to say. Perhaps I will be criticized for saying them. However, I am trying to point out the truth as I see it. It is time politicians spoke the truth to the people of Atlantic Canada. Then maybe in the future we will see policies which will provide some real development for that region.

Mr. McMillan: The Hon. Member who just spoke made the worst and broadest generalization I have ever heard in debate on any subject in this House since I became a Member of Parliament in May of 1979, namely, that provincial governments in the Atlantic region are bad administrators. I think he might have said lousy administrators. In light of that, would the Hon. Member cite a single specific program which he considers maladministered by any one of the four Atlantic provinces? Apart from general references to patronage or to general economic conditions in the region, which specific program has been maladministered and in what specific way has that program been maladministered? How would the NDP have administered that specific program differently from the way it was administered by the relevant province?

Mr. Waddell: I assume the Hon. Member has been to Atlantic Canada, as he represents a riding in Atlantic Canada. I am calling it as I see it. For example, with respect to snow clearing, if another government gets in, different people have the contract. Highways contracts change. There is a tradition of a kind of old-fashioned patronage down there which has died out somewhat in other parts of the country.

• (1230)

It seems to me that Atlantic Canada has lousy governments which have not served their people very well. I believe they have contributed to the lack of development there. For example, I believe Premier Peckford in Newfoundland has been a disaster in going to court on the question of offshore oil, spending all his time in court and not hammering out some sort of agreement with the federal Government. I do not believe that has served the interests of the people of Newfoundland.

It seems to me from afar that those governments would rather fight in very partisan talking fests which really do not get down to planning for the issues. I mentioned the example of multinational companies moving in, giving the people all sorts of breaks, including bad labour contracts or lack of unions and so on. They get into a situation where they are governed almost like a Third World country.

These are tough words but I believe someone should say what is going on down in Atlantic Canada. From my observation, I have never seen worse governments in Canada than in some of the Atlantic Provinces in the way they deal with their resources and mislead their people; and I make reference to Premier Buchanan with respect to the development of offshore oil and gas in Nova Scotia, which I believe is atrocious. I hope at some point the people of Atlantic Canada will throw these governments out. Whether they are Conservative or Liberal Governments they have not really provided decent development and decent planning for the people of Atlantic Canada. The proof of the pudding is in the eating. If the Hon. Member would just read his own speech about some of the economic problems in Atlantic Canada, he will see the evidence there.

Mr. Crosbie: Mr. Speaker, the Hon. Member who just finished speaking has made some of the broadest generalizations and most scurrilous imputations with respect to four of the governments of Canada and has yet to give us one concrete example. Does the Hon. Member realize that during the Peckford administration—and he may think it is an error in its approach to try to resolve the offshore issue—there has not been one instance of patronage or excess brought to public light in respect of that government yet? Does the Hon. Member not realize that the Government of Canada is rife with every symptom which he is alleging applies to the four Atlantic Provinces with respect to patronage on a gigantic scale across the country? Yet he sees fit to single out with a blanket indictment the four governments of the Atlantic Provinces. Surely that must be the reason why there is not a provincial representative from the New Democratic Party in Newfoundland, Prince Edward Island or New Brunswick.

Does the Hon. Member not realize that this is the kind of smug, mainland attitude which the Atlantic Provinces have had to fight against now for a hundred years? And he is giving vent to the worst kind of ignorant prejudice in his remarks without putting forth one iota of evidence to sustain it.

Mr. Waddell: I take offence at the allegation of "smug, mainland attitude". I told the Hon. Member that I call them as I see them, as someone who has not taken part. The Conservative Party has been part of those governments, those poor governments. The Hon. Member who just spoke was a part of the Liberal Government there and he jumped ship—

Mr. Crosbie: I am Conservative—both.

Mr. Waddell: —both of them. He reratted, moved from one over to the other and back.

Mr. Crosbie: No, one to the other. Reratting comes later.

Mr. Waddell: Well, he has not done that yet. The fact is, and I stand by it, that the Peckford Government was wrong in dealing, I believe, with its negotiations in offshore oil, and it has not really produced for the people of Newfoundland. I do

not know how the Hon. Member himself feels, but I believe if he looks at it objectively, he will see that there have been problems in not getting that development going. I blame partly the Peckford Government, although not entirely.

I cannot say—and I did not say—that the federal Government is not giving patronage and so on. I pointed out that the DRIE program in fact leads to greater patronage and that the DREE program was always infested with patronage. I just said, and I will stand by it, that there has been a difficulty in getting some of the programs going with the provincial governments there because they have not run the programs very well. They have not been particularly well planned governments in dealing with industry in the provinces. I stand by that; and if it hurts to tell the truth, then it may hurt, but it is the truth.

Mr. Deputy Speaker: Are there further questions or comments? The House will now proceed to debate.

Hon. John C. Crosbie (St. John's West): Mr. Speaker, I am not going to deal any further with the remarks of the last speaker because I only have 20 minutes, except to say that I am surprised and disappointed at that particular Hon. Member making those kinds of sweeping statements and generalizations without being in the position to offer any particulars or any proof. I am surprised by him and disappointed with him. However, I do not have the time to spend any further on the subject of the offshore oil, or his allegations.

I might say that it is a disappointment also, Mr. Speaker, that the Minister, who is responsible for overcoming regional disparity in this country, made his own speech and then left this Chamber. It is not very often that regional disparity, and the attempts to overcome it, are debated in this Chamber. We have a chance today for debate because the Opposition chose this day to discuss these very real problems about Atlantic Canada. But the Minister most involved has made his own speech and gone, and there is not here in this House one other Minister of the Government to listen to what we are saying or to attempt to rebut us, or anything else. Mr. Speaker, this illustrates the fact that this Government has even given up any pretence of an attempt to overcome regional disparity in this country.

The Minister who did speak is supposed to be one of the intellects; he is the thinker. He is the Rodin of the Liberal Party, we are told. Well, the Gallup poll today shows us how high he stands. It says 30 per cent of the public would back Turner; 21 per cent, Chrétien; 2 per cent, Roberts; 1 per cent, Munro; 1 per cent, MacGuigan; and only 0.5 per cent would support this alleged thinker of the Liberal Party. That will show you how greatly Liberals esteem thinkers.

This is a motion, Mr. Speaker, which is most serious in its intent. I am going to produce some impartial authority to show how this Government has decided to give up on the battle to overcome regional inequalities across Canada. I want to start by referring to an article by Barry Lesser entitled "Regional Development Matters", in *Policy Options* of November, 1983, which deals with this subject. I want to give some quotations from this article:

> Regional disparities measured in terms of earned incomes have not been substantially reduced—

And that is over the years since 1968.

> —except to the extent that the oil-producing Prairie provinces have gained.

In other words, with respect to "earned incomes", nothing has been gained in this whole so-called battle against regional disparities since the federal Government took up that battle, starting with the present Prime Minister's statement of 1968. The article goes on to point out:

> Second, and most important, unemployment has become a national problem; it is no longer confined to pockets within less developed regions.

It was thought that unemployment was a regional problem in the 1960s. However, under the aegis of this Government, unemployment has become a national problem. It is no longer considered to be a regional problem. It applies right across the country, although it is worse, of course, in the Atlantic Provinces, and in my own Province of Newfoundland it is worst of all. The article continues with another conclusion:

> In 1968 when the Department of Regional Economic Expansion (DREE) began, its expenditures represented 2 per cent of the federal Budget. In 1980-1981, DREE expenditures were 1 per cent of the federal Budget.

We have already referred to other statistics. Since 1980-1981 there was 1 per cent of the federal budget spent in the battle to overcome regional inequalities. In 1981-1982, 0.9 per cent only; in 1982-1983, 0.6 per cent. Last year, 0.6 per cent. That will show you, Mr. Speaker, how the Government's interest in DREE has diminished and how its spending on DREE has diminished in no uncertain terms, just as this article points out.

● (1240)

Mr. Lesser says the Government's commitment has declined. He then goes on to mention that in January, 1982 the federal Government announced a reorganization. A new ministry, that of DRIE, and another new ministry, that of MSERD, were created. He says the implications of this reorganization are still to be determined. Superficially at least it seems to confirm the hypothesis of a lessening federal commitment to development in the "peripheral regions".

We are a peripheral region in the Atlantic Provinces, Mr. Speaker. It is very clear that there is a lessening federal commitment to developing the peripheral regions. He says that the new structure of these ministries creates the potential for a much greater centralization of decision-making which could mean less sensitivity to the concerns and needs of the region. That is just what has happened, Mr. Speaker. There is no sensitivity to the concerns and needs of the region. Decision-making is more centralized under the new structure.

The author points out that in 1970-71 the Atlantic Provinces accounted for 53 per cent of DREE expenditures. In 1980-81, the figure was 36 per cent. Now the Atlantic Provinces, as my colleague said earlier, are getting less and less of a diminishing amount. Only 36 per cent of all DREE spending in 1980-81 was in the Atlantic Provinces. The author points out that Newfoundland has fared particularly badly since 1980, probably because of the continuing political dispute between New-

foundland and Ottawa over the offshore. In other words, Newfoundland is being punished because it is standing up for its rights with respect to the control of offshore resources.

The author says that in constant dollar terms DREE expenditures in the Atlantic region fell—f-e-l-l—by 41.2 per cent between 1970-71 and 1977-78. Elsewhere in Canada they increased by 5.9 per cent. In the area that needs the money most, spending declined 41.2 per cent in constant dollars while elsewhere in Canada spending increased. Why? Because the DREE funds to overcome regional disparity were grabbed like they were garbage and scattered across Canada in other areas which the Government controls and where it thought it would do it more political good—in Quebec, Ontario and across the country. The money was no longer going to the areas that really needed it. By any objective standard it was just used as a grab bag across this country. That is what has happened, Mr. Speaker, and this article proves it.

He goes on to say that the Atlantic Provinces continue to be not only the relatively most disadvantaged provinces in Canada, but also the provinces which individually and collectively have the least ability to influence federal policy. That is obvious, Mr. Speaker. The representatives from those four provinces are the ones who have the least ability to influence federal policy. The votes are in central Canada, this is a government based in central Canada, and it does not give a good hoot about what happens in the "peripheral" regions of Canada. He quotes the late David Alexander of Memorial University who said that there must be some reason for having a country other than to provide a common market. It is possible, he said, to have a common market without having a country.

There must be some reason, Mr. Speaker, for this being one country. We in the Atlantic Provinces do not want to be just providing a market for the goods from central Canada. You can have a common market without having a country, so there has to be some other reason for our being a country other than just to provide a market for central Canadian goods, and for transfer payments so we can buy central Canadian goods.

The author says that a commitment to regional development in Canada and the sense of belonging to a country constitute a two-way relationship. Nationhood implies a commitment to development for all regions. A desire to develop a region may help to create a commitment to nationhood. That is a statement that I absolutely agree with, Mr. Speaker. This is an article worth perusal by any Member of this House. It supports our motion and the truth of our motion.

Just let me now look at Newfoundland and the punishment this Government meted out to Newfoundland because of its political dispute with the Government there. In 1979-80 it reached a high point: $76.2 million in spending. The next year, 1980-81, $46.5 million; 1981-82, $36.8 million spent under DREE; 1982-83, $34.9 million; 1983-84, $31.4 million. The estimate for the present year is $28 million. This is not just because the old programs were running out; the Government of Canada would not enter into new programs with the Government of Newfoundland because it wanted to punish Newfoundland for daring to stand up for what it felt to be its rights.

A ten-year general development agreement was signed in 1974. The federal Minister responsible for DREE said that $1 billion would be spent under that program. But all that was actually spent under that agreement and the 23 subsidiary agreements was $500 million, just 50 per cent of the expenditure level promised in 1974. Why? Because this Government decided to punish Newfoundland for taking an independent attitude on the offshore. That is why, Mr. Speaker.

In January, 1980 the Prime Minister (Mr. Trudeau) went to Newfoundland to campaign. He said that the main message in the campaign is that to keep Newfoundland growing they have to get rid of the Crosbie Budget. That is what he said, Mr. Speaker. Well, they got rid of the Crosbie Budget that would have let Newfoundland grow. What happened in 1983? Why, the gross domestic product of Newfoundland was 2 per cent lower in real terms than it was in 1980. Unemployment in Newfoundland in 1980 averaged 13.3 per cent while we were in office and we had the Crosbie Budget. What did it average last year? Some 18.8 per cent. What is it in April of this year? Some 19.6 per cent. So much for the Prime Minister's guff that to keep Newfoundland growing we have to get rid of the Crosbie Budget. If we had had the Crosbie Budget, Newfoundland would have been growing today as it would have grown for the last four and a half years.

He then went on to say that they have not let Newfoundland down in the past and they will not in the future. All that Prime Minister has done for the last four and a half years is let Newfoundland down.

What was the fourth plank of the Liberal economic platform in the election? It was to build greater economic strength in each region of the country as the basis for over-all Canadian prosperity. That was the commitment. Has the Government done that? No, it has done away with DREE and replaced it with DRIE, and reduced its spending and efforts in the past at overcoming regional disparity. I mentioned the Senate report *Government Policy and Regional Development* which pointed out the weaknesses in the present program but I do not have time to refer to it again.

In September, 1983 the Premier met with the Minister who spoke today. They agreed upon ten initiatives on which subsidiary agreements should be concluded over the last year. Only two of the agreements were signed, covering minerals and planning; there are eight outstanding. Rural development, not signed; pulp and paper mill modernization, not signed; transportation, not signed; ocean industries, not signed; tourism, not signed; agriculture, not signed; Burin Peninsula development fund, not signed; fisheries infrastructure, not signed. That is why there is only going to be $28 million spent in Newfoundland this financial year under the whole DRIE program. It should at least be $140 million to remain at the same level of effort as 1979-80.

The Government is not signing programs and I can give instance after instance. Here is an instance of the federal Government ignoring the provincial government. There is no

consultation or co-operation, but there is unilateralism, centralization, publicity seeking, bullying and imperialist tactics, Mr. Speaker. One of a long list of examples of that was the synchrolift at the CN dockyards in St. John's. The Government refused to go ahead with a synchrolifter for their own dockyard and the Newfoundland Government had to provide the financing for a federal dockyard. There was the offshore mineral resources dispute. That is the only way that this region can be pulled up by its own bootstraps to become economically self-sufficient, yet the federal Government refuses to co-operate or to let the provinces have any say in the management and control of the resource.

• (1250)

With regard to search and rescue facilities, there should be a separate region for Newfoundland with a rescue co-ordination centre in St. John's and fixed-wing support and helicopters. But no, the federal Government will not permit that. It knows better.

The federal Government announced a minimum security prison at Donovan's Industrial Park in my district in the city of Mount Pearl in a former RCMP building. No one was consulted beforehand. The zoning does not permit it. I will quote from *The Evening Telegram* of November 25:

> Rompkey said Wednesday such a facility is long overdue in the province, but renovating an old building in the middle of an industrial park is "madness and an insult to the people of Newfoundland."

The Solicitor General of his own Government was doing this, but Rompkey said it was "madness and an insult". The article continues:

> Rompkey said it would not be done anywhere else in Canada—"certainly not in Toronto, which is Mr. Kaplan's area."

That is the kind of co-operation and conciliation we have with the federal Government in Newfoundland, one federal Minister attacking the other. In fact, the Newfoundland Minister was treated in a scurvy, despicable manner. He was kicked out of the federal Cabinet last August 12. Another Minister was put in who did not last 10 days because of certain income tax problems he had. Six months later the Minister of State for Mines, the Hon. Member for Grand Falls-White Bay-Labrador (Mr. Rompkey), was reappointed. He has no authority in the Cabinet, Mr. Speaker. He has no muscle, influence or clout. He was treated like a piece of lint. He was flicked off the Prime Minister's shoulder and flicked back on again six months later. Is it any wonder we get nothing in Newfoundland? We are not even treated like a good, decent carpetbagger. That shows you how strong Newfoundland is in the councils of the federal Government.

In March of last year they closed the Shoe Cove satellite station. They centralized the facilities in Churchill, Manitoba. What do we think of the Liberals? "De Bané lied to shield Tory, top Liberal says". Mr. Neary, the Leader of the Opposition, called the Minister of Fisheries a liar, as reported in the March 16, 1984, *Globe and Mail*.

Mr. Deputy Speaker: Order.

Mr. Crosbie: My God, it is not over already, is it?

Mr. Deputy Speaker: No. Order. Would the Hon. Member please resume his seat? The Hon. Member cannot indirectly call another Hon. Member of the House a liar by virtue of quoting an article. The Hon. Member for St. John's West quoted from a newspaper article which quoted a person calling an Hon. Member a liar. As I am sure the Hon. Member for St. John's West knows, that is against the rules. I would ask him to withdraw that.

Mr. Crosbie: Mr. Speaker, I would never call the Minister of Fisheries and Oceans (Mr. De Bané) a liar in this House. I am just saying that the Leader of the Opposition of Newfoundland called the Minister of Fisheries of Canada a liar. I am not agreeing with it—

Mr. Deputy Speaker: I am afraid the Chair cannot accept that. As much as I appreciate the course followed by the Hon. Member for St. John's West, it is basic in this Parliament that one Hon. Member, directly or indirectly, does not call another Hon. Member a liar. I would ask the Hon. Member to withdraw that statement unequivocally.

Mr. Crosbie: Mr. Speaker, I unequivocally withdraw the statement.

They closed the satellite station which was at Shoe Cove. The Minister of Energy, Mines and Resources (Mr. Chrétien), who now has 36 delegates in Newfoundland supporting him, closed the satellite station. The 11 employees were laid off. The station was taken apart and sent out to Prince Albert, Saskatchewan and Churchill, Manitoba to save money. This station provided meteorological data for weather forecasts and oceanographic information. It could determine where the ice was off the East Coast shoreline and so on. There are a thousand reasons why that satellite station should have stayed there, but the Minister of Energy, Mines and Resources closed it and showed his lack of concern for Newfoundland. Now 36 Liberal delegates are going to support that satellite knifer when they go to the Liberal convention here in Ottawa.

The Bowater Pulp and Paper Mill is closing in Corner Brook in late 1984. The Newfoundland Government is trying to get the federal Government to help them find a replacement company. There are three or four companies interested in taking over the Bowater operation. Can the Newfoundland Government get the federal Government to make a commitment to put up some money to help modernize the plant? No. That matter drags on while a town of 25,000 people is in peril on the West Coast of Newfoundland with their pulp and paper mill scheduled to close this coming fall. They have gotten no co-operation from the Government of Canada. This is another example of lack of interest in the Atlantic Provinces.

A fishing agreement with the U.S.S.R. was entered into several weeks ago without provincial involvement, knowledge or approval. Fishing is the main industry of Newfoundland, Mr. Speaker. That is an example of failure to consult or co-operate. There was an imposition of spending restraints on the health and EPF programs which is going to cost Newfoundland a total of $30 million this year. The regional

development association funding agreement was allowed to lapse and was not taken up again until just several weeks ago, Mr. Speaker.

We are waiting to hear whether the federal Government will provide some financing for a convention centre in St. John's. It has provided financing for nine convention centres in Canada. Funding has been provided to Vancouver, Edmonton, Windsor, Hamilton, Toronto, Montreal, Quebec City, Halifax and Charlottetown. St. John's badly needs a convention centre. There are plans for a hotel, office tower and convention centre to go ahead at a total cost of $36 million. The federal Government has been asked to provide $3 million. Hopefully, the Minister of Industry, Trade and Commerce will act in the next few weeks on that.

Mr. Deputy Speaker: Order. I really regret to interrupt the Hon. Member, but his speaking time has expired. Questions or comments?

Mr. Baker: Mr. Speaker, although the motion which is before the House says that the federal Government did away with the Department of Regional Economic Expansion, is the Hon. Member not aware that there have been substantial agreements signed with the Newfoundland Government recently and that blanket over-all agreements have been signed for the next 10 years? Does he not agree that these recent agreements will see substantial progress, economically speaking, in the Province of Newfoundland?

Mr. Crosbie: Mr. Speaker, I am aware that for well in excess of one year the Government of Newfoundland has been attempting to get the federal Government to conclude certain agreements. There were 10 initiatives agreed upon last September. There have only been two agreements signed since, one on minerals and one on planning. There was an agreement signed the other day, an ERDA agreement. One must be an alphabetical genius to keep up with the initials that the federal Government thinks up. An economic and regional development agreement was signed which is just a general over-all umbrella agreement. There may or may not be anything done under that agreement.

I do know that at the present time there is only going to be $28 million spent in all of Newfoundland and Labrador this year under the heading of DRIE or DREE or ERDA or A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z. There will be only $28 million spent when six years ago over $76 million was spent. This shows what a feeble attempt your Government is making to do anything to help overcome regional disparity in Newfoundland and how ashamed you should be to be a member of that Party. You should not even offer to run down in Gander-Twillingate with such a record to run on.

Mr. Deputy Speaker: Order. The Hon. Member for St. John's West should address his remarks to the Chair. It being one o'clock, this House stands adjourned until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

ORGANIZATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

SECRETARY-GENERALSHIP—CANDIDACY OF MINISTER OF FINANCE

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, now is the time for all patriotic Canadians to come to the aid of a worthy cause. The Minister of Finance (Mr. Lalonde), not wishing to be relegated to the backbenches by either John Turner or the present Minister of Energy, Mines and Resources (Mr. Chrétien), or indeed to suffer an even more diabolical fate planned for him by the Tories after the next General Election, wants to become the Secretary-General of the OECD.

After the famous photo opportunity, Canadians will remember that the last time the Finance Minister became concerned with his own career it cost them $200 million. However, this should not prevent us from shipping him off to Paris. Being the closest thing to an aristocrat Canada has ever produced, he should fit right in. Paris's loss would be our gain.

The United States, in believing that a Canadian Liberal is far more of a left wing interventionist than French socialist Jean-Claude Paye whom they support, may be correct. But we must convince them that the removal of our friend, the Minister, from the North American continent would be as good for them as it is for us.

Canadians can, however, take heart. In the OECD sweepstakes our candidate appears to be winning by a nose.

* * *

[*Translation*]

FRANCO-MANITOBANS' RIGHTS

DISSIDENTS IN PROGRESSIVE CONSERVATIVE PARTY

Mr. Gaston Gourde (Parliamentary Secretary to Solicitor General of Canada): Mr. Speaker, the Progressive Conservative Party has done it again. The Member for Kingston and the Islands (Miss MacDonald) has now expressed her approval of the destructive position on Franco-Manitoban language rights taken by Bud Sherman. What is really surprising is the assumption that this Party would admit avowed anti-Francophones among its members. Far from being anxious to repent, the Progressive Conservative Members are continuing their incredible crusade against the rights of linguistic minorities in Canada.

Among those taking this view in the Progressive Conservative Party are, first of all, the Conservative Members from Manitoba, and especially the Member for Winnipeg-Assiniboine (Mr. McKenzie); second, the Member for Simcoe-South (Mr. Stewart); third, the Member for Kingston and the Islands who gave Mr. Sherman her approval yesterday; and fourth, the prospective Progressive Conservative candidate in Winnipeg-Fort Garry.

I find it hard to reconcile these attitudes with a statement by the Leader of the Official Opposition in which he made it clear he would tolerate no dissent within his party. It seems Canadians will soon have a chance to put a stop to the linguistic foolishness of Progressive Conservatives.

* * *

[*English*]

HOUSE OF COMMONS

BROADCASTING OF PROCEEDINGS—CALL FOR RE-EXAMINATION

Mr. Geoff Scott (Hamilton-Wentworth): Mr. Speaker, I wonder if I might use this opportunity to suggest to Your Honour that we somehow bring into the mid 1980s the daily televising of the House of Commons, and especially this hour of statements and questions. This is your show, Mr. Speaker.

The House of Commons' broadcast service controls the way in which countless viewers perceive Parliament in action. Since 1977 televising the House of Commons has been treated like an electronic *Hansard*. I submit that this turgid, automated form of broadcasting our proceedings has outlived its usefulness in terms of enlightening Canadians on the parliamentary process. If anything, we are frustrating viewers because they cannot see or hear the true stuff of Question Period, as only the Hon. Member who is speaking can be shown on camera.

Broadcasting proceedings of the House of Commons is no longer experimental; after seven years it is a reality and a ritual with hundreds of thousands of Canadian viewers. As one who has both a working knowledge of television production and a love of Parliament, I am getting the seven-year itch. I feel that it is time for a re-examination of this system before the next Parliament.

May I suggest that the Chair set in motion an evaluation of what we can do technically, to sparkle up the production and perception of these proceedings. A special committee under Your Honour's chairmanship could obtain a political consensus on where we want to go and how we control the best daily hour-long television program from the nation's capital.

Let us demonstrate to Canadians how lucky we are to watch democracy in action, but let us give them the full picture.

S.O. 21

AIR TRANSPORT

LACK OF COMPETITION IN WINNIPEG

Mr. Cyril Keeper (Winnipeg-St. James): Mr. Speaker, Canadians in most cities are presently receiving air travel sales, while in Winnipeg, where the Minister of Transport (Mr. Axworthy) comes from, Winnipegers must pay high air fares and are not receiving the benefit of any sales. Yet the Minister just announced the deregulation program that is supposed to bring about reduced fares by virtue of competition.

There is no competition in the air market in Winnipeg. The Minister is only threatening the possibility of such service in Winnipeg, while his constituents continue to pay very high prices for air fares.

* * *

PARLIAMENT

THE OFFICE OF SPEAKER IN THE PARLIAMENTS OF THE COMMONWEALTH—NEW BOOK BY COMMONS CLERK ASSISTANT, PHILIP LAUNDY

Mr. Maurice Foster (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I should like to draw the attention of the House to a book which will be published on May 21. Its title is *The Office of Speaker in the Parliaments of the Commonwealth*. Its publication was sponsored by the Commonwealth Parliamentary Association, and its author is Philip Laundy, one of our two Clerk Assistants.

Although the author published a previous book on the office of Speaker in 1964, the forthcoming publication is the first to cover the subject on a Commonwealth-wide basis. It deals with the Speakership in some 40 countries, ranging from the great subcontinent of India to the tiny islands of the Caribbean and the Pacific. One chapter is devoted to the history of the office, but the emphasis of the book is on the contemporary Speakership in these widely separated nations.

The common parliamentary heritage of the Commonwealth emerges very clearly from the pages of this book. A great deal of original research went into its preparation, and the Commonwealth Parliamentary Association considers it to be a significant contribution to the literature of Parliament.

It is for this reason that a subsidy was made available from the working capital fund to enable this book to be published. The fund was established to promote projects of this kind, and to assist smaller Parliaments of the Commonwealth to develop libraries or book collections.

Those of us who have been closely involved in the activities of the CPA have seen for ourselves the vital role that it plays in strengthening the ties within this great family of nations. We have seen that "unity in diversity" is more than a phrase; it is a practical philosophy which forms the basis of the Commonwealth. This is the theme that emerges from Philip Laundy's book, and I commend it to the attention of all parliamentarians.

S.O. 21

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

* * *

AGRICULTURE

POTATO INSPECTION SERVICES IN PRINCE EDWARD ISLAND

Mr. Mel Gass (Malpeque): Mr. Speaker, once again I would like to raise the issue of potato inspection on Prince Edward Island. The Prince Edward Island Women in Support of Agriculture have written to express their concern over the proposal by the federal Government to cut back on inspection services for potatoes. I must commend these women on their efforts to ensure that the potato industry is maintained and improved, not eliminated as the federal Government proposes.

I would like to impress upon the House the importance of the potato industry to the economy of Prince Edward Island. The potato industry on Prince Edward Island is as important to our economy as the wheat industry is to the West. Unless the quality of P.E.I. potatoes is maintained, we will no longer be competitive in the market, and will suffer great financial losses.

This is an Opposition day in the House. We are debating the Government's failure to counter regional disparity within the provinces of Canada. It is important for the Government to realize that, unless it takes action to assist the potato industry in P.E.I., it will be contributing to the present disparity in that province by negatively affecting the main contributor to the economy.

I urge that the Government take steps to realize the importance of the potato industry to the economy of P.E.I. and maintain the present level of potato inspection on the Island in an attempt to keep Prince Edward Island competitive in the potato industry.

* * *

MINES AND MINING

CAPE BRETON COAL MINING INDUSTRY—NEED FOR ASSISTANCE

Mr. Howard Crosby (Halifax West): Mr. Speaker, direct government involvement in ventures to assist regional industry is sometimes the only sensible course. The Cape Breton coal mining industry in Nova Scotia is a prime example.

The Government of Canada decided to participate in the coal mining industry in 1967 when the Cape Breton Development Corporation was established. While Devco has not enjoyed success in all its activities, the Corporation has provided employment for thousands of Nova Scotians in coal mining.

The disastrous fire on April 5, 1984, at No. 26 colliery ended the most extensive project in the Devco mining operation. This fire resulted in the tragic loss of a life, and immediately terminated the employment of 1,000 coal miners. These Cape Breton coal miners, together with thousands of other Nova Scotians whose jobs depend on the coal mines, are looking to the Government of Canada for help through its Crown agency, Devco.

• (1410)

Billions of dollars are spent by the Government to assist industrial activity in Canada, most recently in the aircraft industry. Nova Scotians, dependent on the Cape Breton coal mining industry, are merely asking the Government to honour its 1967 commitment, and provide a fair share of help to an industry in Atlantic Canada which needs and deserves assistance now.

* * *

HUMAN RIGHTS

RAOUL WALLENBERG—GRANTING OF HONORARY CITIZENSHIP URGED

Mr. John Bosley (Don Valley West): Mr. Speaker, the League for Human Rights of the B'nai Brith, supported by the Canadian Council of Christians and Jews, the Swedish-Canadian Chamber of Commerce, the Chinese-Canadian National Council, and the Fédération Internationale des Droits de l'homme, have asked the Secretary of State (Mr. Joyal) to declare Raoul Wallenberg an honorary citizen of Canada, and I wish to add my voice in support.

Mr. Wallenberg is known throughout the free world for his heroic efforts in rescuing 100,000 Jews from death at the hands of the Nazis during the Second World War. After the war he was arrested, and has remained imprisoned in the Soviet Union. In 1957 the Soviets claimed that he had died. However, reports continue to surface indicating that Mr. Wallenberg is alive.

In 1981 Mr. Wallenberg was declared an honorary citizen of the United States of America, only the second foreigner accorded that honour. The other was Winston Churchill. He has been nominated several times for the Nobel Prize, and is again nominated this year.

The Soviet Union continues to practise the worst cultural genocide against its Jews that we have seen in years. The Secretary of State has a rare and important opportunity, both to honour an extraordinary man for his extraordinary courage and commitment to human rights, and to signal to the Soviets that Mr. Wallenberg and all those for whom he fought should be freed and allowed to leave. I urge the Minister to act immediately.

[*Translation*]

OFFICIAL LANGUAGES

NEWSPAPER REPORT OF STATEMENT BY HON. FLORA MacDONALD

Mr. Henri Tousignant (Témiscamingue): Mr. Speaker, I was a little upset about a recent statement by the Member for Kingston and the Islands, when she said there was room for opposing views on the controversial French language issue within the federal Progressive Conservative Party. Mr. Speaker, the Progressive Conservative Party ought to make up its mind once and for all, if it intends to be honest with the Canadian people. It seems to me the Party's Leader has already said he would never tolerate any dissent on such basic issues in his party. Perhaps the Leader of the Progressive Conservative Party should take this opportunity to clarify the situation once and for all. Perhaps he could also tell us whether he intends to run in Central Nova, or in Quebec, or elsewhere. Here again, he does not seem to know where he is going. He is quite welcome to run in the riding of Témiscamingue, if he is short of alternatives. We are ready for him! I would therefore ask the Leader of the Official Opposition to tell Canadians exactly what his position is on these two issues.

Some Hon. Members: Hear, hear!

* * *

[*English*]

HUMAN RIGHTS

HOUSE OF COMMONS' REPRESENTATIONS TO U.S.S.R.

Hon. Steven E. Paproski (Edmonton North): Mr. Speaker, over the years there have been several Motions under Standing Order 43, and now under Standing Order 21, dealing with the plight of political prisoners in the Soviet Union. Most of these Motions received the unanimous consent of the House for action to be taken. Would it be possible for the First Commoner, the Hon. Speaker, to give the House a name by name update on the results of these actions?

Some of the individuals involved have apparently not been granted any kind of reprieve, nor even a lessening of their difficult conditions of imprisonment, and most, if not all, are suffering from serious health problems. Some of these individuals are relatives of Canadian citizens and as such should receive consideration under the Family Reunification Program.

However, regardless of who they are, these persons have put their lives on the line in defence of the principles of human rights and deserve our continued support and intervention, for as Dr. Andrei Sakharov once said: "Without human rights, there is no détente—no peace".

REFUGEES

REFUGEE STATUS CLAIMANTS—ORAL HEARINGS PROGRAM

Mr. Dan Heap (Spadina): Mr. Speaker, for several years the Government has been delaying a decision on the question of whether to allow oral hearings for people who claim refugee status. There are now about 12,000 people in Canada claiming refugee status, and less than 400 of them have benefited from a pilot project initiated by the Government a year ago.

This pilot project has been dramatically successful. It allowed refugee claimants to be heard directly by one or more members of the Refugee Status Advisory Committee. It has shortened the administrative time from an average of about 15 months to an average of about two months, to the great benefit of refugees and in some cases of their families, and to the benefit of the Department which must bear the expense of staff work and maintenance work for refugee claimants while they are awaiting a decision.

The program has been strikingly successful, yet the Minister continues to delay giving a report. He has promised repeatedly to report on that project, and on the question of whether all refugees will be allowed oral hearings in somewhat the same fashion. However, to this day he continues to be silent on the subject, and has suggested instead that all matters relating to refugees should be the subject of yet another report by yet another—

Mr. Speaker: Unfortunately the Hon. Member's time has expired.

ORAL QUESTION PERIOD

[*English*]

THE ADMINISTRATION

LIBERAL PARTY LEADERSHIP CAMPAIGN—GUIDELINES ON USE OF GOVERNMENT AIRCRAFT

Mr. Doug Lewis (Simcoe North): Mr. Speaker, my question is directed to the Acting Prime Minister.

Some Hon. Members: Who is it?

Mr. Lewis: Perhaps it is one of the nine. On April 11 the Prime Minister was questioned about the use of government jets by Liberal leadership candidates. He said on that occasion that any flight strictly or essentially taken for partisan political purposes should not be taken at public expense. Could the Acting Prime Minister assure the House that his Department or that of the Minister of Transport is enforcing those guidelines in the interests of Canadian taxpayers?

Some Hon. Members: Who is going to answer?

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Mr. Speaker, obviously, the intent of the guidelines in question must be observed. However, there is no evidence that could lead us to believe there was an infringement of these guidelines. If the Hon. Member has some specific examples to give the House, let him do so. Yes, there are guidelines in this respect, and we believe they have been, and ought to be, observed.

[*English*]

USE OF GOVERNMENT AIRCRAFT BY MINISTER OF JUSTICE

Mr. Doug Lewis (Simcoe North): Mr. Speaker, with specific reference to the Minister of Justice, by Friday of this week he will have spent three and a quarter hours in three days on government business. According to his campaign committee, the rest of the time was spent meeting delegates to the Liberal leadership convention. That is his business, but when he uses government jets to meet delegates, that is taxpayers' business. Has the Acting Prime Minister satisfied himself, or will he satisfy himself, that it was strictly and essentially necessary for the Minister of Justice to be using government JetStars during his current trip to the Maritimes?

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Mr. Speaker, the Minister of Justice, as the Hon. Member acknowledged, had to use these planes to attend to Government business, namely that of his own Department. I asked the Hon. Member earlier to be more specific in his accusations, if he really has any, and to show how a Minister, in this case the Minister of Justice, could have made improper use of planes that are at the disposal of the Government. However, from his question it is clear that the Minister of Justice used the aircraft to deal with his own departmental business and to represent the Government. If on the same occasion he happened to meet delegates, it was probably a coincidence.

[*English*]

Mr. Lewis: Now that my colleague is the Acting Prime Minister, perhaps he will be put on the mailing list.

CHARTERING OF JETSTARS

Mr. Doug Lewis (Simcoe North): Mr. Speaker, the Minister and the House will know that John Turner continues to fly as a corporate director of Canadian Pacific. Putting aside that conflict of interest, what steps will the Government take in the future to ensure that when Cabinet Ministers charter JetStars, they are really doing it on government business and are not just off on a frolic of their own, as my colleague in the legal profession will understand?

● (1420)

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Mr. Speaker, I repeat, this is an allegation and a very vague one. I have challenged the Hon. Member to give us a specific example of abuse or infringement of the guidelines. The guidelines are clear, they exist and we follow them. Unless we have something definite about infringement of these guidelines, no comments are necessary at all. It is the Government's intention to enforce these guidelines, to see to it that they are observed, and we believe that to date, all Ministers have observed them.

If the Hon. Member has a specific accusation, if he has a blatant example, let him tell the House. In that case we will investigate.

* * *

[*English*]

CROWN CORPORATIONS

PETRO-CANADA—PURCHASE OF FURNITURE BY EXECUTIVES

Mr. Peter Elzinga (Pembina): Mr. Speaker, on Monday I directed some questions to the Minister of Energy, Mines and Resources. They dealt with possible conflict of interest, again involving a considerable amount of the taxpayers' money. In the absence of the Minister I will direct my question to the Prime Minister. Has the Deputy Minister of Energy had an opportunity to make inquiries with regard to my question and concerns and, if so, can he indicate the results of those inquiries? Also, can he indicate whether corrective action will be taken so that these perceived conflict of interest cases will not occur in the future?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am informed that the matter is still under investigation and that I can give no report at this stage.

CONFLICT OF INTEREST RULES

Mr. Peter Elzinga (Pembina): Mr. Speaker, I have a supplementary question for the Prime Minister. There is an obvious perception that some individuals are profiteering unnecessarily at the taxpayers' expense. Does the Prime Minister plan to come forward with concrete solutions to these concerns by implementing a firm set of rules dealing with conflict of interest, not only for those within the Public Service but also for those employed in federal Crown corporations?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, such rules exist. They exist within the Public Service, for Members of Parliament and, by extension, for anyone who works for the Crown. I repeat, this particular matter is under investigation. I cannot comment on it any further. In so far as promulgating conflict of interest guidelines in the future is concerned, the Hon. Member will know that just about a week ago we received the report on conflict of interest and the various guidelines, a report I asked of the committee chaired

by the Hon. Mitchell Sharp. I think it would be proper for Parliament to consider that report and for a future Government to act on it.

TASK FORCE REPORT

Hon. Allan Lawrence (Durham-Northumberland): Mr. Speaker, I wonder whether the Prime Minister could tell us when that task force report that he referred to will be tabled in the House.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it is my intention to table it very soon. The delay cannot be more than just a few weeks. I certainly want to see it tabled well before the middle of June, but I cannot give a precise date. I will take notice of the question and will attempt to answer it at the beginning of the week.

* * *

PETROLEUM INCENTIVES PROGRAM

PURCHASE OF FOREIGN MANUFACTURED OFFSHORE DRILLING RIGS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Minister of Employment and Immigration.

[*Translation*]

Two offshore drilling rigs are now required on the East Coast. This project could create 1,000 new jobs in Canada. Could the Minister inform the House why the Government is maintaining a tax system under which oil companies can obtain subsidies to purchase offshore drilling rigs in Japan or in Korea?

Why use the Canadian taxpayer's money to create jobs abroad, when we can build rigs right here in Canada, in Lauzon, Quebec or Saint John, New Brunswick?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, I want to congratulate the Hon. Member for asking his question in French, but I did not really grasp what he said, and I am not sure whether it is something that concerns my Department. If it does, I did not understand every aspect of his question. I think he asked a question about Government funds being used to support a project to purchase required equipment abroad instead of doing so in Canada. I had the impression, but I may be wrong, that the Hon. Member was referring to a program that is administered by another Department, and not by mine. If he is agreeable, I am prepared to take his question as notice and provide an answer later on.

USE OF SUBSIDIES TO CREATE JOBS OUTSIDE CANADA

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I would like to explain my point again, this time in the other official language, for the Minister's sake.

[*English*]

The program I am referring to is the PIP grant program. The Minister is responsible for employment. He is a Minister of the Crown. In terms of his responsibility for jobs, does he agree with the policy which makes it possible for companies in Canada to obtain subsidies through the taxpayers of Canada to purchase equipment which, if produced here rather than abroad, could mean 1,000 jobs for Canadians? In other words, should Canadian workers through the tax system be providing subsidies to create jobs in Japan or Korea when those projects could be carried out, to name only two places, in the region of Quebec City or Saint John? Why are we not using Canadian taxpayers' money to create jobs for Canadians instead of abroad?

Mr. Hnatyshyn: The question was better in the other official language.

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, it is true the question is a bit more comprehensible in the other official language than it was in French. It still deals with a program which is essentially the PIP program, which is not within my area of jurisdiction. If the Hon. Member is asking whether it is appropriate for the Government of Canada to expend public funds to create employment in Canada, the answer is yes. We are already doing that. We are spending over $1 billion of government funds this year for direct employment creation within the Canadian economy. If he is asking whether I support the PIP program as it is applied by the Minister responsible for it, the answer is that up until this point, yes I do.

Mr. Broadbent: So much for Canadian jobs.

REQUEST THAT SUBSIDIES BE USED FOR CREATION OF JOBS IN CANADA

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I will direct my supplementary question to the Prime Minister, who has ultimate responsibility for this program. I am sure the Prime Minister is aware of all the details of what goes on in his Government. The Government's PIP program enables corporations to get a subsidy from the Canadian taxpayer if they purchase equipment abroad, even if that equipment is available in Canada. Does the Prime Minister agree that the Canadian taxpayer should be providing subsidies for the creation of jobs abroad, especially when those jobs could be provided here in Canada, whether in Quebec, New Brunswick, or shipyards in British Columbia? Does it not make sense to abandon those subsidies for the creation of work abroad, and ensure that any subsidy used for the creation of jobs is used in Canada when the product can be produced in this country?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the Hon. Member is starting an ideal position, I would agree with him. I do not know if he is thinking of any particular case, but we would have to look at whether in practice you were in effect creating jobs or not. If the effect of forcing a corporation that is the recipient of grants to buy some of its supplies in Canada would be that the corporation cannot operate because it is not competitive, I would say that is a case where we had better keep the corporation competitive and operating, creating the jobs it can, rather than deny the very rationale of the grants, which is to create jobs, by forcing the company to take them on conditions which make it inoperable.

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FISHERIES

SALE OF COD BLOCKS TO UNITED STATES

Hon. John C. Crosbie (St. John's West): Mr. Speaker, my question is for the Minister of Fisheries, but some 20 Cabinet Ministers are missing.

Some Hon. Members: Where's Brian?

• (1430)

Mr. Crosbie: Where is Pinocchio? In the absence of 20 Ministers, my question is directed to the Minister who is responsible for foreign trade. That is Gerry Regan.

Some Hon. Members: Order.

Mr. Crosbie: I am sorry.

Some Hon. Members: Where is Brian?

Mr. Crosbie: I will ask my question when the clowns cease their braying, Mr. Speaker.

I trust that the Hon. Minister will be aware that the sale of cod blocks in the United States is endangered by the fact that the price has now descended to 85 cents a pound, the lowest price it has been in many years. The entire Canadian fishing industry is in danger.

Could the Minister advise the House what he sees as being the prospects for the sale of fishery products, particularly cod blocks, in the United States? Is the Government contemplating using the Fishery Prices Support Board to attempt to assist producers and fishermen so that the price of cod blocks does not cause a cessation of the entire eastern Canadian fishery this year?

Hon. Gerald Regan (Minister for International Trade): Mr. Speaker, the Hon. Member has mentioned the problem of fluctuating prices for Canadian fish, and particularly for cod blocks in the American market. As a representative of Newfoundland he will be keenly aware of the different factors that affect the price in the Boston market, in particular.

I am sure he is aware of the fact that the softness of European currencies in relation to the strong level of the Canadian dollar is a factor that has led to sales of fish from European countries in the American market. This has depressed the price, and has to some degree tended to set the price and force the Canadian price downward. That, of course, is a problem that is difficult to address because it does involve the fluctuation of international currencies. The question of what can possibly be done by way of support prices is one which I would be happy to explore with the Ministry of Fisheries and Oceans on behalf of the Hon. Member.

IMPORTANCE OF COD FISHERY TO NEWFOUNDLAND

Hon. John C. Crosbie (St. John's West): Mr. Speaker, I direct my supplementary question to the same Minister in the absence of 20 other Cabinet Ministers who are out around the country and are not here doing the job they are supposed to do.

Some Hon. Members: Where is Brian?

Mr. Crosbie: Because of the failure—the Minister is having difficulty hearing.

Some Hon. Members: Oh, oh!

Mr. Crosbie: Because of the failure of cod block prices this year, the cod fishery in Newfoundland is being endangered. Many hundreds of fishermen may not find a firm to which they may sell cod this year. The Government has a heavy fiancial involvement in Fishery Products International Limited, as well as in National Sea Products. Is the Government prepared to advance further sums of money to Fishery Products International Limited so that it may meet its losses and continue to buy all codfish offerings from the inshore and offshore fishery of Newfoundland, thus ensuring that there will be a market for fishermen this year?

Hon. Gerald Regan (Minister for International Trade): Mr. Speaker, I rise to answer the hon. gentleman's question in the presence of 11 empty seats in the front benches of the Conservative opposition, at a time when the Leader of the Opposition is not present and they have a total of about 35 or 40 Members in the House.

Mr. Speaker: Order. The Chair would simply observe that the practice of calling attention to the presence or absence of Hon. Members is not the custom of the House.

Some Hon. Members: Oh, oh!

Mr. Regan: I certainly follow the lead of the Chair in that regard, but I had been following the example set by my esteemed colleague, the Hon. Member for St. John's West.

May I turn more directly to the subject matter by saying that I am keenly aware of the importance of the cod fishery to the welfare and the survival of the people of Newfoundland inasmuch as some of my ancestors in Newfoundland depended upon that livelihood for a very long period of time. I might simply add that I am sure that in those days my ancestors had

the opportunity to use the services of the merchants of Water Street who, of course, were the ancestors of the Hon. Member.

I would only say to the Hon. Member that the question of any further direct support for the company that he mentioned, the existence of which has been saved by the policy of the Government which gave it a very generous infusion of funds, is one that I would want to bring to the attention of the Minister of Fisheries and Oceans. I would be happy to do that for my hon. friend.

* * *

NATIONAL REVENUE

PRIVACY COMMISSIONER'S REPORT ON DEPARTMENT'S ACTIVITIES

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Mr. Speaker, my question is directed to the Acting Minister of Revenue. The Privacy Commissioner has completed his report on the attempt by Revenue Canada to gain access to the computerized data base in the City of Kitchener. He found that if the Department had secured this information it might very well have violated Sections 10 and 11 of the Privacy Act, and he said that the Department's request to Kitchener was characterized by casualness and carelessness. I would like to ask the Acting Minister what specific actions the Department proposes to take as a result of the Privacy Commissioner's report.

Mr. W. Kenneth Robinson (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, in view of the fact that the Minister is not present in the House today, I will take notice of the question and bring it to his attention.

Mr. Beatty: Mr. Speaker, that is certainly an improvement on the answers we normally receive.

DEPARTMENT'S POWERS OF SEARCH AND SEIZURE

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Mr. Speaker, I would like to direct my supplementary question to the Prime Minister because it is a concern of such importance. I would do so if I could have the Prime Minister's attention.

Some Hon. Members: Oh, oh!

Mr. Beatty: Mr. Speaker, it appears as if the lights are on but nobody is home over there.

Mr. Speaker: Would the Hon. Member ask his question?

Mr. Beatty: In view of the fact that it should now have become as evident to the Government, as it is to most observers, that Section 231 of the Income Tax Act gives the Department such sweeping powers of search and seizure that it poses a very grave threat to the civil liberties of Canadians, is the Prime Minister prepared to undertake to have introduced in the House, prior to summer recess, amendments to Section 231 of the Act which would constrain those powers of search and seizure and bring them back into line with the basic civil liberties of Canadian taxpayers?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Hon. Member complimented the Parliamentary Secretary for his very good answer and said that it was an improvement on previous answers. I would only want to echo the words of the Parliamentary Secretary, and thereby share in the compliments of the Hon. Member.

* * *

EMPLOYMENT

GRANT MADE TO CANADIAN ALLIANCE FOR ITALIAN INTEGRATION AND CULTURE

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. On February 14 I raised and documented in the House the matter of a grant of $583,000 that he made to the Canadian Alliance for Italian Integration and Culture. I now have in my possession two letters from the National Congress of Italian Canadians, Toronto District, indicating that the Minister met with that group and agreed to scale the grant down to one-third of its original amount, and that he would meet with Mr. Joe Volpe to work out the details. Would the Minister confirm that he had that agreement with the Italian Canadians, and would he also confirm that he changed his mind and is now giving them the entire grant of $583,000?

Hon. John Roberts (Minister of Employment and Immigration): No, Mr. Speaker, I cannot give the hon. gentleman the confirmation that he seeks. It is true that I met with the group to which he referred and we discussed whether or not it would be possible for there to be a reduction in the amount of the grant. I indicated that I would support the reduction if it was possible for the various interested parties to work out an agreement about it. However, at no point did I say that I would impose such a reduction on the Alliance which received the grant.

The Hon. Member is incorrect in asking me to confirm his comment. I cannot do that because that is not an accurate picture of the commitment I made. Many weeks ago we did indicate that the original grant was confirmed after not one but two assessments and reviews were undertaken by the civil servants in my Department to see whether or not there was justification for the grant that was given. The report made by my Department's officials indicated to me that indeed there was such justification.

• (1440)

REQUEST FOR MINISTERIAL CONFIRMATION

Mr. Ian Waddell (Vancouver-Kingsway): On February 14 the Minister said:

I can assure him—

That is me.

—that there is not a political determination in the decision-making process when I approve or reject a proposal or project.

Would the Minister confirm that Mr. Joe Volpe, the person he spoke of meeting about the grant, on May 11 declared that he was a leader of a block of delegates who threw their support to him as leadership candidate for the Liberal Party? Would the Minister also explain to the House, and to the Canadian people, the ethics of his spending $583,000 of our money to buy 25 votes for his leadership aspirations?

Some Hon. Members: Shame!

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, I can confirm the first statement, that is to say, when the decision was taken on the grant to the Canadian Alliance for Italian Integration and Culture, I was not aware of the political affiliations of the people who were presented with that grant. That is a matter of fact.

With respect to the second part of the reference, I would have to check to see what it is. However, the fact of the matter is that when the grant was approved I was not aware of the political affiliation of the people concerned.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF ITALIAN MINISTER OF STATE FOR FOREIGN AFFAIRS

Mr. Speaker: I call the attention of the House to the presence in our gallery of a distinguished visitor, Senator Susanna Agnelli, Minister of State for Foreign Affairs of the Republic of Italy.

Some Hon. Members: Hear, hear!

* * *

TRADE

IMPORTATION OF KOREAN AUTOMOBILES

Mr. Joe Reid (St. Catharines): Mr. Speaker, in the light of your earlier admonition I will go directly to the Minister responsible for International Trade. The Government has apparently already rejected the automobile task force study in favour of negotiated automobile restraint sales by Japan in Canada. This being so, may I ask the Minister what justification there is in the Government's encouragement of the dumping, duty free, of Korean automobiles into Canada? Is it anything less than something which would impair the negotiations with Japan? And is it anything but contrary to Canada's idea of fairness and fair trade?

Hon. Gerald Regan (Minister for International Trade): Mr. Speaker, I would like to explain to Joe—

Some Hon. Members: Oh, oh!

Mr. Regan: —to the Hon. Member, that the situation is much more complex than the way he has presented it. Canada has always, like many other developed countries, given some preferential tariff treatment to those countries which are undeveloped and are attempting to pull themselves up by their own boot straps. This has been a general policy. Korea has benefited from that policy in a number of ways. In the past it did not export any motor cars to Canada. Indeed, it was only recently that it started to do so. This year the Pony has entered the Canadian market and it is anticipated that fewer than 10,000 will be sold in Canada in the current year.

If Korea becomes a very serious entrant into the Canadian market, the question of how those special policies affect it as against other exporters of motor vehicles to Canada, will have to be very seriously examined by the Government. There is no question about that. However, we are in the position that at the present time the only quota restrictions on the importation of vehicles into Canada are those that apply to Japan, based upon the fact that the Japanese had achieved such a serious percentage incursion into the Canadian market without having made any significant investments here.

What we want to do in relation to the Japanese is to continue our negotiations, which the Minister of Industry has been carrying on, in order to bring about Japanese investment in our market, if it is going to share in it to such a large degree.

Other European car manufacturers which have a very small place in our market, like the Koreans, are not subject to quantitative restrictions.

EFFECT ON CANADIAN AUTOMOTIVE INDUSTRY

Mr. Joe Reid (St. Catharines): Mr. Speaker, my supplementary question is directed to the same Minister. I want to remind him that jobs and unemployment are still at the top on the agenda of concerns of Canadians. Might I also add that the concern of the automobile industry is a matter of major importance. Where is there any fairness in admitting into this country these Korean automobiles which sell for less here than in the country of their origin? Will the Minister keep in mind that there is an automobile industry out there which is concerned with the inroads made into our domestic market by the Japanese and other foreign manufacturers, especially when I hear the Minister accepting the position that the Government will encourage the dumping of automobiles into Canada?

Hon. Gerald Regan (Minister for International Trade): Mr. Speaker, if the Hon. Member heard me encouraging the dumping of cars into Canada, then he was listening to the wrong sound system. I believe he was tuned into the wrong station. That is not the case at all. And it is the first suggestion I have heard that there is any element of dumping in the pricing of the Korean Ponys in this market.

However, in relation to the reference which the Hon. Member made to the Canadian automobile industry, I believe if he takes the time to go and speak to the principal people

involved in that most vital of industries, they will tell him how far employment has come back in that industry as a result of the policies of this Government. They will point out to the Hon. Member the phenomenal increase in the number of motor vehicles sold this year over last year. I believe they will also tell him that the Government is working very closely with the industry, and the unions, in seeing to it that they continue to receive, for a period of time, the protection which is necessary while they modernize and become even more competitive than they have been in the past.

* * *

AGRICULTURE

GRAIN FREIGHT RATES

Hon. Don Mazankowski (Vegreville): Mr. Speaker, I would like to direct a question to the Minister of Agriculture. Recently the Minister of Transport said that people should come first, and railways second. In the light of that statement may I ask the Minister of Agriculture how he can ensure that western Canadian farmers can be guaranteed that claim by the Liberal Party when grain freight rates are rising so dramatically, contrary to the projections under the Western Grain Transportation Act, and much to the benefit of the Government and the railways?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the Hon. Member forgets some aspects and parts of that Bill which are very important. That Bill also allows farmers to ship speciality crops. Where previously they have paid as high as $50 a tonne to ship to Thunder Bay or Vancouver, the rate now, Mr. Speaker, for those crops, including canola seed—which is second in importance to wheat—costs $7.50. From Saskatoon to Thunder Bay, and from Saskatoon to Vancouver, it costs $5.50. It cost over $45 a tonne before, so there are tremendous savings and benefits there. The increases the Hon. Member says are involved are not as great as he intimates to the House, according to the figures I have.

REQUEST FOR MINISTERIAL ACTION

Hon. Don Mazankowski (Vegreville): Mr. Speaker, I am clearly disappointed with the answer of the Minister and his approach. What we are looking for is some assurance from the Minister that the farmers' interests will be protected from open-ended, escalated rail freight rates. How can the Minister ensure that this will be done? And how can farmers have any confidence in the Liberal Party when the Minister of Transport is serving as the policy adviser to Mr. John Turner, who is an active director of the CPR; when the former Chairman of the CPR, Mr. Ian Sinclair, was appointed to the Senate by the Liberal Government, and when you have Mr. Jack Horner, the former Chairman of CNR, heading the Grain Transportation Agency? I want to ask the Minister of Agriculture if he is taking this into account. Is he recommending any action to ensure that the interests of the producers will be preserved? And what action, if any, is the Minister going to take before the end of June?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, my very action in entering a certain contest should be enough to show the Hon. Member the concern I have for farmers.

* * *

MULTICULTURALISM

FUND GRANTING PROCESS IN ONTARIO

Mr. Jack Murta (Lisgar): Mr. Speaker, my question is directed to the Minister of State for Multiculturalism. It has to do with a memo from the Ontario Regional Director to the Assistant Under-Secretary of State for Regional Operations. It concerns the grants batching process as it pertains to the whole area of multiculturalism. The memo indicates that comments on Ontario's September and November batches, which is the money going out to various groups in Ontario, would indicate that the headquarter's review is neither coherent nor accurate. It goes on to say that the strongest reservations about the use to which the batching process might be put appear to have come to pass. Instead, a headquarters second guessing process has been institutionalized without any upfront checks and balances, and this has resulted in a situation where grants are inconsistent and inaccurately assessed on a minimum of information, a potential embarrassment to the Minister if the groups are given poor reasons for rejection. My question is an obvious one. What is being done to rectify this rather shabby situation?

• (1450)

Hon. D. M. Collenette (Minister of State (Multiculturalism)): Mr. Speaker, I have not seen that memo and I am somewhat surprised at its contents. As with any federated organization, and the Government of Canada obviously runs its operations in that way in that we have regional offices across the country, from time to time there are creative disagreements or tensions between decisions taken in Ottawa and those taken in the regions. This is a normal course of events in Canadian federalism, and it may very well be that someone feels there is perhaps a little imbalance and perhaps too much direction from the Minister's office or our officials here in Ottawa. It is something I totally reject, but I certainly would be prepared to look at the memo and discuss it with the Hon. Member, or report back to him before the committee dealing with the Estimates meets next week. We might want to have an in depth discussion at that point.

Mr. Murta: Mr. Speaker, the memo is not exactly new. It is dated December 16, 1983. It is from the Ontario Regional Director to the Assistant Under-Secretary of State. If nothing has been done to change this rather shabby process in the past, I suggest very strongly that something should be done.

Oral Questions

DEPARTMENT'S WORK IN MANITOBA

Mr. Jack Murta (Lisgar): Mr. Speaker, in western Canada, especially in the Manitoba area, there is a great deal of concern that grants which normally go to various community projects have not been forthcoming. This has caused all kinds of disruption to language and other heritage programs in Manitoba. If the Minister is going to check on what is a reasonably old memo, will he also take a very close look at what is happening in Manitoba? It is not a good situation, and his Department certainly has to bear the majority of the responsibility.

Hon. D. M. Collenette (Minister of State (Multiculturalism)): Mr. Speaker, I categorically reject the criticism implied in the Hon. Member's question. As far as I am concerned, the memo in question, and I have said I have not seen it, represents perhaps the opinion of one regional director. I will have to discuss it with our officials to see whether or not it is indeed a serious concern of his. It has not been raised in a detailed way with me, so I suspect it was a particular feeling at a particular point in time.

On the question of Manitoba in general, the Hon. Member should know, being from Manitoba, that the regional office of the Secretary of State is one of the most creative regional offices of any government Department. It has done an outstanding job over the past two years, not only in multiculturalism but in other areas. I find it somewhat odd that a Member from Manitoba would, in a sense, be criticizing the work being done by officials in Manitoba. That is essentially what he is doing. As far as I am concerned, the interests of multiculturalism are being very well attended to, especially in Manitoba where a leadership role has been taken by a number of people at the municipal level and in voluntary organizations, especially in the City of Winnipeg.

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EMPLOYMENT

SUMMER CANADA PROGRAM—PROJECTS TO ASSIST SENIOR CITIZENS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question is directed to the Minister of Employment. In the employment programs funded by his Department in recent years there have always been two or three projects which tried to meet the needs of the elderly and sick by providing a service to cut their lawns, put on storm windows, take off the screens, and do a little painting. Of all the grants approved for summer work this year, there is only one program which meets those needs. That program is already telling people that they will have to wait for weeks before they can get the service they always got in the past. Would the Minister look at that situation and possibly find some money to fund some of these projects which operated so successfully until this year?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, I think the hon. gentleman is referring to the Summer Canada programs which are administered by my colleague, the Minister of State for Youth. I will be happy to forward his representation to her so that she can consider it and reply to him directly.

REQUEST FOR REVIEW

Mr. David Orlikow (Winnipeg North): Mr. Speaker, would the Minister tell his colleague that there were projects, such as Work 80 and Community Home Services, which really went out of their way to meet and satisfy the needs of people? These people are phoning all Members of Parliament with hysterical and very well founded fears that they are not going to get the service they received in the past. We are not saying the programs funded for this year are necessarily bad; we are simply saying that they have not met an important need in our cities.

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, I will be very happy to provide my colleague with the views the Hon. Member has expressed and the representations he has received from the public. I shall do that.

* * *

THE ADMINISTRATION

LIBERAL PARTY LEADERSHIP CAMPAIGN—USE OF GOVERNMENT AIRCRAFT BY MINISTER OF JUSTICE

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, my question is for the Prime Minister and is supplementary to the questions asked at the outset of Question Period with respect to the guidelines he laid down for Liberal leadership candidates who are members of his Cabinet. I know he has spoken to them and given them guidelines with respect to the use of government jets. Will he undertake to investigate the blatant misuse of government jets by his Minister of Justice? As an example, yesterday the Minister was with Premier Lee of Prince Edward Island from 8.30 until 9.00 a.m. discussing Senate reform. He then spent the rest of the day meeting delegates from Hillsborough and Cardigan. He had a meeting with a Mr. Joe Ghiz, and then flew to New Brunswick to meet with delegates from Northumberland-Miramichi.

If I give him the timetable of the Minister of Justice, will he investigate whether that Minister and others are abusing their privileges by using government jets for purely political reasons?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I certainly will look into the matter. I would appreciate it if the Hon. Member does what he suggests and sends me the timetable. However, just listening to his version of the facts, I feel compelled to say that I personally asked the Minister of Justice to see the Premiers of all provinces to discuss Senate reform. This was a decision taken several months ago, and it was to follow on the tabling of the report of the Joint Committee on Senate Reform. Therefore, that he would be travelling

on a government aircraft is something I find not only justifiable but demanded in the circumstances.

I am puzzled at how the Hon. Member would suggest the Minister conduct himself assuming he is in a province and has not been able to get an appointment with another Premier for the next 24 hours. Would the Hon. Member suggest that he should come back to Ottawa at government expense, sit in his office, and then fly again to the same area at government expense? It would seem to me this would entail a greater expenditure of public funds than staying in the area and seeing some friends, or people he would hope become friends. I am just thinking aloud, Mr. Speaker. I am curious how the Hon. Member would advise me to refine the guidelines in a case like this. Should the Minister be ordered back to Ottawa at government expense, and then fly out in the same direction?

Mr. Hnatyshyn: A short supplementary, Mr. Speaker.

Mr. Speaker: The Hon. Member for Halifax West has been seeking to be recognized for some time.

Some Hon. Members: No.

Mr. Speaker: A short supplementary.

REQUEST THAT PRIME MINISTER CONDUCT INVESTIGATION

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, in about two months time the Prime Minister will understand that we have commercial service, with Air Canada and Eastern Provincial Airlines, because he will be using them himself. The next meeting of the Minister of Justice was today at three in the afternoon. There were two commercial flights available to the Minister, and he did not have to come back to Ottawa.

Will the Prime Minister investigate this matter, and if in fact the bulk of the Minister's time has been spent with respect to political activity on his behalf and that of the Liberal Party, will he ask for a reimbursement from the Minister, as a very minimum, for this blatant abuse of the use of government aircraft in the pursuit of his political activity?

• (1500)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am sure the Hon. Member is attempting to be helpful. However, if there were commercial flights, even I would know it. As a suggestion, I would inquire whether that would be a wise use of ministerial time. If the Hon. Member is correct, he would, I suppose, suggest that every Minister should fly by government aircraft when there is a commercial flight. As he would know from when he was a Minister himself and used government aircraft rather generously, the factor of time is involved.

Some Hon. Members: Oh, oh!

Mr. McDermid: Oh, no. The use was cut by 75 per cent. Check the records.

Some Hon. Members: Oh, oh!

Mr. Trudeau: With regard to the two questions, Mr. Speaker, I have already answered the first. I said I would look into the facts and invited the Hon. Member to send me whatever knowledge he has of them. The second question was a hypothetical one.

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PUBLIC WORKS

PROPOSED HALIFAX OFFICE COMPLEX

Mr. Howard Crosby (Halifax West): Mr. Speaker, my question is for the Minister of Public Works. It is with regard to that mysterious office complex for the city of Halifax. As the Minister knows, it was announced in April of 1983 as a special recovery project. It was to be a $50 million building. One year later it was reduced to a $30 million building. When are the 1,000 Nova Scotians who were promised jobs on the construction of this office complex by his colleague, the Minister of International Trade, going to be put to work? Is there really going to be an office complex?

Hon. Roméo LeBlanc (Minister of Public Works): Mr. Speaker, we have had some difficulty getting final clearance to the title of the land. I must express amazement that the Hon. Member's political bickering extends to the point where he would deprive his own region of a very important government project.

Mr. Crosby: Mr. Speaker, if the Minister will allow me to take over his Department, I will have the office complex going in 30 days.

Some Hon. Members: Hear, hear!

SITE EXPROPRIATION

Mr. Howard Crosby (Halifax West): Mr. Speaker, if the office complex was planned to the point where the Minister of International Trade could stand up and show models of it, why did the federal Government not even own the land in question? Why is it now expropriating the land and having the expropriation challenged in the courts of law? Why did it not consider these matters before it announced the complex?

Hon. Roméo LeBlanc (Minister of Public Works): Mr. Speaker, I hope the Hon. Member is able to explain to the Halifax *Herald*, which is very regionalistic in its approach to these stories, why he is not helping us solve the problem. The reality is that I was personally disappointed that a public body which should have co-operated with us to try to find a proper site, did not help us.

Point of Order—Mr. Blaikie

[*Translation*]

PETITION

MR. PETERSON—TREATMENT OF SYRIAN JEWS

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Willowdale (Mr. Peterson) on Wednesday, May 16, 1984, meets the requirements of the Standing Orders as to form.

* * *

[*English*]

POINT OF ORDER

MR. BLAIKIE—OPPORTUNITY FOR MORE QUESTIONS DURING QUESTION PERIOD—RULING BY MR. SPEAKER

Mr. Speaker: On April 6 last the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) raised a point of order relating to the Question Period and invited the Chair to share its thoughts with the House on the conduct of that part of our daily proceedings. He said:

> I do not know, Mr. Speaker, whether you are simply letting us slide until we muster the will to discipline ourselves. That may be a legitimate strategy. However, I, for one, Mr. Speaker, would urge you to use your role as Speaker to discipline the Question Period. If you do not feel people should be allowed supplementary questions, do not allow them.

Again on May 9, 1984, when the Chair did not allow a supplementary to the Hon. Member for Winnipeg-St. James (Mr. Keeper), the Hon. Member for Winnipeg-Birds Hill invited the Chair to tell the House if it was changing the rules as they pertain to Question Period. While it is tempting for the Chair to make a comprehensive ruling on the conduct of Question Period, the present occupant is well aware that, without the co-operation of Members, the Chair's responsibility to maintain order is much more difficult. I would much rather seek the co-operation of all Members.

I will, however, deal with the use of supplementary questions which has been of concern to me for some time. I think it is timely that this matter be addressed. On May 9, in quoting from Beauchesne's Citation 371, I reaffirmed the principle that the extent to which supplementary questions may be asked is in the discretion of the Speaker. I also said that I would discourage supplementary questions which are not supplementary but which are, in fact, additional even though related questions.

I think I should remind the House what, under our practice, constitutes a supplementary question. There is a growing practice, after a first question has been answered, to ask a new, related question, or another question which is an expanded form of the original one. There is also a growing tendency to ask a Minister one question and to direct a supplementary to another Minister because it deals with the same subject matter.

Mr. Speaker Michener, in his statement to the House on February 26, 1959, qualified supplementary questions as "a matter of grace". It seems his comment was inspired by Speaker Lowther who laid down the rule for the British House. At column 41 of the House of Commons debates for July 5, 1915, Speaker Lowther is reported to have said:

> —all supplementary questions are irregular and are not provided for at all in any Standing Order. It is entirely a matter of grace.
>
> I may say generally that the object of supplementary questions is to elucidate any ambiguity in the reply of a Minister or to seek further information if he can give it;—

On April 14, 1975 Mr. Speaker Jerome, at page 440 of *Hansard*, defined a supplementary question in the following terms:

> The supplementary question is a follow-up device flowing from the response and ought to be a precise question put directly and immediately to the Minister without any further statement.

At page 346 of Erskine May's Twentieth Edition we find the following:

> A supplementary question may refer only to the answer out of which it immediately arises, must not be read or be too long—

I also wish to remind Hon. Members that supplementary questions should rarely be preceded by a preamble or contain any argument. Since the supplementary question flows from the answer to the original question, it should normally not require explanation or preamble. It should be brief and to the point. If, in answering, a Minister claims that another Member of the Cabinet is concerned with the subject matter of a question, then a supplementary to another Minister may be allowed; but the redirection of a supplementary question to another Minister must be clearly linked to the answer to the first question. It is not sufficient to claim that the supplementary question to another Minister is on the same subject matter as the principal question. There must be obvious cause from the answer of the first Minister for the Chair to allow a supplementary question to be redirected to another Minister.

In concluding my remarks I will quote a few words from Speaker Lamoureux who, on September 14, 1971, faced the same issue and sought the co-operation and support of the House in saying:

> I recognize the importance of the matter and the right of Hon. Members to ask supplementaries, but the rules are clear. Supplementaries are within the competence of the Chair; and when the Chair feels that we have reached a point when other members should be given a chance to ask questions, Hon. Members should try as far as possible to co-operate and give the Chair an opportunity to move on to another member.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Speaker: The Hon. Member for Saskatoon West on the usual matter relating to House business.

Mr. Hnatyshyn: Mr. Speaker, I would like to call upon the Government House Leader to give us the proposed order of business for tomorrow and possibly to the end of next week.

Mr. Pinard: Mr. Speaker, I would like to inform the House that this week the House Leaders had fruitful and productive meetings. It looks like the next week will be productive for

Parliament. The order of the Bills which I shall outline is important. The number of Bills which I will outline flows from the discussions we had.

Tomorrow we will be dealing with the following Bills in this order: C-4, C-23, C-5 and C-31. On Tuesday we will deal with Bill C-24. On Wednesday we will deal with Bills C-11, C-16, C-8, C-7 and C-14. I designate next Thursday as an Opposition Day. Next Friday Bill C-33 will be dealt with.

Mr. Deans: Mr. Speaker, I appreciate the information which we have just received. There have been statements from all three Parties with regard to the need to obtain quick passage of Bill C-34 dealing with the Canada Labour Code. Would he be amenable to the suggestion that we agree to one speaker per Party at second reading? The Bill could then go to committee for careful but speedy consideration, with an understanding that that particular piece of legislation would in fact become law prior to the House rising at the end of June, and that he take whatever steps he deems necessary to then place that Bill on a priority listing to ensure that it will in fact be dealt with?

● (1510)

Mr. Pinard: Mr. Speaker, this is obviously a matter to be negotiated in a regular House Leaders' meeting. The Hon. Member knows from my answer on the floor of the House yesterday that certainly the Government is willing to consider any serious offer or proposal made by the Opposition Parties in order to dispose of Bill C-34 quickly. The idea of having one speaker per Party to send it to committee is acceptable to the Government, except that we would like to have more precision from the Opposition Parties about how we will be dealing with the report stage and third reading stage.

I cannot give a commitment about passing the whole Bill before the end of June unless I have a firm agreement on a very short debate for the report stage and third reading. The Hon. Member has not been very specific about that.

Mr. Deans: Mr. Speaker, the Hon. House Leader does in fact raise a legitimate point. I want to suggest to him that if we could get agreement to have this Bill dealt with speedily at second reading and dealt with speedily at committee stage, I would be prepared to enter into negotiations on a House order to deal with the Bill at report and third reading stage that I think would satisfy the need to have the Bill dealt with expeditiously.

Mr. Pinard: Mr. Speaker, as I said, usually we negotiate or make deals in a regular House Leaders' meeting. The Hon. Member will understand that no deal is possible without the participation of the Official Opposition.

Mr. Hnatyshyn: Mr. Speaker, I simply want to stand at this time to support the point of view of the Government House Leader that normally if negotiations are being carried on with respect to House business, these matters will be discussed in the course of our deliberations, which prove to be successful from time to time. It is a well known fact that the NDP supports the Liberal Party on almost all of their legislation. It is not necessary for the Members for Hamilton Mountain to stand up and reaffirm this publicly.

Mr. Deans: Mr. Speaker, I just want to say to the Government House Leader that my recollection of what was said by the absent Leader of the Conservative Party was that he was in support of the principles contained within the amendments proposed to the Canada Labour Code.

With regard to negotiations, I am not attempting to negotiate; I am doing what I recall was done by the House Leader for the Conservatives in the case of the grain stabilization Bill. I am making an offer that I think perhaps cannot be refused.

Mr. McKinnon: Mr. Speaker, I rise on the same point of order. The Government House Leader will recall that there was a promise in the Throne Speech that the guaranteed income supplement for single old age pensioners would be increased by $25 a month. It is all very well to list 11 Bills on which he places a priority. I understand that this will require a Bill to amend the Pension Act. Where does he put this measure in his priorities?

Mr. Pinard: Mr. Speaker, I think we are prepared to go even further. We are thinking in terms of increasing the GIS by $50 a month. We intend to introduce such legislation before the end of June for sure.

Mr. Wise: Mr. Speaker, I want to make an inquiry of the Government House Leader. I had hoped to be able to raise this question in the presence of the Minister of Agriculture but unfortunately he had to leave. It is with reference to Bill C-23, the advance payments for prairie grains.

He will recognize that that applies only to the grains produced within the jurisdiction of the Canadian Wheat Board. Perhaps he will recall that in 1976, I believe, some comparable legislation was approved for the advance payment for crops produced outside the Canadian Wheat Board, primarily corn and beans.

Obviously we are in full support of Bill C-23. We are somewhat concerned that the twin Bill which should apply to grains outside the Canadian Wheat Board should go through the House in tandem with that Bill. Otherwise there will be a situation where there will be a greater advance payment available for producers of similar grains in one part of the country, yet there will be the old standard of advanced payments for the producers of other crops, particularly in Ontario, the Province of Quebec and Atlantic Canada.

Mr. Pinard: Mr. Speaker, I thank the Hon. Member for his comments. I will make sure that the Minister of Agriculture will be made aware of them. We will take them very seriously. If there is anything to be adapted or corrected, we will do it with pleasure. For the time being, we have had a House Leaders' meeting and agreed to dispose of Bill C-23 very quickly next week. I want to assure the Hon. Member that his concerns will be brought to the attention of the Minister of Agriculture.

Supplementary Estimates (A), 1984-85

PRIVILEGE

MR. SCOTT (VICTORIA-HALIBURTON)—RECOGNITION OF MEMBERS DURING QUESTION PERIOD

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, if this is the proper time, I have a question of privilege. It relates to something you said earlier when making your ruling. That is the problem with Question Period and other Members being totally ignored. I have watched this for some time and have raised this issue before. As a matter of fact, I have spoken to you about it, Mr. Speaker.

I have every confidence in you and would suggest that you throw away the slips that you are given by the House Leader in charge and go on your own merits. I believe we would probably have a more even distribution. That is a suggestion which I have to make to you, Sir.

Mr. Speaker: The Chair is always open to suggestions.

* * *

PETITION

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Timiskaming (Mr. MacDougall), by filing with the Clerk of the House on Wednesday, May 16, meets the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

MANAGEMENT AND MEMBERS' SERVICES

PRESENTATION OF FIRST REPORT OF STANDING COMMITTEE

Mr. Robert C. Coates (Cumberland-Colchester): Mr. Speaker, I have the honour to present the first report of the Standing Committee on Management and Members' Services.

[*Editor's Note: For report referred to above, see today's Votes and Proceedings.*]

* * *

SUPPLEMENTARY ESTIMATES (A), 1984-85

Hon. Herb Gray (President of the Treasury Board): Mr. Speaker, may I depart briefly from custom and point out that we have the honour to receive the first formal message in this House from our new Governor General.

Some Hon. Members: Hear, hear.

A message from Her Excellency the Governor General transmitting Supplementary Estimates (A) of sums required for the service of Canada for the fiscal year ending March 31, 1985, and in accordance with the provisions of the Constitution Act, 1867, was presented by Hon. Herb Gray (President of the Treasury Board) and read by Mr. Speaker to the House.

Hon. Yvon Pinard (President of the Privy Council): Mr. Speaker, I move, in accordance with the provisions of Standing Order 63:

That the Supplementary Estimates (A) 1984-85, tabled this day, be referred to the several Standing Committees of the House as follows:

Since there is a detailed allocation of the estimates to the committees in the list, if it is agreeable with the House I ask that the list be printed in *Hansard* as if it had been read.

• (1520)

Mr. Speaker: The House has heard the suggestion of the Hon. President of the Privy Council. Is it agreed?

Some Hon. Members: Agreed.

[*Editor's Note: List referred to above is as follows:*]

To the Standing Committee on Communications and Culture
Secretary of State Vote 30a
To the Standing Committee on Fisheries and Forestry
Environment Vote 15a
Fisheries and Oceans Votes 1a, 5a and 10a
To the Standing Committee on Health, Welfare and Social Affairs
National Health and Welfare Votes 46a and 47a
To the Standing Committee on Justice and Legal Affairs
Solicitor General Vote 1a
To the Standing Committee on Labour, Manpower and Immigration
Employment and Immigration Votes 5a, 10a and 15a
To the Standing Joint Committee on Official Languages Policy and Programs
Secretary of State Vote 10a

And that a Message be sent to the Senate to acquaint Their Honours of the aforementioned reference to the said Standing Joint Committee.

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

Some Hon. Members: Agreed.

Motion agreed to.

* * *

[*Translation*]

AIR TRANSPORT

TABLING OF NEW POLICY

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, pursuant to the provisions of Standing Order 46(2), I wish to table, on behalf of the Minister of Transport (Mr. Axworthy) and in both official languages, a document entitled "New Canadian Air Policy", dated May 10, 1984.

[*English*]

PETITION

MR. THACKER—EXTENSION OF HOURS AT PORTS OF ENTRY

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, I have the honour to present a petition from some 331 citizens of southern Alberta, many of whom I know. This petition is very broadly based. It calls for an extension of hours at the Del Bonita and Carway customs ports of entry from the United States. It asks for longer hours during the winter months. The current situation where they close early causes a great inconvenience to many people including businessmen, individuals and farmers. It is critical that the Government seriously consider this petition. I am hoping that my fellow colleagues will write to the Minister in this respect.

* * *

EXECUTION OF MASS MURDERERS ACT

MEASURE TO ESTABLISH

Mr. Gordon Taylor (Bow River) moved for leave to introduce Bill C-240, an Act respecting the execution of mass murderers.

Mr. Speaker: Is it the pleasure of the House that the Hon. Member shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Taylor: Mr. Speaker, it is a pleasure to introduce a Bill respecting the execution of mass murderers, under which any person found guilty beyond the shadow of a doubt of killing ten or more human beings will be executed by hanging. Clifford Robert Olson is at the top of the list.

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

Mr. Speaker: When shall the Bill be read a second time? At the next sitting of the House?

Some Hon. Members: Agreed.

* * *

[*Translation*]

TRANSPORT

STUDY BY STANDING COMMITTEE OF NEW AIR POLICY

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, consultations having been held with representatives of all Parties in the House, I now wish to ask the unanimous consent of the House to move, seconded by the Hon. Member for Renfrew-Nipissing-Pembroke (Mr. Hopkins)—

[*English*]

—the following motion:

That the Standing Committee on Transport be authorized to study and report on the following questions relating to the "New Canadian Air Policy" as announced by the Minister of Transport on May 10, 1984:

(1) At what pace should the process toward the elimination of regulation be pursued?

(2) How should the Aeronautics Act be amended to make it consistent with a more permissive regulatory approach, and in particular

(a) how should the entry test of "public convenience and necessity" be revised?

(b) what provisions, if any, should govern the remaining controls on pricing?

(c) what special regulation is needed of airline mergers and acquisitions, and of foreign ownership?

(3) Should further instalments of liberalization occur at predetermined intervals to stimulate adjustment and facilitate planning, or should any further changes be preceded by reviews, perhaps at pre-set dates?

(4) Should Air Canada be broken up and/or privatized to improve the company's efficiency and to give smaller, privately-owned airlines a more equal opportunity to compete?

(5) As further regulatory liberalization proceeds, is there a need for direct operating subsidies to protect communities against loss of service as a result of regulatory change and for special labour protection provisions to protect airline employees against a related loss of employment?

(6) Does the Minister's working definition of northern Canada in the new Canadian air policy reflect the needs of the communities in northern Canada; and

That the Committee have the power to retain the services of expert, professional, technical and clerical staff as may be deemed necessary and after approval by the Clerk of the House of Commons;

That the Committee be empowered to adjourn from place to place within Canada when the House is not sitting in relation to the "New Canadian Air Policy", as announced by the Minister of Transport, and that the necessary staff do accompany the Committee; and

That the Committee report back to the House by November 30, 1984.

Mr. Speaker: Does the Parliamentary Secretary to the President of the Privy Council have unanimous consent to move the motion?

Some Hon. Members: Agreed.

Mr. Speaker: Hon. Members have heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 18, 19, 191 (Revised) and 745.

Order Paper Questions

[*Text*]

CANADA POST CORPORATION—SUBSIDY TO BOOK INDUSTRY

Question No. 18—**Mr. Herbert:**

What was the amount of the postal rate subsidy to the book industry in 1982?

Mr. Normand Lapointe (Parliamentary Secretary to Minister of Labour): The Canada Post Corporation informs me as follows: The 1982-83 publishers book rate and library book rate subsidy was $54.5 million.

CANADA POST CORPORATION—SUBSIDY TO MAGAZINE INDUSTRY

Question No. 19—**Mr. Herbert:**

What was the amount of the postal rate subsidy to the magazine industry in 1982?

Mr. Normand Lapointe (Parliamentary Secretary to Minister of Labour): The Canada Post Corporation informs me as follows: The 1982-83 newspapers and periodicals subsidy was $165.5 million.

CONSULTANTS EMPLOYED BY TREASURY BOARD

Question No. 191 (revised)—**Mr. Blenkarn:**

1. In the fiscal year (a) 1981-82 (b) 1982-83 were outside consultants employed by the Treasury Board and, if so (i) how many (ii) what was the total amount paid?

2. Were any consultants paid more than $20,000 and, if so, in each case what (a) was his/her name (b) was the amount (c) services were provided?

Mr. Peter Lang (Parliamentary Secretary to Minister of State (Youth)): In so far as the following are concerned; Treasury Board of Canada Secretariat; Office of the Comptroller General of Canada: see below.

Treasury Board of Canada Secretariat:

1. (a) 1981-82 (b) 1982-83
   (i) 37 (i) 44
   (ii) $516,587.00 (ii) $383,184.04

2. 1981-82

(a)	(b)	(c)
Eric A. Milligan	$ 62,900.00	To study and report on matters related to the government's program on Regulatory Reform.
Margot Priest	$ 55,200.00	To study and report on matters related to the government's program on Regulatory Reform.
Hay Associates Canada Ltd.	$193,105.59	To develop a method of evaluating Air Traffic Controller positions and for the development of appropriate salary levels, premiums and insured benefits.
Towers, Perrin, Forster and Crosby	$ 22,000.00	To conduct a Preference Audit and Climate Review of Federal Public Service managers allocated or likely to be allocated to the management category, etc.
Systemhouse Ltd.	$ 25,000.00	To conduct an audit of the input aspects of the Official Languages Information System (OLIS).

1982-83

Margo Priest	$ 15,400.00	To study and report on matters related to the government's program on Regulatory Reform.
Eric A. Milligan	$ 68,821.41	To study and report on matters related to the government's program on Regulatory Reform.
Vicor Spassov Editorial Services Ltd.	$ 25,200.00	To edit, format, indexing of manuscript for Access Register publication.
Words Associated	$ 25,200.00	To edit, format verification and indexing of French manuscript for Access Register publication.
McGill University	$ 30,129.73	To carry out on behalf of Treasury Board and the Public Service Alliance an investigation of employee health complaints at Les Terrasses de la Chaudière.
Management Research Consulting	$ 22,976.21	To develop Phase II and IV of training programs for Human Resources.

Office of the Comptroller General:

1. (a) 1981-82 (b) 1982-83
   (i) 37 (i) 36
   (ii) $384,913.00 (ii) $246,709.00

2. 1981-82

(a)	(b)	(c)
Abt Associates of Canada	$ 25,000.00	To undertake an evaluation of the Financial Officer Recruitment Development Program and to prepare a written report.
Coopers and Lybrand	$ 66,484.50	To provide professional advice and assistance in the review of program expenditure plans and of other documents pertaining to the revision of the estimates project.
Peat, Marwick, Mitchell and Company	$ 31,548.55	To assist in the preparation of a discussion paper for review by Cabinet which would identify the need for a comprehensive review of the Financial Administration Act.
Price Waterhouse	$ 43,500.00	To review and report on the present financing of each Crown corporation and to propose action where necessary to adjust their financing to ensure consistency with current policy and also revised scheduling for such crown corporations.
Touche Ross & Co.	$ 29,025.75	To develop a practical set of guidelines on cost determination for use by government departments.
Peat, Marwick and Partners	$ 20,000.00	To prepare a written discussion paper on program evaluation methodologies and their appropriateness.

1982-83		
Ernst & Whinney	$ 23,200.00	To conduct an evaluation of the Implementation Assistance Program and to produce a final report on the study on or before September 1, 1982.
Allan Bennett & Associates	$ 32,262.50	To provide editorial services to 20 Program Expenditure Plans as well as to provide advice and assistance to departmental editors in the preparation of their plans.
Peat, Marwick, Mitchell and Company	$ 24,500.00	To assist in assessing the need for a review of the Financial Administration Act.
Woods Gordon	$ 24,250.00	Development of Professional Development Program for Management Practices Branch.

ATLANTIC DEVELOPMENT COUNCIL

Question No. 745—**Mr. Mazankowski:**

1. Is there an Atlantic Development Council and, if so, what (a) are its terms of reference (b) is the (i) name (ii) background or expertise (iii) term of appointment of each member (c) remuneration, such as salary or travel expenses (i) do the members receive (ii) did the members receive to date (d) other funding, if any, is provided by the Government?

2. During the fiscal year 1982-83, did the Council meet and, if so (a) how often (b) how often is it required to meet (c) what matters did it consider (d) what reports and/or recommendations were published?

Hon. Ed Lumley (Minister of Regional Industrial Expansion): 1. No. Legislative authority for the Atlantic Development Council was repealed on December 7, 1983, with the proclamation of Section 22 of the Government Organization Act, 1983.

2. The Council was not operational in 1982-1983.

[*Translation*]

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

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

Some Hon. Members: Agreed.

[*English*]

Mr. Forrestall: Mr. Speaker, I rise on a point of order. I presume that stubbornness at some point along the line has to be accepted by even the best of us, as a result of the refusal of the Parliamentary Secretary and the Government to recognize the historic use of a starred question and their failure to recognize its place in our parliamentary process. This leaves me no other alternative but to ask when I will obtain an answer to my question No. 699. It deals with the amount of money being raised with respect to duties paid by foreign-registered vessels operating off our coast, so that we might understand whether or not the amount of money spent trying to collect these duties is at least equal to the amount of money we collect.

Mr. Evans: Mr. Speaker, it sounds like an eminently sensible question. The answer is soon.

Mr. McKinnon: Mr. Speaker, I wish to rise again to ask about a question of long standing; it has been on the Order Paper for some three years now. It asks what is the increase in real terms in the expenditures of the Department of National Defence, including statutory costs, and expressed in percentages, for each fiscal year from 1970-71 to 1979-80.

I am sure the Parliamentary Secretary knows that that answer has been prepared. One can only assume that Ministers are refusing to have it presented in Parliament because it will contradict the information they have been including in their speeches about Canada's effort to support defence. They have been exaggerating in their speeches, and answers of the type prepared by the department would contradict them. I suggest to the Parliamentary Secretary that that is why they have not tabled the answer in three years. There can be no other reason, can there?

Mr. Evans: I am sure that is not the case, but I will look into the matter for the Hon. Member and try to get an answer to him as quickly as possible.

● (1530)

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

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

The House resumed consideration of the motion of Mr. McMillan:

That this House condemns the Government for abandoning its commitment to alleviate regional economic disparities and thereby encouraging continued economic inequality between the Atlantic provinces and the rest of the country through a policy of gutting the Department of Regional Economic Expansion, slashing investment in regional development, and downgrading, for political purposes, federal-provincial development agreements.

Mr. Maurice Harquail (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, the Hon. Member for Hillsborough (Mr. McMillan) introduced this Opposition motion with regard to regional economic disparities, specifically in the Atlantic provinces. I congratulate the Hon. Member, with some reservation, for bringing forward this subject. I congratulate him because such an important issue has not been raised or focused on earlier by his Party, and, I do so with reservations because he uses the words "condemns the Government" in his motion. I cannot agree with him when we analyze the millions of dollars this Government has designated, approved and expended in the Atlantic provinces. Thus I cannot understand why the word "condemn" is incorporated in the motion today.

Hon. Members will know that over the past dozen years or more the present Government has focused totally on the question of designated areas, areas that fall within the regional criteria of regional disparities. Certainly the Atlantic area has been more than fairly treated in the designation of funds within the legislation for the development of projects, infrastructure, highway development, port development and other major capital projects. This opportunity then allows me to take issue with the terminology in the motion brought forward by the Hon. Member for Hillsborough. I would like to put on record and correct the facts with regard to some of those expenditures, and his error in condemning the Government for the good work it has accomplished on the much needed projects in the Atlantic region.

In the new structure of Government, we have seen the reorganization of the former Department of Industry, Trade and Commerce, which has been integrated into the Department of Regional Industrial Expansion with MSERD becoming responsible for policy, and the formation of the new Ministry of Economic Development, with the thrust of this legislation and the funds allocated thereto. We will also see the continuation of that very positive initiative that the Government put in place through the Department of Regional Industrial Expansion. With trade questions being allocated to the Department of External Affairs, where there will be a more harmonious and efficient application of the kind of work that should be carried out jointly between the Department of External Affairs and Trade, it was, and is, appropriate that questions of international trade and trade matters be connected and that we have this type of co-operative effort within the Department of External Affairs. We see now that the Minister for International Trade (Mr. Regan) and the Secretary of State for External Affairs (Mr. MacEachen) will work in close harmony and will direct the operations and programs which fall within their responsibilities.

The Minister of Regional Industrial Expansion together with the Minister for Economic and Regional Development will work jointly in a co-operative way on developing policies and developing the proper form for the continuation of economic expansion in those designated areas that continue to require the traditional assistance, such as many of the areas in the Atlantic provinces. Once a proper plan has been developed for economic growth in the four Atlantic provinces, those policies will be addressed and fully implemented through the new Department of Regional Industrial Expansion. The projects are funded with money freed up under existing agreements, agreements which have expired, and are allocated by region along traditional DREE expenditure lines. The Government has made a serious commitment to maintain regional economic development expenditures, at least at the historic level of the former general development expenditures agreements. The result is that we will provide resources in addition to those normally available through line Departments to support special regional development initiatives in all parts of the country.

Let us look at funding of the DREE GDA sub-agreement expenditures and a program financed from the regional fund. These figures show that regional spending allocation levels are being maintained. For example, in 1981-82, $155.9 million was committed to the Atlantic region. In 1982-83, under the new system, $214.4 million was committed to the Atlantic region. That is a substantial increase, even taking inflation into account. I firmly believe that these figure refute the argument that the system under which we now operate is detrimental to the Atlantic region's interests. The system now places more emphasis on agreement by the federal and provincial governments on broad, long-term development priorities in each province that can be approached in ways that do not necessarily call for signed sub-agreements or joint program delivery This will result in a smoother delivery operation. Such joint delivery remains possible under the current system, and there are already examples of this having happened, as exemplified by some of the agreements already in place or being negotiated under the ERDAs which the federal Government has signed with the Provinces of Manitoba, Saskatchewan, New Brunswick and Nova Scotia.

What we are proposing with separate delivery is co-operative and co-ordinated planning but independent action. For example, if there is a clear need for a new port and a community to serve it, the federal Government can deliver the port while the province establishes the infrastructure for the community. It is a new approach. Without doubt there have been some start-up difficulties, some growing pains, over which we have all shared some concern. As the appropriate officials are put in place in the four Atlantic provinces and as the negotiations continue between the federal representatives, the Ministers responsible and the premiers of the provinces we will see a clear effort being made to ensure that those projects that are of priority and are ready to go ahead will go ahead as expeditiously as possible.

All the changes I have mentioned are designed to ensure that the whole economic development spending capacity of the federal Government, which I mentioned earlier, which involves billions of dollars, is used not only in pursuit of national objectives, as was the case in the past, but also is targeted increasingly toward regions such as the Atlantic area.

The priority that this Government has attached to this subject is evident in the actions that have been taken by this administration. An outstanding example is the creation of the Department of Regional Industrial Expansion in the early years of our administration. This was a daring and innovative move towards a solution to tie together a variety of desperately thinly spread economies and to make them work within the scope of the nation.

• (1540)

Over the years, DREE has provided substantial physical infrastructure assistance to the less advantaged regions of Canada. In the process, it has laid the basis for economic expansion and indeed has resulted in job creation. Much of that necessary infrastructure is now in place. There are ports,

municipal services, roads, industrial parks and much more that can be found in all parts of the nation as a direct result of the dynamic initiatives taken by the Government through the early 1980s. It was then that the Government recognized that the time had come for a bold initiative to build even more effectively on the base that was laid by DREE. The Government is now continuing that initiative.

It is more than upsetting to hear people deliberately attempt to misrepresent the facts. It is upsetting to hear the word "condemn", which is contained in today's motion, and it is upsetting to hear all that gloom and doom when indeed millions and millions—yes, billions—of dollars have been designated and approved for expenditure to assist the areas which need this assistance so urgently at this time. Support for the regional economies of Canada is and must remain a fundamental principle of the federal Government. If the federation is to have real meaning, it must at the same time associate this diversity with efforts to ensure that the Canadian economic market operates as effectively as possible. To attempt this in any other way would be foolhardy to say the least.

The reorganization of the federal Government Departments and the regional policies which flow from it mark a fundamental initiative to promote effective federal policies that serve the dual objective of ensuring that there are no barriers to trade and of ensuring that there is support for the maintenance of strength and vitality in the regions so that the nation can achieve a better balance and become more efficient on the economic common market. The key to the significance of the reorganization lies in the fact that for the first time in history, support of regional development is the goal of an integrated thrust of all the federal Government's economic development forces.

Through the reorganization, the Prime Minister (Mr. Trudeau) has required that all Departments strengthen their organizational and programming capacities in the regions. The job of keeping a keen supervisory eye on regional interest and development and making sure that regional views are properly taken into account when formulating national policies was transferred to the Minister of State for Economic and Regional Development (Mr. Johnston). As a central agency, the Ministry is in a position to ensure that regional concerns and priorities are brought to the attention of Ministers and are central to policy or program funding decisions.

To meet the challenge of the new regional emphasis, the Minister has opened regional offices in each province. These offices are headed by senior officials who are called federal economic development co-ordinators. Indeed, in the month of May of 1984, I am pleased to say that in my Province of New Brunswick there is a very senior, capable and able civil servant heading this responsibility, not only on the MSERD and economic growth and development side but also on the regional industrial expansion side. Mr. Patrice Blanchard is carrying out these responsibilities in a very efficient way, as is his counterpart, Mr. John McNaught, who represents the Department of Economic and Regional Development in New Brunswick. Both of these gentlemen have taken on their responsibilities in a way which will see the implementation of these policies and programs carried out in the efficient manner to which I have referred this afternoon. The appointment of these people testifies to the fact that the federal Government's commitment to reducing regional disparities is stronger than ever.

I would like to continue to use the Province of New Brunswick as an example of one of the provinces in Atlantic Canada to which there is federal commitment to alleviate regional economic disparity. On April 13, 1984, the Minister of State for Economic and Regional Development on behalf of Canada and the Premier of New Brunswick on behalf of the province signed a new federal-provincial economic and regional development agreement commonly referred to as ERDA. This new agreement replaces the expired 10-year general development agreement that had seen the delivery of more than $450 million of federal money to fund a broad range of essential infrastructure projects. These projects provide a framework within which measures for economic development in New Brunswick may be taken through consultation and co-operation. Within this 10-year framework for joint planning and co-ordinated delivery, federal and provincial Governments are working together to develop concrete initiatives, including subsidiary agreements that provide for specific activities and a memorandum of understanding that provides a basis for the development of such activities.

In the last 10 years, both levels of Government have committed well over $500 million to the economic development of New Brunswick. We have made a commitment to maintain spending at the same level as under the previous GDA agreement. Previously, specific projects were realized through subsidiary agreements either on a sector-by-sector basis dealing with agriculture, forestry, minerals or fuels, or on a regional basis as was the case for the northeast and Kent regional subsidiary agreements. These GDA subsidiary agreements provide assistance for educational, industrial, municipal and transportation infrastructures along with specific priority initiatives.

I may say, Mr. Speaker, that while we have done a hell of a lot through the previous GDA agreement and through the original DREE Department, much remains to be done. There are other specific areas in the region which must be targeted for development. That is certainly true of many parts of New Brunswick and particularly true of the northern portion of the province.

While we have spent millions of dollars assisting the province with respect to infrastructure such as municipal services, we are hearing all too often now that the provincial Government finds itself in dire straits. It has found itself strapped financially for one reason or another. I will not deal with the details of the causes within the administration of that Government for being in such a bad financial position.

Since the Government is crying that it is too strapped financially to pay for some of these projects from its own budget, it seems to me that while these negotiations are going on, Ministers in the provincial Government, such as the Minis-

ter of Municipal Affairs, should avail themselves of the opportunity to convince their own premier and Cabinet colleagues to focus on the possibility of achieving through those negotiations an agreement to allocate some funds targeted for the continuation of certain municipal and other projects to essential services, such as water and sewage or other infrastructure services that should already be in place. This being the year 1984, our people should already be enjoying the services that other Canadians enjoy. Therefore, I urge the Minister, when accepting his responsibilities, in spite of whatever planning or other problems exist within the province, to try to utilize the Government's new structure of the Department of Regional Industrial Expansion and the Department of Economic and Regional Development when allocating funds for this purpose.

The needs are there and they continue to be as great and as urgent as ever. We must continue to support the mining, forestry, fishing and transportation sectors until such time as we have achieved the goal we all wish to achieve of having modern facilities to give us the capacity to be productive and competitive in the marketplace.

● (1550)

While we have achieved a great deal, I repeat it is more than millions, it is in the billions of dollars that this Government has religiously and consistently allocated to areas such as Atlantic Canada. I would like to take this opportunity to thank the federal Government for the amount of money that has been targeted to date. We certainly appreciate this support and the co-operation of the federal Government. But, much remains to be done. We must continue to keep a close watch and work together to discover ways in the short term to achieve other major projects that will require funding for economic growth under the new re-organization of the government structure.

Mr. Deputy Speaker: Are there questions or comments? For debate, the Hon. Member for York-Sunbury.

Hon. J. Robert Howie (York-Sunbury): Mr. Speaker, in addressing the important motion which is before the House today, I would like to comment on the experience we have had in the Province of New Brunswick and then in the Atlantic provinces. I would like to identify the problems as I see them and propose constructive solutions that are preferable to the course that the Government is now following.

New Brunswick possesses a number of strengths which could be the basis for growth opportunities in the development of products and services embodying new technologies. These include the New Brunswick Research and Productivity Council which has attracted world-wide attention for its work in metallurgy, and a well-established engineering school at the University of New Brunswick, which offers the only Ph.D. program in North America in computer-assisted design and computer-assisted manufacturing. New Brunswick has excellent schools of computer science and world-class expertise in telecommunications technology. The province possesses a core of advanced metal working and machinery firms in strategic positions to capitalize on oil and gas developments on the East Coast. Use of CAD/CAM techniques, which I referred to a moment ago, assisted by the province's manufacturing technology centre, have the potential to improve greatly the competitive position of smaller companies. The province also possesses the country's most efficient shipyard, which has recently won a contract for the management of the naval frigate program.

The availability of skilled and semi-skilled labour is an important attraction for certain high technology operations. The availability of well educated young people and co-operative labour-management relations provide New Brunswick with vocational advantages over other centres in Canada. New Brunswick also has advantages to offer in the quality of life factors, such as housing costs, access to outdoor recreation and commuting time.

The resource sectors focus on capitalizing on the traditional strengths of these sectors in the New Brunswick economy. Priority is assigned to maintaining jobs in these sectors by increasing productivity and improving New Brunswick's competitive position in national and international markets and encouraging further resource processing prior to export. A number of opportunities exist to increase the production of key business, industrial and commercial services to serve not only provincial and national demand but export markets as well. For example, while the province's consulting engineering industry is small, it currently exports world-class expertise in areas such as forest products and transportation. The tourism sector has great growth potential as well.

It is interesting to note that the general development agreement, signed in 1974, took as its primary objective the reduction of the gap in earned income per capita between New Brunswick and the national average while minimizing net migration from the province. While it is clear that some progress has been made toward the general development agreement objectives in terms of accelerated growth of provincial output and employment and in terms of net migration, significant disparities remain between New Brunswick and the national average. Earned income per capita, for example, stood at only two-thirds of the national average. This statement is repeated on page 8 of the economic and regional development agreement signed between Canada and New Brunswick in April of this year.

In moving New Brunswick toward economic self-sufficiency, and by putting in place a significant secondary manufacturing segment, we increase the tax base and reduce New Brunswick's dependence on Ottawa. In other words, Canada's investment can significantly reduce New Brunswick's dependence and the amount of money required from Ottawa in transfer payments. While each of the Atlantic provinces has particular problems, they all share the same problem of disparity.

What can we do? How do we build industry in New Brunswick and in the other Atlantic provinces? Like any construction project, the first thing we must do is to lay a firm foundation. We must create a climate which is attractive to industry. We believe that that foundation can be found in the

four Progressive Conservative pillars of economic growth: lower interest rates, technology, training, and trade.

First, I would like to discuss lower interest rates. If we want to revitalize the manufacturing sector and create jobs for our people, it is essential that we start to create the conditions which will allow interest rates to come down without destroying our currency or reigniting inflation. The Government says that lower interest rates are not possible. It says that Canada is totally dependent on American monetary policy and that it can do nothing. I disagree. Yes, American interest rates are a constraint; they always have been and they always will be. But no, we are not totally powerless. We can lessen our dependence on the United States interest rates over time without causing an exchange rate crisis, if we put upward pressure on the dollar through a strong export performance and then allow an inflow of job-creating capital. If lower interest rates is the first prerequisite for industrial growth and job creation, the second is a renewed commitment to technological innovation.

If we are to maintain our standard of living and create the wealth to finance desirable social and cultural programs, it is essential that we develop a nationally and internationally competitive industrial base. That means that we must produce, apply and diffuse modern technology throughout the economy in our factories, on our farms and in our offices. We must face the technological challenge and turn it to our advantage. But technology is not going to help us if Canadians are not trained and educated in its use. That is the third challenge facing us: To manage technological change and prepare Canadians who live in New Brunswick and the Atlantic provinces for the information age. We must make sure we are masters of technology, not its servants.

Managing technological change means ensuring that business and labour put in place effective in-house programs to train and retrain their employees in the new technologies. It means using the tax system to encourage such training prior to the introduction of new technology, and defining standards of labour-management consultation. It means working with the provinces to ensure that our education system prepares our youth for technological change.

Managing technological change means amending the Unemployment Insurance Act to allow recipients to upgrade their skills through retraining or experience in the voluntary sector. It means ensuring that women do not bear the brunt of technological change; that they are given the skills and the opportunity to secure true economic equality. What is most important perhaps, managing change means changing our attitude towards growth. It means ending our complacent reliance on natural resources, and shifting our efforts to human resources.

So far I have spoken about training, technology and interest rates. I would like to turn to the fourth pillar of our foundation for growth, that is, trade expansion. Access to foreign markets is an essential element of any realistic industrial strategy. We must pursue that goal vigorously by supporting efforts to begin a new round of GATT multilateral negotiations, by working to create an international framework for trade in services, and by continuing bilateral discussions with the United States of America in specific sectors. We must ensure that our industries have the opportunity to compete and the opportunity to grow. But opportunity is not enough. We must also help our companies to seize these opportunities. We must strengthen our export marketing support through the trade commissioner's service and better market intelligence. We must support exports by integrating the services of private and public sector financial institutions; ensure that our tax system encourages greater export trade; work with the provinces to develop regional export strategies; seek to establish export trade zones; use all available policy levers to encourage global product mandates for multinational subsidiaries; ensure better financing and marketing for agricultural and small business exports; and become a more competitive force in the new global environment of trading houses, export consortia, barter and countertrade.

● (1600)

In short, our goal is to help Canadian industries and producers become first class national and world traders and reliable suppliers of quality goods and services at competitive prices. That is what productivity is all about. That is how permanent jobs will be created. That then is the framework of our strategy for the manufacturing sector, a strategy which puts first things first and a strategy which recognizes that specific policies for specific industries are diminished without a solid foundation for growth in a climate attractive to industrial development. It is a strategy that recognizes that the primary role of the federal Government in economic policy must be to support the efforts of the builders and workers in our society.

[*Translation*]

Mr. Deputy Speaker: Any questions or comments? Debate. The Parliamentary Secretary to the Minister of State for Economic and Regional Development and Minister of State for Science and Technology.

Mr. Rolland Dion (Parliamentary Secretary to Minister of State for Economic and Regional Development and Minister of State for Science and Technology): Mr. Speaker, that is quite a mouthful.

I am pleased to take the floor today, when the House is considering an Opposition motion concerning changes that have taken place and the new direction given by the Government to Departments with an economic mission.

Mr. Speaker, as the House is aware, on January 12, 1982, the Right Hon. Prime Minister (Mr. Trudeau) created the Economic Development Ministry which takes in all Departments with an economic mission. At the same time, a number of changes were made in the Department of Regional and Economic Expansion when the IRDP program was created.

I would like to start, Mr. Speaker, by giving a short history of what the situation was at the time, and I shall then explain why the Government made these changes. In 1974, the federal

Government signed general development agreements with the ten provinces. The Department of Regional Economic Expansion had concluded many subsidiary agreements with the provinces for the purpose of undertaking a number of joint projects and programs aimed at promoting development in the regions. Many of these programs are still in effect. However, the GDAs, most of which were for a ten-year period, practically all expired on March 31, 1984. On January 12, 1982, the Right Hon. Prime Minister announced there would be a re-organization of the Government of Canada. One of the objectives was to give all Departments with an economic mission responsibility for regional economic development, instead of having a single department like the Department of Regional Economic Expansion for that purpose. General co-ordinating of economic and regional development at the federal level has now been entrusted to a Cabinet committee responsible for economic and regional development. The new Economic and Regional Development Ministry, whose Minister is the Member for Saint-Henri-Westmount (Mr. Johnston), has initial responsibility for implementing this co-ordination, as set forth in the Government Organization Act, 1983. Responsibility for present GDA sub-agreements has been transferred from DREE to the Ministers in charge of implementing Departments, while the Economic and Regional Development Ministry is responsible for developing and negotiating new general agreements with the provinces, to replace the GDAs expiring on March 31, 1984. Mr. Speaker, four provinces have already signed new agreements with the federal Government, for a ten-year period. However, there is now a new provision which stipulates that agreements may be renegotiated or reviewed by the various levels of government signing the agreements.

Last fall and last winter, the Minister met with representatives from the ten provinces to discuss general problems in connection with economic and regional development and the new general agreements. Today, a definitive agreement has been concluded with four provinces while discussions are under way with the other provinces. The purpose of the new economic and regional development agreements is to provide a framework for co-operation and consultation on questions relating to the economic development of each province and each region. As I said earlier, the agreements run for ten years and provide a framework for taking measures to promote the economic development of the province concerned. The agreements determine development prospects for implementation through subsidiary agreements, and provide for general co-ordination of the latter agreements. They will provide, as appropriate, for the adoption of economic development measures by federal and provincial governments through their respective programs and departments. They will ensure that effective consultation and co-ordination take place between federal and provincial governments regarding the implementation of economic development programs, and the instruments attached to economic development agreements will, if necessary, allow for joint projects with provincial governments. However, the measures to be taken by each government will be very precisely defined. Obviously, not all new regional economic development agreements will be identical. In other words, they will vary according to the discussions that will take place with each province. The agreements will, more specifically, take into consideration the economic responsibilities, resources and constraints of each region.

Each document will contain a general statement of objectives, a description of requirements and the consultation and co-ordinating process, as well as a section covering further details such as duration and evaluation. Each agreement will also include administrative provisions relating to medium-term development priorities for each province. Key factors will be the provisions for consultation and co-ordination. Each agreement will contain provisions providing for first: annual departmental consultation on priorities; second: determining prospects and subsidiary agreements, if any; third: ongoing consultation and co-ordination by designated officials, and steps to be taken by the Department concerned with respect to priorities.

Mr. Speaker, that is more or less how the Government has set its priorities and how it decided to make some changes in the general agreements with the provinces. I must say that, after looking at these changes and especially the creation of the new IRDP program, I would like to expand somewhat on this program and especially on what is happening in my riding.

Mr. Speaker, I think this is entirely in order. The House is aware that there were a number of federal-provincial agreements that were concluded with Quebec, and that the Department of Regional Economic Expansion was active in the regions, as necessary. However, since the system did create a number of disparities within Quebec, I feel that the new IRDP program has been able to neutralize what was sometimes unfair competition among the regions. I am referring mainly to Quebec, since that is my home province. The system may, as I said, have created a number of disparities among the regions.

● (1610)

Under the new Industrial Regional Development Program, Mr. Speaker, the riding of Portneuf is now at the third level. As Hon. Members know, the new program administered by the Department of Regional Industrial Expansion is now called IRDP; it has four levels and is applied throughout Canada. My riding is now at the third level. Mr. Speaker, for the information of everybody, particularly the people of my riding, I would like to give a few examples.

At the outset, when a businessman in my riding wanted to submit a project or a program to the Department of Regional Economic Expansion, the maximum amount available under the new IRDP was 25 per cent of total investments and, at the third level which is applicable to my riding, the maximum

grant can now be as high as 50 per cent. The amount varies from case to case.

Now, Mr. Speaker, I would like to say a few words about the principles underlying the IRDP and the changes made within the Government. The main objective was to simplify the programs. We had often heard constituents complaining that it was very hard to find out what department should be contacted, or through which program grants—or even information, for that matter—could be obtained. I think that the creation of the IRDP and the wholesale changes made in the realm of regional economic development were aimed at simplifying the various programs, as economic agents in my riding and throughout Canada had long been urging.

The Industrial and Regional Development Program will now be a lot easier to implement and will take into consideration the needs of the regions. In addition, the business community will find it much more effective than previous programs. There will now be only one set of regulations and only one way to apply them, whereas before there were series of regulations and a good many application forms. The IRDP retains the best features of the old programs. In other words, they did not throw overboard everything that was good. Another way of putting it would be to say that we now have what might be called the one-wicket formula. The new IRDP eliminates duplication and takes into account certain needs which were not even considered before.

Here is a list of seven programs which have now been grouped under the IRDP: the Industrial Development Program, the program under the Regional Development Incentives Act, the program to promote productivity in technical fields, the cooperative Program for Export Market Development, the Industrial Assistance Program, the Montreal Special Area Program and the Îles-de-la-Madeleine Special Area Program.

As I said a moment ago, Mr. Speaker, businessmen and economic expansion agents were at a loss and it was often practically impossible to find one's way through that maze of acronyms that were hard to identify. One of the objectives of all those changes was to simplify the program. It will now be a lot easier because the emphasis will be on regional needs and the business community throughout Canada will have ready access to all federal industrial expansion programs. For the first time, all programs sponsored by the Department of Industry, Trade and Commerce and the Department of Regional Industrial Expansion will be provided under the same roof in the various regions. That is quite important, because in my region a lot of programs had been administered by the regional office in Quebec City and others by the regional office in Montreal. It was all rather complicated.

Mr. Speaker, I think I have about five minutes left and I would like to refer once again to the various government levels and add a few comments about what could be acceptable under the IRDP in my region. Certain operations were not acceptable before as the region did not have the proper designation. In the area of economic development, for instance, one should recall the establishment of non-profit centres or institutions, the studies carried out by consultants on modernization and expansion, as well as the adaptation of technology, micro-electronics and electronics. In the past, all such operations were subsidized only up to 25 percent in my region but now they can be eligible for subsidies of up to 75 percent.

Mr. Speaker, the tourist development and promotion program is also very important. As everyone is aware, Portneuf is a constituency with an economy based on business and tourism; it is also a constituency where agriculture is very important. However, one of the most important features in the region remains tourism. For many years, people in the industry have made major efforts to develop our tourist industry since it generates a high level of economic activity in the region. By the way, I should point out that tourist development and promotion programs will continue to fall under the IRDP. There is Tourism Canada which will still be under the jurisdiction of ITC and DREE. This agency will use ITC and DREE programs as well as the special economic and regional development fund of the political reserve, if needs be, to stimulate the development of the tourist industry in Canada.

Mr. Speaker, I have a few minutes left and I would like to close by saying that, personally and as a Member of the Government I hold the opposite view to what is stated in the motion. The changes made as far as the Ministry of Economic and Regional Development is concerned and those to clarify the federal programs in this sector can but promote economic development. It will now be a lot easier for people in the industry, people who can promote economic development and businessmen to make use of all these programs. In my opinion, such changes are more likely than not to promote economic development in our regions.

Mr. Speaker, in conclusion, I must say that I disagree with the motion introduced by the Official Opposition and that I support the Government's position.

Mr. Deputy Speaker: Order, please. Are there any questions or comments?

[*English*]

Mr. Deputy Speaker: Are there any questions or comments? If not, we shall proceed with debate.

Supply

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order. It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Halifax West (Mr. Crosby)—Special Recovery Capital Projects Program—Halifax Waterfront Complex. (b) Starting Date Inquiry; the Hon. Member for Esquimalt-Saanich (Mr. Munro)—External Affairs—United States—Oil Drilling Leases Off Coast of British Columbia. (b) Canadian Sovereignty; the Hon. Member for Dauphin-Swan River (Mr. Lewycky)—Indian Affairs—West Region Tribal Council. (b) Valley River Indian Band—Proposal to Purchase Ballast Pit.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

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

The House resumed consideration of the motion of Mr. McMillan:

That this House condemns the Government for abandoning its commitment to alleviate regional economic disparities and thereby encouraging continued economic inequality between the Atlantic provinces and the rest of the country through a policy of gutting the Department of Regional Economic Expansion, slashing investment in regional development and downgrading, for political purposes, federal-provincial development agreements.

Mr. Howard Crosby (Halifax West): Mr. Speaker, let me begin my remarks on this motion, which underlines the problem of regional disparity, particularly in Atlantic Canada, by commenting in a general way on the regional nature of Canada. Upon the creation of Canada in 1867, the Fathers of Confederation recognized and realized that the nation they established was a federation of regions called provinces. It was known and understood that the federation would alter the economies of each territorial area. Nova Scotia was a trader whose tall ships travelled international waters to buy, sell and exchange articles of commerce. The products of Atlantic industry were the source of substantial wealth in Nova Scotia.

● (1620)

One hundred and seventeen years later, in 1984, the great majority of our consumer goods in Nova Scotia are produced in central Canada. We pay a premium price for those products. The price would be willingly paid if it helped all Canadians and contributed to the expansion of the Canadian economy. However, Mr. Speaker, Nova Scotians, Maritimers and Atlantic Canadians all want to know how we in our region benefit from Confederation. Having phrased that question, let me respond immediately by saying in fairness that successive national governments, especially the Government of the Right Hon. John Diefenbaker, have addressed this problem. Many programs have been established, implemented and then abandoned. These programs were intended to rectify the problems in those regions of Canada which suffered from Confederation, particularly Atlantic Canada.

I wonder how many Members of the House remember the Atlantic Development Board. It was the orphan child of the interregnum between the Conservative and Liberal Governments in the mid 1960s. The Atlantic Development Board was to be the focal point of assistance to Atlantic Canada. It was to develop programs in a very specific way and enter directly into industrial projects and developments in the Atlantic area in the hope and expectation that it would contribute to the improvement of the economic processes in the Atlantic area. However, the Atlantic Development Board went the way of its predecessor programs.

The popular designation for this process of recognizing and responding to the economic problem, not only in Atlantic Canada but across Canada, is best described in the phrase "correction of regional disparity". That is what those in the national Government have set out to do, correct the problems of regional disparity. Unfortunately, Mr. Speaker, the process of correcting regional disparity, which in fact benefits all areas of Canada, has been characterized by some as merely involving financial assistance for Atlantic Canada, a kind of civic welfare payment or social assistance for the poor provinces. Correcting regional disparity should and must be a national goal because Canada is only as strong as its weakest part.

The fact that correcting regional disparity must be a national goal and not simply a civic welfare payment accomplished by financial transfers and similar financial assistance, has really been recognized in Canada's Constitution. At this point I would like to pay respect to such people as the former Premier of Nova Scotia, the Hon. G. I. Smith, who later served as Senator. It was his personal goal to institutionalize the correction of regional disparity in the form of a constitution provision. Its characteristic of being a mere hand-out, a mere civic welfare payment was changed. The Hon. G. I. Smith and others who served with him, like the Hon. Robert Stanfield, were proud when the federal Government finally recognized that this was the sort of concept which ought to be institutionalized in the Constitution. In fact, Section 36 of the Constitution Act which was approved in 1972 by Her Majesty The Queen in this very Parliament, provides:

—Parliament and the legislatures, together with the government of Canada and the provincial governments, are committed to

(a) promoting equal opportunities for the well-being of Canadians;

(b) furthering economic development to reduce disparity in opportunities; and

(c) providing essential public services of reasonable quality to all Canadians.

Subsection (2) of the Constitution Act provides that:

Parliament and the government of Canada are committed to the principle of making equalization payments to ensure that provincial governments have sufficient revenues to provide reasonably comparable levels of public services at reasonably comparable levels of taxation.

The correction of regional disparities and the equalization of services for all Canadians have been made a principle of the new Constitution and made effective by the Constitution Act of 1972. However, have we really taken equalization and the correction of regional disparities out of their former context? Are they not still a kind of civic welfare payment? Has the Government of Canada really changed its attitude in the area of correcting regional disparities? Mr. Speaker, I must say, after having made what I think is an honest assessment, that the attitude has not changed. The Government still thinks in terms of hand-outs. It still thinks in terms of solving problems as they arise. The Government still thinks in terms of correcting difficulties when they occur. There is no over-all plan. There is no grand expansion. There is no war on regional disparity such as President Kennedy established in the United States with his war on poverty. We have no war on regional disparity and that is what we must have in order to accomplish anything.

As one item of evidence I will point to the fact that the former Department of Regional Economic Expansion never had a role at the heart of the Government of Canada under the Liberal administration. It was always a Department of Government on the periphery of the real force and power within the Government. That has not changed with the change of name to the Department of Regional Industrial Expansion. The new Department is no different from the old. It is merely a change of name. It is not at the heart of Government. Mr. Speaker, that is the problem. There is no one, no officer, no person in the Government of Canada, who has taken responsibility for the vital national goal of the correction of regional disparity. Therefore, while we have the constitutional provisions, whatever they mean in legal terms, we do not have the spirit or the attitude of a government which will support in a real way that provision which has now been enshrined in the Constitution. Therefore, our problems remain.

I will examine those problems very quickly, Mr. Speaker. In Atlantic Canada there are four separate provinces. There are Canadians who would have those provinces unify and become one province. However, that is simply not possible. Each province, whether it is New Brunswick, Nova Scotia, Prince Edward Island or Newfoundland, has its own separate identity. I have no reason to believe that those identities will be changed in the decades to come, so we must deal with the reality of the situation, that is, that there are four separate provinces. Each of those provinces has its own resources and merits. I am particularly concerned, of course, with the Province of Nova Scotia. However, I do not want to speak about the provinces in an abstract way.

The greatest resource of each of those provinces, and particularly of the Province of Nova Scotia, is the people. That is to say, the people are the greatest resource of the Province of Nova Scotia, so I would like to examine the people in the light of their problems, which result from the regional disparity inflicted on the Province of Nova Scotia since 1867. I will speak first of all about the problems of the people in Nova Scotia.

When one looks at the statistical analysis one finds two very important things. This applies to any Canadian. If your income is low and your debt is high, you are in economic difficulty. That is exactly the situation in the Atlantic area. The incomes of people in the Province of Nova Scotia are substantially below the national average, and especially below the incomes enjoyed by people provinces like Alberta, British Columbia and Ontario. By way of example, the average income in the Province of Alberta is $37,645, while the average income in Nova Scotia is $26,944.

One can also compare the public debt which has been incurred by the governments of those provinces and must be paid for by the people, the taxpayers, the income earners. We all know about the relatively debt free position of the Province of Alberta due to its Heritage Fund. The public debt in Nova Scotia has risen to $2 billion. That is not through any fault of the Government of the Province of Nova Scotia. In order to maintain the level of public services guaranteed by Section 36 of the Constitution Act, the Government of Nova Scotia has had to borrow to meet the needs and demands of the people of Nova Scotia in this modern Canada. That has resulted in a substantial provincial debt, although I hasten to add that that debt is not as high as those of the other Atlantic provinces. However, that is the situation generally in Atlantic Canada; low incomes and high debts. Therefore, the provincial governments are left without the resources to create economic expansion within their own area. That is a fact of life that can be established and documented and it cannot be blamed upon any of the individual governments of the Atlantic provinces, particularly the Province of Nova Scotia. That is why the correction of economic and regional disparity becomes a problem for the national Government and why the Government of Canada must set that as a national goal in the achievement of which all Canadians must participate. In making my own case let me say that that is why we have Section 36 of the Constitution Act of 1972. It represents the agreement of all Canadians to eliminate regional disparity as a national goal.

• (1630)

In standing in this Parliament of Canada and reminding parliamentarians, and through them Canadians, of these facts, I am simply making the case that the Atlantic area, provinces like Nova Scotia, require substantial and indeed massive government assistance to eliminate the economic disparity from which those provinces in that area of Canada suffers.

We have looked at the problems; let us look at some of the solutions. I have already indicated that the Department of Regional Economic Expansion and its successor Department of Regional Industrial Expansion have not resolved the problem. I believe the reason is that those Departments are not and have never been an integral part of the Government of Canada. They are not at the heart of government policy but are, rather, on the periphery, just like the Department of National Defence is outside the heart of the Government. It is non-political and does not get the special grants such as we have seen paid out in the Liberal constituencies across Canada. It does not get special treatment.

Until special treatment is given to the problem of regional disparity, nothing will change. We have had special programs, some of which have been successful and some of which have not. Rather than deal in an abstract way with this very practical subject, let me examine some of the problems that we have in the Atlantic area that are particularly important to Nova Scotia.

If the Province of Nova Scotia is to develop, it must be through the basic industries and resources of the region, using the capabilities of the people of Nova Scotia. That means the development of the basic industries of fishery, forestry, farming and energy. While we are not excluding ourselves from the manufacturing industry, our success has been in the basic resource industry. When I say energy, of course I include coal mining as well as the substantive offshore development which is anticipated for the future.

Let us look at the fisheries. We have a potentially viable, indeed lucrative, industry in the Altantic fishery. But what has happened? For some mysterious reason, notwithstanding the world-wide shortage of protein food and the high price of red meat world-wide, apparently there are difficulties in marketing fish. Who is responsible for that? Is that the responsibility of a fisherman at Peggy's Cove or Indian Harbour in the federal constituency of Halifax West? No, the Department of Fisheries and Oceans must assume responsibility for that type of problem. It is only that Department, with the assistance of the Department of External Affairs through the Minister for International Trade (Mr. Regan) and other agencies, that must resolve that problem.

There is an even more vital problem at the moment in the fishing industry. First, there is the restructuring which has just been accomplished with yet unknown results. That creates turmoil. Furthermore, the Government of Canada has placed the matter of the jurisdiction over Georges Bank before the international court at The Hague. I have just attended a meeting of the Standing Committee on Fisheries and Forestry. I asked the officials of the Department of Fisheries and Oceans what the alternative was if Canada loses its case before the international court? While no one wants that result, the point is that the Government of Canada is gambling in the international court with Nova Scotia's fisheries chips, if I can make that analogy. It put the Nova Scotia fishing resource on the table in the international court at The Hague and now it refuses to tell us what will happen if the case is lost. Any lawyer will say that when one goes to court one will either win or lose. That is an example of the problems we face. There is a viable industry in the midst of restructuring, and the Government is taking the risk of losing one of the most substantial resources bringing in $100 million and more in fish catch. I think that is a subject that bears close scrutiny. If the Altantic fishery is to be restructured and to become viable, it certainly will not happen without the resource of the fishery at Georges Bank.

Let me talk about another industry that needs federal help immediately, not a month or two from now. It is the Cape Breton coal mining industry. In 1967, the Parliament of Canada established the Cape Breton Development Corporation. The Government took responsibility for the coal mining industry. The largest portion of that industrial activity on the Island of Cape Breton, in No. 26 colliery mining coal in a submarine mine, is closed as a result of a fire on April 5, 1984. It has not been reopened and 1,200 miners are out of work. Thousands of other workers who are dependent upon that mining operation for their employment are out of work.

The Minister of Regional and Industrial Expansion (Mr. Lumley) has failed to indicate clearly what action he proposes to take to have that mine reopened, which may be a physical impossibility at this point, or to have a substitute mining operation. It is curious that this matter is being debated in the provincial legislature of Nova Scotia by the provincial colleagues of the federal Liberals. They are asking the Government of Nova Scotia what it will do, but this is a federal responsibility. The Government of Canada took over the Cape Breton coal mines. I see that the Minister has just entered the House. I say that it belongs to the Government of Canada through its agent, the Cape Breton Development Corporation. It is a primary responsibility that is no different from de Havilland in the aircraft industry. It is the federal Government's responsibility to act now. There are substantial funds involved and substantial funding is necessarily required, but it is only a small portion of the money that has been spent on projects like de Havilland, Mirabel Airport and so on. Nova Scotia wants its share of the national wealth that is being spent in that way.

We will finance special development in the Atlantic region by stopping some of the wastage that now occurs. Let me give one small example. The Government of Canada has established a transportation subsidy of $7.3 million for Atlantic Container Express to ship goods out of the Port of Montreal, to the disadvantage of the Port of Halifax. The sad part of this is that just within the year, the Government of Canada made a payment to the previous carrier, Newfoundland Steamships Company, of over $5 million to buy out that subsidy.

I could go through the books of the Government of Canada and find millions and millions of wasted dollars which, if spent on industrial development in Atlantic Canada and the Province of Nova Scotia, would put every Nova Scotian on easy street.

Let me end with this thought and this hope for the future. It has been clearly established that the future of the Canadian economy, its viability and the creation of jobs depends on the expansion of international trade. That is no more true anywhere in Canada than it is in the Province of Nova Scotia, with the potential for energy and other exports and manufactured goods. I remind the House that $1 billion in exports produces 17,000 jobs and that there has been a dramatic increase in international trade. If we participate in that international trade, we will produce the jobs we need. If we direct development in Atlantic Canada, particularly in the Province of Nova Scotia, we will produce the activities and the jobs we need to give Nova Scotians and all Atlantic Canadians a real place in the Confederation of Canada.

• (1640)

Mr. Deputy Speaker: Are there questions or comments?

Mr. Cyril Keeper (Winnipeg-St. James): Mr. Speaker, I am pleased to participate in the debate on the motion before the House which condemns the Government for abandoning its commitment to alleviate regional economic disparities. I must say that I agree with that assertion because when the Government consolidated its programs and brought in new legislation with regard to regional economic expansion, it reduced the amount of money which went into Manitoba, particularly into northern Manitoba. In that process, the Government attempted to increase its visibility in the passing out of public dollars in the northern part of the province. At least, it appeared to be a political approach to economic development rather than an approach which really attempted to meet the basic human needs of the people.

In fact, during the last provincial election, rumours were rife throughout Manitoba that if one wanted money from the Department of Regional Economic Expansion, one had to go to the local Liberal Indian chief. It took many dedicated individuals to sweep away this notion of patronage, to point out that it would not work and that a government could not be elected on that basis.

People are far too sophisticated. They want programs and policies which deal with their social and economic problems. The motion we are discussing deals with the Atlantic provinces. However, coming from the Province of Manitoba, I feel akin to the people in Atlantic Canada, particularly their need for help. The inner cities of western Canada are most in need of help. If there is one thing the federal Government could do which would be important in terms of regional development throughout western Canada, it would be to make funds available for development in core areas like Winnipeg, Regina and Saskatoon.

There is a program in Winnipeg known as the core area initiative program that will come to an end within a couple of years. It came about as a result of a great deal of pressure by local citizens upon the publicly-visible sitting Liberal member in Manitoba. It is important that government, of whatever stripe, begin to plan today to provide funds for the programs that were started under the core initiative program in Winnipeg. The people involved in these programs have started daycare centres, affirmative action training programs, as well as housing programs. The fundamental problem is one of resources. This is what regional economic development is all about. People, particularly poor ones, will be left hanging out to dry unless government plans where the money will come from to keep such programs going. These programs contribute to social justice in the country.

I call upon the Government to renew its commitment to regional development, particularly to make a commitment to the inner cities of Canada, so that people who are left out of the sharing of the wealth of this nation will receive justice, their children will be able to attend decent schools and they will have a future. The Government must ensure that old people living in inner cities have decent police protection, decent housing and grocery stores to which they can walk. The Government should do something significant and real in terms of regional econoic expansion in the Atlantic provinces as well as in the inner cities across the country, particularly western Canadian cities.

Mr. Deputy Speaker: Are there any questions or comments?

Mr. Robert C. Coates (Cumberland-Colchester): Mr. Speaker, I am delighted to participate in this debate because it affects both your area and mine. I compliment the Hon. Member for Hillsborough (Mr. McMillan) for initiating debate on a subject which requires a great deal of exposure at this point in time.

One reason for suggesting that is that recently the seven aspiring Liberal leadership candidates attended a policy forum in Halifax. One would almost have thought that that forum took place on the moon, as far as any particular discussion of problems in Atlantic Canada were concerned. They just did not seem to know where they were. One of the major complaints of their supporters or possible supporters in Halifax was the fact that the problems of the Atlantic provinces did not seem to be the problems of the Liberal leadership candidates. They preferred to discuss national policies rather than regional ones. I would have thought that policy conferences across the country would relate to regional problems facing the country. If not, why not have all policy sessions in Ottawa rather than travel across the country to discuss national policies?

I would have liked to have heard some discussion by those leadership aspirants as to what will happen to FIRA. FIRA has been a curse for Atlantic Canada. It has prevented many potential industries from coming to our area. For example, within the last six months in my constituency because of the regulations of FIRA, a potential employer in our blueberry industry was lost. That industry has become a very substantial one, not because of the initiatives of this Government but because of the initiatives of provincial governments in that area. It is a big dollar earner outside of Canada and is of benefit to Canadians. However, there was no significant discussion about FIRA or about the need to have money invested in industry. Where the money happens to come from is not really important, as long as the companies which come to Canada become corporate citizens of this nation and adhere to our rules and regulations.

As a result of the system which is in place at the moment, many potential investors in this country turn away without examining the situation because of substantial delays in the processing of applications. It is somewhat better than it was for a period of time, but FIRA is a major disability in terms of the attraction of industry to Atlantic Canada. As far as I am concerned, its involvement in the location of industry should be substantially reduced. Provincial governments should determine whether or not an industry will be a positive benefit or a detriment to a given province. They rather than the federal

Government should have an input into the decision-making process.

● (1650)

The Canadian people are fortunate indeed to have had the Hon. Member for Central Nova (Mr. Mulroney), the Leader of our Party, make a deliberate decision, in co-operation with the Hon. Elmer MacKay, to represent a constituency in Nova Scotia. The Hon. Member for Central Nova had a long, useful and positive relationship with Atlantic Canada as a youth in university and as a prominent member of the Canadian business community. The fact that he represents a constituency in Atlantic Canada has given him the opportunity to have a deeper and better understanding of many of the problems that Members from Atlantic Canada have been fighting. We require special recognition of the disparities that exist between Atlantic Canada and the remainder of this nation.

When he becomes Prime Minister after the next general election, he will have a sensitivity to the problems we grapple with on a daily basis. He will look forward to positive suggestions. He will initiate new programs that will be of real and lasting benefit. This will go a long way toward eliminating the regional economic disparity that now exists.

As a veteran member of this institution, I can say that there have been times when special legislative initiatives were taken geared specifically to overcoming the disparities in Atlantic Canada. They were designed to assist in the industrial sector and every other sector in order to alleviate some of the difficulties faced by people from an employment and social justice point of view. Unfortunately, for the last decade, we have seen very little of a positive nature with regard to overcoming the disparities that we face.

It is obvious that the gap between Atlantic Canada and the rest of Canada is widening. We again face an out-migration of our people. For a period of time there was a turnaround when people were returning. There were jobs for them. They had an opportunity to participate in the area from which they came.

In the days ahead, dramatic initiatives must be taken that will say to the total business community, inside and outside Canada, that the Government is going to put in place special programs and policies that will give them the opportunity to realize their specific goals. At the same time, this will provide new jobs in place of the LIP, "gyp" or whatever the programs are called. They do nothing more than guarantee that for 10 or 12 weeks people will be employed. However, forever and a day these people will be recipients of unemployment insurance. They have no hope of realizing their potential or the destiny they desire and have a right to expect. That is not happening.

I want to mention a few matters that could be of real value. This could be done almost immediately. It would produce a new atmosphere and new hope for the unemployed in our area who are becoming chronically unemployed. They see no hope for today, tomorrow or next year.

One initiative that could be taken by the federal Government could be through co-operation with our chartered banks rather than any legislative initiative. This initiative must come from the Prime Minister (Mr. Trudeau) and the Minister of Finance (Mr. Lalonde). The chartered banks would not pay that much attention to individual Members of Parliament. This Parliament, through the Prime Minister and the Minister of Finance, should ask the chartered banks to develop a sector that places special emphasis on Atlantic Canada. It should guarantee an examination of every proposal put forward by every enterpriser. New ideas could be fostered to produce new industries. I am not talking about megaprojects which employ 2,000 or 3,000. I am talking about small businesses which employ 10 or 15 people. Small business must continue to be the backbone of this nation, especially in Atlantic Canada.

The past two years have been times of great difficulty. Whether we want to admit it or not, these problems exist at this moment in Atlantic Canada. Atlantic Canada is not coming out of the recession. There is as much unemployment as ever, and not many new initiatives are being taken. Interest rates are again climbing. Whatever possibilities might have been in the minds of individual investors are gone. What might have happened is being flattened out because of high interest rates. Rather than trying to assist, the banks immediately call in their loans. This creates more and more bankruptcies of normally viable small business ventures. In 1981, 1982 and 1983, there was a tremendous increase in bankruptcies in Atlantic Canada. The chartered banks failed their customers by not riding with them through a very difficult high-interest period. With proper procedures, the Government could convince the chartered banks that they have a special responsibility, just like the Government, to assist in eliminating regional economic disparity.

My second suggestion is that there be an examination of our transportation policy, specifically with regard to Atlantic Canada. In the last two decades, if not three, there has not been an in-depth examination of the transportation policy in Atlantic Canada. One might say, Mr. Speaker, that we have always been like the tail wagging the dog. We receive whatever an examination of transportation brings forward that relates to the remainder of Canada but never to our own specific region of Canada. Last year, for instance, when we were supposedly coming out of the recession, the Minister of Transport, for reasons best known to him, decided that he would undertake an examination of the assistance that was available to industries in our part of Canada to see whether or not he could eliminate or reduce the transportation assistance that was available.

● (1700)

That examination guaranteed that nothing happened in Atlantic Canada for all of last year when the rest of the country was coming out of the recession. The industrial, agricultural, fishing and lumbering sectors did not know whether there would be any assistance and if so how much, so no one could make any long-term decisions. They were simply put on hold through all of last year when the rest of the nation was at least experiencing some movement in a positive direction.

We should examine the transportation policy as it relates to Atlantic Canada from the point of view of enhancing assistance in Atlantic Canada so that new incentives can be given to potential investors to move manufactured goods from Atlantic Canada to markets not only in the remainder of the nation but especially to markets in the northeastern United States. The people over at External Affairs should carry on negotiations with the United States to see how we could move goods from Atlantic Canada to the northeastern United States, an area with a tremendous population base which desires and requires the goods that are produced now. That movement should be made easier.

As well, an examination of the transportation policy could look into the tremendous shipping potential that is available in Atlantic Canada. Long before Confederation, maritimers realized that their greatest potential lay in the fact that they lived right beside the ocean. They realized that the world, and particularly Europe and the United States, was more readily accessible to them than to those in any other part of the country. We in the Maritimes utilized our shipping possibilities to an extent that they are not being utilized now. As a matter of fact, through duty-free ports and things of that nature, we are allowing other nations against which we compete to have an advantage over us. Without duty-free ports, we are attempting to compete with those nations and are finding that they are beating us almost every time. We must put in place new policies that allow the industrial sector to compete on an equal footing, in a way which they cannot at this time, with some of the other nations of the world. That is another example of what a transportation study could do for us.

Once again, Mr. Speaker, I would like to mention the blueberry industry because at this time it is a big dollar producing industry in Atlantic Canada. The people involved in that industry have done a tremendous job in developing new markets as a result of their accessibility to the ocean.

I just got the sign which indicates to me that my 20 minutes are up. Thank you, Mr. Speaker.

The Acting Speaker (Mr. Guilbault): Are there any questions or comments related to the remarks of the hon. gentleman?

Mr. McMillan: Mr. Speaker, I would like to congratulate the Hon. Member for Cumberland-Colchester (Mr. Coates) on his speech. In light of the point that he made that there has not been a major study of Atlantic transportation issues for a long time, a point that I think is well taken, I wonder if the Hon. Member would think it advisable for the federal Government to establish a royal commission broadly representative of people in the public and private sectors of the Atlantic region and beyond to investigate certain transportation issues.

Such a commission could investigate, for example, the federal Government's steady cutbacks on maritime freight rate subsidies and the effect of those cutbacks on regional development. It could investigate the dismantling by the federal Government of the railway system throughout the region, including my Province of Prince Edward Island, and it could investigate the steady deterioration under this Government of air service throughout the region, a service which can only get worse, I should think, with the sale by EPA of its assets to CP. In short, would the Hon. Member think it advisable for the federal Government to set up a royal commission to look into these and other transportation issues affecting the region?

Mr. Coates: Mr. Speaker, that is exactly the point I was attempting to make in my speech. I tried to make the point that such a commission was needed, whether or not it was a royal commission.

It has concerned me over the years that even the MacPherson Royal Commission did not undertake a really in-depth examination of transportation problems in Atlantic Canada. As a result, we see these aberrations like the examination that was undertaken by the Minister of Transport last year that lasted for six months. Then everything was put on hold and we were told after six months that the Government was not going to do anything one way or another with regard to assistance. However, it did almost totally eliminate any possibility of movement or expansion and it did impair the ability of the people who were affected by that particular subsidy to make any decisions at all.

Such an examination should certainly take air service into account. We hope that the Minister's recent announcement about the deregulation that comes with his new air policy will eliminate some of the problems to be caused by the amalgamation of CP and EPA that are envisaged by some people. I think the people in the area have a right to know what that deregulation will do and what guarantees will flow from it. They have a right to know if the various provinces will be served as well as or better than they are being served at this point in time.

Mr. McMillan: I have a point of order, Mr. Speaker. I am not quite sure, but I think that when I posed my question, I may have referred to cutbacks on maritime freight rates. If I did say that, what I really meant was cutbacks on maritime freight rate subsidies. I hope that the *Hansard* reporter will record my meaning accurately.

The Acting Speaker (Mr. Guilbault): Are there any other questions?

Mr. Baker: Mr. Speaker, I have a very short question to ask. I do not want to make a speech although I would like to make one in a few moments, if I may. The hon. gentleman was just about to mention a very important area for possible development in the rural areas of Atlantic Canada, that is the blueberry industry. I would like to know what the hon. gentleman was about to say when his time ran out.

Mr. Coates: Mr. Speaker, I thank the Hon. Member. I will be very interested in his remarks regarding the fishery because I know that he has views that could be very helpful and valuable to the House in that regard.

I was going to say that there has been a tremendous expansion in the blueberry industry in my constituency as well as throughout Nova Scotia and New Brunswick. I am not sure

about the situation in Newfoundland but there should be a great potential for that industry there as well. Provincial governments have been of tremendous assistance in helping to move that product to New York and to Japan. When we see something like that happening, and we see movement, then I believe that there should be within our agricultural policy the ways and means through transportation policy or through some other area of agriculture—through the development of frozen food plants and things of that nature—to take greater advantage of it. I believe that a transportation study could look at a product similar to this, see how it is developed, see how it has taken off as far as sales are concerned, and see how we can assist it to a greater degree than at the present time.

● (1710)

The Acting Speaker (Mr. Guilbault): Are there any more questions? For debate, the Hon. Member for Gander-Twillingate (Mr. Baker).

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I would like to make a few brief remarks. I am sorry that I was not present for all of the debate, but I had to leave halfway through this afternoon to chair the Fisheries and Forestry Committee meeting. However, I did listen to some of the remarks that were made prior to that committee meeting. I would like to make some direct reference to the general implications left by the Hon. Member for St. John's West (Mr. Crosbie) and, generally speaking, to comment about the perceived intent of the subject matter of the motion before us.

First, there have been many times when provincial governments and federal politicians have said that with the elimination of DREE there has been a substantial reduction in agreements with provincial governments. If one goes back over the figures for the first year that the new system came into being, some $214.4 million was committed for the Atlantic region, whereas in the previous year, 1981-82, the figure stood at $155.9 million. We can do anything with figures as far as DREE and the set-up which we presently have are concerned. However, we must understand that just recently in Newfoundland, a new ten-year umbrella agreement was signed with the federal Government. That agreement will facilitate the same types of agreements that were in effect under DREE. Even without the ten-year umbrella agreement, we saw a continuation of cost-share agreements into foresty and into ocean industries—which was a recent initiative on the part of the federal Government with the provincial government. We have seen the same discussions on the rural development agreement and on tourism.

The rural development agreement between the federal Government and the Government of Newfoundland appears to be bogged down. Unfortunately, the Hon. Member for St. John's West did not explain why that agreement was bogged down. The federal Government actually wanted to give more money to the development associations than did the provincial government. That is a fantastic idea on the part of the provincial government! The federal Government actually wanted to give them more money each year. Now they have a dispute on what that amount of money will be.

I have always had a basic problem with the general development agreements that are signed with the provinces. It is this: What they have done over the years is to create a disparity within an area of regional disparity. We have had agreements signed over the years that saw infrastructure established not in the small rural communities or in the rural areas as much as in the urban areas. If we examine the general development agreements for infrastructure under DREE, we find that to be true in every province in Atlantic Canada. It is unfortunate. When a Member represents an area, as I do, where people must travel over dirt roads day and night, where people cannot paint their houses because of the dust flying in the middle of the summer, where people cannot travel the roads in the fall and in the spring because the mud is up to the axles, and where people cannot get from point A to point B where there might be paved roads without travelling over an extensive area of dirt roads, then the federal Government and the provincial Government of Newfoundland under DREE would sign a big, let us say $55 million, agreement, to put an arterial road into the City of St. John's. The rationale used was that the main roads were congested. As I travelled throughout the rural areas in my constituency and saw what people had to live with, I was not too concerned about whether or not someone took ten minutes longer getting home from work in the urban area. There does not appear to be any rationale to those agreements.

The biggest problem in my constituency of rural Newfoundland is drinking water. There is no other problem that is as big as that. We have hundreds, perhaps thousands, of school children who drink water when they are home that is judged by the provincial Department of Health to have bacteria counts too numerous to mention. This is in 1984. That is the reality in certain communities. There are about 50 such communities in my riding where there is no running drinking water. Yet agreements have been signed by DREE to put water systems in the urban areas. The City of St. John's has a brand new water system because the level of the lake that it was using had dropped a few inches. I am not saying that it was not necessary to put in big infrastructure under DREE into our cities. I am not saying that. It was necessary. But there does not appear to be a mechanism to treat people fairly throughout a province like Newfoundland. It did not go to the root of the problem or to where the problem was worse than it was in urban areas.

That is basically what I find wrong with the system. What I found wrong with DREE is that agreements were signed, for example, in the fisheries infrastructure to build marine service centres. That is great. That is a fantastic idea. But in, each case the agreements were signed when the marine service centre was already finished or about to be finished. In other words, it amounts to this: all the general development agreements were made up by the provincial government to do things that the provincial government wanted to do. Not very often, if ever, would the federal Government say, "No, we are not going to cost-share this agreement". There was always the

rationale used that it was for economic development. We had to stretch the interpretation of economic development. I suppose we could say that if we did not have a road on stilts made of concrete going into a city, then perhaps we would not have as many tractor trailer loads of products going over that road. Perhaps that encouraged business indirectly. I did not find that DREE actually got to the point of doing what it was supposed to do.

Industrial parks came under the DREE agreements. Those parks were congregated in certain sections of each province. Again, it was something that could not be changed because it was a priority of the provincial government at the time.

I recall that the Hon. Member for St. John's West who stood today to criticize the federal Government on development agreements was one of the key people who made sure that large sums of money went into the City of St. John's to the exclusion of some of the rural areas that I represent.

• (1720)

Basically, Mr. Speaker, what we have seen under this new setup which the federal Government has brought in is a continuation of existing general development agreements with certain exclusions. However, I do not believe, Sir, that you could say there was a reduction in the amount of money. For example, we still continued to build industrial parks, but they were more diversified. In the Province of Newfoundland for the first time an industrial park went into the Town of Gander. Tenders will be called on that in the next couple of months. We went to areas where economic development should be encouraged, but we found that the same agreements continued which existed under the old system of DREE, plus some other initiatives which were much more exciting than those under the old DREE program.

I notice in some remarks made here by Government Members that mention was made of such things as the national recovery program, the scrap program, which were certain initiatives taken by the federal Government recently. However, I would like to point out to the House the areas which really need economic development, a national recovery project. For example, in the community of Dark Cove in my district, it would be a slipway. The national recovery program in a small community on the northeast coast would be a Canada Works grant to try to put in a water system. A national recovery program to another community might be the provision of a community hall. The reason for that, Sir, is that out of all the grandiose programs of the provincial and federal Governements, about the only program in existence today which gets into the small rural communities, which does not have the tax base to become an incorporated town council and, thereby, does not qualify for normal municipal grants within the provincial structure, is the direct job-creation program, and that is it. If we looked at economic development today in the extreme rural areas of Newfoundland, for example, we would find that the biggest economic tool for that community is the direct job-creation program. That is it.

It is unfortunate, Mr. Speaker, that sometimes people ask why this job-creation money, this Canada Works money or Canada community development fund money, cannot all be put into economic development. That is what you normally hear in the smaller communities. One tends to think that the reason for the question is that that is the only money that actually gets into the smaller communities, perhaps out of a budget of $10 million for all of Newfoundland and Labrador. People in the community concerned say it is marvellous, and someone else will say, "Why can we not put that money into economic development?" That is only $10 million, Mr. Speaker, and the Newfoundland Government, for example, gets $800 million in equalization payments to do the very thing which the fellow is talking about. When you add up all of the transfer payments, it comes to something like 60 per cent of the provincial budget. There are provincial and federal Government Departments which are supposed to deal with economic development, but the only economic development tool is that little Canada Works grant that goes into that community.

I was amazed and shocked to hear the Hon. Member for St. John's West, who is such a popular fellow in his riding, a fellow who is supposed to understand what is needed for economic development in Newfoundland, make the statement that we must do away with direct job-creation programs. Before the next election, the people in those rural ridings will have to know if the Liberal Party is going to continue with these grants to the smaller communities. Is that its policy? And is it the policy of the Conservative Government to continue with these grants to the smaller communities? Because it is the only delivery agent for economic development we have in the extreme rural areas of eastern Canada. That is a poor reflection on the existing economic agreements which we have with provincial departments of economic and industrial development which are receiving over half their funds from the federal Government in equalization payments.

The other problem I have with the general thrust of the debate, Mr. Speaker, is that when one looks at what it is possible to do—the previous speaker from the Conservative Party referred to blueberry production—one looks at what can be done in the fishery, and then one realizes that most of those great fish companies which got into trouble were sending their fish down to the United States to be made into a finished product. Most of the problem existed with frozen cod blocks, but you cannot find a fish company, any multinational fish company in Newfoundland, which produces a finished product for the marketplace.

When we consider that our raw materials, our resources, are going to another nation to be made into the finished product, then we must realize we have a problem. And when we realize what the potential is, then we must ask ourselves how that can be corrected. We then get back to the basic question of who, jurisdictionally, is supposed to do what, when and where. We have in the Province of Newfoundland, for example, as we have in other provinces, a provincial government which controls the issuance of licences and what an industrialist is allowed to do on land. You then have the federal Government

controlling the actual resource, and never the two shall meet. Everyone agrees that one of the reasons why the fish companies got into trouble, and why we had such incredible lay-offs, was that too many processors' licences were issued in other parts of Newfoundland. The provincial government, not the province—and there is a distinction—was issuing licences everywhere. Something had to happen. I have no problem with the provincial government issuing those licences, Mr. Speaker, if the community had had a meeting and said, we want a processor's licence in this country to create employment. Instead of taking our fish and trucking them to another place, we want a processor's licence. This will create permanent employment in this community. You would have to be crazy not to agree with the people in the community, Mr. Speaker. In fact, if I were the provincial Minister of Fisheries I would have probably issued twice as many processors licences, because how can you deny the community employment? How can you deny the rationale that it is better to have the fish processed immediately rather than trucked down to some big multinational fish plant on the South Coast or the East coast?

• (1730)

But the problem is this. In Newfoundland, for example, which is different from Nova Scotia, a processor's licence does not mean you are going to process anything. That is the basic problem. It should not be called a processor's licence unless you are processing something. That has been our problem in the Newfoundland fishery.

The Acting Speaker (Mr. Guilbault): Are there any questions or comments related to the remarks of the hon. gentleman?

Mr. Crosby: Mr. Speaker, I was very interested in the remarks of the Hon. Member, particularly with respect to the basic services required in a community in the Atlantic area to promote industrial development. I have never heard of an industry, whether it be fishing, manufacturing or any other activity, wanting to locate in an area which did not have adequate water supplies, sewer systems and other basic services. Those basic services become very much part of industrial development and expansion. When we think of assistance for industry, we often think of help in putting up buildings and other structures, and even assistance in obtaining working capital, but we sometimes get away from the very basic needs of communities.

I was interested to see that the Hon. Member has a problem which exists in my constituency of Halifax West, that being a lack of pure water supplies. Some areas in my constituency have water which is contaminated with arsenic. Other areas are contaminated with other deleterious substances, but arsenic is the principal culprit. Pure water is not available and the residents have a problem. Anyone looking at that area as a site for industrial expansion of course immediately looks elsewhere. I want to commend the Hon. Member for bringing to the attention of this House that these very basic requirements for services are important. Even though they are considered people services, they are related to industrial development and expansion.

I want to ask the Hon. Member if he has any thoughts or ideas on how the federal Government might involve itself in these very basic problems. In the case of the arsenic contamination in parts of Halifax West, I would have thought that the Department of National Health and Welfare might intervene on the basis that it was a serious health hazard, and then take some specific action. The Minister has not taken that receptive an approach to the problem. But if it could be characterized as a factor which militates against industrial expansion, perhaps there are other Departments or agencies of Government which might get involved in order to assist in the development of the area. It is only with that development that you can have any real economic activity. Whether or not you link the economic activity today directly to that special problem, it is certainly a problem which affects the people involved in the activity. If the Hon. Member has any comments on what the Government might do in this area I would be pleased to hear them.

Mr. Baker: Mr. Speaker, I know from the Estimates for the Department of the Environment that there were three water systems put in this past year in certain parts of Canada. But I do not know how one would go about even applying for the money. It is done on the basis of fifty-fifty federal-provincial participation. But to answer the question, unfortunately and unless the federal Government were to pay the entire cost of the water system in most provinces, you could not have a water system installed in a small rural area. Unfortunately, financing the water systems by provincial governments is normally done on the basis of a bank loan or a loan from a provincially established bank. It is not usually government money. The interest is paid by the provincial government until the system is completed, at which time the province guarantees that the municipality will pay it back to the bank over a period of time. The problem you get into when you have a small community which is unincorporated, or if it were incorporated it probably could not make the payments, then the provincial government is not going to be too anxious to put in a water system. That is the unfortunate part of it.

The only way I can see in which the federal Government could put in a water system is to do exactly what the Hon. Member said. You need a water system in order to have anything happen in the community. I would say that that is where the Minister of Employment and Immigration (Mr. Roberts) should put some of the LEAD assistance which was newly approved by his Department. It is an excellent program. I think that is something they should look at. In fact, I have asked the Minister if we could not follow that same procedure in my constituency.

The basic problem is that we have provincial governments whose responsibility it is to provide pure drinking water and they are not doing it. Probably the biggest disgrace in this country is that we do not have adequate drinking water in this country today in 1984.

Mr. Crosby: Mr. Speaker, I want to make a brief comment, and I know the Hon. Member will appreciate this as well. I think both he and I realize and recognize the subject we are talking about, but it occurred to me that others might not understand that in the undeveloped areas of the Province of Nova Scotia—and I gather from the Member that the same situation exists in Newfoundland—you cannot always have access to ground water through the drilling of a well, because that water is contaminated. In the Waverley area of Halifax West and in others the waters are contaminated, so you simply cannot gain access to pure water through the use of a well, which is the normal method. As my colleague has pointed out, in some cases in rural areas there is no municipal support for that kind of elaborate system which would normally be an urban type of development.

Perhaps the Hon. Member will agree with my comment that this is in a sense a rural problem. But if you do not solve it, the area will not only remain rural, it will remain totally undeveloped where otherwise it could be a viable area for development if that problem were solved.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I wanted to pick up from the point where my colleague left off in his remarks earlier this afternoon on the motion in front of us when he referred to the role of international trade in Atlantic Canada to help us restore that level of activity which would tend to rid us of the disparity between us and the rest of Canada. It seems to me that the statistics with respect to international trade, their impact upon job creation, are sufficiently well known to government, to our officials and to our institutions. Some simple statistics, for example, show that for every billion dollars of new trade that we can develop in the export context we can create 16,000 or 17,000 jobs on average. With certain products the figure is much higher, or course, and with other products, much lower. I think we are beginning to reach up toward the $100 billion mark in export trade. Mr. Speaker, $1 billion or $2 billion of that export trade going out of Atlantic Canada would create 25,000 or 30,000 new long-term jobs and would, as my colleague says, rid us of most of our unemployment in Nova Scotia alone. It seems to me that that is an area to which the Government should perhaps start to turn its attention.

• (1740)

I have watched the evolutionary process of regional and economic expansion. I have watched successive governments struggle, with good intentions, with this problem of disparity between the regions. I have watched them move from rural programs to rural regional programs, to rural and agricultural programs, to rural and industrial programs, into simply regional development and now into regional industrial development. We still have not got a handle on it. I suppose that historians may say that 10 or 12 ad hoc programs were considered, put into place and tried. However, they were all found wanting. I do not condemn, out of hand, ad hockery, trial and error, because it is a difficult problem in the sense that we recognize that each step of the way the measures we have put in place have not in fact worked. The gap is still there and is widening. I suppose that what I am going to suggest is yet another piece of ad hockery, if you will. Nevertheless, I think it is something to which we should seriously direct our attention over the next 10 or 15 years.

A lot of the development money which comes into our region is lost. Our attempts to develop an industrial base, a secondary manufacturing base, the fishery, the forestry and agriculture, have been failures, to one degree or another. When we put a new water system into metropolitan Halifax, we spend $40 million or $45 million on it. We do not make the pipe in Atlantic Canada. We do not make the valves, gaskets or pumps. We do not make the electrical wiring which goes into the building which houses the pump that turns the motor. The slippage is extra-ordinarily high. On Pockwock alone, about 15 years ago, the slippage was very close to 90 per cent. While it seemed as though we were getting an awful lot of help, in fact all we got was some money to pay for labour content, to buy some bricks and perhaps a bit of concrete. However, we have no legacy from that, other than the infrastructure itself. We needed it and I am not condemning that.

We now know that of the hundreds of millions of dollars being spent offshore, only 20 per cent may stay. The other 80 per cent goes somewhere else. It does not stay in Atlantic Canada. There is no legacy of permanent employment. Those are just two examples. What else can we do? We have tried help in the agricultural sector. We have tried it in industry and manufacturing. It does not work. We will have to put money back into Devco one way or another to put those men back to work.

I am not talking about the ongoing things which we must do. I will talk about what we should be doing. The Minister responsible for manpower wants to put $11 billion into retraining. That is great. That will go a long way to help. Let us find out what it is that Canada can sell. Let us start so that 10 years from now the research will have been completed and we will know what we can market abroad. Atlantic Canada is in a position to sell offshore. We do not have the technology. We do not even know what the markets are.

I reject those who ask how they can research and develop a product and make it marketable if we do not know what we want to sell. We have not started. Let us start to identify our goals. We could take some of the money which we have been putting into GDAs and into the sub-agreements under them. The Minister spoke today about how they rise and fall because they are definitive programs which have a beginning, a peak and a decline. They start and they end. Let us use the concept of having a beginning, a peak and an end with respect to investment in market and product identification and the technology which would be required to put the products that are identified into the markets which are identified. Let us discover whether in Atlantic Canada we can develop an additional $2 billion in export sales. We are on the water. Why not take advantage of the sea? I am not talking about money to develop products for consumption in an already saturated central market or a midwestern or northeastern U.S. market. I am

talking about markets that can be developed, such as the Caribbean basin, South America and Africa. That is Atlantic Canada's natural target area. It seems to me that for a relatively minor investment with the technology we have available to us we could identify those markets and their needs. I think we could be highly competitive.

As a Nova Scotian and a Canadian I would like to see the disparity between our regions end. I would like to see our accounts balanced in one way or another. We are net importers of our food. In Atlantic Canada, we have a $4 billion challenge in agriculture alone just to meet our own needs. I would like to see us meet those. I would like us to be able to settle the accounts of our own Atlantic provinces. We are out of balance in our own four Atlantic provinces. While some are more out of balance than others, collectively we are out of balance with the rest of the country. In fact, we are so out of balance that it will not be good enough to continue with the traditional, slowly evolving process.

• (1750)

I commend to the Government and those interested the idea of putting some seed money to work in national research, through a professional resource or institutional process, that could be put to use in Atlantic Canada to develop that type of product which is required there with traditional Canadian materials. We could identify the amount of research money required for the development of the products that we determine are necessary and then get on with the small infrastructure that would support that development.

We need permanent long-term jobs. While jobs at minimum wage and summer jobs are helpful, our young married families need jobs. If we are talking in terms of $100 billion in export sales, I suggest we could use $2 billion of that in areas that we could identify in Atlantic Canada. I commend that thought to my colleagues.

I make these suggestions because as I have watched DREE and its programs evolve over the years, I have not been able to forget a conversation that I had around 1963 with two gentlemen who were asked by the government of the day to prepare the next logical step in Mr. Diefenbaker's Atlantic development concept. That is where this evolution began. I thought it very strange and somewhat sad at the time, and still do, when they told me that the terms of reference with respect to their work clearly indicated that they were open-ended with no restrictions. Their only guideline was to devise programs that would quickly return the money they would have to spend in Atlantic Canada back to central Canada. That was their interpretation of the comprehensive guidelines. They were to devise programs but at the same time ensure that the money spent gets back to central Canada.

I suppose that I am not old enough to be so cynical as to believe that that is the cause of the failure of the programs. But it is certain that the programs have failed and the gap is widening. The so-called brain drain is still there. It is not that our children want to leave but that they must leave. This particular suggestion may not work and it might not be possible to achieve it. However, if we are going to attempt to establish various programs, let us try to see if there is an institutional process which could examine this proposal to see if it can be used. If it does prove favourable, it can be funded and we can begin to create those needed jobs.

Atlantic Canadians today, as I suppose they were 50 or 100 years ago, are proud people. We do not like being in debt. We do not like to say jokingly that everything is fine, just keep the money coming and keep the transfer accounts as high as possible. We are not accustomed to living like that, nor are we accustomed to hand-outs. On the other hand, we cannot always do things for ourselves that we know must be done.

It is to address that problem that I urge the House to contemplate offshore trade seriously. In one area alone, we spend 10 per cent of the value of goods on their transportation. Probably 80 per cent of that, with respect to export, is waterborne costs. Therefore, there is a possible recovery of $6 billion or $7 billion alone if we had the nerve to strive for our own offshore fleet. This would mean a re-emergence and gradual regrowth of a Canadian merchant marine, which would be a start in itself. Perhaps there is a conceptual approach within that suggestion.

I am simply saying that funds are available. As well, there is a private sector responsibility with respect to the development of offshore activity in trade. Perhaps there is even a greater responsibility by Government. But it is from Parliament that the lead must come.

The only observation I wanted to make with respect to the debate today is that the issue we are discussing is serious. We must find a way to overcome the difficulties of employment. Unemployment among our black community is a perfect example. Re-entry into the labour force for black women who have left it to raise a family is probably 1,000 times as difficult as it is for white women. We are not addressing that problem. Let us attempt to find in offshore development and trade a means of creating jobs to give these people a hope that is rightfully theirs.

I appreciate the time that the House has given in listening to me. I ask the House only to give my remarks some thought.

Mr. Taylor: Mr. Speaker, I enjoyed the Hon. Member's address very much. I regret that the Minister responsible was not here to listen to some of these excellent suggestions.

The Hon. Member talked about the necessity for training and deplored the lack of training. How can we expect to have this training when Bill C-12 reduced the amount of post-secondary entitlements for the four Maritime provinces by $24.8 billion over one year ago? Since it is reduced, how will we catch up with training?

The Acting Speaker (Mr. Guilbault): Order. It being six o'clock, it is my duty to inform the House that, pursuant to Standing Order 26(11), proceedings on the motion have expired.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under S.O. 45 deemed to have been moved.

SPECIAL RECOVERY CAPITAL PROJECTS PROGRAM—HALIFAX WATERFRONT COMPLEX. (B) STARTING DATE INQUIRY

Mr. Howard Crosby (Halifax West): Mr. Speaker, the adjournment debate provides me with an opportunity to place before the House of Commons a matter which has caused great difficulty and consternation in the City of Halifax, that is the construction of a federal office complex for the City of Halifax in the federal constituency of the Minister for International Trade (Mr. Regan). I suppose this federal office complex could be described as the mystery of the April 1983 Budget. It was announced by the Minister for International Trade in late April, 1983 as part of the Special Recovery Capital Projects program, which was a major feature of the Budget of the Minister of Finance of April 19, 1983.

When the Minister for International Trade made the announcement of this office complex he indicated that it would be a $51.3 million building. He said that the multi-building complex would contain a series of low-rise structures and would be built on land owned by the provincial Halifax-Dartmouth Waterfront Development Corporation. Whether that is a proper designation of that party, I do not know, but it was made clear that the building was to be constructed on the Halifax waterfront.

What was not made clear was the information contained in the document which I have before me. It is an internal government document, authorized by one Ken Mackay. He said in that document dated November 28, 1983 that the Halifax federal building was not a $51 million building as indicated by the Minister for International Trade, but in fact a $4.97 million project which involved a lease-purchase agreement. Right at the outset there was some question whether the Minister was being less than honest in announcing the project. However, that is not the problem today. The problem today is whether this $51 million building, which was to provide a thousand construction jobs, will ever occur.

The next piece of information I have to offer the House of Commons arrived in February 1984, almost one year later, when the Minister of International Trade again called the press into conference and said that there would not be an office complex on the Halifax waterfront, but that there would be a more elaborate but less expensive complex on Gottingen Street in the City of Halifax. He was very proud of this new complex. He paid no attention to the fact that $20 million was lost in the shuffle from the first announced office complex to the new office complex announced in February 1984. He was joined by the Mayor of Halifax, an eminent Halifax Liberal and former member of the provincial legislature, who said that it was one of the most exciting complexes which the City of Halifax could imagine. He saw no problem with the change in site. He saw no problem in the reduction of the expenditure from $50 million to $30 million. No one commented on the number of jobs which would be lost by this reduction, and on they went.

The problem was that the Minister for International Trade in making the announcement forgot all about the place at which the building was to be sited. He just assumed that by some magical process this would become the property of the Government of Canada and they would go ahead with the construction which he estimated would take place within a few months; that is to say, Nova Scotians would be put to work on this Special Recovery Capital Projects program involving the construction of the building announced as part of the Budget of April 1983. That is not to be the case at all.

Now the announcement comes forward that the expropriation, which the Minister of Public Works (Mr. LeBlanc) instituted to acquire the land to build this $30 million building on the new site, has been attacked, it has been challenged. It is unlikely that this expropriation will ever take place because the owners of the property who are now employing people and creating jobs and activity do not want to give up the site. It is a simple exercise in property rights. They are saying, "No. Sorry federal Government, but we want to keep these properties that we have utilized for many years in our businesses and activities." The federal Government, through the Department of Public Works, has to defend its right to expropriate. I am sure the courts of law involved in this transaction will say, "No. Go find your own land."

• (1805)

The proposition now comes forward that there is to be a new site for this project, a third site. Meantime, all kinds of objections have been raised. While the Mayor of the City of Halifax said it was a wonderful project, according to a newspaper report in February, 1984, however, and I quote:

> Halifax Alderman Don Le Blanc says the decision to build a $30 million federal building at Gottingen and Cogswell Streets is impractical and illogical.

Experts brought before the hearing with respect to the expropriation said this is not the place to put that kind of a building, that it will not help North End redevelopment. What has happened is that we seem to be engaged in some kind of a publicity manoeuvre and machination by the Minister for International Trade. There apparently, will not as of this date, be a federal office complex built in Halifax.

[*Translation*]

Mr. André Bachand (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I would like to respond in greater detail to the question put by the Hon. Member on March 16 with respect to the construction of the federal building in Halifax.

When my hon. friend, the Minister of International Trade (Mr. Regan) first announced the construction of the building in question, our plans were for a project that would cost about $51 million, $50,795,000, to be exact. However, we then had

to consider the impact the project would have on the owners of the buildings where public servants in the Halifax region are accommodated at the present time. Everyone finally realized that the owners would be put under undue pressure if all public servants that could be accommodated in the complex were to move at the same time. Indeed, the resulting vacancy rate in private sector office buildings would have caused a number of problems.

That is why, after reviewing the situation, we decided to reduce the scope of the project by about half, so as to eliminate most of the problems that could be expected, while at the same time meeting the need for bringing a number of public servants under the same roof.

Meanwhile, Mr. Speaker, we tried to acquire the land required to build this project. The harbour front property mentioned by the Hon. Member was our first choice, but public reaction indicated that a building of this kind on the waterfront was unacceptable, especially since originally, the project was to include a laboratory for the Department of Fisheries and Oceans, in addition to the general purpose office building. It has now been decided that the Fisheries and Oceans laboratory will remain in its present location. We have also managed to find another location that will suit our needs. The property is on the corner of Cogswell and Gottingen. The choice of this site received the unanimous support of the municipal authorities, and it will definitely help to revitalize the Gottingen Street neighbourhood. We have published notice of our intention to expropriate, and work will start as soon as we have obtained title to the land.

Mr. Speaker, I would like to add that thanks to this project, we expect to create more than 500 jobs.

[*English*]

EXTERNAL AFFAIRS—UNITED STATES—OIL DRILLING LEASES OFF COAST OF BRITISH COLUMBIA. (B) CANADIAN SOVEREIGNTY

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, in my question of May 15, page 3734 of *Hansard* I asked the Acting Secretary of State for External Affairs about the protest note recently sent to the United States, last week I believe, over the proposed oil drilling leases being put out to tender to interested U.S. petroleum companies in the area of the Dixon Entrance off the British Columbia northern coast. I received anything but a satisfactory answer. My question raised not only the sovereignty concerns but environmental concerns as well.

• (1810)

Let me explain. The area for lease as cited by the *Federal Register* of the United States for March 30 at page 12763 extends into waters over which Canada has a claim. It seems as though the United States Government is also claiming waters in that area. In other words, the area is in dispute. Jurisdiction over this area is not fully determined. Therefore, it seems to me that the United States is building its case and Canada is to be commended for counterclaiming by means of a protest note and for strengthening the case for its claim.

That is fine for now, but the Canadian Government was asleep at the switch when hearings relating to the whole lease area were held in Alaska during the week of February 13, 1984, as cited by the *Federal Register*, the American counterpart to *The Canada Gazette*. Where was the Canadian Government then? Why was it not at the hearings? Why did it not make representations to the U.S. Government at those hearings?

The area about which hearings were being held at that time is exactly the same area over which the protest is now being made three months later. Aside from the sovereignty question over lands which Canada has claims, important as that question may be, there are Canadian environmental concerns implicit in any hydrocarbon exploration in the area which may be put up to lease. That is another reason for Canada's attendance at those earlier meetings which were called by the Department of the Interior.

The lease area blocks off, as it were, access to the open sea for Canadian salmon spawned in the Stikine, the Nass and the Skeena Rivers, just as it blocks off access for mature and spawning fish heading up those streams to do the thing that comes naturally; that is to spawn, fertilize eggs and produce more salmon. That area is up for lease to petroleum exploration companies and there could be environmental concerns.

Canada's interests are at issue. Why was Canada therefore not represented at the hearings in Alaska which were held in February 1984? Why has Canada only now awakened to the threat to Canadian sovereignty?

As far as I can tell, the salmon question was taken into account only as recently as this weekend. I asked for a copy of the note that was presented to the Government of the United States in protest over the sovereignty issue, and I asked if it covered the environmental issue. As I say, I did not receive a satisfactory answer. The Minister did not seem to know.

I do hope that the Hon. Member who is replying for the Minister will be able to say that that note will be made available to Canadians so that they will know how strongly the Government is protesting on the sovereignty issue, and whether or not it is protesting on the environmental issue. If it is not, I do hope that a second note will be sent making it clear to the United States authorities that there is an environmental issue as well, that there is a threat to the salmon stocks that spawn in Canadian streams, go through the archipelago, which is now a part of the Alaska panhandle, into the Gulf of Alaska to the Pacific Ocean. That is a legitimate cause for protest and I do hope that a second note will cover that issue if the first note did not.

• (1815)

[*Translation*]

Mr. Henri Tousignant (Témiscamingue): Mr. Speaker, very briefly, in the absence of the Deputy Prime Minister and

Secretary of State for External Affairs (Mr. MacEachen) and also of his Parliament Secretary (Mrs. Beauchamp-Niquet), I am pleased to answer the concerns of the Hon. Member for Esquimalt-Saanich (Mr. Munro) who is to be commended for raising this matter. Regarding that famous diplomatic note that should have been sent to the United States and that indeed has been, concerning the leases to be put out by the United States Government of the West Coast, I would like to point out that these leases do not involve the area inside Dixon Entrance. Rather, they lie West of the Entrance. No agreement was reached on the maritime boundary between our two countries. The Canadian Government considers unacceptable the action taken by the United States to put out leases in that area.

The diplomatic note does not cover the question of jurisdiction. Clearly, Canadian environment laws and regulations apply to areas under Canadian jurisdiction. In March 1979, Canada and the United States signed two treaties: a treaty concerning fishery resources on the East Coast, and a treaty under which the dispute concerning the maritime boundary in the Gulf of Maine area is subject to mandatory resolution. The United States have not ratified the fishery agreement, and it has never been implemented. On the other hand, in 1981 the United-States Senate ratified the boundary agreement, under which the dispute concerning the maritime boundary in the Gulf of Maine would be referred to a division of the International Court of Justice in The Hague. Canada and the United States have just concluded the presentation of their case, and a decision is expected next summer or early next fall at the latest.

[*English*]

INDIAN AFFAIRS—WEST REGION TRIBAL COUNCIL. (B) VALLEY RIVER INDIAN BAND—PROPOSAL TO PURCHASE BALLAST PIT

Mr. Laverne Lewycky (Dauphin-Swan River): Mr. Speaker, my question pursues the one I raised on May 4, in respect to which I believe the Minister responding inadvertently misled me. He was referring to meetings other than the one I asked about. Perhaps it was the right answer for the wrong question.

However, on May 4 I asked why the Minister of Indian Affairs and Northern Development (Mr. Munro) had not yet responded to the West Region Tribal Council and Chiefs of the Crane River, Ebb and Flow, Pine Creek Waterhen and Valley River budget submissions which were presented to the Minister directly, in person, on March 29, when he had promised a response within 15 days.

My office was in contact with the West Region Tribal Council this afternoon and they have not yet received a reply. When will that reply be forthcoming? I am sure the Minister understands that this budget request is a very serious matter. The amount proposed by the Department of Indian Affairs and Northern Development is not adequate to meet the combined funding needs of the bands.

At the March 29 meeting, the Minister promised to respond to the Pine Creek's education budget proposal in ten days. There was no reply. When will there be a reply? I would like to quote from their letter to me. It reads:

> We presented our budget to Mr. Munro on March 29, 1984.... Our of Meeting, the Chief and Representatives of the Education Authority were informed that the Minister's office would get back to them in ten days.
>
> To date we received no response from his Department.... The Department agrees with Local Control of Education on reserves and have said so many times, both to this Band and nationally; but when it comes to funding this program, either there is no money or all programs are based on a formula.

In my supplementary question I asked about the Valley River ballast pit. When will this long-outstanding matter be settled? The Minister and the Department are aware of the details of this matter, and how the gravel over the past two years for the Band has actually cost more than the price the pit would cost to purchase.

Once again, and I will continue if need be, I call upon the Minister and the Department of Indian Affairs and Northern Development to act immediately to secure this piece of land for the Valley River Indian Band under the Department's native land claims program. I trust and hope that the response from the Parliamentary Secretary will be more complete, and will give some positive response to this issue.

● (1820)

[*Translation*]

Mr. André Bachand (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, the Hon. Member for the Manitoba constituency of Dauphin-Swan River (Mr. Lewycky) said that he is concerned about the financing of the West Region Tribal Council and the purchase of a ballast pit for the Valley River Indian Band.

The Department of Indian Affairs and Northern Development is providing financial assistance to the West Region Tribal Council for the over-all management of its programs. I am happy to note that the Minister has approved in principle a new funding policy for the Tribal Council. Part of the additional funds which the Department needs to implement this policy have been allotted. The Minister has also announced that he plans to ask the Treasury Board for assistance to Tribal Councils throughout the country during the current fiscal year.

As for the purchase by the Valley River Band of a ballast pit located on their reservation, the Department is willing to provide assistance if the price corresponds to the market value. However, the owner is asking without any justification a price that is much higher than the estimated value.

Purchasing the pit is therefore not justified under these conditions. However, departmental officials in the Manitoba region are still willing to meet with the owner to negotiate any reasonable price. They will also encourage the Band Council to continue its own negotiations.

With respect to the financial problems affecting the schools administered by the bands, the Department of Indian Affairs and Northern Development is defining comparability in the field of education on the basis of the impact of schooling on the educational level of people whose culture, language and capabilities are different. This modern concept emphasizes the comparability of results and the social and economic fall-outs.

However, there are urgent problems which need to be solved. We recognize the fact that providing comparable services and obtaining comparable academic results depend on certain unique factors which represent the most important challenge for schools placed under the authority of the bands and those under the jurisdiction of the Federal Government. Among these factors, there is the fact that most Indian schools are small and that many of them are located in isolated areas which are often accessible only by plane; there are also cultural and especially linguistic factors which require the development of special programs and the hiring of teachers with the proper qualifications.

During the last few months, the Department and the Indian leaders have examined the present situation in the field of education and they have agreed that much remains to be done in terms of program development, personnel retraining, special programs aimed at exceptional students, school facilities and global management framework. Some problems are fundamentally structural ones and will be resolved in the longer term within the bilateral process and through the Assembly of First Nations' Secretariat.

The Minister of Indian Affairs and Northern Development, the Hon. John Munro, has initiated the process with a view to obtaining the funding required to address the more immediate problems that were underlined by the Indian authorities responsible for education and by the regional representatives of the Department. In initiating this action, the Minister has set up a goal consistent with one of the fundamental values of Canadian society, that is, equal access to education as a basic right for all citizens.

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

At 6.24 p.m., the House adjourned, without question put, pursuant to Standing Order.

END OF VOLUME III